



98<sup>th</sup>  
Annual Report &  
Accounts 2019-2020

**THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED**

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# THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED

## REGISTERED OFFICE

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

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

## BOARD OF DIRECTORS

Ms. MALLIKA SRINIVASAN – Chairman  
Mr. SANKAR DATTA  
Mr. KRISHNA SRINIVASAN  
Mr. K. V. SRIRAM  
Mr. D. HEGDE, Whole-time Director  
Mr. T. G. B. PINTO, Whole-time Director

## CHIEF FINANCIAL OFFICER

Mr. S. RAGHURAMAN

## COMPANY SECRETARY

Mr. R. V. SRIDHARAN

## INTERNAL AUDITORS

DELOITTE HASKINS & SELLS LLP  
CHARTERED ACCOUNTANTS  
41, "SHANMUGA MANRAM"  
RACE COURSE,  
COIMBATORE - 641 018

## STATUTORY AUDITORS

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

## BANKERS

CENTRAL BANK OF INDIA  
STATE BANK OF INDIA  
HSBC LTD.  
HDFC BANK LTD.

## PLANTATIONS

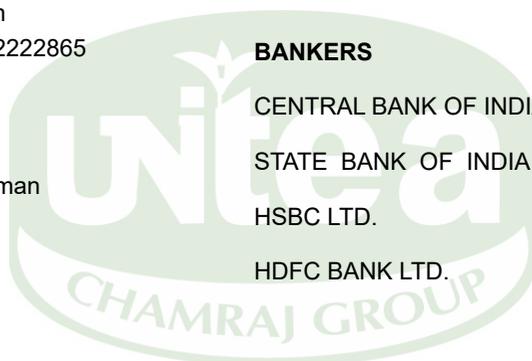
ALLADA VALLEY, CHAMRAJ,  
DEVABETTA AND KORAKUNDAH,  
CHAMRAJ ESTATE & POST  
THE NILGIRIS - 643 204

## COMMERCIAL PROPERTY

UNITEA CENTRE,  
RACE COURSE,  
COIMBATORE - 641 018

## REGISTRARS AND SHARE TRANSFER AGENTS

INTEGRATED REGISTRY MANAGEMENT  
SERVICES PRIVATE LIMITED,  
"KENCES TOWERS," 2nd FLOOR,  
No.1, RAMAKRISHNA STREET,  
NORTH USMAN ROAD,  
CHENNAI - 600 017



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**THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED**

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

CIN : L01132TZ1922PLC000234

E- mail : headoffice@chamrajtea.com Website : www.unitednilgiritea.com

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

# **NOTICE OF ANNUAL GENERAL MEETING**

**NOTICE** is hereby given that the Ninety-Eighth Annual General Meeting of the members of the Company will be held on Friday, the 7th August 2020 at 4.00 P.M. through Video Conference ("VC") / Other Audio Visual Means ("OAVM") to transact the following business:

## **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2020, together with the Report of the Board of Directors and Auditors thereon; and
2. (i) To confirm the payment of interim dividend of Re.1/- per equity share and  
(ii) To declare Final Dividend for the financial year 2019-20.
3. To appoint a Director in place of Mr. T.G.B. Pinto (DIN 000 25593), who retires by rotation and is eligible for re-appointment.

Chennai  
22<sup>nd</sup> June 2020



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

R.V. SRIDHARAN  
Company Secretary

# NOTICE OF ANNUAL GENERAL MEETING — (Contd.)

## NOTES:

1. In view of the massive outbreak and continuing Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as “MCA Circulars”) permitted the holding of the Annual General Meeting (“AGM”) through VS/OVAM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (“ACT”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and MCA Circulars, the AGM of the Company is being held through VC/OAVM.
2. Since this AGM is being held through VC/OAVM pursuant to MCA Circulars, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members is not available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice. However, the Body Corporates are entitled to appoint authorized representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 1st August 2020 to Friday, 7th August 2020 (both days inclusive) for determining the entitlement of the shareholders to the final dividend for the financial year 2019-20.
4. The final dividend, when declared at the AGM to be held on 7th August, 2020 will be paid subject to deduction of tax at source
  - i. To all members in respect of shares held in physical form after giving valid transfers in respect of transfer, transmission or transposition requests lodged with the Company as on the close of business hours on 31st July, 2020.
  - ii. To all beneficial owners in respect of shares held in electronic form as per details furnished by M/s. National Securities Depository Limited (NSDL) and M/s. Central Depository Services Limited (CDSL) as on the closing hours on 31st July 2020.
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). The Company had transferred unclaimed dividend in respect of interim and final Dividend 2012 to the account of Investor Education and Protection Fund.
6. Members are requested to note that dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company are liable to be transferred to the Investor Education and Protection Fund Authority. The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority.

Members whose unclaimed dividend for the financial year 2011-12 already transferred to the IEPF account and who have not encashed the dividends for the subsequent financial years, are requested to note that the underlying shares of the Company, in respect of final dividend for the financial year 2012-13, are liable to be transferred to 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.

# NOTICE OF ANNUAL GENERAL MEETING — (Contd.)

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

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

7. Details as required Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of a Director seeking re-appointment at the Annual General Meeting, forms integral part of the notice.
8. Integrated Registry Management Services Private Limited, “Kences Towers”, 2nd Floor, No.1, Ramakrishna Street, North Usman Road, T.Nagar, Chennai – 600 017 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, Registrar and Share Transfer Agent of the Company. Members holding shares in electronic mode are requested to send the intimation of 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.
9. 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.
10. To support the ‘Green Initiative,’ members are requested to register their email address with the concerned Depository Participant in respect of shares held in electronic form.
11. As per Regulation 40 of SEBI Listing Regulations as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019 except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares, members holding shares in physical form are requested to consider converting their holdings into dematerialized form.
12. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining the demat accounts. Members holding shares in physical form can submit their PAN details to the Company. SEBI has also mandated that for registration of transfer of securities, the transferee(s) as well as transferor(s) shall furnish a copy of their PAN Card to the Company for registration of transfer of securities.
13. Pursuant to the provisions of Section 72 of the Companies Act, 2013, the facility for making nomination is available for the members in respect of shares held by them. Members who have not yet registered their nominations are requested to register the same by submitting Form SH.

# NOTICE OF ANNUAL GENERAL MEETING — (Contd.)

14. Members are requested to submit the said form to their depository participants in case the shares are held in electronic form and to the Company in case the shares are held in physical form.
15. Members seeking any information with regard to the accounts are requested to write to the Company at an early date through email to [headoffice@chamrajtea.com](mailto:headoffice@chamrajtea.com). The same will be replied by the Company suitably.
16. Pursuant to Finance Act, 2020, dividend income will be taxable in the hands of shareholders with effect from April 1, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The Shareholders are requested to update their PAN with the Company / Registrar and Share Transfer Agent (in case of shares held in physical mode) and depositories (in case of shares held in demat mode).

A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form 15G/H, to avail the benefit of non-deduction of tax at source by email to the Company's email ID [headoffice@chamrajtea.com](mailto:headoffice@chamrajtea.com). Shareholders are requested to note that in case their PAN is not registered, tax will be deducted at a higher rate of 20%.

Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by sending an email to [corpserv@integratedindia.in](mailto:corpserv@integratedindia.in). The aforesaid declarations and documents need to be submitted by the Shareholders by July 31, 2020.

17. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those members whose email addresses are registered with the Company/Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website [www.unitednilgiritea.com](http://www.unitednilgiritea.com), website of the Stock Exchange [www.nseindia.com](http://www.nseindia.com) and on the website of NSDL <https://www.evoting.nsdl.com>.
18. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
19. Since the AGM will be held through VC / OAVM, the Route Map is not annexed to this Notice.
20. **Voting through electronic means**

In compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2015 as amended and Regulation 44 of 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 98th Annual

# NOTICE OF ANNUAL GENERAL MEETING — (Contd.)

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 the venue of AGM (remote e-voting) will be provided by National Securities Depository Limited (NSDL).

## A. Instructions for Remote e-Voting

How to vote electronically using NSDL e-Voting system?

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

**Step 1: Log –in to NSDL e-Voting system at <https://www.evoting.nsdl.com>**

**Step 2: Cast your vote electronically on NSDL e-Voting system.**

**Details on Step 1 are mentioned below:**

### Step 1: Log-in to NSDL e-Voting system

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

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

4. Your User ID details will be as per details given below:

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

# NOTICE OF ANNUAL GENERAL MEETING — (Contd.)

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

## **Step 2 – Cast your vote electronically on NSDL e-Voting system**

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of the Company.
4. Now you are ready for e-Voting as the Voting page opens.

# NOTICE OF ANNUAL GENERAL MEETING — (Contd.)

5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on " Submit " and also " Confirm " when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm you vote on the resolution, you will not be allowed to modify your vote.

## General Guidelines for shareholders

- (i) Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG format) of its Board or governing body resolution/authorization etc. authorizing its representative to attend the AGM through VC/OAVM on its behalf and to vote through remote e-voting. The said Resolution/ Authorization shall be sent to the Scrutinizer by email through its registered email address to [kasi.s@gopalaiyer.in](mailto:kasi.s@gopalaiyer.in) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
- (ii) It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-Voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.  

