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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

Web : www.unitednilgiritea.com

E Mail : headoffice@unitednilgiritea.com

Phone : 0422 - 2220566 Fax : 0422 - 2222865

BOARD OF DIRECTORS

Ms. MALLIKA SRINIVASAN, Chairman

Mr. N. SRINIVASAN

Mr. SANKAR DATTA

Mr. R. SUBRAMANIYAN (Retired on 9th November, 2016)

Mr. D. HEGDE, Whole-time Director

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

Mr. KRISHNA SRINIVASAN

Mr. K.V. SRIRAM

Mr. R. SRINIVASAN (with effect from 31st January, 2017)

CHIEF FINANCIAL OFFICER

Mr. S. RAGHURAMAN

COMPANY SECRETARY

Mr. K. GURUSWAMY

INTERNAL AUDITORS

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

STATUTORY AUDITORS

M/s. FRASER & ROSS
CHARTERED ACCOUNTANTS,
41, "SHANMUGA MANRAM"
RACE COURSE ROAD,
COIMBATORE - 641 018.

BANKERS

CENTRAL BANK OF INDIA
STATE BANK OF INDIA
HSBC LIMITED
HDFC BANK LIMITED

PLANTATIONS

ALLADA VALLEY, CHAMRAJ,
DEVABETTA AND KORAKUNDAH
CHAMRAJ ESTATE & POST,
THE NILGIRIS - 643 204.

COMMERCIAL PROPERTY

UNITEA CENTRE, RACE COURSE,
COIMBATORE - 641 018.

REGISTRARS AND SHARE TRANSFER AGENTS

M/s. INTEGRATED REGISTRY MANAGEMENT
SERVICES PRIVATE LIMITED
"KENCES TOWERS", 2ND FLOOR,
No.1, RAMAKRISHNA STREET,
NORTH USMAN ROAD, T. NAGAR,
CHENNAI - 600 017

THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED

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

641 018 CIN: L01132TZ1922PLC000234

E-Mail : headoffice@unitednilgiritea.com Website: www.unitednilgiritea.com

Phone : 0422-2220566 Fax : 0422-2222865

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Ninety- Fifth Annual General Meeting of the members of the Company will be held at "Sri S.Anantharamakrishnan Hall" in the premises of M/s. T.Stanes & Company Limited, 8/23-24, Race Course Road, Coimbatore – 641 018 on Friday, the 4th August, 2017 at 2.45 PM 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 2017, consisting of Balance Sheet as at 31 March 2017, Statement of Profit and Loss and Cash Flow Statement of the Company for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. (i) To confirm the Interim Dividend of Re.1/- per equity share already paid for the financial year ended 31st March 2017 and (ii) To declare Final Dividend for the Financial Year ended 31st March 2017.
3. To appoint a Director in place of Ms. Mallika Srinivasan (DIN: 00037022), who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in place of Mr.N.Srinivasan (DIN: 00004195), who retires by rotation and is eligible for re-appointment.
5. To appoint Statutory Auditors for a term of five years commencing from the financial year 2017-2018 and ending with the financial year 2021-2022 and fix their remuneration.

SPECIAL BUSINESS :

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

“ RESOLVED THAT pursuant to the provisions of Sections 149, 150,152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Companies (Appointment and Qualification of Directors) Rules,2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 17 of SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015, Mr.R.Srinivasan (holding DIN : 07709957) Director of the Company who has submitted a declaration that he meets the criteria of independence under Section 149 (6) of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act proposing his candidature for the office of the Director, be and is hereby appointed as an Independent Director of the Company for a term of two years with effect from 31st January, 2017”.

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

K. GURUSWAMY
Company Secretary

Chennai
17th May, 2017

NOTICE OF ANNUAL GENERAL MEETING – (Contd.)

NOTES:

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

Pursuant to Section 105 of the Companies Act, 2013 and Rule 19 of the Companies (Management & Administration) Rules, 2014, a person can act as a proxy on behalf of members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder. Proxies, in order to be effective, must be received at the Registered Office of the Company at No.3, Savithri Shanmugam Road, Race Course, Coimbatore-641018, not less than forty-eight hours before the commencement of the AGM.

A Proxy form is sent herewith. Proxies submitted on behalf of Companies, Societies etc., must be supported by an appropriate resolution/authority, as applicable.

2. The explanatory statement pursuant to Section 102 of the Companies Act, 2013 in respect of the item 6 to be transacted at the meeting is annexed hereto.
3. The Register of Members and the Share Transfer books of the Company will remain closed from 29th July, 2017 to 4th August, 2017 (both days inclusive) for annual closing and determining the entitlement of the shareholders to the final dividend for 2016-2017.
4. The Dividend, when declared will be paid on or after 4th August, 2017, in respect of shares held in Physical form to those members who are entitled to the same and whose names appear in the Register of Members of the Company after giving effect to all valid share transfers lodged with the Company at the end of the business hours on 28th July, 2017 and in respect of shares held in electronic form, Dividend will be paid on the basis of statement of beneficial ownership of the shares as on the closing of the business hours on 28th July, 2017 as per the details furnished by M/s. National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) for this purpose.
5. Under Section 124(5) of the Companies Act, 2013, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund (IEPF), constituted by the Central Government. The Company had transferred Unclaimed Dividend in respect of Interim Dividend 2010 to the account of Investor Education and Protection Fund. Hence, it is in members' interest to encash the dividend warrants immediately.

The Ministry of Corporate Affairs (MCA) on 10th May, 2012 notified the IEPF (Uploading of information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012 (IEPF Rules), which is applicable to the Company. The objective of the IEPF Rules is to help the shareholders ascertain status of the unclaimed amounts and overcome the problems due to misplacement of intimation thereof by post etc. In terms of the said IEPF Rules, the Company has uploaded the information in respect of the Unclaimed Dividends in respect of the financial years from 2009-10, as on the date of the 95th Annual General Meeting held on the 4th August 2017 on the website of the IEPF viz. www.iepf.gov.in and under "Corporate" on the Website of the Company viz. www.unitednilgiritea.com.

6. Shareholders whose unclaimed dividend for the financial year 2008-2009 has already been 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 dividend for the financial year 2008-2009, are liable to be transferred to IEPF Suspense Account of the IEPF Authority in terms of Section 125 of the Companies Act, 2013 and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016. The details of the shareholders and the shares due for transfer are displayed on the website of the Company, viz www.unitednilgiritea.com.

NOTICE OF ANNUAL GENERAL MEETING – (Contd.)

7. Details as required in sub-regulation (3) of Regulation 36 of the SEBI (Listing obligations and Disclosure Requirements) Regulations 2015 in respect of the Directors seeking re-appointment at the Annual General Meeting, form integral part of the notice. Requisite declarations have been received from the Directors for their reappointment.
8. Members may note that the Notice of the 95th Annual General Meeting, Attendance Slip, Proxy Form, and the Annual Report for 2017 will also be available on the Company's website www.unitednilgiritea.com for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office at No.3, Savithri Shanmugam Road, Race Course, Coimbatore- 641018 for inspection during normal business hours on working days. For any communication, the shareholders may also send requests to the Company's investor email id: headoffice@unitednilgiritea.com
9. Integrated Registry Management Services Private Limited, 'Kences Towers', 2nd Floor, No.1, Ramakrishna Street, North Usman Road, T.Nagar, Chennai 600017 is the Registrar and Share Transfer Agent (RTA) of the Company to perform the share related work for shares held in physical and electronic form. Members holding shares in physical form are requested to dematerialize their shares. Members holding Shares in physical mode are requested to intimate changes in their address to Integrated Registry Management Services Private Limited, 'Kences Towers', 2nd Floor, No.1, Ramakrishna Street, North Usman Road, T.Nagar, Chennai-600 017, Registrar and Share Transfer Agent (RTA) of the Company. Members holding Shares in electronic mode are requested to send the intimation for change of address to their respective Depository Participants. Any such changes effected by the Depository Participants will automatically reflect in the Company's subsequent records.
10. 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.
11. 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 their 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.

12. Voting through electronic means

In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as substituted by the Companies (Management and Administration) Amendment Rules, 2015 ('Amended Rules 2015') and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and Secretarial Standard on General Meetings (SS2) issued by the Institute of Company Secretaries of India, the Company is pleased to provide its members facility to exercise their right to vote on resolutions proposed to be considered at the 95th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).

The process and manner for remote e-voting are as under:

NOTICE OF ANNUAL GENERAL MEETING – (Contd.)

- A.** Members whose email IDs are registered with the Company/Depository Participants(s) will receive an email from NSDL informing them of their User-ID and Password. The following are the steps to be followed:
- (i) Open email and open PDF file titled “UNITEA-e-voting.pdf” with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
 - (ii) Launch internet browser by typing the following URL: [https:// www.evoting.nsdl.com](https://www.evoting.nsdl.com)
 - (iii) Click on Shareholder – Login
 - (iv) Enter the user ID and password as initial password/PIN noted in step (i) above. Click on Login.
 - (v) The Password change menu will appear. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended that you do not share your password with any other person and take utmost care to keep your password confidential.
 - (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
 - (vii) Select “EVEN” (E-Voting Event Number) of The United Nilgiri Tea Estates Company Limited.
 - (viii) Now you are ready for remote e-voting as Cast Vote page opens.
 - (ix) Cast your vote by selecting appropriate option and click on “Submit” and Remember to “Confirm” when prompted.
 - (x) Upon confirmation, the message “Vote cast successfully” will be displayed.
 - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
 - (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authorization letter etc. together with attested specimen signature of the duly authorized signatory(ies) who is/are authorized to vote, to the Scrutinizer through e-mail to madhu@ksrandco.in with a copy marked to evoting@nsdl.co.in
 - (xiii) In case of any queries, you may refer the Frequently asked Questions (FAQs)- Shareholders and e-voting user manual-Shareholders, available at the download section of www.evotingnsdl.com
- B.** Members receiving physical copy of the Notice of AGM by Post (for Members whose e-mail addresses are not registered with the Company/ Depositories):
- (i) Initial Password is provided as below/at the bottom of the Attendance Slip.

EVEN (E-Voting Event Number)	USER ID	PASSWORD/PIN
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- (ii) Please follow all steps from Sl.No ii to xiii above, to cast vote.

The e-voting period commences on 1st August, 2017 of and ends on 3rd August, 2017. During this period, Members of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date (i.e 28th July, 2017), 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.

The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company and the notice of the meeting is sent to those who are members of the Company as on the cut-off date (i.e. 28th July,2017). Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of cut-off date i.e. 28th July, 2017, may obtain the Login ID and password by sending a request at evoting@nsdl.co.in or headoffice@unitednilgirittea.com or corpserv@iepindia.com.

NOTICE OF ANNUAL GENERAL MEETING – (Contd.)

Mr. C.V.Madhusudhanan, Partner, M/s. KSR & Co., Company Secretaries LLP, Coimbatore has been appointed as the Scrutinizers to scrutinize the e – voting process and Dr.K.S.Ravichandran, Partner, KSR & Co., Company Secretaries LLP., Coimbatore has been appointed as the Scrutinizer to scrutinize the Postal Ballot Form received from the Members who do not have access to the e – voting process, in a fair and transparent manner.

12. **Postal Ballot:**

Members who do not have access to e-voting facility may duly send completed Ballot Form (enclosed with the Annual Report) so as to reach the Scrutinizer Dr.K.S.Ravichandran, Partner, M/s. KSR & Co., Company Secretaries LLP, not later than 31st July 2017 [5.00 PM IST].

Members have the option to request for physical copy of the Ballot Form by sending an e-mail to headoffice@unitednilgiritea.com by mentioning their Folio No./DP ID and Client ID No. The duly completed Ballot Form should reach the Registered Office of the Company not later than 2nd August, 2017 [5.00 PM IST]. Ballot Form received after this date will be treated as invalid. A Member can opt for only one mode of voting i.e. either through e-voting or by ballot. If a Member casts votes by both modes, then voting done through e-voting shall prevail and ballot shall be treated as invalid.

13. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which e-voting is to be held, allow voting with the assistance of scrutinizer, by use of ballot paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting / postal ballot facility.
14. The Scrutinizer shall after the conclusion of voting at the AGM, first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
15. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.unitednilgiritea.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the National Stock Exchange of India Limited, Mumbai.
16. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours from Monday to Friday (9:30 am to 5:30 pm) and on Saturdays (9:30 am to 1:30 pm) up to and including the date of the Annual General Meeting of the Company

(By order of the Board)

For The United Nilgiri Tea Estates Company Limited

Chennai
17th May 2017

K. GURUSWAMY
Company Secretary

**NOTICE
OF ANNUAL
GENERAL
MEETING –
(Contd.)**

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

Item 6 of the Agenda :

Mr.R.SRINIVASAN was appointed as Additional Director on 31st January 2017 and would retire at the ensuing Annual General Meeting.

Notice has been received from a member, proposing his appointment for the office of Director of the Company. In the opinion of the Board, his appointment as a Director would be beneficial to the Company. Mr.R.Srinivasan fulfils the conditions specified in the Companies Act, 2013 and the Rules made thereunder for his appointment as Independent Directors of the Company and he is independent of the management.

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

Chennai
17th May 2017

K. GURUSWAMY
Company Secretary

Profile of Directors seeking re-appointment /appointment at the Annual General Meeting to be held on 4th August 2017 pursuant to Regulation 36 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015

Name of Director	Ms. Mallika Srinivasan	Mr. N. Srinivasan	Mr. R. Srinivasan
Date of Birth	19 th November, 1959	27 th July, 1931	18 th May, 1945
Date of Appointment	25 th January, 2011	30 th June, 1999	31 st January, 2017
Qualification	MA, MBA from the Wharton School of Business	B.Com., CA	B.Sc., B.L, ACS
Expertise in special function	Industrialist	Financial Management	Legal & Secretarial functions of Companies
Relationship between Directors inter se	None	None	None
Directorship in other Companies	Tractors and Farm Equipment Limited TAFE Motors and Tractors Limited TAFE Access Limited TAFE Reach Limited TATA Global Beverages Limited TATA Steel Limited Trust Properties Development Company Private Limited AGCO Corporation., USA	Tractors and Farm Equipment Limited TAFE Motors and Tractors Limited GATI Limited Essar Shipping Limited Essar Oilfields Services Limited India Cements Limited SCM Microsystems (India) Private Limited.	NIL
Committee positions held	TAFE Motors and Tractors Limited : Nomination & Remuneration Committee – Member CSR Committee – Chairman TATA Steel Limited Nomination & Remuneration Committee – Chairman Tractors and Farm Equipment Limited Nomination & Remuneration Committee – Member CSR Committee – Chairman	India Cements Limited Audit Committee – Chairman TAFE Motors and Tractors Limited Audit Committee – Chairman GATI Limited Audit Committee – Chairman Tractors and Farm Equipment Limited Audit Committee – Member Essar Shipping Limited Audit Committee – Member Essar Oilfields Services Limited Audit Committee – Member	NIL
No. of shares held	1,43,100 Equity shares	2002 Equity Shares	NIL

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

K. GURUSWAMY
Company Secretary

Chennai
17th May 2017

DIRECTORS' REPORT

Your Directors have pleasure in presenting the 95th Annual Report on the performance of the Company together with the Audited Financial Statements for the financial year ended 31st March 2017.

FINANCIAL RESULTS :

	Rs. in lakhs	
	2016-2017	2015-2016
Profit before Finance Cost, Depreciation and Tax	1,434.63	1,623.08
Finance Cost	–	0.29
Depreciation	264.29	266.88
Profit Before Tax	1,170.34	1,355.91
Provision for Taxation (including Deferred Tax)	303.42	333.19
Profit for the year	866.92	1,022.72

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 2017 [Previous year Rs.2.70 per Share (27 %)].

Transfer to Reserves :

A transfer of Rs.700 lakhs has been made to the General Reserve which now stands at Rs.6,700 lakhs.

Operations :

The total quantity of tea manufactured during the year was 24,42,018 Kgs as against 29,26,635 Kgs during the previous year. Rainfall during the year was 779 mm as against 1,326 mm during the previous year.

Adverse weather and poor rainfall have affected the crop severely leading to raise in cost of production and the profit before tax for the year was lower at Rs.1,170.34 lakhs as against Rs.1,355.91 lakhs last year.

The total exports during the year was 13,72,489 kgs as against 16,16,193 kgs during the previous year.

Your Company continues to focus on adoption of mechanized harvesting of green leaves at the plantations, greater automation of factories to ensure better quality production at lesser cost. Efforts are on continually to improve sales both in the domestic and export fronts.

Directors and Key Managerial Personnel :

Of the Directors liable to retire by rotation, Ms.Mallika Srinivasan and Mr.N.Srinivasan, will retire by rotation at the forthcoming Annual General Meeting. They are eligible for re-election and offer themselves accordingly.

Mr. R. Subramanian retired during the year. The Board acknowledges his contribution over a long period of his association with the Company.

Mr.D.Hegde and Mr.T.G.B.Pinto, Whole-time Directors, Mr.S.Raghuraman, Chief Financial Officer and Mr.K.Guruswamy, Company Secretary are the key managerial personnel of the Company.

The policy regarding performance evaluation of Board of Directors and its Committees and Independent Directors is available in the Company's web-site www.unitednilgiritea.com.

DIRECTORS' REPORT – (Contd.)

Annual evaluation of the Board of Directors , its committees and that of the individual Directors had been performed in accordance with the Company's policy on performance evaluation in this regard and in compliance with the Companies Act,2013 and SEBI (Listing Obligation & Disclosure Requirements) Regulations,2015.

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 the Annual Accounts for the year ended 31st March 2017, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- (b) such accounting policies have been selected and applied consistently and judgments 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, 2017 and of the profit of the Company for the year ended on that date;
- (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 that such systems are adequate and were operating effectively.

Auditors:

The audit report issued by the Statutory Auditors on the Financial Statements of the financial year does not contain any qualification, reservation or adverse remark.

M/s. Fraser & Ross, Statutory Auditors (Firm Registration Number: 000829S) of the Company retire at the ensuing Annual General Meeting and are not eligible for re-appointment by virtue of Section 139(2) of the Companies Act, 2013.

The Board records its appreciation of their role and their valuable assistance since inception of the Company.

The Board at its meeting held on 17th May 2017 has accepted the recommendations of the Audit Committee to appoint M/s.K.S.Aiyar & Co., Chartered Accountants, Coimbatore (Firm Registration Number 10186W) as Statutory Auditors of the Company for a term of five years including the current financial year 2017-18.Their appointment requires the shareholders' approval at the ensuing Annual General Meeting of the Company.

Your Directors commend the resolution proposed for your approval.

Particulars of Loan, Guarantees or Investments under Section 186 :

The Company has not given any loan or guarantee or made investments in any body corporate in terms of Section 186 of the Companies Act, 2013 during the financial year 2016-17.

Related Party Transactions :

The Company has only one related party which is an Associate with which it had no transaction during the year except consolidating its audited accounts for the year ended 31st March, 2017 with the Company to the extent of share of investment. Since no transaction has been carried out with any related party, Form AOC 2 is not attached.