In case of any queries relating to e-Voting, you may refer the Frequently Asked Questions (FAQs) for shareholders and e-Voting user manual for shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
- (iii) The e-voting period commences at 9.00 A.M. on 4th August, 2020 and ends at 5.00 P.M. on 6th August, 2020. During this period, members of the company holding shares either in physical form or in dematerialized form as on the cut-off date 31st July, 2020 will be entitled to cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, he shall not be allowed to change it subsequently. Those members, who will be present in the AGM through VS / OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.
- (iv) The Members who have cast their votes by remote e-voting prior to the AGM may also attend/participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again.
- (v) The voting rights of members (for voting through remote e-Voting or by poll at the meeting) shall be in proportion to their shares in the paid up equity share capital of the Company as on the cut-off date 31st July 2020.
- (vi) Any person, who acquires shares of the Company and become members of the Company after dispatch of notice and holding shares as on cut-off date i.e. 31st July, 2020 (book closure commencing date) may obtain the Login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [headoffice@charmrajtea.com](mailto:headoffice@charmrajtea.com) or [corpserv@iepindia.com](mailto:corpserv@iepindia.com).

# NOTICE OF ANNUAL GENERAL MEETING — (Contd.)

- (vii) Mr.Kasi Viswanathan, Partner, M/s.Gopalaiyer & Subramanian, Chartered Accountants has been appointed as the Scrutinizer to scrutinize both e-voting during the AGM and remote e-voting process in a fair and transparent manner.
- B. Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of email id for e-voting for the resolutions set out in this notice:**
1. In case shares are held in physical mode, please provide Folio No., Name of the shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [headoffice@chamrajtea.com](mailto:headoffice@chamrajtea.com)
  2. In case shares are held in demat mode, please provide DP id/Client Id (16 digit DP Id + Client Id or 16 digit beneficiary Id), Name, client master copy of Consolidated Account Statement, PAN (self attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to [headoffice@chamrajtea.com](mailto:headoffice@chamrajtea.com)
  3. Alternatively member may send an e-mail request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for obtaining User ID and Password by providing the details mentioned in Point (1) or (2) as the case may be.
- C. Instructions for members for attending the AGM through VC/OAVM are as under:**
1. Members will be provided with a facility to attend the AGM through VC/OAVM through NSDL e-voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that those members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
  2. Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the meeting by following the procedure mentioned in the notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large shareholders (shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
  3. Members are encouraged to join the meeting through laptops for better experience.
  4. Further members will be required to use Internet with a good speed to avoid any disturbance during the meeting.
  5. Please note that participants connecting from mobile devices or tablets or through laptop connecting via mobile hotspot may experience audio/video loss due to fluctuation in their respective network. It is therefore recommended to use stable wifi or lan connection to mitigate any kind of aforesaid glitches.

# NOTICE OF ANNUAL GENERAL MEETING — (Contd.)

6. Members who would like to register themselves as speaker may send their request from their registered e-mail address mentioning their name, DP ID and Client ID / folio number, PAN, email ID, mobile number at headoffice@chamrajtea.com on or before 05.00 PM IST on Monday, 3rd August 2020.
7. Members who would like to express their views or ask questions may send their questions in advance mentioned their name, demat account number / folio number, e-mail ID, mobile number at headoffice@chamrajtea.com on or before 05.00 PM IST on Monday, 3rd August 2020. The same will be replied by the company suitably.
8. Those members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

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

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

#### **Other instructions**

1. 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 her in writing, who shall counter sign the same and declare the results of the voting forthwith.
2. The results declared along with the report of the Scrutinizer shall be placed on the website of the Company [www.unitednilgiritea.com](http://www.unitednilgiritea.com) and on the website of NSDL <https://www.evoting.nsdl.com> immediately after the declaration of result by the Chairman or a person authorized by her in writing. The results shall also be immediately forwarded to the National Stock Exchange of India Limited, Mumbai.
3. Subject to the receipt of requisite number of votes, the Resolutions forming part of the Notice of Annual General Meeting shall be deemed to be passed on the date of AGM i.e. 7th August, 2020.

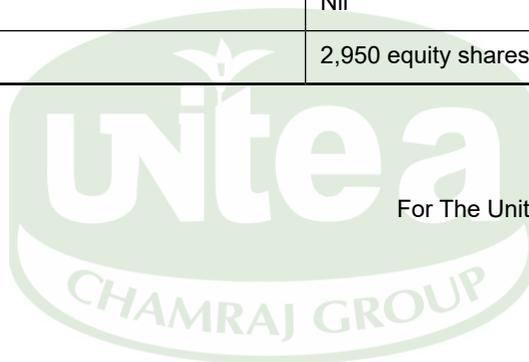
(By order of the Board)  
For The United Nilgiri Tea Estates Company Limited

Chennai  
22<sup>nd</sup> June 2020

R.V. SRIDHARAN  
Company Secretary

**Profile of Director seeking re-appointment at the Annual General Meeting to be held on 7th August, 2020  
pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations,  
2015 and SS 2- Secretarial Standards on General Meetings.**

<b>Name of the Director</b>	<b>Mr. T.G.B. Pinto</b>
DIN	00025593
Date of Birth	4th January, 1956
Date of appointment	27th May, 2005
Qualification	B.Sc (Agriculture)
Experience	Over 38 years in tea plantation
Expertise in special Function	Agriculture and Plantation activities
Relationship between Directors inter se	None
Directorship in other Companies	NAAP Management Services Private Limited
Committee positions held	Nil
No. of shares held	2,950 equity shares



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

R.V. SRIDHARAN  
Company Secretary

Chennai  
22<sup>nd</sup> June 2020

## DIRECTORS' REPORT

Your Directors have pleasure in presenting the 98<sup>th</sup> Annual Report on the performance of the Company together with the Audited Financial Statements for the financial year ended 31<sup>st</sup> March, 2020.

### FINANCIAL RESULTS:

Rs. in Lakhs

	31.03.2020	31.03.2019
Profit before finance cost, depreciation and tax	<b>1,669.52</b>	1,815.08
Finance Cost	<b>4.95</b>	7.14
Depreciation	<b>276.75</b>	271.46
Profit before exceptional item and tax	<b>1,387.82</b>	1,536.48
Exceptional Item – Profit on sale of investment in associate	—	163.62
Profit before tax	<b>1,387.82</b>	1,700.10
Tax Expense including deferred tax	<b>(316.63)</b>	(262.87)
Profit for the year	<b>1,071.19</b>	1,437.23
Other Comprehensive Income	<b>604.43</b>	1,007.70
Total Comprehensive Income	<b>1,675.62</b>	2,444.93

### Indian Accounting Standards (Ind AS)

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

### Dividend

Your Directors have recommended a final dividend of Rs.1.70/- per share (17%) which together with an interim dividend of Re. 1/- per share (10%) already paid, makes a total dividend of Rs. 2.70/- per share (27%) for the year ended 31<sup>st</sup> March, 2020 [previous year Rs.2.70/-per share (27%)]. The proposed final dividend of Rs.1.70 per share (17%) for the year amounting to Rs.84,94,162/- will be accounted in the financial year 2020-21 in accordance with Ind AS10 – ‘Events after the reporting period’.

### Transfer to Reserves

The Directors have proposed to transfer a sum of Rs.900 Lakhs to the General Reserve which will be accounted in the financial year 2020-21 in accordance with Ind AS 10 – ‘Events after the reporting period’.

### Operations

The total quantity of tea manufactured during the year was lower at 29,14,862 kgs as against 30,91,002 kgs during the previous year.

## **DIRECTORS' REPORT – (Contd.)**

The rainfall during the year was 1545 mm as against 1194 mm during the previous year. However, the crop production was lower due to untimely and uneven distribution of rainfall during the year.

Your Company has recorded a sale of 28,93,991 kgs (previous year 31,65,290 kgs). The average price realized during the year was higher when compared to the previous year.

Profit before tax for the year was Rs. 1,387.82 lakhs as against Rs.1700.10 lakhs during the previous year.

The total exports during the year was 15,99,025 kgs as against 18,65,911 kgs during the previous year.

### **Outlook**

The rainfall since the beginning of the year is very scanty. Consequently during the current financial year, crops are likely to be low. With expansion completed at Korakundah factory, all certified organic leaf will be manufactured there. With prices for tea likely to be better than last year, we expect a stable year ahead.

### **Share Capital**

The paid up capital of the Company as at 31<sup>st</sup> March 2020 remains unchanged.

### **Directors Responsibility Statement**

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

- a) in the preparation of Annual Accounts for the year ended 31<sup>st</sup> March, 2020, the applicable Indian Accounting Standards have been followed without any material departures;
- b) such accounting policies have been selected and applied consistently and judgment and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2020 and of the profit of the Company for that period;
- c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 to safeguard the assets of the Company and to prevent and detect fraud and other irregularities;
- d) the annual accounts have been prepared on a going concern basis;
- e) proper internal financial controls to be followed by the Company have been laid down and that the financial controls are adequate and were operating effectively;
- f) proper systems have been devised to ensure compliance with the provisions of all applicable laws and such systems are adequate and were operating effectively.

# DIRECTORS' REPORT – (Contd.)

## **Directors and Key Managerial Personnel**

Mr. Sankar Datta was re-appointed as Independent Director of the Company by the members at the 97<sup>th</sup> Annual General Meeting held on July 20, 2019 for a term of five years with effect from 10<sup>th</sup> November, 2019.

Of the Directors liable to retire by rotation, Mr. T.G.B. Pinto will retire at the forthcoming Annual General Meeting. He is eligible for re-election and offers himself accordingly. Upon being re-appointed, he would continue to occupy the position of Whole-time Director till his tenure of office.

## **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 2019-20.

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

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

## **Material changes and Commitments between 31<sup>st</sup> March 2020 and date of this report**

There are no material changes and commitments affecting the financial position of the company which have occurred between 31<sup>st</sup> March 2020 and the date of this report.

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

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

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

The Company has transferred during the year unclaimed dividends amounting to Rs. 5,95,458/- to the Investor Education and Protection Fund.

Pursuant to the applicable provisions of the Companies Act, 2013 read with IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company transferred 16,551 shares during the year, in respect of which dividend has not been claimed for 7 consecutive years or more to the demat account of IEPF Authority. The transfer was effected after sending notices to the concerned shareholders. The details are given in the Report on Corporate Governance forming part of this report.

## **Annual Return**

Extract of Annual Return in Form MGT-9 is given as **Annexure-5** to this report.

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

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

# DIRECTORS' REPORT – (Contd.)

## Declaration by Independent Directors

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

## Policy on appointment and remuneration of Directors

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

## Committees of the Board<sup>1</sup>

The Company has four Committees as mentioned below:

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

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

## Auditors

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

M/s K.S.Aiyar & Co., Chartered Accountants were appointed as the Statutory Auditors of the Company for a period of 5 years from the conclusion of the 95<sup>th</sup> Annual General Meeting held on 4<sup>th</sup> August 2017 till the conclusion of 100<sup>th</sup> Annual General Meeting. Pursuant to the Companies (Amendment) Act, 2017 with effect from May 7, 2018, the ratification of appointment of Statutory Auditors at every Annual General Meeting by the members has been dispensed with.

## Secretarial Audit Report

Secretarial Audit has been carried out by M/s. L.K. & Associates, Practising Company Secretaries and their report is annexed herewith (**Annexure-7**). There are no qualifications, reservations or adverse remarks.

## 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.

# DIRECTORS' REPORT – (Contd.)

## **Corporate Social Responsibility**

CSR Policy and the annual report on CSR activities are given in **Annexure-3**. The Company's policy on Corporate Social Responsibility is also available on the Company's website [www.unitednilgiritea.com](http://www.unitednilgiritea.com).

Besides supporting the orphanage and the public medical scheme administered by the Company in the area of rural development and tribal welfare, your Company has been associated with United Nilgiri Conservative Society (UNCS). UNCS since its establishment in 2013 has built confidence and trust for people in Kotagiri and Ooty through its effort to achieve better standard of life through community development works.

## **Board Evaluation**

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

## **Report on Corporate Governance**

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

## **Management Discussion and Analysis Report**

Management Discussion and Analysis Report is given separately, which forms part of this Report (**Annexure-6**).

## **Particulars of Employees**

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

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

## **Environmental Protection**

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

## **Industrial Relations**

Industrial relations have been cordial during the year.

# DIRECTORS' REPORT – (Contd.)

## Public Deposits

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

## Vigil Mechanism

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

## Sexual Harassment of Women at Workplace

The Company's policy on Sexual Harassment of women employees can be accessed at the Company's website [www.unitednilgiratea.com](http://www.unitednilgiratea.com). An Internal Complaints Committee has been constituted to redress the grievances of women at workplace. No complaint was reported during the year under review.

## Cost Records

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

## Others

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

## Acknowledgement

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

For and on behalf of the Board

Chennai  
22<sup>nd</sup> June, 2020

MALLIKA SRINIVASAN  
Chairman

**A. Conservation of Energy**

1. Steps taken or impact on conservation of energy	We have installed fuel efficient steam boilers for firing tea thereby reducing the use of firewood continuously.
2. Steps taken by the Company for utilizing alternate source of energy	
3. Capital investment on energy conservation equipment	Nil

**B. Technology Absorption**

1. Efforts made towards technology absorption	We have imported lithium battery operated plucking machines and these are being used in our divisions. We have also started using high volume sprayers to use less workers and cover more area.
2. Benefits derived like product improvement, cost reduction, product development, or import substitution	We will now be able to harvest leaf in time during the growing period, which will help us maintain good quality standards.
3. Imported Technology	Nil
4. Expenditure on R & D	Nil

**C. Foreign Exchange Earnings and Outgo**

Actual Inflow	Rs. 33,08,82,238/-
Actual Outflow	Rs.65,38,857/-

**AOC 2**

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

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

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

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

There were no contracts or arrangements or transactions entered into during the year ended March 31, 2020, which were not at arm's length basis.

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

The details of contracts or arrangements or transactions at arm's length basis for the year ended March 31, 2020 are as follows:

Name of the related party	: Amalgamations Private Limited
Nature of contract	: (a) Availing of services (b) Reimbursement of expenses
Nature of relationship	: A director of the Company is member/Director in the related party company
Duration of contract	: Yearly (from 01.04.2019 to 31.03.2020)
Salient terms	: At arm's length price in the ordinary course of business
Amount	: (a) Availing of services — Rs.2,82,789/- (b) Reimbursement of expenses — Rs.2,65,500/-

For and on behalf of the Board

**MALLIKA SRINIVASAN**  
Chairman

Chennai  
22<sup>nd</sup> June, 2020

## REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR)

### 1. CSR Policy Objectives

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

- a) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently-abled;
- b) Health Care and livelihood enhancement projects;
- c) 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;
- d) 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;
- e) Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports;
- f) 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;
- g) Rural Development Projects and Tribal Welfare.

The Company's CSR Policy is uploaded on the website of the Company [www.unitednilgiritea.com](http://www.unitednilgiritea.com)

### 2. Composition of CSR Committee

S. No	Name	Category	Designation
1	Ms. Mallika Srinivasan	Non-Executive Non-Independent	Chairman
2	Mr. Sankar Datta	Non-Executive Independent	Member
3	Mr. D.Hegde	Whole-time Director	Member
4	Mr. T.G.B.Pinto	Whole-time Director	Member

3. Average Net Profit of the Company in the immediate three preceding financial years : Rs.1,308.99 lakhs

4. Prescribed CSR Expenditure (2%) : Rs.26.18 lakhs

5. Details of expenditure spent towards CSR during the financial year 2019-20

- a. Total amount spent during the financial year : Rs.33.36 lakhs\*
- b. Amount unspent, if any : Nil
- c. Manner in which the amount spent during the financial year is detailed below:

1	2	3	4	5	6	7	8
S. 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 were undertaken	Amount / outlay/ 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 up-to the reporting period	Amount spent direct or through implementing agency
1	Orphanage	Social Sector	Chamraj Estate, The Nilgiris District, Tamil Nadu	Rs.15,18,000	Direct Expenditure Rs.16,35,599	Rs.83,94,821	Direct
2	Public Medical Scheme	Social Sector	The Nilgiris District, Tamil Nadu	—	Direct Expenditure	Rs.13,41,556	Direct
3	Rural Development and Tribal Welfare Projects	Rural & Tribal Welfare	The Nilgiris District, Tamil Nadu	Rs.11,00,000	Direct Expenditure Rs.17,00,000*	Rs.34,16,462	Direct
		<b>Total</b>		<b>Rs.26,18,000</b>	<b>Rs.33,35,599</b>	<b>Rs.1,31,52,839</b>	

\* Includes previous year's unspent amount of Rs.5.95 lakhs

6. **Responsibility Statement by CSR Committee**

The CSR Committee confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

Chennai  
22<sup>nd</sup> June, 2020

T.G.B.PINTO  
Member  
DIN: 00025593

MALLIKA SRINIVASAN  
Chairman of the CSR Committee  
DIN: 0037022

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

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

**Particulars of Employees:**

- (i) **The ratio of remuneration of each Whole-time 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 2019-20 (Rs. in lacs)	Ratio of remuneration to median remuneration of the employees
1	Mr. D. Hegde, Whole-time Director	49.29	5.94
2	Mr. T.G.B. Pinto, Whole-time Director	50.04	5.85

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

The two whole-time Directors were given 10% increase for the year. The Chief Financial Officer was given an increase of 4.77% for the year. There was no increase in the remuneration to the Company Secretary during the year.

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

Percentage increase in the median remuneration of employees in the financial year is 5.60%

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

Number of permanent employees on the rolls of the Company as on 31<sup>st</sup> March 2020 is 1029.

- (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 workmen, staff and managers was 5.60 %. The two Whole-time Directors were given an increase of 10 % for the year.

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

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

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

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

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

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

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

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

## EXTRACT OF ANNUAL RETURN IN FORM No. MGT - 9

## 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)	CIN	L01132TZ1922PLC000234
(ii)	Registration Date	9 <sup>th</sup> 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, Savithri Shanmugam Road, Race Course, Coimbatore - 641 018 Phone : (0422) 2220566 Fax : (0422) 2222865 email : headoffice@chamrajtea.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," 2 <sup>nd</sup> floor, No.1, Ramakrishna Street, North Usman Road, Chennai – 600 017 Phone: (0422) 28140801, 02 and 03 Fax: (044) 28142479 email: <a href="mailto:corpserv@integratedindia.in">corpserv@integratedindia.in</a>

## II. Principal business activities of the Company:

No	Name and description of main products/services	NIC Code of the product/ service	% to total turnover of the Company
1	TEA	09.0230	

## III. Particulars of Holding, Subsidiary and Associate companies:

Name and address of the Company	CIN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
—	—	—	—	—