DIRECTORS' REPORT – (Contd.)

Material changes and Commitments between 31st March 2017 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 2017 and the date of this report.

Risk Management:

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

Board and its Committees :

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

Independent Director Declaration :

All the Independent Directors have given declarations that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013.

Internal Financial Controls :

The Company has effective Internal Financial Controls both at the Entity levels and process controls. The system and process which are in place in accordance with the requirement of both the Companies Act, 2013 and the guidance note of the Institute of Chartered Accountants of India. The Statutory Auditors have furnished their report on Internal Financial Control which does not contain any adverse remark.

Report on Corporate Governance and Management Discussion:

As required by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the auditors certificate on Corporate Governance is enclosed as annexure to this report.

In terms of Regulation 34 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 Management Discussion and Analysis Report is set out in this report.

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

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

Corporate Social Responsibility:

The CSR policy and the annual report on CSR activities are given in the Annexure-2. The policy on Corporate Social Responsibility is also available in the Company's website www.unitednilgiritea.com.

Particulars of Employees :

Particulars as required by Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 are given in Annexure-3.

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

Extract of Annual Return :

Extract of Annual Return of the Company in Form MGT - 9 is given as Annexure 4 to this Report.

DIRECTORS' REPORT – (Contd.)

Awards and Distinctions :

At the Golden leaf India Awards held in Cochin in May 2017, Chamraj and Korakundah estates have bagged four awards.

Environmental Protection :

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

Industrial Relations :

Industrial relations have been cordial during the year.

Public Deposits :

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

Vigil Mechanism:

The Company has a vigil mechanism details of which can be accessed at the Company's website www.unitednilgiritea.com.

Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act:

The Company's policy on Sexual Harassment can be accessed at the Company's website www.unitednilgiritea.com. No complaint was reported in this regard during the year under review.

Secretarial Audit Report:

A Secretarial Audit Report as required in terms of provisions of Section 204 of the Companies Act, 2013 has been carried out by a firm of Practicing Company Secretaries and their report is annexed herewith and such report does not contain any qualification, reservation or adverse remark.

Others :

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

Acknowledgement :

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

(For and on behalf of the Board)

Place : Chennai
Date : 17th May 2017

MALLIKA SRINIVASAN
CHAIRMAN

(A) Conservation of Energy :

1. the steps taken or impact on conservation of energy;	Efforts are taken to conserve energy to the best possible extent.
2. the steps taken by the Company for utilizing alternate source of energy ;	
3. the capital investment on energy conservation equipment;	NIL

(B) Technological Absorption :

1. the efforts made towards Technology absorption.	UPASI's recommendation with respect to the field practices and manufacturing process are adopted to the extent possible to achieve better results.
2. the benefits derived like product improvement, cost reduction, product development, or import substitution.	Improvement in the quality of raw material and the end product which ultimately helps in better realization.
3. Imported technology	Nil
4. Expenditure on R & D	Nil

(C) Foreign Exchange Earnings and Outgo

Actual Inflow	Rs. 28,47,87,182
Actual Outflow	Rs. 1,66,14,843

REPORT ON CORPORATE SOCIAL RESPONSIBILITY**(1) Composition of the CSR Committee:**

1. Ms. Mallika Srinivasan – Chairman of the Committee
2. Mr.SankarDatta – Independent Director – Member
3. Mr.D.Hegde – Whole-time Director – Member
4. Mr.T.G.B. Pinto – Whole-time Director – Member

(2) CSR Policy Objectives :

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

- (i) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently-abled,
- (ii) Health care and livelihood enhancement projects;
- (iii) Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- (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;
- (v) Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports;
- (vi) Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
- (vii) Rural Development Projects and Tribal welfare:

- (3) Average Net Profit of the Company for the last three financial years – Rs.1,231 lakhs
(4) Prescribed CSR Expenditure (2 % of the amount as in item 3 above) – Rs. 24.61 lakhs
(5) DETAILS OF C S R SPENT DURING THE FINANCIAL YEAR 2016-2017

1	2	3	4	5	6	7	8
No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programmes (1) Local area or other (2) Specify the State and district where projects or Programmes was undertaken	Amount out lay/budget project or programme wise	Amount spent on the projects or programmes Sub-heads (1) Direct expenditure on projects or programmes (2) Overheads	Cumulative expenditure upto the reporting period	Amount spent Direct or through implementing agency
1	Children Home	Social sector	Chamraj Estate, The Nilgiri District, Tamil Nadu	Rs. 20,00,000	Direct expenditure Rs.20,34,759	Rs.36,02,491	Direct
2	Rural Development and Tribal Welfare Projects	Rural & tribal welfare	The Nilgiri District, Tamil Nadu	Rs.4,00,000	Direct expenditure Rs.4,32,000	Rs.15,82,000	Direct
Total					Rs.24,66,759	Rs. 51,84,491	

ANNEXURE - 3

**PAYMENT OF REMUNERATION TO DIRECTORS AND KEY MANAGERIAL PERSONNEL
(Pursuant to Secon 197(12) of the Companies Act, 2013 and Rule 5 (1) of the Companies
{Appointment and Remuneration of Managerial Personnel} Rules, 2014)**

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

S.No	Name and Designation	Remuneration paid during the year 2016–17 (Rs. in lacs)	Ratio of the remuneration to Median Remuneration of the employees
1.	Mr. D. Hegde, Whole-time Director	38.92	11.99
2.	Mr. T.G.B.Pinto, Whole-time Director	39.24	11.89

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

There is no increase in remuneration of each non Whole-time Director. The Chief Financial Officer and the two Whole-time Directors were given the normal and usual annual increment approved by the Board. There is no increase in remuneration of the Company Secretary.

- (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 8%.

- (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 2017 is 1167.

- (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 of the workmen, staff, and managers was 8 %. Two Whole-time Directors were given normal increase of 13 % 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.

ANNEXURE - 4**Extract of Annual Return in Form No : MGT 9**

[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

[I] REGISTRATION AND OTHER DETAILS :

No	PARTICULARS	
(i)	C I N	L01132TZ1922PLC000234
(ii)	REGISTRATION DATE	9 th AUGUST 1922
(iii)	NAME OF THE COMPANY	THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED
(iv)	CATEGORY / SUB CATEGORY OF THE COMPANY	PUBLIC LIMITED COMPANY
(v)	ADDRESS OF THE REGISTERED OFFICE AND CONTACT DETAILS	No : 3, SAVITHIRI SHANMUGAM ROAD, RACE COURSE, COIMBATORE-641 018 PHONE: (0422)2220566 FAX : (0422) 2222865 E MAIL : headoffice@unitednilgiritea.com
(vi)	WHETHER LISTED COMPANY	YES
(vii)	NAME, ADDRESS AND CONTACT DETAILS OF REGISTRAR AND SHARE TRANSFER AGENT	M/s. INTEGRATED REGISTRY MANAGEMENT SERVICES PRIVATE LIMITED, "KENCES TOWERS" 2nd FLOOR No 1, RAMAKRISHNA STREET, NORTH USMAN ROAD, CHENNAI - 600 017 PHONE: (044) 28140801,02,and 03 FAX : (044) 28142479 E MAIL: corpserv@integratedindia.in

[II] PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY :

No	Name and Description of main products/services	NIC Code of the Product / service	% to total turn over of the Company
1	TEA	09.0230	84.72%

[III] PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES :

No	Name and Address of the Company	CIN	Holding/ Subsidiary/Associate	% of Shareheld	Applicable Section
1	Kuduma Fasteners Private Limited., 41/42, Booma Sandra, Industrial Area, Hosur Road, Ankel Taluk, Bangalore-560 099	U28991KA1984PTC 006227	Associate	50.00%	2(6)

[IV] SHARE HOLDING PATTERN [Equity Share Capital Break up as percentage of Total Equity]

(i) Category-wise Share Holding

Category of Shareholders	No of shares held at the beginning of the year				No of shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A SHAREHOLDING OF PROMOTER AND PROMOTER GROUP									
(1) Indian									
(a) Individual/Hindu Undivided Family	238821	0	238821	4.78	238821	0	238821	4.78	-
(b) Central Government/ State Governments									
(c) Bodies Corporate	2246333	0	2246333	44.96	2248369	0	2248369	45.00	0.04
(d) Financial Institutions / Banks									
(e) Any other (Specify)	0	0	0	0	0	0	0	0	0
Sub Total A(1)	2485154	0	2485154	49.74	2487190	0	2487190	49.78	0.04
(2) Foreign									
(a) Individual (Non resident Individuals/ Foreign individuals)	0	0	0	0	0	0	0	0	0
(b) Bodies Corporate	0	0	0	0	0	0	0	0	0
(c) Institutions	0	0	0	0	0	0	0	0	0
(d) Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
(e) Any other (Specify)	0	0	0	0	0	0	0	0	0
Sub Total A(2)	0	0	0	0.00	0	0	0	0.00	-
Total shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	2485154	0	2485154	49.74	2487190	0	2487190	49.78	0.04
B Public Shareholding									
(1) Institutions									
(a) Mutual Funds/ UTI									
(b) Financial Institutions/Banks	0	5480	5480	0.11	0	5480	5480	0.11	-
(c) Central Government/ State Governments									
(d) Venture capital Funds									
(e) Insurance Companies	846514	0	846514	16.94	846514	0	846514	16.94	-
(f) Foreign Institutional Investors									
(g) Foreign Venture Capital Investors									
(h) Qualified Foreign Investor									
(i) Any other									
Sub Total B(1)	846514	5480	851994	17.05	846514	5480	851994	17.05	-
(2) Non-Institutions									
(a) Bodies Corporate	104186	2225	106411	2.13	116684	1215	117899	2.36	0.23
(b) Individuals									
(i) Individual Shareholders holding Nominal Share Capital upto Rs.1 Lakh	610516	395524	1006040	20.13	669134	376302	1045436	20.92	0.79
(ii) Individual Shareholders holding Nominal Share Capital in excess of Rs.1 Lakh	159005	90946	249951	5.00	103971	90946	194917	3.90	(1.10)
(c) Qualified Foreign Investor									
(d) Any other **									
(i) Clearing Member	103	0	103	0.00	801	0	801	0.02	0.0
(ii) Corporate CM/TM- Client Margin A/c	190	0	190	0.00	1048	0	1048	0.02	0.02
(iii) Corporate CM/TM- Client Beneficiary A/c	89	0	89	0.00	0	0	0	0.00	(0.00)
(iv) Corporate CM/TM- Collateral Account	0	0	0	0.00	215	0	215	0.00	0.00
(v) Corporate CM/TM- Proprietary Account	0	0	0	0.00	2165	0	2165	0.04	0.04
(vi) NRI /OCBS	8842	20943	29785	0.60	6139	20943	27082	0.54	(0.05)
(vii) Trusts		264816	264816	5.30		264816	264816	5.30	-
(viii) Foreign Port Folio Investor – Corporate	2000	0	2000	0.04	3003	0	3003	0.06	0.02
(ix) Individual-margin Trading A/c	33	0	33	0.00	0	0	0	0.00	(0.00)
Sub Total B(2)	884964	774454	1659418	33.21	903160	754222	1657382	33.17	(0.04)
Total Public Shareholding (B)= (B)(1)+(B)(2)	1731478	779934	2511412	50.26	1749674	759702	2509376	50.22	(0.04)
TOTAL (A) + (B)	4216632	779934	4996566	100.00	4236864	759702	4996566	100.00	-
C. Shares held by Custodians and against which Depository Receipts have been issued									
(1) Promoter and Promoter Group									
(2) Public									
Grand Total (A) + (B) + (C)**	4216632	779934	4996566	100.00	4236864	759702	4996566	100.00	-

(ii) Shareholding of Promoters and Promoter Group

Sl. No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No of shares	% of total shares of the Company	% of shares pledged / encumbered to total shares	No of shares	% of total shares of the Company	% of shares pledged / encumbered to total shares	
1	Tractors and Farm Equipment Limited	8,53,031	17.07	0.00	8,55,067	17.11	0.00	0.04
2	T Stanes and Company Limited	8,36,308	16.74	0.00	8,36,308	16.74	0.00	0.00
3	Amalgamations Private Limited	3,25,344	6.51	0.00	3,25,344	6.51	0.00	0.00
4	Ms. Mallika Srinivasan	1,43,100	2.86	0.00	1,43,100	2.86	0.00	0.00
5	Stanes Amalgamated Estates Limited	87,506	1.75	0.00	87,506	1.75	0.00	0.00
6	Mr. Shriram Murali	76,185	1.52	0.00	76,185	1.52	0.00	0.00
7	Simpson and Company Limited	61,506	1.23	0.00	61,506	1.23	0.00	0.00
8	Addison & Company Limited	24,344	0.49	0.00	24,344	0.49	0.00	0.00
9	Bimetal Bearings Limited	17,264	0.35	0.00	17,264	0.35	0.00	0.00
10	Associated Printers (Madras) Pvt. Ltd.	16,652	0.33	0.00	16,652	0.33	0.00	0.00
11	Sri Rama Vilas Services Limited	10,934	0.22	0.00	10,934	0.22	0.00	0.00
12	Southern Tree Farms Limited	7,520	0.15	0.00	7,520	0.15	0.00	0.00
13	Mrs. Bhavani Krishnamoorthy	6,680	0.13	0.00	6,680	0.13	0.00	0.00
14	Speed-A-Way Private Limited	3,224	0.06	0.00	3,224	0.06	0.00	0.00
15	Simpson and General Finance Co. Ltd.	2,700	0.05	0.00	2,700	0.05	0.00	0.00
16	Mr. Sudarshan Venu	2,000	0.04	0.00	2,000	0.04	0.00	0.00
17	Mr. A. Krishnamoorthy	732	0.01	0.00	732	0.01	0.00	0.00
18	Mr. A. Krishnamoorthy	10,124	0.20	0.00	10,124	0.20	0.00	0.00
		24,85,154	49.74	0.00	24,87,190	49.78	0.00	0.04

(iii) Change in Promoters' Shareholding [Please specify, if there is no change]

	Shareholding at the beginning of the year		Increase / Decrease		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
Date wise increase / Decrease in Promoters Shareholding during the year						
Tractors and Farm Equipment Limited						
PAN : AAAC2761Q						
Opening Balance as on 01/04/2016	8,53,031	17.072				
10/03/2017			2,036	0.041	8,55,067	17.113
Closing Balance as on 31/03/2017					8,55,067	17.113

(iv) Shareholding Pattern of top ten shareholders (other than Directors, Promoters, and Holders of GDRs and ADRs)

Sl.No.	For each of the Top 10 Shareholders	Opening Balance	%	Increase / Decrease	%	Closing Balance	%
1	Name: LIFE INSURANCE CORPORATION OF INDIA PAN : AAACL0582H						
	Opening Balance as on 01/04/2016	771496	15.441				
	Closing Balance as on 31/03/2017					771496	15.441
2	Name: TRUSTEES,T.STANES & CO.LTD. STAFF PENSION FUND PAN : AABAT1513F						
	Opening Balance as on 01/04/2016	264816	5.300				
	Closing Balance as on 31/03/2017					264816	5.300
3	Name:UNITED INDIA INSURANCE COMPANY LIMITED PAN : AAACU5552C						
	Opening Balance as on 01/04/2016	75018	1.501				
	Closing Balance as on 31/03/2017					75018	1.501
4	Name: AYESHA ADI MADAN PAN : AAFPM3507R						
	Opening Balance as on 01/04/2016	30878	0.618				
	Closing Balance as on 31/03/2017					30878	0.618
5	Name:MAHENDRA GIRDHARILAL PAN : AAAPW1327L						
	Opening Balance as on 01/04/2016	28836	0.577				
	29/04/2016			-429	-0.009	28407	0.569
	06/05/2016			-218	-0.004	28189	0.564
	13/05/2016			-300	-0.006	27889	0.558
	Closing Balance as on 31/03/2017					27889	0.558
6	Name: MARGARETHA HENRICA MARIA WADIA HENDRIKS Opening Balance as on 01/04/2016	19740	0.395				
	Closing Balance as on 31/03/2017					19740	0.395
7	Name:MEHROO PHIROZE VAGHAIWALA PAN : AADPV7091B						
	Opening Balance as on 01/04/2016	18224	0.365				
	Closing Balance as on 31/03/2017					18224	0.365
8	Name:LAKSHMANAN P.CT. Opening Balance as on 01/04/2016	18000	0.360				
	Closing Balance as on 31/03/2017					18000	0.360
9	Name: ISABELLA M D'SOUZA Opening Balance as on 01/04/2016	16038	0.321				
	Closing Balance as on 31/03/2017					16038	0.321
10	Name: NARAYANAN VR. Opening Balance as on 01/04/2016	13328	0.267				
	Closing Balance as on 31/03/2017					13328	0.267

(v) **Shareholding of Directors and Key Managerial Personnel**

For each of the Directors and K M P	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the beginning of the year				
DIRECTORS				
Ms. Mallika Srinivasan	1,43,100	2.87%	1,43,100	2.87%
Mr. N.Srinivasan	2,002	0.04%	2,002	0.04%
Mr. D.Hegde	2,224	0.04%	2,224	0.04%
Mr.T.G.B.Pinto	2,950	0.06%	2,950	0.06%
KEY MANAGERIAL PERSONNEL				
Mr.S.Raghuraman	1,002	0.02%	1,002	0.02%
	1,51,296	3.03%	1,51,296	3.03%
Date-wise increase in Promoters shareholding during the year : the reasons for increase :				
TRANSFER :	NIL	NIL	NIL	NIL
At the end of the year				
DIRECTORS				
Ms. Mallika Srinivasan	1,43,100	2.87%	1,43,100	2.87%
Mr. N.Srinivasan	2,002	0.04%	2,002	0.04%
Mr. D.Hegde	2,224	0.04%	2,224	0.04%
Mr.T.G.B.Pinto	2,950	0.06%	2,950	0.06%
KEY MANAGERIAL PERSONNEL				
Mr.S.Raghuraman	1,002	0.02%	1,002	0.02%
	1,51,278	3.03%	1,51,278	3.03%

[VI] INDEBTEDNESS : Indebtedness of the Company including interest Outstanding / accrued but not due for the payment :

	Secured Loans excluding deposits	Unsecured Loans	Deposit Rs.	Total Indebtedness
Indebtedness at the beginning of the financial year :				
(i) Principal Amount	Nil	Nil	Nil	Nil
(ii) Interest due but not paid	Nil	Nil	Nil	Nil
(iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)		Nil	Nil	Nil
Change in indebtedness during the financial year				
– Addition	Nil	Nil	Nil	Nil
– Reduction	Nil	Nil	Nil	Nil
Net Change		Nil	Nil	Nil
Indebtedness at the end of the financial year :				
(i) Principal Amount	Nil	Nil	Nil	Nil
(ii) Interest due but not paid	Nil	Nil	Nil	Nil
(iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	Nil	Nil	Nil	Nil

[VII] REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL :

A. Remuneration to Whole-time Directors

No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		D. HEGDE (WTD)	T.G.B. PINTO (WTD)	
1	Gross Salary			
	(a) Salary as per provisions contained in Sec 17(1) of the Income-tax Act, 1961			
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961			
	(c) Profits in lieu of salary u/s 17(3) of the Income-tax Act, 1961	26,52,600	26,73,600	53,26,200
2	Stock Option	N.A.	N.A.	
3	Sweat Equity	N.A.	N.A.	
4	Commission- as % of profit- others specify	N.A.	N.A.	
5	Others, specify			
	(a) Incentive	3,52,500	3,52,500	7,05,000
	(b) Holiday Allowance	1,88,500	2,13,500	4,02,00
	(c) Contribution to LIC S.A	3,73,950	3,64,050	7,38,000
	(d) Contribution to P.F	3,18,312	3,10,321	6,28,633
	(e) Medi-claim	6,550	10,507	17,057
	Total A	38,92,412	39,24,478	78,16,890
	Ceiling as per the Act	62,53,541	62,53,541	1,25,07,082

B. Remuneration to other Directors :

No.	Particulars of Remuneration	Name of Director (Ms. / Mr.)				Total Amount
		SANKAR DATTA	R. SUBRA MANIYAN	KRISHNA SRINIVASAN	K.V. SRIRAM	
	Independent Director					
	– fee for attending Board and Committee meetings	60,000	12,500	37,500	52,500	1,62,500
	– Commission*	1,75,000	1,75,000	1,75,000	1,75,000	7,00,000
	– Others,	0	0	0	0	0
	Total (1)	2,35,000	1,87,500	2,12,500	2,27,500	8,62,500
			MALLIKA-SRINIVASAN	N. SRINI-VASAN	R. SRINI-VASAN	
	Other Non-Executive Directors					
	– fee for attending Board and Committee meetings	–	37,500	67,500	5,000	1,10,000
	– Commission*	–	1,75,000	1,75,000	–	3,50,000
	– Others	0	0	0	0	0
	Total (2)	0	2,12,500	2,42,500	5,000	4,60,000
	Total B (1) + (2)	2,35,000	4,00,000	4,55,000	2,32,500	13,22,500
	Total Managerial Remuneration					91,39,390
	Overall Ceiling as per the Companies Act, 2013	–	–	–	–	1,37,57,790
	* Commission paid for the financial year 2015 -16.					

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD / MANAGER / WTD

No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
	Gross Salary				
	(a) Salary as per provisions contained in Sec 17(1) of the Income-tax Act, 1961	N.A.	6,00,000	18,06,000	24,06,000
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	Nil	Nil	–	–
	Stock Option	N.A	N.A	N.A	Nil
	Sweat Equity	N.A	N.A	Nil	Nil
	Commission – as % of profit	Nil	Nil	Nil	Nil
	Others, specify	Nil	Nil	Nil	Nil
	(c) Incentives			2,92,250	2,92,250
	(d) Holiday Allowance			1,36,000	1,36,000
	(e) Contribution to LIC Superannuation Fund			2,42,100	2,42,100
	(f) Contribution to Provident Fund			1,95,840	1,95,840
	(g) Mediclaim			6,187	6,187
	Total	Nil	6,00,000	26,78,377	32,78,377

[VIII] PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES :

Type	Section of the Companies Act	Brief Description	Details of penalty / Punishment / compounding fees imposed	Authority (RD / NCLT / COURT)	Appeal made, if any (give details)
[A] COMPANY					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
[B] DIRECTORS					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
[C] OTHER OFFICERS IN DEFAULT					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

PROGRESS REPORT AND CROP HARVESTED

Year	Profit Rs.	Taxation Rs.	Net Profit after Taxation Rs.	Tea Crop (Made Tea) Kg.	Dividend %
2011 – 2012	5,20,76,854	98,43,233	4,22,33,621	24,82,230	23%
2012 - 2013	7,04,07,225	1,29,58,062	5,74,49,163	23,60,005	23%
2013 -20 14	10,06,15,905	2,30,16,182	7,75,99,723	26,98,451	27%
2014 – 2015	11,25,34,023	2,55,58,303	8,69,75,720	27,37,312	27%
2015 – 2016	13,55,90,744	3,33,18,490	10,22,72,254	29,26,635	27%
2016-2017	11,70,34,112	3,03,41,387	8,66,92,725	24,42,018	27%*

*Subject to confirmation of 10% interim dividend paid already and approval of 17% final dividend by the members at the AGM.

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

Division	Mature Tea	Im-Mature Tea	Fuel Area and Wind Belts	Shola, Jungles, Frost Prone Areas, Rocks & Roads	Total
ALLADA VALLEY	220.35	2.78	1.00	10.17	234.30
CHAMRAJ	123.07	4.00	1.00	19.96	148.03
DEVABETTA	172.50	—	2.00	18.12	192.62
KORAKUNDAH	273.00	5.00	128.00	520.86	926.86
ROCKLAND	15.27	—	—	—	15.27
TOTAL	804.19	11.78	132.00	569.11	1517.08

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry Structure and Development :

Global warming has severely affected us this year. We had the lowest rainfall received for the past 50 years. We had drought most of the year resulting in low crop. This situation was prevalent in most parts of South India.

Opportunities and Threats :

Out of the 4 gardens, we have converted / in process, 3 gardens into organic cultivation. The price for organic teas is much higher than conventional teas. We are also focusing on production of speciality teas where the prices are very good.

With unpredictable weather conditions, the production is likely to be affected. Lower crops lead to higher cost of production, thereby reducing our margins. Wages linked to the cost of living index have also gone up substantially.

Outlook :

We have been emphasizing on quality and our tea continue to realise good prices at the auction. The commercial building ensures a regular stream of revenues.

Internal Control Systems :

Your Company has adequate Internal Control System in place which is further strengthened by an external audit firm carrying out the Internal Audit function. With the Statutory Auditors operating at the apex level, in the opinion of the Board of Directors, these systems are adequate considering the size of the Company's business.

Labour Relations :

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

Secretarial Audit Report

(For the Financial year ended on March 31, 2017)

[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, Savithiri 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, 2017, 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, 2017 according to the provisions of:
 - I. The Companies Act, 2013 and the Rules made thereunder to the extent notified by Ministry of Corporate Affairs
 - II. The Securities Contracts (Regulation) Act, 1956 ('**SCRA**') and the Rules made thereunder;
 - III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - IV. Foreign Exchange Management Act, 1999 ('**FEMA**') and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
 - V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('**SEBI Act**') to the extent applicable to the Company :-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; presently, (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; presently, (Share Based Employee Benefits) Regulations, 2014;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998
 - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Listing Agreements entered into by the Company with the National Stock Exchange of India Limited.
 - VI. Secretarial Standards issued by The Institute of Company Secretaries of India.
During the period under review the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, Listing Agreements etc mentioned above, to the extent applicable.

2. We further report that based on the information received and records maintained there are adequate systems and processes in place to monitor and ensure compliance with the below mentioned laws and also all other applicable laws, rules, regulations and guidelines.
 - (a) Factories Act, 1948
 - (b) Payment Of Wages Act, 1936, and rules made thereunder,
 - (c) The Minimum Wages Act, 1948, and rules made thereunder,
 - (d) Employees' State Insurance Act, 1948, and rules made thereunder,
 - (e) The Employees' Provident Fund and Miscellaneous Provisions Act, 1952, and rules made thereunder,
 - (f) The Payment of Bonus Act, 1965, and rules made thereunder,
 - (g) Payment of Gratuity Act, 1972, and rules made thereunder,
 - (h) The Water (Prevention & Control of Pollution) Act, 1974, Read with Water (Prevention & Control of Pollution) Rules, 1975,
 - (i) Food Safety and Standards Act, 2006, and rules made thereunder.
 - (j) Plantation Act, 1951
 - (k) Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
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 to the extent notified by the Ministry of Corporate Affairs with regard to:
 - (a) maintenance of various statutory registers and documents and making necessary entries therein;
 - (b) closure of the Register of Members.
 - (c) filing of forms, returns, documents and resolutions required to be filed with the Registrar of Companies and the Central Government;
 - (d) service of documents by the Company on its Members, Auditors and the Registrar of Companies;
 - (e) issuing notice of Board meetings and Committee meetings of Directors;
 - (f) proceedings at the meetings of Directors and Committees of Directors including passing of resolutions by circulation;
 - (g) the conduct of the 94th Annual General Meeting held on 9th July, 2016;
 - (h) maintenance of minutes of proceedings of General Meetings and of the Board and its Committee meetings;
 - (i) approvals of the Members, the Board of Directors, the Committees of Directors and the government authorities, wherever required;
 - (j) constitution of the Board of Directors / Committee(s) of Directors, appointment, retirement and reappointment of Directors including the Managing Director and Whole-time Directors;
 - (k) payment of remuneration to Directors including the Managing Director and Whole-time Directors,
 - (l) appointment and remuneration of Statutory Auditors and Cost Auditors;
 - (m) transfers and transmissions of the Company's shares and issue and dispatch of duplicate certificates of shares;
 - (n) declaration and payment of dividends;
 - (o) transfer of certain amounts to the Investor Education and Protection Fund and uploading of details of unpaid and unclaimed dividends on the websites of the Company and the Ministry of Corporate Affairs;
 - (p) borrowings and registration, modification and satisfaction of charges wherever applicable;
 - (q) investment of the Company's funds including investments and loans to others;
 - (r) form of balance sheet as prescribed under Part I, form of statement of profit and loss as prescribed under Part II and General Instructions for preparation of the same as prescribed in Schedule III to the Act;
 - (s) Directors' Report to the shareholders;
 - (t) contracts, common seal, registered office and publication of name of the Company; and
 - (u) generally, all other applicable provisions of the Companies Act, 2013 and the Rules made thereunder to the extent notified by the Ministry of Corporate Affairs.

4. We further report that

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
 - Notice of all the Board meetings was given to all the Directors, alongwith agenda and detailed notes on agenda atleast seven days in advance and a proper system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting to enable meaningful participation at the meeting.
 - Majority decisions were carried through and a proper system exists for capturing and recording the dissenting members' views as part of the minutes.
 - The Company has obtained all necessary approvals under the various provisions of the Companies Act, 2013 to the extent applicable; and
 - There was no prosecution initiated and no fines or penalties were imposed during the year under review under the Companies Act, 1956, the Companies Act, 2013, SEBI Act, SCRA, Depositories Act, 1996, FEMA, Listing Agreement and Rules, Regulations and Guidelines framed under these Acts against / on the Company, its Directors and Officers.
 - The Directors have complied with the disclosure requirements in respect of their eligibility for appointment, their independence, wherever applicable and compliance with the Code of Business Conduct & Ethics for Directors and Management Personnel;
5. The Company has complied with the provisions of the Securities Contracts (Regulation) Act, 1956 and the Rules made under that Act.
 6. We further report that the Company has complied with the provisions of the Depositories Act, 1996 and the Byelaws framed thereunder by the Depositories with regard to dematerialization / rematerialisation of securities and reconciliation of records of dematerialized securities with all securities issued by the Company.
 7. As there were no Foreign Investments and External Commercial Borrowings, the Company was not required to comply with the provisions of the FEMA, 1999 and the Rules and Regulations made under that Act to the extent applicable with respect to Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.
 8. The Company has complied with the requirements under the Equity Listing Agreements entered into with The National Stock Exchange of India Limited;
 9. The Company has complied with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 presently, (Prohibition of Insider Trading) Regulations, 2015; including the provisions with regard to disclosures and maintenance of records required under the said Regulations;
 10. The Company has complied with the provisions of The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993.
 11. The Company has complied with the provisions of The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Listing Agreements entered into by the Company with the National Stock Exchange of India Limited.

We further report that based on the information received and records maintained there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with all applicable laws, rules, regulations and guidelines.

For L K & Associates
Company Secretaries

Place: CHENNAI
Date : 16.05.2017

LALITHA KANNAN
C.P. 1894

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,
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 the verification of procedures on test basis.
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 : 16.05.2017

LALITHA KANNAN
C.P. 1894

THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED

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

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

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

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

1. **BOARD OF DIRECTORS :**

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

The Board of Directors of the Company are :

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

*Mr. R. Subramaniyan retired from the Board on 9th November 2016.

** Mr. R. Srinivasan Joined the Board on 31st January 2017

2. **ATTENDANCE:**

Attendance of each Director at the Board Meetings during the Financial Year 2016 – 17 and at the last Annual General Meeting and details of other Directorships are given below :-

Six Board Meetings were held during the year 2016-2017. The dates on which the meetings were held are : 21-05-2016, 09-07-2016, 13-08-2016, 14-11-2016, 31-01-2017 and 22-03-2017. The maximum gap between any two meetings was less than four months.

All material information is circulated to the Directors before the meeting or placed at the meeting, including minimum information made available to the Board as mentioned under SEBI (Listing Obligations Disclosure Requirements) 2015.

DIRECTOR	No. of Board Meetings Attended	Last AGM Attended	Directorships in other Companies excluding private limited/foreign companies	Committee Memberships in other Companies
(1) Ms. Mallika Srinivasan	6	Yes	6	2
(2) Mr. N. Srinivasan	6	Yes	6	8
(3) Mr. Sankar Datta	6	Yes	2	2
(4) Mr. R.Subramaniyan	2	Yes	Nil	Nil
(5) Mr. D. Hegde	5	Yes	Nil	1
(6) Mr. T.G.B. Pinto	5	Yes	Nil	Nil
(7) Mr. Krishna Srinivasan	6	Yes	1	1
(8) Mr. K.V. Sriram	5	Yes	Nil	Nil
(9) Mr. R. Srinivasan	1	N.A.	Nil	Nil

BOARD MEETINGS HELD DURING THE YEAR

No.	Date of Board Meeting	Total Strength of the Board of Directors	No. of Directors present
1	21 st May 2016	8	7
2	9 th July 2016	8	8
3	13 th August 2016	8	8
4	14 th November 2016	7	7
5	31 st January 2017	7	7
6	22 nd March 2017	8	5

3. REMUNERATION TO DIRECTORS :**(a) Whole-time Directors' Remuneration for the year 2016-17**

No.	Description	Mr. D. Hegde (Rs.)	Mr. T.G.B. Pinto (Rs.)	Total (Rs.)
1	Salary	26,52,600	26,73,600	53,26,200
2	Contribution to Provident Fund, Superannuation Fund, Medi-claim	6,98,812	6,84,878	13,83,690
3	Holiday Allowance	1,88,500	2,13,500	4,02,000
4	Incentive	3,52,500	3,52,500	7,05,000
	TOTAL	38,92,412	39,24,478	78,16,890

(b) Non-Whole-time Directors :

Non-Whole time Directors are paid Sitting Fees for each Meeting or a Committee thereof and also Commission upto 1% of the Net Profits calculated in the manner prescribed in the Companies Act, 2013. The details of remuneration paid / payable to all the Directors for the year 2016 – 17 are given under:

Directors	Sitting Fees (Rs.)	Commission * (Rs.)	Total (Rs.)
Ms. Mallika Srinivasan	27,500	1,75,000	2,12,500
Mr. N. Srinivasan	67,500	1,75,000	2,42,500
Mr. R. Subramaniyan	12,500	1,75,000	1,87,000
Mr. Sankar Datta	60,000	1,75,000	2,35,000
Mr. Krishna Srinivasan	37,500	1,75,000	2,12,500
Mr. K.V. Sriram	52,500	1,75,000	2,27,500
Mr. R. Srinivasan	5,000	N.A.	5,000
TOTAL	2,72,500	10,50,000	13,22,500

* Pertaining to 2015-16 accounts paid during the year. Provision for Commission to Non Whole-time Directors of Rs.10,50,000/- for the year ended 31st March 2017 has been made in the Accounts for the year.

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

Directors	Total No. of Shares held	Dividend Paid (Rs.)
Ms. Mallika Srinivasan	1,43,100	3,86,370
Mr. N. Srinivasan	2,002	5,406
TOTAL	1,45,103	3,91,776

4. AUDIT COMMITTEE :

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

The members of the Committee are -:

Mr. Sankar Datta Chairman of the Committee

Mr. N.Srinivasan Member

Mr. K.V. Sriram Member

The Audit Committee met 6 times during the year on 21.05.2016, 09.07.2016, 12.08.2016, 12.11.2016, 31.01.2017, and 30.03.2017.

Mr. SankarDatta and Mr.N.Srinivasan attended all the six meetings. Mr.K.V.Sriram attended five meetings.

Mr. K. Guruswamy, Company Secretary is the Secretary of the Audit Committee.

5. STAKEHOLDERS RELATIONSHIP COMMITTEE

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

Mr. N.Srinivasan

Mr. D. Hegde

Mr. T.G.B.Pinto

Mr.K.Guruswamy, Company Secretary is the Compliance Officer of the Company in matters relating to shareholders, Stock Exchanges, SEBI and other related regulatory matters.

During the year 1 [One] complaint was received and resolved. No complaint was pending as at 31st March 2017. As on that date, there were no pending share transfers.

6. NOMINATION AND REMUNERATION COMMITTEE

The Committee consists of the following members :

1. Mr.Krishna Srinivasan Chairman of the Committee

2. Ms.Mallika Srinivasan Member

3. Mr.N.Srinivasan Member

4. Mr.K.V.Sriram Member

Mr. K. Guruswamy, Company Secretary is the Secretary of the Committee.

The Committee met three times during the financial year on 21.05.2016, 09.07.2016 and 31.01.2017.

Ms. Mallika Srinivasan, Mr. N. Srinivasan and Mr. Krishna Srinivasan attended all the three meetings.

Mr.R.Subramaniam and Mr. K.V. Sriram both attended one meeting.

7. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

The Committee consists of the following members :

1. Ms. Mallika Srinivasan Chairman of the Committee

2. Mr.Sankar Datta Member

3. Mr.D. Hegde Member

4. Mr.T.G.B. Pinto Member

Mr. K. Guruswamy, Company Secretary is the Secretary of the Committee.

The Committee met one time during the financial year on 21.05.2016

All the members attended the meeting.

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

8. **DISCLOSURE :**

All materially significant related party transactions with the Company's Promoters, Directors, the Associated Companies or relatives etc., are disclosed in the Accounts under note No 41 of Notes forming part of financial statements and in the opinion of the Directors, these financial and commercial transactions are not in conflict with the interest of the Company.