**[IV] SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of total equity)**

**(i) Category wise shareholding**

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	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	2,38,821	—	2,38,821	4.78	2,38,821	—	2,38,821	4.78	—
b) Central Government	—	—	—	—	—	—	—	—	—
c) State Government	—	—	—	—	—	—	—	—	—
d) Bodies Corporate	22,49,161	—	22,49,161	45.01	22,49,161	—	22,49,161	45.01	—
e) Fis/Banks	—	—	—	—	—	—	—	—	—
f) Any others (Specify)	—	—	—	—	—	—	—	—	—
Trust	—	—	—	—	—	—	—	—	—
<b>Sub-Total (A) (1)</b>	<b>24,87,982</b>	<b>—</b>	<b>24,87,982</b>	<b>49.79</b>	<b>24,87,982</b>	<b>—</b>	<b>24,87,982</b>	<b>49.79</b>	<b>0.00</b>
<b>(2) Foreign</b>									
a) Individuals - NRI	—	—	—	—	—	—	—	—	—
b) Others - Individuals	—	—	—	—	—	—	—	—	—
c) Bodies Corporate	—	—	—	—	—	—	—	—	—
d) Financial Institutions/Banks	—	—	—	—	—	—	—	—	—
e) Any other	—	—	—	—	—	—	—	—	—
<b>Sub-total (A) (2)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Total Shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>24,87,982</b>	<b>—</b>	<b>24,87,982</b>	<b>49.79</b>	<b>24,87,982</b>	<b>—</b>	<b>24,87,982</b>	<b>49.79</b>	<b>0.00</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds/UTI	—	—	—	—	—	—	—	—	—
b) Financial Institutions/Banks	2,733	2,747	5,480	0.11	—	2,747	2,747	0.05	(0.05)
c) Central Government	—	—	—	—	—	—	—	—	—
d) State Government	—	—	—	—	—	—	—	—	—
e) Venture Capital Funds	—	—	—	—	—	—	—	—	—
f) Insurance Companies	8,46,514	—	8,46,514	16.94	7,91,227	—	7,91,227	15.84	(1.11)
g) Foreign Institutional Investors	—	—	—	—	—	—	—	—	—
h) Foreign Venture Capital Investors	—	—	—	—	—	—	—	—	—
i) Qualified Foreign Investor	—	—	—	—	—	—	—	—	—
j) Any other (specify)	—	—	—	—	—	—	—	—	—
<b>Sub-total (B) (1)</b>	<b>8,49,247</b>	<b>2,747</b>	<b>8,51,994</b>	<b>17.05</b>	<b>7,91,227</b>	<b>2,747</b>	<b>7,93,974</b>	<b>15.89</b>	<b>(1.16)</b>
<b>2. Non Institutions</b>									
<b>A) Bodies Corporate</b>	74,717	1,215	75,932	1.58	67,507	1,215	68,722	1.38	(0.14)
i) Indian	—	—	—	—	—	—	—	—	—
ii) Overseas	—	—	—	—	—	—	—	—	—
<b>B) Individuals</b>									
i) Individual shareholders holding nominal share capital upto Rs.1 lakh	6,84,326	2,93,584	9,77,910	19.65	7,04,522	2,69,396	9,73,918	19.49	(0.08)
ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	1,63,167	77,618	2,40,785	4.96	2,34,458	59,618	2,94,076	5.89	1.07
<b>C) Others Specify</b>									
a) Directors & their relatives	—	—	—	—	—	—	—	—	—
b) Foreign Nationals	—	—	—	—	—	—	—	—	—
c) Non-Resident Indians/OCB's	10,697	19,998	30,695	0.61	16,527	10,898	27,425	0.55	(0.07)
d) Clearing Members	5,750	—	5,750	0.17	5,667	—	5,667	0.11	0.00
e) Trusts	9,110	2,64,816	2,73,926	5.30	11,843	2,64,816	2,76,659	5.54	0.05
f) IEPF	51,592	—	51,592	0.89	68,143	—	68,143	1.36	0.33
<b>Sub-total (B)(2)</b>	<b>9,99,359</b>	<b>6,57,231</b>	<b>16,56,590</b>	<b>33.17</b>	<b>11,08,667</b>	<b>6,05,943</b>	<b>17,14,610</b>	<b>34.32</b>	<b>1.16</b>
<b>Total Public Shareholding (B) = (B)(1) + (B)(2)</b>	<b>18,48,606</b>	<b>6,59,978</b>	<b>25,08,584</b>	<b>50.21</b>	<b>18,99,894</b>	<b>6,08,690</b>	<b>25,08,584</b>	<b>50.21</b>	<b>0.00</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>N.A.</b>	<b>N.A.</b>	<b>N.A.</b>	<b>N.A.</b>	<b>N.A.</b>	<b>N.A.</b>	<b>N.A.</b>	<b>N.A.</b>	<b>N.A.</b>
<b>Grand Total (A+B+C)</b>	<b>43,36,588</b>	<b>6,59,978</b>	<b>49,96,566</b>	<b>100.00</b>	<b>43,87,876</b>	<b>6,08,690</b>	<b>49,96,566</b>	<b>100.00</b>	<b>—</b>

**(ii) Shareholding of Promoters and Promoter Group**

Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change 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	
Tractors and Farm Equipment Limited	8,55,363	17.12%	0.00	8,55,363	17.12%	0.00	0.00
T.Stanes and Company Limited	8,36,688	16.75%	0.00	8,36,688	16.75%	0.00	0.00
Amalgamations Private Limited	3,75,460	7.51%	0.00	4,05,460	8.11%	0.00	0.60
Ms.Mallika Srinivasan	1,43,100	2.86%	0.00	1,43,100	2.86%	0.00	0.00
Stanes Amalgamated Estates Limited	37,506	0.75%	0.00	7,506	0.15%	0.00	-0.60
Mr.Shriram Murali	76,185	1.52%	0.00	76,185	1.52%	0.00	0.00
Simpson and Company Limited	61,506	1.23%	0.00	61,506	1.23%	0.00	0.00
Addison & Company Limited	24,344	0.49%	0.00	24,344	0.49%	0.00	0.00
Bimetal Bearings Limited	17,264	0.35%	0.00	17,264	0.35%	0.00	0.00
Associated Printers (Madras) Private Limited	16,652	0.33%	0.00	16,652	0.33%	0.00	0.00
Sri Rama Vilas Service Limited	10,934	0.22%	0.00	10,934	0.22%	0.00	0.00
Southern Tree Farms Limited	7,520	0.15%	0.00	7,520	0.15%	0.00	0.00
Mrs.Bhavani Krishnamoorthy	6,680	0.13%	0.00	6,680	0.13%	0.00	0.00
Speed-A-Way Private Limited	3,224	0.06%	0.00	3,224	0.06%	0.00	0.00
Simpson and General Finance Co.Ltd	2,700	0.05%	0.00	2,700	0.05%	0.00	0.00
Mr.Sudarshan Venu	2,000	0.04%	0.00	2,000	0.04%	0.00	0.00
Mr.A.Krishnamoorthy	732	0.01%	0.00	732	0.01%	0.00	0.00
Mr.A.Krishnamoorthy and Mrs.Bhavani Krishnamoorthy	10,124	0.20%	0.00	10,124	0.20%	0.00	0.00
	<b>24,87,982</b>	<b>49.79%</b>	<b>0.00</b>	<b>24,87,982</b>	<b>49.79%</b>	<b>0.00</b>	<b>0.00</b>

**(iii) Change in Promoters' shareholding (please specify, if there is no change)**

Shareholder's Name	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
<b>Date wise increase/decrease in Promoters shareholding during the year</b>						
<b>Amalgamations Private Limited</b>						
PAN:AAACA2922N						
Opening Balance as on 01.04.2019	3,75,460	7.514				
Transfer of Shares on 16.12.2019			30,000	0.60	4,05,460	8.115
Closing Balance as on 31.03.2020					4,05,460	8.115
<b>Stanes Amalgamated Estates Limited</b>						
APAN:AACCS7196Q						
Opening Balance as on 01.04.2019	37,506	0.751				
Transfer of shares on 16.12.2019			-30,000	-0.60	7,506	0.150
Closing Balances as on 31.03.2020					7,506	0.150

(iv) Shareholding Pattern of top 10 shareholders (other than directors, promoters and holders of GDR's and ADR's)

S.No	For each of the top 10 shareholders	Opening Balance	%	Increase/ Decrease	%	Closing Balance	%
1	<b>Life Insurance Corporation of India</b>						
	PAN: AAACL 0582 H						
	Opening Balance as on 01.04.2019	7,71,496	15.441				
	Transfer of shares on 24.05.2019			-277	-0.01	7,71,219	15.435
	Transfer of shares on 31.05.2019			-1,464	-0.03	7,69,755	15.406
	Transfer of shares on 07.06.2019			-9,500	-0.19	7,60,255	15.216
	Transfer of shares on 14.06.2019			-1,179	-0.02	7,59,076	15.192
	Transfer of shares on 21.06.2019			-7,293	-0.15	7,51,783	15.046
	Transfer of shares on 28.06.2019			-1,393	-0.03	7,50,390	15.018
	Transfer of shares on 05.07.2019			-474	-0.01	7,49,916	15.009
	Transfer of shares on 12.07.2019			-374	-0.01	7,49,442	15.001
	Transfer of shares on 19.07.2019			-667	-0.01	7,48,775	14.988
	Transfer of shares on 26.07.2019			-1	0.00	7,48,774	14.988
	Transfer of shares on 09.08.2019			-5,013	-0.10	7,43,761	14.887
	Transfer of shares on 16.08.2019			-472	-0.01	7,43,289	14.878
	Transfer of shares on 23.08.2019			-50	0.00	7,43,239	14.877
	Transfer of shares on 30.08.2019			-62	0.00	7,43,177	14.876
	Transfer of shares on 27.12.2019			-1,000	-0.02	7,42,177	14.856
	Transfer of shares on 31.12.2019			-2,200	-0.04	7,39,977	14.812
	Transfer of shares on 03.01.2020			-4,715	-0.09	7,35,262	14.717
	Transfer of shares on 10.01.2020			-3,500	-0.07	7,31,762	15.647
	Transfer of shares on 17.01.2020			-3,000	-0.06	7,28,762	14.587
	Transfer of shares on 24.01.2020			-2,819	-0.06	7,25,943	14.531
Transfer of shares on 07.02.2020			-7,696	-0.15	7,18,247	14.377	
Transfer of shares on 14.02.2020			-734	-0.02	7,17,513	14.362	
Transfer of shares on 06.03.2020			-1,404	-0.03	7,16,109	14.334	
Closing Balance as on 31.03.2020					7,16,209	14.334	
2	<b>Trustees, T.Stanes &amp; Co.Ltd Staff Pension Fund</b>						
	Opening Balance as on 01.04.2018	2,64,816	5.300				
	Closing Balance as on 31.03.2019					2,64,816	5.300
3	<b>United India Insurance Company Limited</b>						
	PAN:AAACU 5552 C						
	Opening Balance as on 01.04.2019	75,018	1.501				
Closing Balance as on 31.03.2020					75,018	1.501	
4	<b>Ayesha Adi Madan</b>						
	APAN: AAFPM 3507 R						
	Opening Balance as on 01.04.2019	30,878	0.608				
Closing Balance as on 31.03.2020					30,878	0.608	
5	<b>Mahendra Girdharilal</b>						
	PAN: AAPW 1327 L						
	Opening Balance as on 01.04.2018	27,889	0.558				
Closing Balance as on 31.03.2019					27,889	0.558	