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

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

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

The Company's policy on vigil mechanism and policy on dealing with related party transaction are given in the Corporate section of the Company's web-site: www.unitednilgiritea.com

9. **STOCK OPTION**

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

10. **ANNUAL GENERAL MEETING :**

Location and time of last 3 Annual General Meetings were :

Year	Location	Date	Time	No. of Special Resolution Passed
2015 – 16	Sri.S.Anantharamakrishnan Hall 8/23-24, Race Course Road, Coimbatore – 641 018	09.07.2016	3.15 PM	Nil
2014 – 15	Sri.S.Anantharamakrishnan Hall 8/23-24, Race Course Road, Coimbatore – 641 018	04.08.2015	2.30 PM	Nil
2013 – 14	Sri.S.Anantharamakrishnan Hall 8/23-24, Race Course Road, Coimbatore – 641 018	19.09.2014	2.45 PM	1

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

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

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

12. **MEANS OF COMMUNICATION :**

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

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

13. GENERAL SHAREHOLDER INFORMATION:

AGM : Day, Date, and Time	:	Friday, 4 th August 2017, 2.45 P.M.
Venue	:	“Sri S. Anantharamakrishnan Hall” T.Stanes & Company Limited premises, 8/23-24, Race Course Road, Coimbatore - 641 018
Financial Year	:	April To March
Financial Calendar	:	First Quarter Results – July / August Half Year – October / November Third Quarter – January / February Annual Results – May / June
Date of Book Closure	:	29 th July 2017 to 4 th August 2017 (both days inclusive)
Dividend Payment Date	:	4 th August 2017
Listing	:	The National Stock Exchange of India Limited 5 th Floor, “Exchange Plaza”, Bhandra (E), MUMBAI-400 051
ISIN	:	I N E 458 F 01011
Stock Code	:	UNITEDTEA

14. MARKET PRICE DURING THE FINANCIAL YEAR 2016 - 17 :

Month-wise **HIGH and LOW** of market price of the Company's equity shares are given below :-

MONTH	UNITEA NSE (Rs.)			NSE NIFTY 50 INDEX		
	HIGH	LOW	MONTH CLOSE	HIGH	LOW	MONTH CLOSE
April 2016	539.40	385.00	484.00	7992.00	7516.85	7849.80
May 2016	529.00	424.00	457.65	8213.60	7678.35	8160.10
June 2016	520.35	380.05	470.00	8308.15	7927.05	8287.75
July 2016	539.95	440.05	474.40	8674.70	8287.55	8638.50
August 2016	484.00	385.00	410.00	8819.20	8518.15	8786.20
September 2016	417.30	337.40	343.85	8968.70	8555.20	8611.15
October 2016	412.00	342.00	369.50	8806.95	8506.15	8625.70
November 2016	399.00	281.00	312.35	8669.60	7916.40	8224.50
December 2016	349.35	287.50	308.00	8274.95	7893.80	8185.80
January 2017	340.00	295.00	319.45	8672.70	8133.80	8561.30
February 2017	380.00	280.70	323.95	8982.15	8537.50	8879.60
March 2017	388.65	320.05	363.00	9218.40	8860.10	9173.75

Shareholding Pattern as on 31st March 2017.

Category	No. of Shares held	% to Capital
1. Promoters & Promoter Group	24,87,190	49.77
2. Banks, FI, Insurance Cos	8,51,994	17.05
3. Private Bodies Corporate	1,17,499	2.35
4. Indian Public	12,47,985	24.99
5. NRIs / OBCs	27,082	0.54
6. Trustees, T Stanes & Co. Staff Pension Fund	2,64,816	5.30
TOTAL	49,96,566	100.00

Distribution of Shareholding as on 31st March 2017.

Shareholding Range	No. of Shareholders	% to total Shareholders	No. of Shares	% to total Shares
Upto 5000	2,529	97.05	7,86,595	15.74
5001 – 10000	49	1.88	3,42,739	6.86
10001 – 20000	14	0.54	2,09,436	4.19
20001 – 30000	2	0.08	52,233	1.05
30001 – 40000	1	0.04	30,878	0.62
40001 – 50000	0	0.00	0	0.00
50000 – above	11	0.41	35,74,685	71.54
TOTAL	2,606	100.00	49,96,566	100.00

Share Transfers Agents : **M/s. Integrated Registry Management Services Private Limited**
"Kences Towers", 2ND Floor,
No 1, Ramakrishna Street, North Usman Road,
T.Nagar, CHENNAI 600 017.
Phone No. (044) 2814 0801 / 2814 9893
Fax No. : (044) 2814 2479

Dematerialization of Shares : **84.80** % of the Paid Up Share Capital of the Company has been dematerialized as on 31st March 2017.

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

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

CIN : L01132TZ1922PLC000234

E mail : headoffice@unitednilgiritea.com

Web : www.unitednilgiritea.com

Phone : (0422) 222 0566 Fax : (0422) 222 2865

INDEPENDENT AUDITOR'S CERTIFICATE

TO THE MEMBERS OF THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

1. This certificate is issued in accordance with the terms of our engagement letter reference no. F&R/UNTE/2016-17 dated 15th July, 2016.
2. We, Fraser & Ross, 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 31 March 2017, as stipulated in Regulations 17 to 27 and Clauses (b) to (i) of Regulation 46(2) and paras 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 paras C and D of Schedule V of the Listing Regulations during the year ended March 31, 2017.
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 **Fraser & Ross**
Chartered Accountants
(Firm's Registration No. 000829S)

C.R. Rajagopal
Partner
(Membership No. 23418)

Place : Coimbatore
Date : 17th May 2017

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act.

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 judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and

matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017, and its profit and its cash flows for the year ended on that date.

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, based on our audit, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards prescribed under section 133 of the Act.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our

information and according to the explanations given to us:

- (i) The Company does not have any pending litigations which would impact its financial position.
 - (ii) The Company did not have any long-term contracts including derivative contracts.
 - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - (iv) The Company has provided requisite disclosures in the standalone financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8th November 2016 to 30th December 2016. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us by the Management.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

C.R. Rajagopal
Partner
(Membership No.23418)

Place: Coimbatore
Date: 17th May 2017

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

**ANNEXURE 'A' TO THE INDEPENDENT
AUDITORS' REPORT**

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

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

We have audited the internal financial controls over financial reporting of **THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED** ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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 Companies Act, 2013, 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.

**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

**INDEPENDENT
AUDITOR'S
REPORT
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(Contd.)**

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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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, 2017, 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.

For **Fraser & Ross**
Chartered Accountants
(Firm's Registration No.000829S)

C.R. Rajagopal
Partner
(Membership No.23418)

Place: Coimbatore
Date: 17th May 2017

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

**ANNEXURE 'B' TO THE INDEPENDENT
AUDITORS' REPORT**

(Referred to in paragraph 2 under "**Report on Other Legal and Regulatory Requirements**"

Section of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
- (b) Some of the fixed assets were physically verified during the year by the Management in accordance with a programme of verification which, in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.
- (ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- (iii) The Company has not granted loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
- (iv) The Company has not granted any loans or provided guarantees and hence provisions of Section 185 is not applicable. The Company has made investments which are within limits prescribed under of Section 186 of the Companies Act, 2013.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits during the year.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013 for tea and tea products. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, *prima facie*, the prescribed cost records have been made and maintained. We have, however, 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, in respect of statutory dues:
- (a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to it to the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of Provident Fund, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2017 for a period of more than six months from the date they became payable.
- (c) There are no dues of Income-Tax, Sales tax, Service tax, Custom Duty, Excise duty and Value added tax as on March 31, 2017 on account of disputes.

**INDEPENDENT
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(Contd.)**

- (viii) The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause (viii) of the Order is not applicable to the Company.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the Order is not applicable
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the Financial Statements as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with them and hence provisions of Section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

C.R. Rajagopal
Partner
(Membership No.23418)

Place: Coimbatore
Date: 17th May 2017

ACCOUNTS

THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED

BALANCE SHEET AS AT 31ST MARCH 2017

Particulars	Note No.	As at 31st March 2017 Rs.'000	As at 31st March 2016 Rs.'000
Equity and Liabilities			
Shareholders' Funds			
Share capital	3	49,966	49,966
Reserves and surplus	4	7,07,356	6,26,678
		7,57,322	6,76,644
Non-current liabilities			
Deferred tax liabilities (net)	26	2,272	3,229
Other long-term liabilities	5	16,219	15,910
Long-term provisions	6	985	514
		19,476	19,653
Current liabilities			
Trade payables			
(i) Total Outstanding dues of micro enterprises and small enterprises	30	-	-
(ii) Total Outstanding dues of creditors, other than micro enterprises and small enterprises	7	30,442	33,649
Other current liabilities	8	18,413	13,820
Short-term provisions	9	1,620	13,566
		50,475	61,035
Total		8,27,273	7,57,332
Assets			
Non-current assets			
Fixed assets			
Tangible assets	10	3,77,442	3,80,690
Intangible assets	10	473	421
Capital Work-in-progress		2,439	-
		3,80,354	3,81,111
Non-current investments	11	1,50,215	18,254
Long-term loans and advances	13	4,995	5,689
		5,35,564	4,05,054
Current assets			
Current Investments	12	206	20,091
Inventories	14	43,694	28,468
Trade receivables	15	20,461	55,103
Cash and cash equivalents	16	1,86,135	2,25,669
Short-term loans and advances	17	20,303	11,807
Other current assets	18	20,910	11,140
		2,91,709	3,52,278
Total		8,27,273	7,57,332
See accompanying notes to the financial statements			

In terms of our Report attached

For and on behalf of the Board of Directors

For FRASER & ROSS
Chartered Accountants

MALLIKA SRINIVASAN
(DIN: 00037022)
Chairman

N. SRINIVASAN
(DIN: 00004195)
Director

D. HEGDE
(DIN: 00025468)
Director

C. R. RAJAGOPAL
Partner

S.RAGHURAMAN
Chief Financial Officer

K. GURUSWAMY
Company Secretary

Place: Coimbatore
Date : 17th May, 2017

Place: Chennai
Date: 17th May, 2017

THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2017

Particulars	Note No.	For the year ended 31st March 2017 Rs.'000	For the year ended 31st March 2016 Rs.'000
Revenue:			
Revenue from operations (gross)	19	5,45,210	5,67,930
Less: Excise duty		956	1,256
Revenue from operations (net)		<u>5,44,254</u>	<u>5,66,674</u>
Other income	20	18,436	20,132
Total revenue		<u>5,62,690</u>	<u>5,86,806</u>
Expenses:			
(a) Greenleaf purchases and consumption		1,08,632	82,708
(b) Tea purchases		15,874	7,526
(c) Changes in inventories of finished goods (tea)	21	(17,002)	3,044
(d) Employee benefits expense	22	1,52,761	1,53,925
(e) Finance costs	23	-	29
(f) Depreciation and amortisation expense	10	26,429	26,688
(g) Other expenses	24	1,58,962	1,77,295
Total expenses		<u>4,45,656</u>	<u>4,51,215</u>
Profit before tax		<u>1,17,034</u>	1,35,591
Tax expense			
– Current Tax		(31,900)	(33,000)
– Tax relating to prior year		601	(312)
– Deferred Tax credit/(charge)		957	(7)
Profit for the year		<u>86,692</u>	<u>1,02,272</u>
Earnings per share (Basic & Diluted)[Face value of Rs 10/- each]	31	17.35	20.47
See accompanying notes to the financial statements			

In terms of our Report attached

For and on behalf of the Board of Directors

For FRASER & ROSS
Chartered Accountants

MALLIKA SRINIVASAN
(DIN: 00037022)
Chairman

N. SRINIVASAN
(DIN: 00004195)
Director

D. HEGDE
(DIN: 00025468)
Director

C. R. RAJAGOPAL
Partner

S.RAGHURAMAN
Chief Financial Officer

K. GURUSWAMY
Company Secretary

Place: Coimbatore
Date : 17th May, 2017

Place: Chennai
Date: 17th May, 2017

THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2017

Particulars	For the year ended 31st March 2017 Rs.'000	For the year ended 31st March 2016 Rs.'000
Cash flow from operating activities		
Profit before tax	1,17,034	1,35,591
<i>Adjustments for:</i>		
Depreciation and amortisation expense	26,429	26,688
Profit on sale of fixed assets (net)	(513)	(454)
Finance costs	-	29
Interest income	(13,374)	(15,484)
Dividend Income	(4,549)	(2,209)
Net unrealised exchange loss	393	514
Operating profit before working capital changes	1,25,420	1,44,675
Change in working capital		
<i>Adjustments for increase / (decrease) in current liabilities:</i>		
Other Long term liabilities	309	
-		
Trade payables	(3,207)	11,689
Other current liabilities	6,895	304
Other long-term Provisions	471	(753)
Short-term Provisions	(118)	1,040
<i>Adjustments for (increase) / decrease in current assets:</i>		
Trade receivables	34,652	(7,455)
Inventories	(15,226)	1,537
Long-term loans and advances	694	(570)
Short-term loans and advances	(8,496)	(4,867)
Other current assets	(13,335)	(368)
Cash generated from operations	1,28,059	1,45,232
Net income tax paid	(33,214)	(31,210)
Net cash flow from operating activities (A)	94,845	1,14,022
Cash flow from investing activities :		
Capital Expenditure on fixed assets,including capital advances	(26,935)	(23,047)
Proceeds from sale of fixed assets	513	1,315
Purchase of non-current investments	(1,31,961)	(3,000)
Purchase of current investments	(85,358)	(20,091)
Sale Proceeds of current investments	1,05,243	-
Bank balances not considered as cash and cash equivalents	47,516	(72,906)
Interest received	16,939	11,290
Dividend received	4,549	2,209
Net cash flow used in investing activities(B)	(69,494)	(1,04,230)
Cash flows from financing activities :		
Repayment of long-term borrowings	-	(419)
Finance costs	-	(29)
Dividends paid	(13,513)	(13,505)
Tax on dividend	(3,763)	(1,729)
Net cash flow used in financing activities(C)	(17,276)	(15,682)

THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2017 – (Contd.)

Particulars	For the year ended 31st March 2017 Rs.'000	For the year ended 31st March 2016 Rs.'000
Net Increase/(decrease) in Cash and cash equivalents (A+B+C)	8,075	(5,890)
Cash and cash equivalents at the beginning of the year	21,282	27,180
Effect of exchange differences on restatement of foreign currency cash and cash equivalents.	(93)	(8)
Cash and cash equivalents at the end of the year	29,264	21,282
<u>Components of cash and cash equivalents at the end of the year comprises</u>		
Cash on hand	49	29
Balances with banks		
– In current accounts	20,718	19,912
– In EEFC accounts	3,497	1,341
– In deposit accounts (original maturity of three months or less)	5,000	
Total Cash and cash equivalents (Refer Note No.16)	29,264	21,282
See accompanying notes to the financial statements		

In terms of our Report attached

For FRASER & ROSS
Chartered Accountants

MALLIKA SRINIVASAN
(DIN: 00037022)
Chairman

C. R. RAJAGOPAL
Partner

S.RAGHURAMAN
Chief Financial Officer

Place: Coimbatore
Date : 17th May, 2017

For and on behalf of the Board of Directors

N. SRINIVASAN D. HEGDE
(DIN: 00004195) (DIN: 00025468)
Director Director

K. GURUSWAMY
Company Secretary

Place: Chennai
Date: 17th May, 2017

THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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 Ltd. The Company is primarily engaged in growing and manufacture of Tea besides Letting-out of property. The Company's teas are sold both in domestic and international markets.

2. Significant Accounting Policies

2.1 Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared under the historical cost convention on accrual basis in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) and comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") besides additional disclosures required by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

2.2 Use of Estimates

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

2.3 Fixed Assets and Depreciation

- (a) Expenditure on development, extension planting, infilling and replanting is capitalized. The above expenditure including cost of uprooting and maintenance of the newly planted bushes less any recognized impairment losses is carried under Capital Work in Progress until maturity of such bushes .
- (b) Expenditure incurred on development and extension planting (including infilling) upto 31st March 2016, which was capitalized as part of Land and Development had been segregated and shown separately as "Bearer Plants" on 1st April 2016 in terms of the revised Accounting Standard 10 and depreciated over their estimated remaining useful lives.
- (c) Other fixed assets both intangible and tangible are carried at cost less accumulated depreciation / amortization and impairment losses, if any.
- (d) Assets acquired under Finance Lease Agreement are capitalized.
- (e) Depreciation on Tangible assets other than bearer plants is provided on Straight Line basis at the rates specified in Schedule II to the Companies Act, 2013. Bearer Plants are depreciated over their estimated useful life of 60 years . Cost of software is amortized over a period of three years, on straight line basis.

2.4 Borrowing Costs

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

2.5 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 recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased such reversal of impairment loss is recognised in the Statement of Profit and Loss.

2.6 Investments

Long-term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current Investments are stated at lower of cost and Fair value .Cost of investments includes acquisition charges such as brokerage, fees and duties.

THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS – (Contd.)

2.7 Inventories

- (a) Stock of Tea is valued at lower of Cost and net realizable value. Cost is determined based on absorption costing method.
- (b) Stores and Spare parts are valued at cost ascertained on moving weighted average basis.
- (c) Nursery stocks are valued at cost incurred in raising and maintaining such stocks till transplantation.

2.8 Cash and cash equivalents

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

2.9 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments.

2.10 Provisions and Contingencies

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

2.11 Revenue recognition

- (a) Revenue from sale of tea at auction is recognised on receipt of sale notes from the brokers. Exports and Private tea sales are recognised when the property in finished goods (tea) is transferred.
- (b) Export benefits are accounted for based on eligibility and when there is no uncertainty in receiving them.
- (c) The Company recognises the Minimum Guaranteed Fixed License fee (MGFLF) in respect of its let-out property as revenue. As per the Leave and License agreement, the Company is entitled for MGFLF or Variable License Fee (VLF) whichever is higher and shall be determined on half yearly basis. The difference, if any, between MGFLF and VLF will be recognised upon its determination as per the said agreement.
- (d) **Other income :**
Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.
- (e) Fair Trade Premium relating to certain specified tea exports are accounted as part of turnover. Actual expenditure incurred out of aforesaid premium is absorbed as welfare expenses. The unspent balance with the designated body is treated as advance in the Balance Sheet.

2.12 Subsidies

Replanting Subsidy from tea board is accounted as deferred income and is amortized as income in the statement of profit and loss over the useful lives of the Bearer Plants (60 years) to which such subsidy relates.

Subsidy on manufacture of Orthodox tea is accounted on acceptance of claim by the Tea Board.

2.13 Employee benefits

(a) Short Term

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

(b) Post Retirement

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

(i) Provident Fund

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

(ii) Superannuation Fund

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

THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS – (Contd.)

(iii) **Gratuity**

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

(c) **Long Term**

Long term employee benefits represent compensated absence which is provided for based on actuarial valuation as at the Balance Sheet date using projected unit credit method.

2.14 Income Taxes

Current tax is the amount of tax payable on the portion of taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Deferred Tax is made for all timing differences arising between the taxable income and accounting income at the tax rates enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognised only if there is a virtual/reasonable certainty that they will be realised and are reviewed for the appropriateness of their respective carrying values with reference to Balance Sheet date.

2.15 Leases

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

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

2.16 Foreign currency transactions

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

Premium / discount on forward exchange contracts, which are not intended for trading or speculation purposes, is amortised over the period of the contracts if such contracts relate to monetary items as at the balance sheet date. Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognised as income or as expense in the period in which such cancellation or renewal is made.

2.17 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. Earnings considered in ascertaining the Company's earnings per share is the net profit for the year is attributable to the equity shareholders.

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

2.18 Segment reporting

The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Company. Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue and expenses, which relate to the Company as a whole and are not allocable to segments on a reasonable basis, have been included under "Unallocated corporate expenses/income".

2.19 Operating cycle

Based on the nature of products/activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

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

Particulars	As at 31st March 2017		As at 31st March 2016	
	Number of Shares	Rs.'000	Number of Shares	Rs.'000
3. SHARE CAPITAL				
Authorised				
Equity shares of Rs.10/- each	50,00,000	50,000	50,00,000	50,000
Issued, Subscribed and fully paid-up				
Equity shares of Rs.10/- each	49,96,566	49,966	49,96,566	49,966
		49,966		49,966
(a) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:				
Equity Shares				
Opening balance	49,96,566	49,966	49,96,566	49,966
Changes during the year	–	–	–	–
Closing balance	49,96,566	49,966	49,96,566	49,966
(b) Preferences/Restrictions/Rights attached to equity shares				
Each shareholder is entitled to one vote per share and dividend when declared. Other rights are governed by the Articles of Association of the Company and the Companies Act 2013.				
(c) Details of shares held by each shareholder holding more than 5% of share capital:				
Particulars	No of shares held	%	No of shares held	%
Tractors and Farm Equipment Limited	8,55,067	17.11	8,53,031	17.07
T. Stanes & Company Limited	8,36,308	16.74	8,36,308	16.74
Life Insurance Corporation of India	7,71,496	15.44	7,71,496	15.44
Amalgamations Private Limited	3,25,344	6.51	3,25,344	6.51
Trustees T.Stanes & Co Limited				
Staff Pension Fund	2,64,816	5.30	2,64,816	5.30

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

Particulars	As at 31st March 2017 Rs.'000	As at 31st March 2016 Rs.'000
4. Reserves and Surplus		
A. General reserve		
Opening balance	6,00,000	5,15,000
Add: Transferred from Balance in Statement of Profit and Loss	70,000	85,000
Closing balance	<u>6,70,000</u>	<u>6,00,000</u>
B. Surplus in Statement of Profit and Loss		
Opening Balance	26,678	25,643
Add : Profit for the year	86,692	1,02,272
Less: Interim Dividend	4,997	4,997
Proposed final dividend (Refer Note No.32)	-	8,494
Tax on dividend	1,017	2,746
Transfer to General Reserve	70,000	85,000
Closing balance	<u>37,356</u>	<u>26,678</u>
Total Reserves and Surplus (A+B)	<u>7,07,356</u>	<u>6,26,678</u>
5. Other long -term liabilities		
Security deposits	15,910	15,910
Deferred Income (Refer Note No.25)	309	-
6. Long term provisions	<u>16,219</u>	<u>15,910</u>
Provision for employee benefits:		
Compensated absence	985	514
7. Trade Payables (Refer Note No.30)	<u>30,442</u>	<u>33,649</u>
8. Other Current Liabilities		
Unclaimed dividend	2,992	3,014
Statutory remittances	2,797	3,075
Payable on purchase of fixed assets	199	1,462
Advance from Customers	1,264	255
Other Liabilities	6,164	
Interim Dividend Payable	4,997	4,997
Tax on Interim Dividend payable	-	1,017
	<u>18,413</u>	<u>13,820</u>
9. Short-term provisions		
Provision for employee benefits		
Provision for compensated absences	922	1,040
Provision for Income Tax (net of advance tax and Tax Deducted at Source of (Rs.'000) 33,214 (As at 31st March 2016 (Rs.'000) 31,210)	698	2,303
Proposed final dividend (Refer Note No.32)	-	8,494
Tax on proposed final dividend	-	1,729
	<u>1,620</u>	<u>13,566</u>

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

10. FIXED ASSETS (OWNED, UNLESS OTHERWISE STATED)

Rs.'000

DESCRIPTION OF ASSETS	GROSS BLOCK			ACCUMULATED DEPRECIATION AND AMORTISATION			NET BLOCK		
	As at 1st, April 2016	Additions	Deletions	As at 31, March 2017	As at 1st, April 2016	for the year	on deletions	As at 31, March 2017	As at 31, March 2016
TANGIBLE ASSETS:									
Freehold Land and Development*	63,132 (69,801)	1,547 (4,036)	-	64,679 (73,837)	-	-	-	64,679 (73,837)	73,837
Bearer Plants*	10,705	-	-	10,705	-	309	-	10,396	-
Buildings**	2,42,088 (2,41,348)	4,261 (740)	-	2,46,349 (2,42,088)	51,830 (42,556)	9,178 (9,274)	-	185,341 (1,90,258)	1,90,258
Machinery**	1,72,868 (1,60,190)	13,060 (14,130)	-	1,85,928 (1,72,868)	82,770 (71,624)	11,522 (11,737)	-	94,292 (90,098)	90,098
Electrical Installations**	24,759 (24,759)	-	-	24,759 (24,759)	10,600 (8,384)	2,202 (2,216)	-	12,802 (10,600)	14,159
Furniture & Fixtures	7,063 (7,125)	-	-	7,063 (7,063)	5,390 (5,025)	359 (427)	-	1,314 (1,673)	1,673
Office and other Equipments	983 (997)	-	-	983 (983)	829 (667)	41 (176)	-	113 (154)	154
Computer and Data Processing Equipments	5,888 (5,357)	214 (531)	-	6,102 (5,888)	5,369 (5,076)	159 (293)	-	5,528 (5,369)	519
Vehicles	25,479 (23,775)	3,936 (4,196)	1,740 (2,492)	27,675 (25,479)	15,487 (15,427)	2,496 (2,552)	1,740 (2,492)	11,432 (9,992)	9,992
Sub-total	5,52,965 (5,33,352)	23,018 (23,633)	1,740 (4,020)	5,74,243 (5,52,965)	1,72,275 (1,48,759)	26,266 (26,675)	1,740 (3,159)	3,77,442 (3,80,690)	3,80,690
INTANGIBLE ASSETS:									
Software	716 (282)	215 (434)	-	931 (716)	295 (282)	163 (13)	-	473 (421)	421
Total	5,53,681 (5,33,634)	23,233 (24,067)	1,740 (4,020)	5,75,174 (5,53,681)	1,72,570 (1,49,041)	26,429 (26,688)	1,740 (3,159)	3,77,915 (3,81,111)	3,81,111 -
PREVIOUS YEAR									

Notes: (i) Figures in brackets represent previous year

(ii) *Cost of Bearer plants included in Freehold land and development has been segregated and shown separately on 1st April 2016.

(iii) ** includes following assets let out on Lease and License basis:

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

10. FIXED ASSETS – (Contd.)

Assets let out on Leave and License

Rs.'000

DESCRIPTION OF ASSETS	GROSS BLOCK			ACCUMULATED DEPRECIATION AND AMORTISATION			NET BLOCK	
	As at 1st, April 2016	Additions	Deletions	As at 31, March 2017	As at 1st, April 2016	for the year on deletions	As at 31, March 2017	As at 31, March 2016
TANGIBLE ASSETS:								
Buildings	1,65,843 (1,65,843)	-	-	1,65,843 (1,65,843)	18,384 (12,486)	5,898 (5,898)	1,41,561 (1,47,459)	1,47,459 (1,53,357)
Machinery	40,109 (40,109)	-	-	40,109 (40,109)	8,336 (5,662)	2,674 (2,674)	29,099 (31,773)	31,773 (34,446)
Electrical Installations	19,042 (19,042)	-	-	19,042 (19,042)	5,936 (4,032)	1,904 (1,904)	11,202 (13,106)	13,106 (15,010)
PREVIOUS YEAR	2,24,994 (2,24,994)	-	-	2,24,994 (2,24,994)	32,656 (22,180)	10,476 (10,476)	1,81,862 (1,92,338)	1,92,338

Figures in brackets represent previous year

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

NOTE :11

Non-Current Investments :-

(Rs. '000)

PARTICULARS	Nominal Value of shares/units Rs.	As at 1st April 2016		Additions during the year		Deductions during the year		As at 31st March 2017	
		No. of shares/units	Amount	No. of shares/units	Amount	No. of shares/units	Amount	No. of shares/units	Amount
I. Trade (at Cost)									
Investment in Equity shares of other entities (fully Paid)									
Unquoted									
Stanes Amalgamated Estates Limited	10	81,783	608	-	-	-	-	81,783	608
Stanes MJF Teas Limited	10	7,50,000	7,500	-	-	-	-	7,50,000	7,500
Sub Total (I)			8,108						8,108
II. Non-Trade at Cost									
(a) Investment in Equity shares of other entities (fully Paid)									
Quoted									
IP Rings Limited	10	2,000	324	*1,600	142	-	-	3,600	466
Sundaram Clayton Limited	5	4,300	353	-	-	-	-	4,300	353
TVS Motor Company Limited	1	86,214	349	-	-	-	-	86,214	349
TATA Coffee Limited	1	10,000	218	-	-	-	-	10,000	218
Tata Steel Limited	10	6,739	902	-	-	-	-	6,739	902
The Tata Power Company Limited	1	10,000	146	-	-	-	-	10,000	146
Harita Seating Systems Limited	10	2,600	45	-	-	-	-	2,600	45
Uniworth India Limited	10	750	92	-	-	-	-	750	92
Wabco (India) Limited	5	4,300@	-	-	-	-	-	4,300	-
Sub Total (II a)			2,429		142				2,571
(b) Investment in Mutual Funds									
Unquoted									
Sundaram Infrastructure Advantage Fund-Dividend	10	2,20,942	3,745	-	-	-	-	2,20,942	3,745
Sundaram Select Debt Short term Asset Plan-Growth	10	-	-	1,71,779	5,000	-	-	1,71,779	5,000
HDFC High Interest Fund-Growth	10	96,560	2,500	-	-	-	-	96,560	2,500
Birla Sun Life Dynamic Fund-Growth	10	2,49,194	5,800	-	-	-	-	2,49,194	5,800
Birla Sun Life Short Term Plan-Growth	10	-	-	80,338	5,000	-	-	80,338	5,000
Birla Sun Life Short Term Opportunities Fund-Growth	10	-	-	1,84,358	5,000	-	-	1,84,358	5,000
Birla Sun Life Short Term Opportunities Fund-Quarterly Dividend Reinvestment	10	-	-	3,07,111	3,204	-	-	3,07,111	3,204
Sub Total (II b) – carried forward			12,045		18,204				30,249

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

NOTE :11

Non-Current Investments :-

(Rs. '000)

PARTICULARS	Nominal Value of shares/units Rs.	As at 1st April 2016		Additions during the year		Deductions during the year		As at 31st March 2017	
		No. of shares/units	Amount	No. of shares/units	Amount	No. of shares/units	Amount	No. of shares/units	Amount
Sub Total (II b) – brought forward			12,045		18,204				30,249
(b) Investment in Mutual Funds									
Unquoted									
Reliance Short Term Fund – Growth	10	1,01,940	2,500	-	-	-	-	-	2,500
Reliance Short Term Fund – Monthly Dividend	10	-	-	2,37,095	2,635	-	-	-	2,635
HDFC Short Term Fund–Monthly Dividend	10	-	-	6,21,025	6,466	-	-	-	6,466
HDFC Fixed Maturity Plan – Quarterly Dividend	10	-	-	5,00,000	5,000	-	-	-	5,000
HDFC Fixed Maturity Plan – Growth	10	-	-	27,50,000	27,500	-	-	-	27,500
Reliance Fixed Horizon Fund – Growth	10	-	-	5,00,000	5,000	-	-	-	5,000
ICICI Prudential ULTRA Short Term Fund – Growth	10	-	-	1,51,598	2,500	-	-	-	2,500
HDFC Short Term Opportunity Fund – Growth	10	-	-	1,41,722	2,500	-	-	-	2,500
Reliance Regular Saving Fund – Growth	10	-	-	4,88,099	10,855	-	-	-	10,855
HDFC Corporate Debt Opportunity Fund – Growth	10	-	-	8,07,220	10,785	-	-	-	10,785
Birla Sunlife Medium Term Plan – Growth	10	-	-	4,09,310	8,264	-	-	-	8,264
ICICI Prudential Regular Saving Fund – Growth	10	-	-	12,96,256	22,110	-	-	-	22,110
Birla Sunlife Treasury Optimising Plan–Growth	10	-	-	4,85,891	10,000	-	-	-	10,000
Sub Total (II b)			14,545		1,31,819				1,46,364

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

NOTE :11

Non-Current Investments :-

(Rs. '000)

PARTICULARS	Nominal Value of shares/units Rs.	As at 1st April 2016		Additions during the year		Deductions during the year		As at 31st March 2017	
		No. of shares/units	Amount	No. of shares/units	Amount	No. of shares/units	Amount	No. of shares/units	Amount
(c) Investment in Equity shares of other entities									
Unquoted									
Hifame Private Limited	10	27,600	810	-	-	-	-	27,600	810
Simpson and Company Limited	10	26,333	107	-	-	-	-	26,333	107
Orkay Industries Limited	10	450	35	-	-	-	-	450	35
Palani Andavar Cotton & Synthetic Spinners Ltd.	10	500	72	-	-	-	-	500	72
Sub Total (II c)			1,024						1,024
(d) Investment in Equity shares of Associate									
Unquoted									
Kuduma Fasteners Private Limited	100	75,000	20,889	-	-	-	-	75,000	20,889
Sub Total (II d)			20,889						20,889
Total			46,995		1,31,961				1,78,956
Less: Provision for Diminution in value of investments			28,741		-		-		28,741
Total			18,254		1,31,961				1,50,215

Notes: * Subscribed to Right Issue of the Company
 @ Received upon demerger from Sundaram Clayton Ltd.

	As at 31.03.2017	As at 31.03.2016
Aggregate cost of quoted investments	2,571	2,429
Aggregate market value of quoted investments	89,639	68,996
Aggregate cost of unquoted investments	1,76,385	44,566

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

Particulars	As at 31st March 2017 Rs.'000	As at 31st March 2016 Rs.'000
13. Long term loans and advances (Unsecured, considered good)		
Security deposits	4,995	5,689
	<u>4,995</u>	<u>5,689</u>
14. Inventories (at lower of cost and net realisable value) (Refer Note No. 2.7)		
Finished goods (Tea)	28,169	11,167
Stores and Spare Parts	14,641	15,276
Nursery Stock	884	2,025
	<u>43,694</u>	<u>28,468</u>
15. Trade receivables (Unsecured, considered good)		
Trade receivable outstanding for a period exceeding six months from the date they were due for payment	375	–
Other Trade receivables	20,086	55,103
	<u>20,461</u>	<u>55,103</u>
16. Cash and cash equivalents		
(i) Cash and Cash equivalents (as per AS 3 Cash Flow Statements)		
(a) Cash on hand**	49	29
(b) Balances with banks		
– In current accounts	20,718	19,912
– In EEFC accounts	3,497	1,341
– In deposit accounts (original maturity of three months or less)	5,000	–
	<u>29,264</u>	<u>21,282</u>
(ii) Other bank balances :		
– In deposits accounts (original maturity of more than three months)	1,48,882	1,96,377
– In earmarked accounts:		
Unpaid dividend accounts	7,989	8,010
	<u>1,86,135</u>	<u>2,25,669</u>
Note:		
**During the year, the Company had specified bank notes and other denomination note as defined in the MCA notification G.S.R.308(e) dated 31st March 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from 08 November 2016 to 30 December 2016, the denomination wise SBNs and other notes as per the notification is given below:		

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

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	910	53	963
(+) Permitted receipts	0	3,893	3,893
(-) Permitted payments	0	3,410	3,410
(-) Amount deposited in Banks	910	-	910
Closing cash in hand as on 30.12.2016	0	536	536
Particulars			As at 31.03.2016 Rs.'000
			As at 31.03.2017 Rs.'000
17. Short term loans and advances (Unsecured, considered good)			
Advances -Trade and Supplies		2,170	3,591
Advance towards investment in HDFC Liquid Fund		6,000	-
Security deposits		501	3
Prepaid Expenses		5,425	5,821
Due from Gratuity Trust (Refer Note No. 29b)		43	2,207
Others		6,164	185
		<u>20,303</u>	<u>11,807</u>
18. Other current assets (Unsecured, considered good)			
Interest accrued on deposits		6,834	10,399
Replanting / Orthodox Subsidy receivable		14,076	741
		<u>20,910</u>	<u>11,140</u>

THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	For the year ended 31st March 2017 Rs.'000	For the year ended 31st March 2016 Rs.'000
19. Revenue from operations		
(a) Sale of Tea	4,68,220	4,94,719
(b) License fees from Letting of property	40,399	35,748
(c) Other operating revenues (Refer Note below)	36,591	37,463
	5,45,210	5,67,930
Note : Other operating revenues comprise		
Export benefits		
Duty Drawback	2,724	2,826
VKGUY License	14,019	14,359
Orthodox subsidy (Refer Note No.2.12)	12,425	13,109
Replanting subsidy	617	–
Income from other planting activities	6,806	7,169
	36,591	37,463
20. Other Income		
Interest Income on		
Bank deposits	12,896	15,177
Others	478	307
Dividend Income on		
Non current investments	1,047	2,209
Current investments	3,502	–
Gain on Foreign currency transactions (net)	–	1,985
Profit on sale of fixed assets (net)	513	454
	18,436	20,132
21. Changes in inventories of finished goods (tea)		
Inventories at the beginning of the year	11,167	14,211
Inventories at the end of the year	(28,169)	(11,167)
Net (Increase)/decrease	(17,002)	3,044
22. Employee benefits expense		
Salaries, wages and bonus	1,11,298	1,09,798
Contributions to provident fund and family pension fund (Refer Note No. 29a)	11,709	10,991
Contribution to Superannuation Fund (Refer Note No. 29a)	1,746	1,397
Contribution to Gratuity Fund (Refer Note No. 29b)	4,836	3,406
Workmen and Staff welfare expenses	23,172	28,333
	1,52,761	1,53,925
23. Finance costs		
Interest expense:		
– on finance lease obligation	–	29
	–	29

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

Particulars	For the year ended 31st March 2017 Rs.'000	For the year ended 31st March 2016 Rs.'000
24. Other Expenses		
Consumption of stores and spares	24,580	23,535
Power and fuel	27,846	32,952
Repairs and maintenance		
Building	17,475	29,008
Machinery	3,668	3,841
Rates and taxes	4,254	3,543
Insurance	4,174	3,537
Selling expenses		
Brokerage and Commission	1,090	1,083
Sampling and Other Expenses	14,867	16,517
Freight and other expenses on Tea Export	22,925	25,716
Commission to Non-Wholetime Directors	1,050	1,050
Donation	500	500
Corporate Social Responsibility expense (Refer Note No.36)	2,467	2,012
Directors' Sitting Fees	273	253
Payment to Auditors – for audit	650	650
Professional Charges	1,319	525
Transport charges	8,345	8,298
Travelling expenses	5,436	5,240
Loss on Foreign currency transactions (net)	1,363	–
Rent Including lease rentals	125	1,175
Miscellaneous expenses	16,555	17,860
	<u>1,58,962</u>	<u>1,77,295</u>

THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	For the year ended 31st March 2017 Rs.'000	For the year ended 31st March 2016 Rs.'000
29. Disclosures required under Accounting Standard 15 R notified in the Companies (Accounting Standards) Rules 2006, are given below:		
(a) The Company makes Provident Fund and Superannuation Fund which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits The Company recognised (Rs.'000) 11,709 [P.Y. (Rs.'000) 10,991] for Provident Fund Contribution and (Rs.'000) 1,746 [P.Y. (Rs.'000) 1,397] for Superannuation Fund in the Statement of Profit and Loss. The contribution payable to these plans by the Company are at rates specified in the rules of the schemes.		
(b) Defined benefit plan - Gratuity (Funded)		
A. Change in Present Value of obligation during the year		
1. Present value of obligation at the beginning of the year	49,774	44,802
2. Current Service Cost	5,476	5,449
3. Interest Cost	3,400	3,180
4. Benefits paid	(5,308)	(2,701)
5. Actuarial (Gain)/Loss on obligation	66	(956)
6. Present value of obligation at the closing of the year	53,408	49,774
B. Change in Fair Value of Assets during the year		
1. Fair value of plan assets at the beginning of the year	51,981	46,009
2. Expected return on plan assets	4,106	4,128
3. Contribution made	2,673	4,684
4. Benefits paid	(5,308)	(2,701)
5. Actuarial Gain/ (Loss) on plan assets	-	(139)
6. Fair Value of plan assets at the closing of the year	53,452	51,981
C. Net Asset/(Liability) recognised in the Balance Sheet		
1. Present value of the obligation	53,408	49,774
2. Fair Value of plan assets	53,452	51,981
3. Funded status surplus/(deficit)	43	2,207
4. Unrecognised past service cost	-	-
5. Net Asset/(Liability) recognised in the Balance Sheet	43	2,207
D. Expenses recognised during year		
1. Current Service Cost	5,476	5,449
2. Interest Cost	3,400	3,180
3. Expected return on plan assets	(4,106)	(4,128)
4. Actuarial Loss/(Gain) during the year	66	(1,095)
5. Total Expenses recognised in Statement of Profit and Loss	4,836	3,406
E. Major categories of plan assets as a percentage of Total Plan		
Bank balances and Investment with Life Insurance Corporation	100.00%	100.00%

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

	2016-17	2015-16	2014-15	2013-14	2012-13
Actuarial (Gain) and loss on obligation	66	(956)	1351	1953	767
Actuarial (Gain) and loss due to change in assumptions	-	-	-	-	-
Actuarial (Gain) and loss on plan assets	-	(139)	(209)	-	-
Total (Gain) / loss for the year	66	(1095)	1142	1953	767
Total (Gain) / loss recognised in the year	66	(1095)	1142	1953	767
Unrecognised Actuarial (Gain) and loss for the year	-	-	-	-	-
<p>The estimates of future salary increases considered in the actuarial valuation take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. The above information is actuarially determined.</p> <p>F. Actuarial Assumptions-Gratuity</p> <ol style="list-style-type: none"> 1. Discount rate 2. Salary escalation 3. Expected rate of return on plan assets 4. Attrition rate <p>G. Actuarial Assumptions-Compensated Absence</p> <ol style="list-style-type: none"> 1. Discount rate 2. Salary escalation 3. Attrition rate <p>30. The Company has not received any memorandum (as required to be filed by the suppliers with the notified authority under Micro, Small and Medium Enterprises Development Act, 2006) claiming their status as Micro, Small and Medium Enterprises and consequently the amount paid/payable to these parties has been considered as NIL.</p> <p>Trade Payable includes amount due on account of goods purchased or services received in the normal course of business.</p> <p>Trade payable includes amount payable to employees</p>				<p>For the year ended 31st March 2017 Rs.'000</p>	<p>For the year ended 31st March 2016 Rs.'000</p>
				7.25%	7.75%
				6%	5%
				8.05%	8.75%
				5%	5%
				7.25%	7.75%
				6%	5%
				5%	5%
				23,323	20,629

THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	For the year ended 31st March 2017 Rs.'000	For the year ended 31st March 2016 Rs.'000																												
31. Earnings per share: For the purpose of computing the earnings per share, the net profit after tax has been used as the numerator and the weighted average number of shares outstanding has been considered, as the denominator																														
Profit for the year Rs.'000	86,692	1,02,272																												
Number of shares (Face value of Rs.10/- per share) Nos.	49,96,566	49,96,566																												
Earnings per share (Basic and Diluted) Rs.	17.35	20.47																												
32. Proposed Final Dividend :																														
In terms of revised Accounting Standard (AS)-4, the proposed dividend of Rs.1.70 per share for the financial year 2016-17, upon approval by the members at the ensuing Annual General Meeting, will be appropriated from the surplus in Statement of Profit and Loss carried to Balance Sheet.																														
33. Cost of Stores and Spare Parts and Components Consumed	39,024	41,434																												
<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: center;">2016-2017</th> <th></th> <th style="text-align: center;">2015-2016</th> </tr> <tr> <th style="text-align: center;">%</th> <th style="text-align: center;">Value</th> <th style="text-align: center;">%</th> <th style="text-align: center;">Value</th> </tr> <tr> <th></th> <th style="text-align: center;">(Rs. '000)</th> <th></th> <th style="text-align: center;">(Rs. '000)</th> </tr> </thead> <tbody> <tr> <td>Indigenous</td> <td style="text-align: right;">90.73</td> <td style="text-align: right;">35,405</td> <td style="text-align: right;">90.92</td> </tr> <tr> <td>Imported</td> <td style="text-align: right;">9.27</td> <td style="text-align: right;">3,619</td> <td style="text-align: right;">9.08</td> </tr> <tr> <td></td> <td></td> <td></td> <td style="text-align: right;">37,671</td> </tr> <tr> <td></td> <td></td> <td></td> <td style="text-align: right;">3,763</td> </tr> </tbody> </table>		2016-2017		2015-2016	%	Value	%	Value		(Rs. '000)		(Rs. '000)	Indigenous	90.73	35,405	90.92	Imported	9.27	3,619	9.08				37,671				3,763		
	2016-2017		2015-2016																											
%	Value	%	Value																											
	(Rs. '000)		(Rs. '000)																											
Indigenous	90.73	35,405	90.92																											
Imported	9.27	3,619	9.08																											
			37,671																											
			3,763																											
34. Cost of Green Leaf Consumed (all indigenous)																														
(a) Cost of Green Leaf Purchased	1,08,632	82,708																												
(b) Cost of Green Leaf Harvested	68,471	68,719																												
(Classified under various natural heads)	1,77,103	1,51,427																												
35. Repairs to Building and Machinery include																														
Salaries and Wages	8,135	7,376																												
Consumption of Stores	10,142	19,589																												
	18,277	26,965																												
36. In compliance with Section 135(5) of the Companies Act, 2013, the Company is required to spend (Rs.'000) 2,462/- calculated at 2% of average net profits made during the three immediate preceding financial years towards Corporate Social Responsibility. The Company has incurred an expenditure of (Rs.'000) 2,012 as below:																														
(i) Children Home (Orphanage)	2,035	862																												
(ii) Rural Development Project & Tribal Welfare	432	1,150																												
	2,427	2,012																												

THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	For the year ended 31st March 2017 Rs.'000	For the year ended 31st March 2016 Rs.'000
37. Earnings in Foreign Exchange		
F.O.B. Value of Tea Export	2,57,819	2,71,513
38. C.I.F Value of Imports		
Stores & Spares-Packing Materials	7,108	6,108
Capital Goods-Machinery	5,404	-
	<u>12,512</u>	<u>6,108</u>
39. Expenditure in Foreign Currency		
Travel	1,481	1,843
Commission	2,622	2,203
	<u>4,103</u>	<u>4,046</u>
40. Segment Report :		
A Primary Segment Information - Business Segment		
The Company has two reportable segments viz. growing and manufacture of tea and letting of commercial property.		
(a) Segment Revenue (Net of Excise Duty)		
Plantation	5,03,855	5,30,926
Property	40,399	35,748
Total Income from Operations (net)	<u>5,44,254</u>	<u>5,66,674</u>
(b) Segment Results (Profit before Tax)		
Plantation	98,078	1,20,318
Property	26,663	22,754
Total	<u>1,24,741</u>	<u>1,43,072</u>
Less :		
(i) Unallocated Interest and finance charges	-	29
(ii) Other unallocable expenditure net of unallocable income	7,707	7,452
Profit before tax	<u>1,17,034</u>	<u>1,35,591</u>
Segment Capital Employed		
(Segment Assets – Segment Liabilities)		
Plantation	2,64,687	2,48,646
Property	1,70,673	1,84,227
Unallocated	3,21,962	2,43,771
Total	<u>7,57,322</u>	<u>6,76,644</u>
B. Secondary Segment information– By Geographical Segments		
(a) Segment Revenue (Net of Excise Duty)		
India	2,76,254	2,77,946
Outside India	2,68,001	2,88,728
Total	<u>5,44,254</u>	<u>5,66,674</u>
(b) Segment Assets		
India	8,11,247	7,13,612
Outside India	16,026	43,720
Total	<u>8,27,273</u>	<u>7,57,332</u>
(c) Capital Expenditure (including capital work-in-progress)	<u>25,672</u>	<u>24,067</u>

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

41. Related Party Disclosures:

Names of related parties and nature of relationship are as under:

- (i) Associate : Kuduma Fasteners Private Limited
- (ii) Key Managerial Personnel : Mr. D. Hegde, Whole-time Director
 Mr.T.G.B. Pinto, Whole-time Director
 Mr.S. Raghuraman, Chief Financial Officer
 Mr. K.Guruswamy – Company Secretary

(iii) Particulars of transactions with related parties :

Description	Associate		Key Management Personnel		Total	
	2016-2017 Rs. '000	2015-2016 Rs. '000	2016-2017 Rs. '000	2015-2016 Rs. '000	2016-2017 Rs. '000	2015-2016 Rs. '000
Transactions during the year						
Remuneration to key managerial personnel	-	-	11,095	9,997	11,095	9,997
Mr. D. Hegde	-	-	3,893	3,439	3,893	3,439
Mr. T.G.B. Pinto	-	-	3,924	3,446	3,924	3,446
Mr. S. Raghuraman	-	-	2,678	2,512	2,678	2,512
Mr. K. Guruswamy	-	-	600	600	600	600
Dividend Paid	-	-	17	17	17	17
Mr.D.Hegde	-	-	6	6	6	6
Mr.T.G.B.Pinto	-	-	8	8	8	8
Mr.S.Raghuraman	-	-	3	3	3	3

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

For and on behalf of the Board of Directors

MALLIKA SRINIVASAN
 (DIN: 00037022)
Chairman

N. SRINIVASAN
 (DIN: 00004195)
Director

D. HEGDE
 (DIN: 00025468)
Director

S.RAGHURAMAN
Chief Financial Officer

K. GURUSWAMY
Company Secretary

Place: Chennai
 Date: 17th May, 2017

THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED

CIN : L01132TZ1922PLC000234

CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED** (hereinafter referred to as "the Holding Company") and its Associate, comprising of the Consolidated Balance Sheet as at 31st March, 2017, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Holding Company including its Associate in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act. The respective Board of Directors of the Holding Company and of its Associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Holding Company and its Associate and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained other auditor in terms of the report referred to in Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of report of the other auditor on separate financial statements of the Associate referred to in the Other Matters paragraph below, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Company and its Associate as at 31st March, 2017, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matters

The consolidated financial statements include the Holding Company's share of net loss of Rs. Nil for the year ended 31st March, 2017, as considered in the consolidated financial statements, in respect of one Associate, whose financial statements / financial information have not been audited by us. These financial statements / financial information have been audited by other auditor whose report has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the associate, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the Associate is based solely on the report of the other auditor.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below is not modified in respect of the above matter with respect to our reliance on the work done and the report of the other auditor.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditor on separate financial statements and the other financial information of the Associate referred in the Other Matters paragraph above, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books, and the report of the other auditor.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards prescribed under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2017 taken on record by the Board of Directors of the Company and the report of the statutory auditors of its Associate incorporated in India, none of the directors of the Company and its Associate incorporated in India is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A", which is based on the auditors' reports of the Holding Company and its Associate incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Holding Company and its Associate Company's incorporated in India.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) There were no pending litigations which would impact the consolidated financial position of the Company and its associates.
 - (ii) The Company and its Associate did not have long-term contracts including derivative contracts.
 - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company. There were no amounts which were required to be transferred by the Associate Company incorporated in India to the Investor Education and Protection Fund.
 - (iv) The Holding Company has provided requisite disclosures in the consolidated financial statements as regards the holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8th November, 2016 to 30th December, 2016 of the Company as applicable. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the relevant books of accounts maintained by those entities for the purpose of preparation of the consolidated financial statements and as produced to us by the Management of the Holding company.

For **Fraser & Ross**
Chartered Accountants
(Firm's Registration No.000829S)

C.R. Rajagopal
Partner
(Membership No.23418)

Place: Coimbatore
Date: 17 May 2017

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

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

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of **THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED** (hereinafter referred to as “the Holding Company”) and its Associate Company, which is a company incorporated in India, as of that date.

Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its Associate Company, which is a Company incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies 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 the respective 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.

Auditor’s Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding Company and its Associate Company, which is a company incorporated in India, 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 Companies Act, 2013, 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 and the audit evidence obtained by the other auditor of the Associate Company, which is a company incorporated in India, in terms of their report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Holding Company and its Associate Company, which is a company incorporated in India.

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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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 and based on the consideration of the report of the other auditor referred to in the Other Matters paragraph below, the Holding Company and its Associate Company, which is a company incorporated in India, have, 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, 2017, based on the internal control over financial reporting criteria established by the respective companies 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.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to one Associate company, which is a company incorporated in India, is based solely on the corresponding report of the auditor of such company incorporated in India.

Our opinion is not modified in respect of the above matter.

For **Fraser & Ross**
Chartered Accountants
(Firm's Registration No.000829S)

C.R. Rajagopal
Partner
(Membership No.23418)

Place: Coimbatore
Date: 17 May 2017

ACCOUNTS

THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2017

Particulars	Note No.	As at 31st March 2017 Rs.'000
Equity and Liabilities		
Shareholders' Funds		
Share capital	3	49,966
Reserves and surplus	4	7,07,356
		7,57,322
Non-current liabilities		
Deferred tax liabilities (net)	26	2,272
Other long-term liabilities	5	16,219
Long-term provisions	6	985
		19,476
Current liabilities		
Trade payables		
(i) Total Outstanding dues of micro enterprises and small enterprises	30	-
(ii) Total outstanding dues of creditors, other than micro enterprises and small enterprises	7	30,442
Other current liabilities	8	18,413
Short-term provisions	9	1,620
		50,475
		8,27,273
Total		
Assets		
Non-current assets		
Fixed assets		
Tangible assets	10	3,77,442
Intangible assets	10	473
Capital Work-in-progress		2,439
		3,80,354
Non-current investments	11	1,50,215
Long-term loans and advances	13	4,995
		5,35,564
Current assets		
Current Investments	12	206
Inventories	14	43,694
Trade receivables	15	20,461
Cash and cash equivalents	16	1,86,135
Short-term loans and advances	17	20,303
Other current assets	18	20,910
		2,91,709
		8,27,273
Total		
See accompanying notes to the consolidated financial statements		

In terms of our Report attached

For and on behalf of the Board of Directors

For FRASER & ROSS
Chartered Accountants

MALLIKA SRINIVASAN
(DIN: 00037022)
Chairman

N. SRINIVASAN
(DIN: 00004195)
Director

D. HEGDE
(DIN: 00025468)
Director

C. R. RAJAGOPAL
Partner

S.RAGHURAMAN
Chief Financial Officer

K. GURUSWAMY
Company Secretary

Place: Coimbatore
Date : 17th May, 2017

Place: Chennai
Date: 17th May, 2017

THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2017

Particulars	Note No.	For the year ended 31st March 2017 Rs.'000
Revenue:		
Revenue from operations (gross)	19	5,45,210
Less: Excise duty		956
Revenue from operations (net)		5,44,254
Other income	20	18,436
Total revenue		5,62,690
Expenses:		
(a) Greenleaf purchases and consumption		1,08,632
(b) Tea purchases		15,874
(c) Changes in inventories of finished goods (tea)	21	(17,002)
(d) Employee benefits expense	22	1,52,761
(e) Depreciation and amortisation expense	10	26,429
(f) Other expenses	23	1,58,962
Total expenses		4,45,656
Profit before tax		1,17,034
Tax expense		
– Current Tax		(31,900)
– Tax relating to prior year		601
– Deferred Tax credit/(charge)		957
		86,692
Less: Share of Loss of Associate		–
Profit for the year		86,692
Earnings per share (Basic & Diluted)[Face value of Rs 10/- each]	31	17.35
See accompanying notes to the consolidated financial statements		

In terms of our Report attached

For and on behalf of the Board of Directors

For FRASER & ROSS
Chartered Accountants

MALLIKA SRINIVASAN
(DIN: 00037022)
Chairman

N. SRINIVASAN
(DIN: 00004195)
Director

D. HEGDE
(DIN: 00025468)
Director

C. R. RAJAGOPAL
Partner

S.RAGHURAMAN
Chief Financial Officer

K. GURUSWAMY
Company Secretary

Place: Coimbatore
Date : 17th May, 2017

Place: Chennai
Date: 17th May, 2017

THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2017

Particulars	For the year ended 31st March 2017 Rs.'000
Cash flow from operating activities	
Profit before tax	1,17,034
<i>Adjustments for:</i>	
Depreciation and amortisation expense	26,429
Profit on sale of fixed assets (net)	(513)
Finance costs	-
Interest income	(13,374)
Dividend Income	(4,549)
Net unrealised exchange loss	393
Operating profit before working capital changes	1,25,420
Change in working capital	
<i>Adjustments for increase / (decrease) in current liabilities:</i>	
Other Long term liabilities	309
Trade payables	(3,207)
Other current liabilities	6,895
Other long-term Provisions	471
Short-term Provisions	(118)
<i>Adjustments for (increase) / decrease in current assets:</i>	
Trade receivables	34,652
Inventories	(15,226)
Long-term loans and advances	694
Short-term loans and advances	(8,496)
Other current assets	(13,335)
Cash generated from operations	1,28,059
Net income tax paid	(33,214)
Net cash flow from operating activities (A)	94,845
Cash flow from investing activities :	
Capital Expenditure on fixed assets,including capital advances	(26,935)
Proceeds from sale of fixed assets	513
Purchase of non-current investments	(1,31,961)
Purchase of current investments	(85,358)
Sale Proceeds of current investments	1,05,243
Bank balances not considered as cash and cash equivalents	47,516
Interest received	16,939
Dividend received	4,549
Net cash flow used in investing activities (B)	(69,494)
Cash flows from financing activities :	
Repayment of long-term borrowings	-
Finance costs	-
Dividends paid	(13,513)
Tax on dividend	(3,763)
Net cash flow used in financing activities (C)	(17,276)

THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2017 – (Cond.)