S.No	For each of the top 10 shareholders	Opening Balance	%	Increase/ Decrease	%	Closing Balance	%
6	<b>P P Zibi Jose</b>						
	PAN:AAAPZ6993K						
	Opening Balance as on 01.04.2019	23,004	0.460				
	Transfer of shares on 12.04.2019			797	0.02	23,801	0.476
	Transfer of shares on 10.05.2019			77	0.00	23,878	0.478
	Transfer of shares on 24.05.2019			980	0.02	24,858	0.498
	Transfer of shares on 31.05.2019			553	0.01	25,411	0.509
	Transfer of shares on 07.06.2019			7,750	0.16	33,161	0.664
	Transfer of shares on 14.06.2019			3,494	0.07	36,655	0.734
	Transfer of shares on 21.06.2019			5,795	0.12	42,450	0.850
	Transfer of shares on 28.06.2019			2,299	0.05	44,749	0.896
	Transfer of shares on 26.07.2019			400	0.01	45,149	0.904
	Transfer of shares on 09.08.2019			5,047	0.10	50,196	1.005
	Transfer of shares on 16.08.2019			2,219	0.04	52,415	1.049
	Transfer of shares on 23.08.2019			1,195	0.02	53,610	1.073
	Transfer of shares on 30.08.2019			426	0.01	54,036	1.081
	Transfer of shares on 30.09.2019			432	0.01	54,468	1.090
	Transfer of shares on 04.10.2019			44	0.00	54,512	1.091
	Transfer of shares on 11.10.2019			1,019	0.02	55,531	1.111
	Transfer of shares on 18.10.2019			272	0.01	55,803	1.117
	Transfer of shares on 25.10.2019			547	0.01	56,350	1.128
	Transfer of shares on 01.11.2019			300	0.01	56,650	1.134
	Transfer of shares on 08.11.2019			105	0.00	56,755	1.136
	Transfer of shares on 29.11.2019			200	0.00	56,955	1.140
	Transfer of shares on 13.12.2019			356	0.01	57,311	1.147
	Transfer of shares on 31.12.2019			1,683	0.03	58,994	1.181
	Transfer of shares on 03.01.2020			5,124	0.10	64,118	1.283
	Transfer of shares on 10.01.2020			734	0.02	64,852	1.298
	Transfer of shares on 17.01.2020			797	0.02	65,649	1.314
	Transfer of shares on 24.01.2020			3,803	0.08	69,452	1.390
	Transfer of shares on 31.01.2020			15	0.00	69,467	1.390
	Transfer of shares on 07.02.2020			6,500	0.13	75,967	1.520
Transfer of shares on 21.02.2020			165	0.00	76,132	1.524	
Transfer of shares on 28.02.2020			93	0.00	76,225	1.526	
Transfer of shares on 27.03.2020			70	0.00	76,295	1.527	
Closing Balance as on 31.03.2020					76,295	1.527	
6	<b>Emerging Securities Private Limited</b>						
	PAN: AAACE 0195 R						
	Opening Balance as on 01.04.2019	22,500	0.450				
Closing Balance as on 31.03.2020					22,500	0.450	
7	<b>Margaretha Henrica Maria Wadia Hendriks</b>						
	Opening Balance as on 01.04.2019	19,740	0.395				
	Closing Balance as on 31.03.2020					19,740	0.395

S.No	For each of the top 10 shareholders	Opening Balance	%	Increase/Decrease	%	Closing Balance	%
8	<b>Mehroo Phiroze Vaghaiwala</b>						
	PAN: AADPV 7091 B						
	Opening Balance as on 01.04.2019	18,224	0.365				
	Closing Balance as on 31.03.2020					18,224	0.365
9	<b>Lakshmanan P.CT.</b>						
	Opening Balance as on 01.04.2019	18,000	0.360				
	Closing Balance as on 31.03.2020					18,000	0.360
10	<b>KNV Ramani</b>						
	PAN: ABQPR3244N						
	Opening Balance as on 01.04.2019	17,106	0.342				
	Closing Balance as on 31.03.2020					17,106	0.342

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

For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	%	No of shares	%
<b>At the beginning of the year</b>				
<b>DIRECTORS</b>				
Ms. Mallika Srinivasan	1,43,100	2.87%	1,43,100	2.87%
Mr. D. Hedge	2,224	0.04%	2,224	0.04%
Mr. T.G.B. Pinto	2,950	0.06%	2,950	0.06%
<b>KEY MANAGERIAL PERSONNEL</b>				
Mr.S. Raghuraman	1,002	0.02%	1,002	0.02%
	<b>1,49,276</b>	<b>2.99%</b>	<b>1,49,276</b>	<b>2.99%</b>
<b>At the end of the year</b>				
<b>DIRECTORS</b>				
Ms. Mallika Srinivasan	1,43,100	2.87%	1,43,100	2.87%
Mr. D.Hedge	2,224	0.04%	2,224	0.04%
Mr. T.G.B.Pinto	2,950	0.06%	2,950	0.06%
<b>KEY MANAGERIAL PERSONNEL</b>				
Mr. S. Raghuraman	1,002	0.02%	1,002	0.02%
	<b>1,49,276</b>	<b>2.99%</b>	<b>1,49,276</b>	<b>2.99%</b>

**VI. INDEBTEDNESS**

**Indebtedness of the Company including interest outstanding/accrued but not due for payment - NIL**

**[VII] REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**A. Remuneration to Whole-time Directors**

S.No	Particulars of Remuneration	Remuneration to Wholetime Directors		Total
		Mr.D.Hegde	Mr.T.G.B.Pinto	
1	Gross Salary			
	a) Salary u/s 17 (1) of the Income Tax Act, 1961	33,42,000	34,20,000	67,62,000
	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	—	—	—
2	Stock Option	—	—	—
3	Sweat Equity	—	—	—
4	Commission as % of profit - other specify	—	—	—
5	Others (Contribution to Provident & Superannuation Fund)			
	(a) Incentive	4,00,000	4,00,000	8,00,000
	(b) Holiday Allowance	2,73,500	2,88,000	5,61,500
	(c) Contribution to Superannuation Fund	4,73,400	4,63,500	9,36,900
	(d) Contribution to Provident Fund	4,01,040	3,93,120	7,94,160
	(e) Medi-claim	39,536	39,536	79,072
	<b>Total A</b>	<b>49,29,476</b>	<b>50,04,156</b>	<b>99,33,632</b>
	<b>Overall Ceiling as per the Act</b>			<b>1,53,49,435</b>

**B. Remuneration to other Directors**

S. No	Particulars of Remuneration	Sankar Datta	Krishna Srinivasan	K.V.Sriram	R.Srinivasan	Mallika Srinivasan	N.Srinivasan	Total Amount
1	<b>Independent Directors</b>							
	a) Fee for attending Board and Committee Meetings	50,000	50,000	50,000	—	—	—	1,50,000
	b) Commission*	1,75,000	1,75,000	1,75,000	1,46,000	—	—	6,71,000
	c) Others, please specify	—	—	—	—	—	—	—
	<b>Total (1)</b>	<b>2,25,000</b>	<b>2,25,000</b>	<b>2,25,000</b>	<b>1,46,000</b>	<b>—</b>	<b>—</b>	<b>8,21,000</b>
2	<b>Other Non-Executive Directors</b>							
	a) Fee for attending Board and Committee Meetings	—	—	—	—	30,000	—	30,000
	b) Commission*	—	—	—	—	1,75,000	1,75,000	3,50,000
	c) Others, please specify	—	—	—	—	—	—	—
	<b>Total (2)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>2,05,000</b>	<b>1,75,000</b>	<b>3,80,000</b>
	<b>Total (B) = (1 + 2)</b>	<b>2,25,000</b>	<b>2,25,000</b>	<b>2,25,000</b>	<b>1,46,000</b>	<b>2,05,000</b>	<b>1,75,000</b>	<b>12,01,000</b>
	<b>Total Managerial Remuneration (Total A + B)</b>							<b>1,11,34,632</b>
	<b>Overall Ceiling as per the Companies Act, 2013</b>							<b>1,53,49,435</b>
	<b>* Commission paid for the financial year 2018-19</b>							

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD**

S.No	Particulars of Remuneration	Remuneration to Key Managerial Personnel		Total
		Chief Financial Officer S. Raghuraman	Company Secretary R.V. Sridharan	
1	Gross Salary			
	a) Salary u/s 17 (1) of the Income Tax Act, 1961	23,46,000	9,00,000	32,46,000
	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	—	—	—
2	Stock Option	—	—	—
3	Sweat Equity	—	—	—
4	Commission			
	a) as % of profit	—	—	—
	b) others, specify	—	—	—
5	Others (Contribution to Provident & Superannuation Fund)			
	a. Incentive	3,28,000	—	3,28,000
	b. Holiday Allowance	1,81,000	—	1,81,000
	c. Contribution to Superannuation Fund	3,20,400	—	3,20,400
	d. Contribution to Provident Fund	2,60,640	—	2,60,640
	e. Medi-claim	26,869	—	26,869
	<b>Total</b>	<b>34,62,909</b>	<b>9,00,000</b>	<b>43,62,909</b>

**(VIII) Penalties, Punishment/Compounding of Offences**

Type	Section of the Companies Act	Brief Description	Details of penalty/ punishment/ compounding fees imposed	RD/NCLT/ Court	Appeal made If any (give details)
<b>A. COMPANY</b>					
Penalty			Nil		
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty			Nil		
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty			Nil		
Punishment					
Compounding					

## PROGRESS REPORT AND CROP HARVESTED

Year	Profit	Taxation	Net Profit after taxation	Tea Crop (made tea)	Dividend
	Rs.	Rs.	Rs.	Kg	%
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	12,19,72,440	3,03,41,387	9,16,31,053	24,42,018	27%
2017-2018	15,30,07,701	3,15,03,780	12,15,03,921	29,96,514	27%
2018-2019	17,00,10,280	2,62,87,131	14,37,23,149	30,91,002	27%
2019-2020	13,87,82,006	3,16,63,070	10,71,18,936	29,14,862	27%*

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

### AREA OF ESTATES ARE AS FOLLOWS (Approximately in hectares)

Division	Mature Tea	Immature Tea	Fuel Area and Wind Belts Rocks & Roads	Shola, Jungles, Frost Prone Areas, Frost Prone Area Maintenance	Total
ALLADA VALLEY	226.89	14.52	1.00	10.17	252.58
CHAMRAJ	124.03	4.96	1.00	19.96	149.95
DEVABETTA	170.50	2.00	2.00	18.12	192.62
KORAKUNDAH	262.00	6.00	128.00	530.86	926.86
ROCKLAND	19.75	8.27	—	—	28.02
<b>TOTAL</b>	<b>803.17</b>	<b>35.75</b>	<b>132.00</b>	<b>579.11</b>	<b>1550.03</b>

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### Industry Structure and Developments

Climate change continue to affect the tea industry. However, given the structure of the industry, productivity emerges as key factor to be considered in the future.

### Opportunities and threats

Organic tea has good demand in the export market. Your Company converted three of its gardens into organic cultivation as the margins are better than conventional tea. Your Company is also focusing on specialty teas where prices are good.

The vagaries of monsoon being unpredictable together with increase in wages and input cost could vary the profitability of the Company. Emphasis is to be laid on cost control through newer technologies in cultivation and mechanization.

### Outlook

The rainfall since the beginning of the year is very scanty. Consequently during the current financial year, crops are likely to be low. With expansion completed at Korakundah factory all certified organic leaf will be manufactured there. With prices for tea likely to be better than last year, we expect a stable year ahead.

### Internal Control Systems and their adequacy

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

### Financial Performance

Revenue from operations achieved during the year was Rs.6,282 lakhs as against Rs. 6,570 lakhs made during the previous year. Profit before tax for the year was Rs. 1,388 lakhs as against Rs.1,700 lakhs during the previous year.

### Labour Relations

The labour relations at the estate during the year were cordial. The estate management continues to implement various measures beyond what is stipulated by the Government. The total number of employees on the rolls of the Company as on 31<sup>st</sup> March 2020 is 1029.

### Corporate Social Responsibility

Your Company has incurred an amount of Rs.33.36 Lakhs towards maintenance of orphanage and rural development activities as CSR expenditure during the year 2019-20. The Company's CSR policy objectives and other details required to be disclosed as per Companies Act, 2013 are given in Annexure 3 to the Directors' Report.

## Form MR 3

**Secretarial Audit Report**

(For the Financial year ended on March 31, 2020)

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

To,

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

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **The United Nilgiri Tea Estates Company Limited** (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon. Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2020, 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, 2020 according to the provisions of:
  - I. The Companies Act, 2013 and the Rules made thereunder including any re-enactment thereof;
  - II. The Securities Contracts (Regulation) Act, 1956 ('**SCRA**') and the Rules made thereunder;
  - III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
  - IV. Foreign Exchange Management Act, 1999 ('**FEMA**') and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
  - V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('**SEBI Act**') to the extent applicable to the Company :-
    - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
    - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; ( Not applicable to the Company during the audit period )
    - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the audit period )

- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; ( Not applicable to the Company during the audit period )
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and ( Not applicable to the Company during the audit period )
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 ( Not applicable to the Company during the audit period )
  - i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Listing Agreements entered into by the Company with the National Stock Exchange of India Limited.
- VI. Secretarial Standards issued by The Institute of Company Secretaries of India with respect to Board Meetings, General Meetings and Dividend.

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

2. We further report that based on the information received and records maintained there are adequate systems and processes in place to monitor and ensure compliance with the below mentioned laws and also all other applicable laws, rules, regulations and guidelines.
- (a) Plantation Act, 1951
  - (b) Payment of Wages Act, 1936, and rules made thereunder,
  - (c) The Minimum Wages Act, 1948, and rules made thereunder,
  - (d) The Employees' Provident Fund and Miscellaneous Provisions Act, 1952, and rules made thereunder,
  - (e) The Payment of Bonus Act, 1965, and rules made thereunder,
  - (f) Payment of Gratuity Act, 1972, and rules made thereunder,
  - (g) Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal ) Act, 2013
  - (h) The Tea Board Guidelines and Orders;
  - (i) Pollution Control Act, Rules and Notification issued thereof;
  - (j) The Tea Act, 1953
  - (k) The Factories Act, 1948 and Rules made thereunder;
  - (l) Shops and Establishment Act, 1953;
  - (m) The Maternity Benefits Act, 1961;
  - (n) The Employment Exchange (Compulsory Notification of Vacancies) Act, 1959;
3. We further report that the Company has, in our opinion, generally complied with the provisions of the Companies Act, 2013 and the Rules made thereunder with regard to:
- a) maintenance of various statutory registers and documents and making necessary entries therein;
  - b) closure of the Register of Members.
  - c) filing of forms, returns, documents and resolutions required to be filed with the Registrar of Companies and the Central Government except for a few forms which were filed with delay;

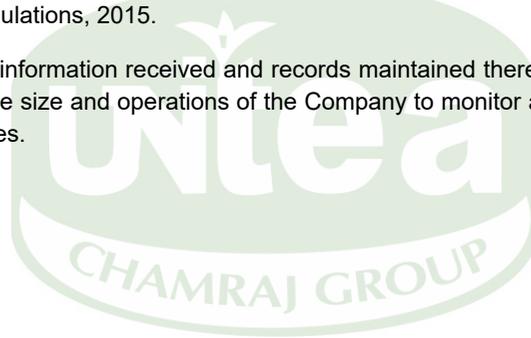
- d) service of documents by the Company on its Members, Auditors and the Registrar of Companies;
- e) issuing notice of Board meetings and Committee meetings of Directors;
- f) proceedings at the meetings of Directors and Committees of Directors including passing of resolutions by circulation;
- g) the conduct of the 97th Annual General Meeting held on July 20, 2019;
- 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 and shares to the Investor Education and Protection Fund and uploading of details of unpaid and unclaimed dividends on the websites of the Company and the Ministry of Corporate Affairs;
- p) 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.

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

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.



Place : Chennai  
Date : 22.06.2020

For **L K & Associates**  
Company Secretaries

**LALITHA KANNAN**  
C.P. 1894  
UDIN: A008304B000380522

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

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

To,

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

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. Due to the current Covid 19 situation, part of the audit was completed by taking representations from Management wherever possible and also by verifying scanned copies of documents which was sent via mail by the Company.
4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
5. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
6. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to check that there are sufficient systems and processes in place to monitor and ensure compliance with these Acts, Rules and Laws.
7. 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

**LALITHA KANNAN**  
C.P. 1894

Place : CHENNAI  
Date : 22.06.2020

## REPORT ON CORPORATE GOVERNANCE

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

### Company's philosophy on Corporate Governance

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

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

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

### 1. BOARD OF DIRECTORS

#### Composition

The Board of Directors of the Company as on 31<sup>st</sup> March, 2020 comprised of-

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

#### Details of directorship in other companies

Name of the Director	Directorship in other Companies excluding Private Limited/Foreign Companies*	Membership of other Board Committees	
		Member	Chairman
Ms. Mallika Srinivasan	6	—	—
Mr. Sankar Datta	2	—	2
Mr. Krishna Srinivasan	2	3	—
Mr. K.V. Sriram	1	—	—
Mr. D. Hegde	—	—	—
Mr. T.G.B. Pinto	—	—	—

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

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

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

Name of the Director	Name of the listed entities in which he/she is a Director	Category of Directorship
Ms. Mallika Srinivasan	Tata Steel Limited	Independent Director
Mr. Sankar Datta	Nil	Nil
Mr. Krishna Srinivasan	Bimetal Bearings Limited	Independent Director
Mr. K.V. Sriram	Nil	Nil
Mr. D. Hegde	Nil	Nil
Mr. T.G.B. Pinto	Nil	Nil

**Meetings of the Board of Directors**

No.	Date of Board Meeting	Total Strength of the Board of Directors	Number of Directors present
1	29 <sup>th</sup> May 2019	6	6
2	20 <sup>th</sup> July 2019	6	6
3	31 <sup>st</sup> October 2019	6	6
4	6 <sup>th</sup> February 2020	6	5
5	16 <sup>th</sup> March 2020	6	4

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

The attendance of directors at the meetings of Board of Directors held during the financial year 2019-20 and at the last Annual General Meeting held on 20<sup>th</sup> July 2019 were as under:

Director	No. of Board Meetings Attended	Last AGM Attended
Ms. Mallika Srinivasan	5	Yes
Mr. Sankar Datta	5	Yes
Mr. Krishna Srinivasan	5	Yes
Mr. K.V. Sriram	4	Yes
Mr. D. Hegde	4	Yes
Mr. T.G.B. Pinto	4	Yes

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

None of the Director is related to each other.