Particulars	For the year ended 31st March 2017 Rs.'000
Net Increase/(decrease) in Cash and cash equivalents (A+B+C)	8,075
Cash and cash equivalents at the beginning of the year	21,282
Effect of exchange differences on restatement of foreign currency cash and cash equivalents	(93)
Cash and cash equivalents at the end of the year	<u>29,264</u>
Components of cash and cash equivalents at the end of the year comprises	
Cash on hand	49
Balances with banks	
– In current accounts	20,718
– In EEFC accounts	3,497
– In deposit accounts (original maturity of three months or less)	5,000
Total Cash and cash equivalents (Refer Note No.16)	<u>29,264</u>
See accompanying notes to the consolidated financial statements	

In terms of our Report attached

For FRASER & ROSS
Chartered Accountants

MALLIKA SRINIVASAN
(DIN: 00037022)
Chairman

For and on behalf of the Board of Directors

N. SRINIVASAN D. HEGDE
(DIN: 00004195) (DIN: 00025468)
Director Director

C. R. RAJAGOPAL
Partner

S.RAGHURAMAN
Chief Financial Officer

K. GURUSWAMY
Company Secretary

Place: Coimbatore
Date : 17th May, 2017

Place: Chennai
Date: 17th May, 2017

THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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 Ltd. The Company is primarily engaged in growing and manufacture of Tea besides Letting-out of property. The Company's teas are sold both in domestic and international markets.

2. Significant Accounting Policies

2.1 Basis of accounting and preparation of consolidated financial statements.

The consolidated financial statement of the Company and its associate have been prepared in accordance with the Accounting Standards specified under Section 133 of the Companies Act, 2013, and the relevant provisions of the Companies Act, 2013 ('the 2013 Act') besides additional disclosures required by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The consolidated financial statements have been prepared on accrual basis under the historical cost convention.

2.2 Principles of consolidation:

- (1) The consolidated financial statements relate to The United Nilgiri Tea Estates Company Limited (the "Company") and its associate – Kuduma Fasteners Private Limited, a Company incorporated in India, in which the Company holds 50%. The consolidated financial statements have been prepared on the following basis:
- (2) The Consolidated financial statements has been prepared in accordance with the Equity method prescribed under AS 23 (Accounting for Investments for Associates in the Consolidated Financial Statements). Accordingly, the share of profit/loss of each of the associate companies (the loss being restricted to the cost of investment) has been added to/deducted from the cost of investments.
- (3) The difference between the cost of investments in the associate and the share of net assets at the time of acquisition of shares in the associate is identified in the consolidated financial statements as Goodwill or Capital reserve as the case may be.
- (4) Goodwill arising on consolidation is not amortised but tested for impairment.

2.3 Use of estimates

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

2.4 Fixed Assets and Depreciation

- (a) Expenditure on development, extension planting, infilling and replanting is capitalized. The above expenditure including cost of uprooting and maintenance of the newly planted bushes less any recognized impairment losses is carried under Capital Work in Progress until maturity of such bushes.
- (b) Expenditure incurred on development and extension planting (including infilling) upto 31st March 2016, which was capitalized as part of Land and Development had been segregated and shown separately as "Bearer Plants" on 1st April 2016 in terms of the revised Accounting Standard 10 and depreciated over their estimated remaining useful lives .
- (c) Other fixed assets both intangible and tangible are carried at cost less accumulated depreciation/ amortization and impairment losses, if any.
- (d) Assets acquired under Finance Lease Agreement are capitalized.
- (e) Depreciation on Tangible assets other than bearer plants is provided on Straight Line basis at the rates specified in Schedule II to the Companies Act, 2013. Bearer Plants are depreciated over their estimated useful life of 60 years. Cost of software is amortized over a period of three years, on straight line basis.

THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS – (Cond.)

2.5 Borrowing Costs

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

2.6 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 recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased such reversal of impairment loss is recognised in the Consolidated Statement of Profit and Loss.

2.7 Investments

Long-term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current Investments are stated at lower of cost and Fair value. Cost of investments includes acquisition charges such as brokerage, fees and duties.

2.8 Inventories

- (a) Stock of Tea is valued at lower of Cost and net realizable value. Cost is determined based on absorption costing method.
- (b) Stores and Spare parts are valued at cost ascertained on moving weighted average basis.
- (c) Nursery stocks are valued at cost incurred in raising and maintaining such stocks till transplantation.

2.9 Cash and cash equivalents

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

2.10 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments.

2.11 Provisions and Contingencies

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

2.12 Revenue recognition

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

THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS – (Cond.)

2.12 Revenue recognition

(d) Other income :

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

(e) Fair Trade Premium relating to certain specified tea exports are accounted as part of turnover. Actual expenditure incurred out of aforesaid premium is absorbed as welfare expenses. The unspent balance with the designated body is treated as advance in the Balance Sheet.

2.13 Subsidies

Replanting Subsidy from tea board is accounted as deferred income and is amortized as income in the statement of profit and loss over the useful lives of the Bearer Plants (60 years) to which such subsidy relates.

Subsidy on manufacture of Orthodox tea is accounted on acceptance of claim by the Tea Board.

2.14 Employee benefits

(a) **Short Term**

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

(b) **Post Retirement**

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

(i) **Provident Fund**

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

(ii) **Superannuation Fund**

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

(iii) **Gratuity**

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

(c) **Long Term**

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

2.15 Income Taxes

Current tax is the amount of tax payable on the portion of taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Deferred Tax is made for all timing differences arising between the taxable income and accounting income at the tax rates enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognised only if there is a virtual/reasonable certainty that they will be realised and are reviewed for the appropriateness of their respective carrying values with reference to Balance Sheet date.

THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS – (Cond.)

2.16 Leases

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

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

2.17 Foreign currency transactions

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

Premium / discount on forward exchange contracts, which are not intended for trading or speculation purposes, is amortised over the period of the contracts if such contracts relate to monetary items as at the balance sheet date. Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognised as income or as expense in the period in which such cancellation or renewal is made.

2.18 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. Earnings considered in ascertaining the Company's earnings per share is the net profit for the year is attributable to the equity shareholders.

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

2.19 Segment reporting

The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Company. Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue and expenses, which relate to the Company as a whole and are not allocable to segments on a reasonable basis, have been included under "Unallocated corporate expenses/income".

2.20 Operating Cycle

Based on the nature of products/activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

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

Particulars	As at 31st March 2017	
	Number of Shares	Rs.'000
3. SHARE CAPITAL		
Authorised		
Equity shares of Rs.10/- each	50,00,000	<u>50,000</u>
Issued, Subscribed and fully paid-up		
Equity shares of Rs.10/- each	49,96,566	49,966
		<u>49,966</u>
(a) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:		
Equity Shares		
Opening balance	49,96,566	49,966
Changes during the year	-	-
Closing balance	<u>49,96,566</u>	<u>49,966</u>
(b) Preferences/Restrictions/Rights attached to equity shares Each shareholder is entitled to one vote per share and dividend when declared. Other rights are governed by the Articles of Association of the Company and the Companies Act, 2013.		
(c) Details of shares held by each shareholder holding more than 5% of share capital:		
Particulars	No of shares held	%
Tractors and Farm Equipment Limited	8,55,067	17.11
T. Stanes & Company Limited	8,36,308	16.74
Life Insurance Corporation of India	7,71,496	15.44
Amalgamations Private Limited	3,25,344	6.51
Trustees T.Stanes & Co Limited Staff Pension Fund	2,64,816	5.30

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

Particulars	As at 31st March 2017 '000
4. Reserves and surplus	
A. General reserve	
Opening balance	6,00,000
Add: Transferred from Balance in Statement of Profit and Loss	70,000
Closing balance	<u>6,70,000</u>
B. Surplus in Statement of Profit and Loss	
Opening Balance	26,678
Add: Provision for diminution value of investments in associate reversed	20,888
Less: Loss of associate as per AS 23 till 31st March 2016 as per transition provision	14,171
Less: Additional Provision on investment in associate on goodwill	6,717
Add: Profit for the year	86,692
Less: Interim Dividend	4,997
Proposed final dividend (Refer Note No.32)	-
Tax on dividend	1,017
Transfer to General Reserve	70,000
Closing balance	<u>37,356</u>
Total Reserves and Surplus (A+B)	<u>7,07,356</u>
5. Other long-term liabilities	
Security deposits	15,910
Deferred Income (Refer Note No.24)	309
	<u>16,219</u>
6. Long-term provisions	
Provision for employee benefits:	
Compensated absence	985
	<u>30,442</u>
7. Trade Payables (Refer Note No.30)	
8. Other Current Liabilities	
Unclaimed dividend	2,992
Statutory remittances	2,797
Payable on purchase of fixed assets	199
Advance from Customers	1,264
Other Liabilities	6,164
Interim Dividend Payable	4,997
Tax on Interim Dividend payable	-
	<u>18,413</u>
9. Short term provisions	
Provision for employee benefits	
Provision for compensated absences	922
Provision for Income Tax (net of advance tax and Tax Deducted at Source of (Rs.'000) 33,214	698
Proposed final dividend (Refer Note No.32)	-
Tax on proposed final dividend	-
	<u>1,620</u>

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

10. FIXED ASSETS

(Owned, unless otherwise stated)

DESCRIPTION OF ASSETS	GROSS BLOCK			ACCUMULATED DEPRECIATION AND AMORTISATION			NET BLOCK	
	As at 1st, April 2016	Additions	Deletions	As at 31, March 2017	As at 1st, April 2016	for the year	on deletions	As at 31, March 2017
TANGIBLE ASSETS:								
Freehold Land and Development*	63,132	1,547	-	64,679	-	-	-	64,679
Bearer Plants*	10,705	-	-	10,705	-	309	-	10,396
Buildings**	2,42,088	4,261	-	2,46,349	51,830	9,178	-	185,341
Machinery**	1,72,868	13,060	-	1,85,928	82,770	11,522	-	91,636
Electrical Installations**	24,759	-	-	24,759	10,600	2,202	-	11,957
Furniture & Fixtures	7,063	-	-	7,063	5,390	359	-	1,314
Office and other Equipments	983	-	-	983	829	41	-	113
Computer and Data Processing Equipments	5,888	214	-	6,102	5,369	159	-	574
Vehicles	25,479	3,936	1,740	27,675	15,487	2,496	1,740	11,432
Sub-total	5,52,965	23,018	1,740	5,74,243	1,72,275	26,266	1,740	3,77,442
INTANGIBLE ASSETS:								
Software	716	215	-	931	295	163	-	473
Total	5,53,681	23,233	1,740	5,75,174	1,72,570	26,429	1,740	3,77,915

*Cost of Bearer plants included in Freehold land and development has been segregated and shown separately on 1st April 2016.

** includes following assets let out on Leave and License basis.

(Assets let out on Leave and License basis)

DESCRIPTION OF ASSETS	GROSS BLOCK			ACCUMULATED DEPRECIATION AND AMORTISATION			NET BLOCK	
	As at 1st, April 2016	Additions	Deletions	As at 31, March 2017	As at 1st, April 2016	for the year	on deletions	As at 31, March 2017
TANGIBLE ASSETS:								
Buildings	1,65,843	-	-	1,65,843	18,384	5,898	-	1,41,561
Machinery	40,109	-	-	40,109	8,336	2,674	-	29,099
Electrical Installations	19,042	-	-	19,042	5,936	1,904	-	11,202
Total	2,24,994	-	-	2,24,994	32,656	10,476	-	1,81,862

Rs.'000

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

NOTE :11

Non-Current Investments :-

(Rs. '000)

PARTICULARS	Nominal Value of shares/units Rs.	As at 1st April 2016		Additions during the year		Deductions during the year		As at 31st March 2017	
		No. of shares/units	Amount	No. of shares/units	Amount	No. of shares/units	Amount	No. of shares/units	Amount
I. Trade (at Cost)									
Investment in Equity shares of other entities (fully Paid)									
Unquoted									
Stanes Amalgamated Estates Limited	10	81,783	608	-	-	-	-	81,783	608
Stanes MJF Teas Limited	10	7,50,000	7,500	-	-	-	-	7,50,000	7,500
Sub Total			8,108						8,108
Less : Provision for diminution in value of Investment			7,500						7,500
Sub Total (I)			608						608
II. Non-Trade at Cost									
(a) Investment in Equity shares of other entities (fully Paid)									
Quoted									
IP Rings Limited	10	2,000	324	*1,600	142	-	-	3,600	466
Sundaram Clayton Limited	5	4,300	353	-	-	-	-	4,300	353
TVS Motor Company Limited	1	86,214	349	-	-	-	-	86,214	349
TATA Coffee Limited	1	10,000	218	-	-	-	-	10,000	218
Tata Steel Limited	10	6,739	902	-	-	-	-	6,739	902
The Tata Power Company Limited	1	10,000	146	-	-	-	-	10,000	146
Harita Seating Systems Limited	10	2,600	45	-	-	-	-	2,600	45
Uniworth India Limited	10	750	92	-	-	-	-	750	92
Wabco (India) Limited	5	4,300@	-	-	-	-	-	4,300	-
Sub Total			2,429		142				2,571
Less : Provision for diminution in value of Investment			245		142				245
Sub Total (II a)			2,184		142				2,184

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

NOTE :11

Non-Current Investments :-

(Rs. '000)

PARTICULARS	Nominal Value of shares/units Rs.	As at 1st April 2016		Additions during the year		Deductions during the year		As at 31st March 2017	
		No. of shares/units	Amount	No. of shares/units	Amount	No. of shares/units	Amount	No. of shares/units	Amount
II. Non-Trade at Cost									
(b) Investment in Mutual Funds									
Unquoted									
Sundaram Infrastructure Advantage Fund-Dividend	10	2,20,942	3,745	-	-	-	-	2,20,942	3,745
Sundaram Select Debt Short term Asset Plan-Growth	10	-	-	1,71,779	5,000	-	-	1,71,779	5,000
HDFC High Interest Fund-Growth	10	96,560	2,500	-	-	-	-	96,560	2,500
Birla Sun Life Dynamic Fund-Growth	10	2,49,194	5,800	-	-	-	-	2,49,194	5,800
Birla Sun Life Short Term Plan-Growth	10	-	-	80,338	5,000	-	-	80,338	5,000
Birla Sun Life Short Term Opportunities Fund-Growth	10	-	-	1,84,358	5,000	-	-	1,84,358	5,000
Birla Sun Life Short Term Opportunities Fund-Quarterly Dividend Reinvestment	10	-	-	3,07,111	3,204	-	-	3,07,111	3,204
Reliance Short Term Fund – Growth	10	1,01,940	2,500	-	-	-	-	1,01,940	2,500
Reliance Short Term Fund – Monthly Dividend	10	-	-	2,37,095	2,635	-	-	2,37,095	2,635
HDFC Short Term Fund-Monthly Dividend	10	-	-	6,21,025	6,466	-	-	6,21,025	6,466
HDFC Fixed Maturity Plan – Quarterly Dividend	10	-	-	5,00,000	5,000	-	-	5,00,000	5,000
HDFC Fixed Maturity Plan – Growth	10	-	-	27,50,000	27,500	-	-	27,50,000	27,500
Reliance Fixed Horizon Fund – Growth	10	-	-	5,00,000	5,000	-	-	5,00,000	5,000
ICICI Prudential ULTRA Short Term Fund – Growth	10	-	-	1,51,598	2,500	-	-	1,51,598	2,500
HDFC Short Term Opportunity Fund – Growth	10	-	-	1,41,722	2,500	-	-	1,41,722	2,500
Reliance Regular Saving Fund – Growth	10	-	-	4,88,099	10,855	-	-	4,88,099	10,855
HDFC Corporate Debt Opportunity Fund – Growth	10	-	-	8,07,220	10,785	-	-	8,07,220	10,785
Birla Sunlife Medium Term Plan – Growth	10	-	-	4,09,310	8,264	-	-	4,09,310	8,264
ICICI Prudential Regular Savings Fund – Growth	10	-	-	12,96,256	22,110	-	-	12,96,256	22,110
Birla Sunlife Treasury Optimising Plan-Growth	10	-	-	4,85,891	10,000	-	-	4,85,891	10,000
Sub Total (II b)			14,545		1,13,819				1,46,364

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

NOTE :11

Non-Current Investments :-

(Rs. '000)

PARTICULARS	Nominal Value of shares/units Rs.	As at 1st April 2016		Additions during the year		Deductions during the year		As at 31st March 2017	
		No. of shares/units	Amount	No. of shares/units	Amount	No. of shares/units	Amount	No. of shares/units	Amount
(c) Investment in Equity shares of other entities									
Unquoted									
Hifame Private Limited	10	27,600	810	-	-	-	-	27,600	810
Simpson and Company Limited	10	26,333	107	-	-	-	-	26,333	107
Orkay Industries Limited	10	450	35	-	-	-	-	450	35
Palani Andavar Cotton & Synthetic Spinners Ltd.	10	500	72	-	-	-	-	500	72
Sub Total			1,024						1,024
Less : Provision for diminution in value of Investment			107						107
Sub Total (II c)			917						917
(d) Investment in Equity shares of Associate									
Unquoted									
Kucluma Fasteners Private Limited	100	75,000	20,889	-	-	-	-	75,000	20,889
Sub Total			20,889						20,889
Less: Provision for Diminution in value of investments			20,889						20,889
Sub Total (II d)			-						-
Total			18,254		1,31,961				1,50,215

Notes: * Subscribed to Right Issue of the Company
 @ Received upon demerger from Sundaram Clayton Ltd.