**Familiarization Programme for Directors**

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

Directors were briefed about the manufacturing process, field operations, cultural practices, productivity, labour related matters, overall power consumption, cost savings and environmental protection activities undertaken by the factories. Details of familiarization programme conducted for the Independent Directors are available on the Company's website [www.unitednilgiritea.com](http://www.unitednilgiritea.com)

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

### Separate meeting of the Independent Directors

The independent Directors' meeting was held on 16<sup>th</sup> March, 2020 without the attendance of Non-Independent Directors and members of Management. The independent directors reviewed the performance of Non-Independent Directors. The Board as a whole reviewed the performance of the Chairman and assessed the quality, quantity and timeliness of flow of information between Company and the Board.

### Board Evaluation

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

The performance of the Board was evaluated after seeking inputs from all the Directors viz. board composition, structure, effectiveness of board processes, timeliness of information etc.

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

### Certification from Company Secretary in Practice

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

### Expertise and attributes of Board Members

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

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

Director	Area of Expertise					
	Strategy and Planning	Financial Performance	Leadership	Board Service and governance	Legal	Global Business
Mallika Srinivasan – Chairman	√	√	√	√	—	√
Sankar Datta – Independent Director	√	√	√	√	—	—
Krishna Srinivasan-Independent Director	√	√	√	√	√	—
K.V.Sriram – Independent Director	√	√	√	√	—	√
D.Hegde – Whole-time Director	√	√	√	√	—	√
T.G.B.Pinto – Whole-time Director	√	√	√	√	—	√

## COMMITTEES OF THE BOARD

At present, the Board has 4 Committees:

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

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

### 2. AUDIT COMMITTEE

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

#### Composition

The members of the Audit Committee as on 31<sup>st</sup> March 2020 comprised of:

Name of the Director	Designation	Category
Mr.Sankar Datta	Chairman	Independent Non-Executive
Mr.K.V.Sriram	Member	Independent Non-Executive
Mr.Krishna Srinivasan	Member	Independent Non-Executive

Mr.Sankar Datta, Mr.K.V.Sriram and Mr.Krishna Srinivasan possess expert knowledge in finance and accounts.

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

The Chairman of the Audit Committee has attended the last Annual General Meeting.

#### Meetings

During the year, the Audit Committee met five (5) times 14<sup>th</sup> May, 2019, 29<sup>th</sup> May 2019, 19<sup>th</sup> July 2019, 30<sup>th</sup> October, 2019 and 6<sup>th</sup> February, 2020.

Attendance of each member is given below:

Name of the Director	No. of Meetings held	No. of Meetings attended
Mr. Sankar Datta	5	5
Mr. K.V. Sriram	5	5
Mr. Krishna Srinivasan	5	4

### 3. NOMINATION AND REMUNERATION COMMITTEE

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

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

## Composition

The members of the Nomination and Remuneration Committee as on 31<sup>st</sup> March 2020 comprised of:

Name of the Director	Designation	Category
Mr.Krishna Srinivasan	Chairman	Non-Executive Independent Director
Ms.Mallika Srinivasan	Member	Non-Executive Non-Independent Director
Mr.K.V.Sriram	Member	Non-Executive Independent Director

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

## Meetings

During the year 2019-20, Nomination and Remuneration Committee met two (2) times on 29<sup>th</sup> May, 2019 and 20<sup>th</sup> July 2019.

Attendance of each member is given below:

Name of the Director	No. of Meetings held	No. of Meetings attended
Ms. Mallika Srinivasan	2	2
Mr. Krishna Srinivasan	2	2
Mr. K.V. Sriram	2	2

## 4. REMUNERATION TO DIRECTORS

### a) Remuneration to Whole-time Directors

The details of remuneration paid to Mr.D.Hegde, Whole-time Director, and Mr.T.G.B.Pinto Whole-time Director during the financial year 2019-20 are given below:

Description	Mr. D. Hegde (Rs.)	Mr. T.G.B. Pinto (Rs.)	Total (Rs.)
Salary	33,42,000	34,20,000	67,62,000
Contribution to Provident Fund, Superannuation Fund and Medi-claim	9,13,976	8,96,156	18,10,132
Holiday Allowance	2,73,500	2,88,000	5,61,500
Incentive	4,00,000	4,00,000	8,00,000
<b>TOTAL</b>	<b>49,29,476</b>	<b>50,04,156</b>	<b>99,33,632</b>

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

Name	Sitting Fees (Rs.)	Commission* (Rs.)	Total (Rs.)
Ms.Mallika Srinivasan	30,000	1,75,000	2,05,000
Mr.N.Srinivasan	—	1,75,000	1,75,000
Mr.Sankar Datta	50,000	1,75,000	2,25,000
Mr.Krishna Srinivasan	50,000	1,75,000	2,25,000
Mr.K.V.Sriram	50,000	1,75,000	2,25,000
Mr.R.Srinivasan	—	1,46,000	1,46,000
<b>TOTAL</b>	<b>1,80,000</b>	<b>10,21,000</b>	<b>12,01,000</b>

\* Pertaining to 2018-19 accounts paid during the financial year 2019-20. Provision for Commission to Non-Whole-time Directors amounting to Rs.7,00,000/- has been made in the accounts for the year ended 31<sup>st</sup> March, 2020.

**c) Shareholding of Non Whole-time Directors**

<b>Name</b>	<b>No. of Shares</b>	<b>Dividend Paid (Rs.)</b>
Ms. Mallika Srinivasan	1,43,100	3,86,370
<b>TOTAL</b>	<b>1,43,100</b>	<b>3,86,370</b>

**5. STAKEHOLDERS RELATIONSHIP COMMITTEE**

**Composition**

The members of the Committee as on 31<sup>st</sup> March 2020 comprised of:

<b>Name of the Director</b>	<b>Designation</b>	<b>Category</b>
Mr.Krishna Srinivasan	Chairman	Non-Executive Independent Director
Mr.T.G.B.Pinto	Member	Whole-time Director
Mr.D.Hegde	Member	Whole-time Director

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

**Meetings**

The Committee met eight times during the year on 20.05.2019, 19.06.2019, 13.07.2019, 29.07.2019, 14.08.2019, 05.12.2019, 14.01.2020 and 06.02.2020.

Mr.Krishna Srinivasan, Mr.T.G.B.Pinto and Mr.D.Hegde attended all the meetings.

The Committee deals in matters relating to transfer and transmission of shares, issue of duplicate share certificates, review of dematerialized shares, redressing of investors complaints such as non-receipt of shares, non-receipt of dividend etc. and other matters related to shares.

The Share Transfers/transmissions approved by the Committee are placed at the Board Meeting from time to time.

**Status of Complaints**

The status of complaints received from the investors during the financial year 2019-20 is furnished below:

Complaints pending as on 1 <sup>st</sup> April 2019	Nil
Complaints received during the year	Nil
Complaints resolved during the year	Nil
Complaints pending as on 31 <sup>st</sup> March 2020	Nil

Pursuant to Regulation 40 (9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a certificate on half yearly basis confirming due compliance with the share transfer formalities by the Company from the Practising Company Secretary has been submitted to the Stock Exchanges within the stipulated time.

**Equity Shares in the suspense account:**

In accordance with the requirement of Regulation 34 (3) and Part F of Schedule V to the SEBI Listing Regulations, details of equity shares in suspense account are as follows:

Particulars	Number of shareholders	Number of equity shares
Aggregate number of shareholders and the outstanding shares in the suspense accounting lying as on April 1, 2019	82	60,256
Shareholders who approached the Company for transfer of shares from suspense account during the year	45	30,178
Shareholders to whom shares were transferred from the suspense account during the year	45	30,178
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2020	37	30,078

The voting rights on the shares outstanding in the suspense account as on March 31, 2020 shall remain frozen till the rightful owners of such shares claim the shares.

**Transfer of unclaimed dividend to Investor Education and Protection fund (IEPF) during 2019-20**

Nature of Dividend	Date of transfer	Amount transferred
Interim 2012	04.05.2019	Rs. 1,61,052
Final 2012	16.09.2019	Rs. 2,33,314
Interim 2013	19.03.2020	Rs. 2,01,092

**Transfer of unclaimed shares to the Investor Education and Protection Fund Authority**

Pursuant to the notification dated 16<sup>th</sup> October 2017 issued by the Ministry of Corporate Affairs, the Company transferred 16,551 shares of the Company, in respect of which dividend had not been claimed for 7 consecutive years or more to the demat account of IEPF Authority. The transfer was effected after sending notices to the concerned shareholders.

**Due dates for transfer of unclaimed dividend to the Investor Education and Protection Fund (IEPF)**

Financial year	Dividend	Date of declaration	Last date for claiming unpaid dividend
2012-13	Final	08.08.2013	08.09.2020
2013-14	Interim	01.04.2014	01.05.2021
	Final	19.09.2014	19.10.2021
2014-15	Interim	25.03.2015	25.04.2022
	Final	04.08.2015	04.09.2022
2015-16	Interim	30.03.2016	30.04.2023
	Final	09.07.2016	09.08.2023
2016-17	Interim	22.03.2017	22.04.2024
	Final	04.08.2017	04.09.2024
2017-18	Interim	15.03.2018	15.04.2025
	Final	06.08.2018	06.09.2025
2018-19	Interim	15.03.2019	15.04.2026
	Final	20.07.2019	20.08.2026
2019-20	Interim	16.03.2020	16.04.2027

## 6. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The members of the Committee as on 31<sup>st</sup> March 2020 comprised of:

S.No.	Name of the Director	Designation
1	Ms.Mallika Srinivasan	Chairman
2	Mr.Sankar Datta	Member
3	Mr.D.Hegde	Member
4	Mr.T.G.B.Pinto	Member

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

### Meetings

The Committee met one time during the financial year 2019-20. All the members attended the meeting.