As at 31.03.2017
 Aggregate cost of quoted investments 2,571
 Aggregate market value of quoted investments 89,639
 Aggregate cost of unquoted investments 1,76,385

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

NOTE :12

CURRENT INVESTMENTS :-

(Rs. '000)

PARTICULARS	Nominal Value of shares/units Rs.	As at 1st April 2016		Additions during the year		Deductions during the year		As at 31st March 2017	
		No. of shares/units	Amount	No. of shares/units	Amount	No. of shares/units	Amount	No. of shares/units	Amount
Investment in Mutual Funds									
Birla Sun Life Cash Plus Monthly Dividend	10	50,070	5,023	31,856	3,196	81,926	8,219	-	-
Birla Sun Life Cash Plus Daily Dividend	10			1,00,986	10,118	99,805	10,000	1,181	118
HDFC Liquid Fund Monthly Dividend	10	4,891	5,020	23,518	24,221	28,409	29,241	-	-
HDFC Liquid Fund Daily Dividend	10			19,698	20,088	19,611	20,000	87	88
ICICI Prudential Liquid Plan – Monthly Dividend	10	50,171	5,024	1,69,041	16,956	2,19,212	21,980	-	-
Reliance Liquid Fund – Treasury/Monthly Dividend	10	3,163	5,024	6,774	10,779	9,937	15,803	-	-
Total			20,091		85,358		1,05,243		206

As at 31.03.2017

Aggregate cost of quoted investments

206

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

Particulars			As at 31st March 2017 '000
13. Long-term loans and advances (Unsecured, considered good) Security deposits			<u>4,995</u>
14. Inventories(at lower of cost and net realisable value)(Refer Note No.: 2.8) Finished goods (Tea) Stores and Spare Parts Nursery Stock			<u>28,169</u> <u>14,641</u> <u>884</u> <u>43,694</u>
15. Trade receivables (Unsecured considered good) Trade receivable outstanding for a period exceeding six months from the date they were due for payment Other Trade receivables			<u>375</u> <u>20,086</u> <u>20,461</u>
16. Cash and cash equivalents (i) Cash and Cash equivalents (as per AS 3 Cash Flow Statements) (a) Cash on hand** (b) Balances with banks – In current accounts – In EEFC accounts – In deposit accounts (original maturity of three months or less) (ii) Other bank balances : – In deposits accounts (original maturity of more than three months) – In earmarked accounts: Unpaid dividend accounts			<u>49</u> <u>20,718</u> <u>3,497</u> <u>5,000</u> <u>29,264</u> <u>1,48,882</u> <u>7,989</u> <u>1,86,135</u>
Note: **During the year, the Company had specified bank notes and other denomination note as defined in the MCA notification G.S.R.308(e) dated 31st March 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from 08 November 2016 to 30 December 2016, the denomination wise SBNs and other notes as per the notification is given below:			
	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	910	53	963
(+) Permitted receipts	–	3,893	3,893
(–) Permitted payments	–	3,410	3,410
(–) Amount deposited in Banks	910	–	910
Closing cash in hand as on 30.12.2016	<u>–</u>	<u>536</u>	<u>536</u>

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

Particulars	As at 31st March 2017 Rs.'000
17. Short term loans and advances	
(Unsecured – Considered good)	
Advances – Trade and Supplies	2,170
Advance towards investments in HDFC Liquid Fund	6,000
Security deposits	501
Prepaid Expenses	5,425
Due from Gratuity Trust (Refer Note No. 29b)	43
Others	6,164
	<u>20,303</u>
18. Other current assets	
(Unsecured - considered good)	
Interest accrued on deposits	6,834
Replanting / Orthodox Subsidy receivable	14,076
	<u>20,910</u>
	For the year ended 31st March 2017 Rs.'000
19. Revenue from operations	
(a) Sale of Tea	4,68,220
(b) License fees from Letting of property	40,399
(c) Other operating revenues (Refer Note below)	36,591
	<u>5,45,210</u>
Note : Other operating revenues comprise	
Export benefits	
Duty Drawback	2,724
VKGUY License	14,019
Orthodox subsidy (Refer Note No.2.13)	12,425
Replanting subsidy	617
Income from other planting activities	6,806
	<u>36,591</u>
20. Other Income	
Interest Income on	
Bank deposits	12,896
Others	478
Dividend Income on	
Non current investments	1,047
Current investments	3,502
Profit on sale of fixed assets (net)	513
	<u>18,436</u>

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

Particulars	For the year ended 31st March 2017 Rs.'000
21. Changes in inventories of finished goods (tea)	
Inventories at the beginning of the year	11,167
Inventories at the end of the year	(28,169)
Net (Increase)/decrease	<u>(17,002)</u>
22. Employee benefits expense	
Salaries, wages and bonus	1,11,298
Contributions to provident fund and family pension fund [Refer Note No. 29(a)]	11,709
Contribution to Superannuation Fund [Refer Note No. 29(a)]	1,746
Contribution to Gratuity Fund [Refer Note No. 29(b)]	4,836
Workmen and Staff welfare expenses	23,172
	<u>1,52,761</u>
23. Other Expenses	
Consumption of stores and spares	24,580
Power and fuel	27,846
Repairs and maintenance	
Building	17,475
Machinery	3,668
Rates and taxes	4,254
Insurance	4,174
Selling expenses	
Brokerage and Commission	1,090
Sampling and Other Expenses	14,867
Freight and Other expenses on Tea Exports	22,925
Commission to Non-Wholetime Directors	1,050
Donation	500
Corporate Social Responsibility expense (Refer Note No.36)	2,467
Directors' Sitting Fees	273
Payment to Auditors – for audit	650
Professional Charges	1,319
Transport charges	8,345
Travelling expenses	5,436
Loss on Foreign currency transactions (net)	1,363
Rent Including lease rentals	125
Miscellaneous expenses	16,555
	<u>1,58,962</u>

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

Particulars	As at 31st March 2017 Rs.'000
<p>24. (a) In accordance with the requirements of revised Accounting Standard 10 – Property, Plant and Equipment which became effective from 1st April 2016, the cost of tea bushes in new clearing area amounting (Rs.'000) 10,705, which was capitalised as part of Freehold Land and Development in earlier years had been segregated and shown separately as “Bearer Plants” on 1st April 2016 and depreciated over its remaining useful lives. Consequently depreciation charge for the year is increased by (Rs.'000) 309. Further as required by the said Standard the expenditure amounting to (Rs.'000) 2,124 incurred on replanting which was hitherto being charged to revenue has been capitalised and carried under Capital Work-in-Progress. The net effect of these mandatory changes is increase in the net profit by (Rs.'000) 1,815.</p> <p>(b) Deferred Income: Replanting Subsidy from Tea Board, which until 31st March 2016 was credited to Statement of Profit and Loss has been accounted this year as deferred income and is amortised as income in the Statement of Profit and Loss over the useful life of the Bearer Plants to which such subsidy relates. As a result of this change, the profit for the year has decreased by (Rs.'000) 309.</p>	
<p>25. Accounting for investments in Associate in Consolidated Financial Statements: Due to accumulated losses, the Company’s investment in the Associate has been fully provided for in earlier years. According to Accounting Standard 23, the share of further losses incurred by the said Associate has not been considered in the consolidated financial statements.</p>	
<p>26. Deferred tax liabilities/assets</p> <p><u>Tax effect of items constituting deferred tax liabilities:</u></p> <p>On difference between book and tax balance of fixed assets 3,080</p> <p>On expenditure capitalised in books but allowable for tax purpose 281</p> <p>Tax effect of items constituting deferred tax liabilities: 3,361</p> <p><u>Tax effect of items constituting deferred tax assets:</u></p> <p>Disallowances under Section 43B of Income Tax Act, 1961 836</p> <p>Provision for compensated absence 252</p> <hr style="width: 100%;"/> <p style="text-align: right;">1,089</p> <hr style="width: 100%;"/> <p style="text-align: right;">2,272</p>	
<p>Deferred tax liabilities (Net)</p>	
<p>27. (i) The Company has covered following short term Foreign Currency exposure relating to receivable arising out of Export of Tea 7,689</p> <p style="text-align: center;">2016-2017</p> <p>USD 17,000</p> <p>EURO 1,26,500</p> <p>GBP –</p> <p>(ii) The Company did not cover short term Foreign Currency exposure relating to receivable arising out of Export of Tea based on cost benefit analysis: 8,337</p> <p style="text-align: center;">2016-2017</p> <p>USD 49,518.00</p> <p>EURO 42,354.70</p> <p>GBP –</p>	
<p>28. The Company was permitted in an earlier year to retain excess holding of 333.67 acres of vacant land contiguous the planted area in the Tea garden but due to rocky terrain, land could not be cultivated as stipulated by Government and eviction proceeding relating to the aforesaid piece of land had been stayed by the Supreme Court of India. In its final order dated 7th August, 2013, the supreme court has directed the Land Board to review the case afresh.</p>	

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

Particulars	For the year ended 31st March 2017 Rs.'000
29. Disclosures required under Accounting Standard 15 R notified in the Companies (Accounting Standards) Rules 2006, are given below:	
(a) The Company makes Provident Fund and Superannuation Fund which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits The Company recognised (Rs.'000) 11,709 for Provident Fund Contribution and (Rs.'000) 1,746 for Superannuation Fund in the Statement of Profit and Loss. The contribution payable to these plans by the Company are at rates specified in the rules of the schemes.	
(b) Defined benefit plan - Gratuity (Funded)	
A. Change in Present Value of obligation during the year	
1. Present value of obligation at the beginning of the year	49,774
2. Current Service Cost	5,476
3. Interest Cost	3,400
4. Benefits paid	(5,308)
5. Actuarial (Gain)/Loss on obligation	66
6. Present value of obligation at the closing of the year	53,408
B. Change in Fair Value of Assets during the year	
1. Fair value of plan assets at the beginning of the year	51,981
2. Expected return on plan assets	4,106
3. Contribution made	2,673
4. Benefits paid	(5,308)
5. Actuarial Gain/ (Loss) on plan assets	-
6. Fair Value of plan assets at the closing of the year	53,452
C. Net Asset/(Liability) recognised in the Balance Sheet	
1. Present value of the obligation	53,408
2. Fair Value of plan assets	53,452
3. Funded status surplus/(deficit)	43
4. Unrecognised past service cost	-
5. Net Asset/(Liability) recognised in the Balance Sheet	43
D. Expenses recognised during year	
1. Current Service Cost	5,476
2. Interest Cost	3,400
3. Expected return on plan assets	(4,106)
4. Actuarial Loss/(Gain) during the year	66
5. Total Expenses recognised in Statement of Profit and Loss	4,836
E. Major categories of plan assets as a percentage of Total Plan	
Bank balances and Investment with Life Insurance Corporation	
Experience adjustments (Rs.'000)	100.00%
Actuarial (Gain) and loss on obligation	66
Actuarial (Gain) and loss due to change in assumptions	-
Actuarial (Gain) and loss on plan of assets	-
Total (Gain) / loss for the year	66
Total (Gain) / loss recognised in the year	66
Unrecognised Actuarial (Gains) and loss for the year	-

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

Particulars	For the year ended 31st March 2017 Rs.'000
The estimates of future salary increases considered in the actuarial valuation take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. The above information is actuarially determined.	
F. Actuarial Assumptions-Gratuity	
1. Discount rate	7.25%
2. Salary escalation	6%
3. Expected rate of return on plan assets	8.05%
4. Attrition rate	5%
G. Actuarial Assumptions-Compensated Absence	
1. Discount rate	7.25%
2. Salary escalation	6%
3. Attrition rate	5%
30. The Company has not received any memorandum (as required to be filed by the suppliers with the notified authority under Micro, Small and Medium Enterprises Development Act, 2006) claiming their status as Micro, Small and Medium Enterprises and consequently the amount paid/payable to these parties has been considered as NIL. Trade Payable includes amount due on account of goods purchased or services received in the normal course of business. Trade payable includes amount payable to employees	23,323
31. Earning per share: For the purpose of computing the earnings per share, the net profit after tax has been used as the numerator and the weighted average number of shares outstanding has been considered, as the denominator	
Profit for the year	Rs.'000. 86,692
Number of shares (Face value of Rs.10/- per share)	49,96,566
Earning per share (Basic and Diluted)	Rs. 17.35
32. Proposed Final Dividend : In terms of revised Accounting Standard (AS)-4, the proposed dividend of Rs.1.70 per share for the financial year 2016-17, upon approval by the members at the ensuing Annual General Meeting, will be appropriated from the surplus in Statement of Profit and Loss carried to Balance Sheet.	
33. Cost of Stores and Spare Parts and Components Consumed	39,024
	2016-2017
	Value
	(Rs.'000)
Indigenous	90.73 35,405
Imported	9.27 3,619
34. Cost of Green Leaf Consumed (all indigenous)	
(a) Cost of Green Leaf Purchased	1,08,632
(b) Cost of Green Leaf Harvested	68,471
(Classified under various natural heads)	1,77,103
35. Repairs to Building and Machinery include	
Salaries and Wages	8,135
Consumption of Stores	10,142
	18,277

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

Particulars	For the year ended 31st March 2017 Rs.'000
36. In compliance with Section 135(5) of the Companies Act, 2013, the Company is required to spend (Rs.'000) 2,462 calculated at 2% average net profits made during the three immediate preceding financial years towards Corporate Social Responsibility. The Company has incurred an expenditure of (Rs.'000) 2,467 as below:	
(i) Children Home (Orphanage)	2,035
(ii) Rural Development Project & Tribal Welfare	432
	2,467
37. Earnings in Foreign Exchange	
F.O.B. Value of Tea Export	2,57,819
38. C.I.F Value of Imports	
Stores & Spares-Packing Materials	7,108
Capital Goods-Machinery	5,404
	12,512
39. Expenditure in Foreign Currency	
Travel	1,481
Commission	2,622
	4,103
40. Segment Report :	
A Primary Segment Information - Business Segment	
The Company has two reportable segments viz. growing and manufacture of tea and letting of commercial property.	
(a) Segment Revenue (Net of Excise Duty)	
Plantation	5,03,855
Property	40,399
Total Income from Operations (net)	5,44,254
(b) Segment Results (Profit before Tax)	
Plantation	98,078
Property	26,663
Total	1,24,741
Less :	
(i) Unallocated Interest and finance charges	-
(ii) Other unallocable expenditure net of unallocable income	7,707
Profit before tax	1,17,034
Segment Capital Employed	
(Segment Assets – Segment Liabilities)	
Plantation	2,64,687
Property	1,70,673
Unallocated	3,21,962
Total	7,57,322
B. Secondary Segment information– By Geographical Segments	
(a) Segment Revenue (Net of Excise Duty)	
India	2,76,254
Outside India	2,68,001
Total	5,44,254
(b) Segment Assets	
India	8,11,247
Outside India	16,026
Total	8,27,273
(c) Capital Expenditure (including capital work-in-progress)	25,672

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

41. Related Party Disclosures:

Names of related parties and nature of relationship are as under:

- (i) **Associate** : Kuduma Fasteners Private Limited
- (ii) **Key Managerial Personnel** : Mr. D. Hegde, Whole-time Director
 Mr.T.G.B. Pinto, Whole-time Director
 Mr.S. Raghuraman, Chief Financial Officer
 Mr. K.Guruswamy – Company Secretary

(iii) Particulars of transactions with related parties :

Description	Associate	Key Management Personnel	Total
	2016-2017 Rs. '000	2016-2017 Rs. '000	2016-2017 Rs. '000
Transactions during the year			
Remuneration to key managerial personnel	–	11,095	11,095
Mr.D.Hegde	–	3,893	3,893
Mr.T.G.B.Pinto	–	3,924	3,924
Mr.S.Raghuraman	–	2,678	2,678
Mr. K. Guruswamy	–	600	600
Dividend Paid	–	17	17
Mr.D.Hegde	–	6	6
Mr.T.G.B.Pinto	–	8	8
Mr.S.Raghuraman	–	3	3

For and on behalf of the Board of Directors

MALLIKA SRINIVASAN
 (DIN: 00037022)
Chairman

N. SRINIVASAN
 (DIN: 00004195)
Director

D. HEGDE
 (DIN: 00025468)
Director

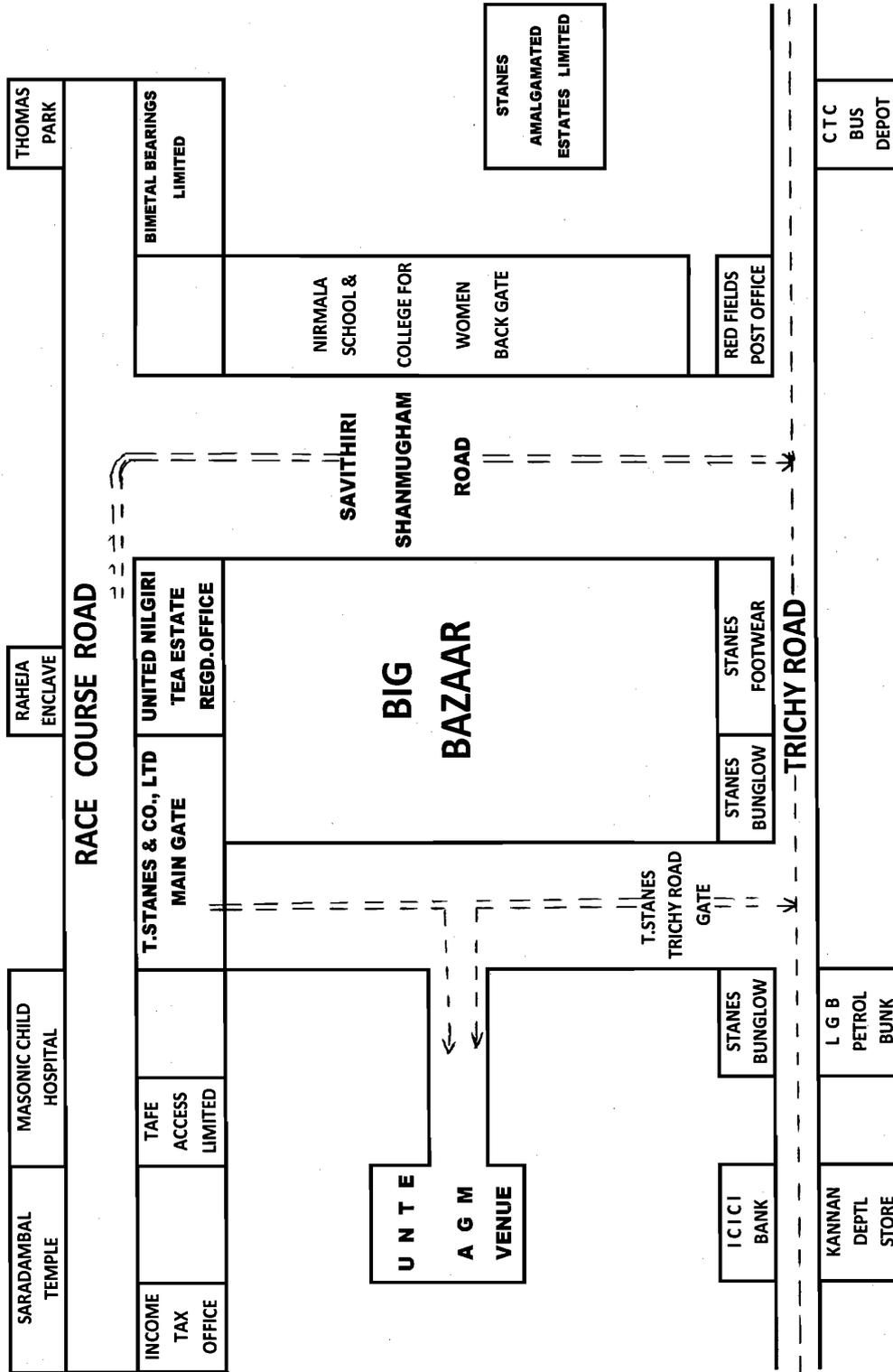
S.RAGHURAMAN
Chief Financial Officer

K. GURUSWAMY
Company Secretary

Place: Chennai
 Date: 17th May, 2017

THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED

AGM VENUE ROUTE MAP



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