The initiatives taken by the Company are listed in Annexure 2 which forms part of the Directors' Report.

## 7. GENERAL BODY MEETINGS

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

Year	Date	Time	Venue
2016-17	04.08.2017	2.45 P.M.	Sri S.Anantharamakrishnan Hall, T.Stanes & Co. Ltd. 8/23-24, Race Course Road, Coimbatore - 641 018
2017-18	06.08.2018	2.45 P.M.	Sri S.Anantharamakrishnan Hall, T.Stanes & Co. Ltd. 8/23-24, Race Course Road, Coimbatore - 641 018
2018-19	20.07.2019	3.30 P.M.	Sri S.Anantharamakrishnan Hall, T.Stanes & Co. Ltd. 8/23-24, Race Course Road, Coimbatore - 641 018

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

Date	Description of Special Resolution passed
04.08.2017	Nil
06.08.2018	Nil
20.07.2019	a) Re-appointment of Mr.Sankar Datta (DIN 00025380) as an Independent Director. b) Payment of commission to Non Whole-time Directors.

### Extra-ordinary General Meeting

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

### Postal Ballot

No postal ballot was conducted during the year.

At present no special resolution is proposed to be passed through postal ballot. However, the procedure laid down under Companies (Passing of Resolutions by Postal Ballot) Rules, 2001 would be followed as and when necessary.

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

## 9. MEANS OF COMMUNICATION

Quarterly, half yearly and annual financial results are published in "Business Line" (All India 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.unitednilgiratea.com](http://www.unitednilgiratea.com).

## 10. GENERAL SHAREHOLDER INFORMATION

### Date, Time and Venue of AGM

	DATE & TIME
98 <sup>th</sup> Annual General Meeting	Friday, 7 <sup>th</sup> August, 2020 at 4.00 P.M.

### Financial Calendar (tentative and subject to change)

Particulars of meeting	On or before
Unaudited Financial Results for the quarter ending 30 <sup>th</sup> June 2020	14 <sup>th</sup> August 2020
Unaudited Financial Results for the quarter ending 30 <sup>th</sup> September 2020	14 <sup>th</sup> November 2020
Unaudited Financial Results for the quarter ending 31 <sup>st</sup> December 2020	14 <sup>th</sup> February 2021
Audited Financial Results for the year ending 31 <sup>st</sup> March 2021	30 <sup>th</sup> May 2021

**Date of book closure for payment of dividend** : 1<sup>st</sup> August 2020 to 7<sup>th</sup> August, 2020  
(both days inclusive)

**Date of payment of equity dividend** : Around 31<sup>st</sup> August, 2020

### Listing on Stock Exchanges

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

The Company has paid the annual listing fees for the year 2020-21 to the National Stock Exchange of India Limited.

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

### Market Price data – High, low during each month in the last financial year and performance in comparison to broad based indices

Month	UNITEA NSE (Rs.)			NSE NIFTY 50
	High	Low	Month Close	Month Close
April 2019	379.00	305.00	306.10	11748.15
May 2019	341.90	291.05	308.00	11922.80
June 2019	314.95	271.95	291.25	11788.85
July 2019	313.90	257.95	264.30	11118.00
August 2019	277.00	220.90	247.35	11023.25
September 2019	283.95	237.10	260.00	11474.45
October 2019	282.95	227.95	265.00	11877.45
November 2019	375.75	246.50	329.45	12056.05
December 2019	347.95	277.00	293.60	12168.45
January 2020	304.00	271.40	272.00	11962.10
February 2020	293.00	241.00	245.00	11201.75
March 2020	251.45	165.00	192.90	8957.75

## Registrar and Share Transfer Agents

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

## Share Transfer System

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

## Distribution of Equity Shareholding as on 31<sup>st</sup> March 2020

Range of shareholdings	Shareholders		Shares	
	Number of shareholders	%	Number of shares	%
Upto 5000	3,105	97.61	7,60,002	15.21
5001 – 10000	45	1.41	3,08,104	6.17
10001 – 20000	15	0.47	2,14,488	4.29
20001 – 30000	3	0.09	74,733	1.50
30001 – 40000	2	0.06	60,456	1.21
40001 – 50000	—	—	—	—
50001 and above	11	0.35	35,78,783	71.62
<b>Total</b>	<b>3,181</b>	<b>100.00</b>	<b>49,96,566</b>	<b>100.00</b>

## Category of Shareholders as on 31<sup>st</sup> March 2020

S.No.	Category	Number of Shares	%
A	Indian Promoters & Promoters Group	24,87,982	49.79
	<b>Total Promoters &amp; Promoters Group Shareholding</b>	<b>24,87,982</b>	<b>49.79</b>
B	Public Shareholding		
	<b>1. Institutions</b>		
	a) Financial Institutions / banks	2,747	0.05
	b) Insurance Companies	7,91,227	15.84
	c) Central / State Governments	—	—
	<b>2. Non Institutions</b>		
	a) Bodies Corporate	4,19,191	8.39
	b) Individuals	12,95,419	25.93
	<b>Total Public Shareholding (1 + 2 )</b>	<b>25,08,584</b>	<b>50.21</b>
	<b>Total ( A + B )</b>	<b>49,96,566</b>	<b>100.00</b>

## Dematerialisation of shares as on 31<sup>st</sup> March 2020

Equity shares representing 87.82% of the company's paid up share capital has been dematerialized as on 31<sup>st</sup> March, 2020.

Name of the Depository	Number of shares dematerialised	% on Equity Share Capital
National Securities Depository Limited	41,00,908	82.07
Central Depository Services (India) Limited	2,86,968	5.75
<b>Total</b>	<b>43,87,876</b>	<b>87.82</b>

**No GDRs' ADRs' or Warrants have been issued by the Company during the year.**

### Estate Location

Chamraj Estate  
Chamraj Estate & Post  
The Nilgiris - 643 204

### Address for Correspondence

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

**Email ID for Investor Grievance Redressal: [headoffice@chamrajtea.com](mailto:headoffice@chamrajtea.com)**

## 11. OTHER DISCLOSURES

### Related Party Transactions

All related party transactions with the Company's promoters, Directors, or Key Managerial Personnel etc. are disclosed in the Accounts under Note No.30 of Notes forming part of the financial statements and in the opinion of the Board of Directors, these financial and commercial transactions are not in conflict with the interest of the Company.

The Related Party Transaction Policy as approved by the Board of Directors is uploaded on the Company's website [www.unitednilgiritea.com](http://www.unitednilgiritea.com).

### Details of non-compliance by the Company.

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

### Whistle Blower Policy and Vigil Mechanism

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

The Whistle Blower Policy has been posted on the website of the Company [www.unitednilgiritea.com](http://www.unitednilgiritea.com).

No complaints have been received during the year under review.

### **Compliance with non-mandatory requirements**

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

1. The Company has complied with the requirement of having separate persons to the post of Chairman and Whole-time Director.
2. The Auditors' Report on the financial statements of the Company are not qualified.
3. Deloitte, Haskins and Sells LLP, the internal auditors of the Company make quarterly presentations directly to the Audit Committee on their reports.

### **Material Subsidiaries**

The Company does not have material subsidiaries.

### **Policy on determination of Materiality for disclosures**

The Company has adopted a policy on determination of materiality for disclosures. The policy has been posted on the website of the Company [www.unitednilgiritea.com](http://www.unitednilgiritea.com)

### **Policy on archival and preservation of documents**

The Company has adopted a policy on archival and preservation of documents which is available on the website of the Company [www.unitednilgiritea.com](http://www.unitednilgiritea.com)

### **Compliance with Accounting Standards**

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

### **Risk Management**

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

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

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

### **Code of conduct for Directors and Senior Management Personnel**

The Company has adopted a Code of Business Conduct and Ethics for its Directors and Senior Management Personnel. All Board Members and Senior Management Personnel have affirmed their compliance with the code of conduct for the year under review.

The Whole-time Director has given a declaration that all the Directors and concerned Senior Management Personnel have affirmed compliance with the Code of Conduct.

The policy relating to Code of Conduct has been posted on the website of the Company [www.unitednilgiritea.com](http://www.unitednilgiritea.com)

### **Code for prevention of Insider Trading**

The Company has framed Code of Conduct for prevention of Insider Trading based on SEBI (Prohibition of Insider Trading) Amendment Regulations, 2018. This code is applicable to all Directors/Officers/Designated Employees.

### **Code of Practices and Procedures for fair disclosure of Unpublished Price Sensitive Information (UPSI)**

The Company has adopted 'The Code of Practices and Procedures for fair disclosure of Unpublished Price Sensitive Information' (UPSI) in compliance with SEBI (Listing Obligations & Disclosure Requirements) Amendment Regulations, 2018 which includes policy and procedures for inquiry in case of leak of UPSI or suspected leak of UPSI. The policy is available on the website of the company [www.unitednilgiritea.com](http://www.unitednilgiritea.com)

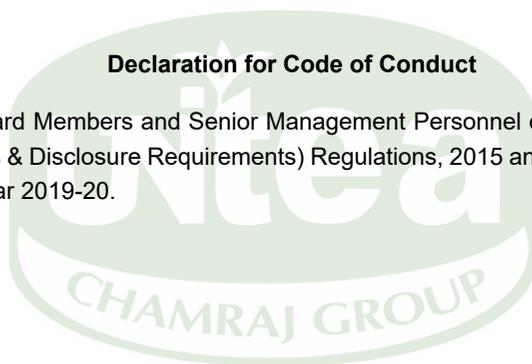
### **Certificate from CEO/CFO**

The CEO/CFO certification of the financial statements for the year has been submitted to the Board of Directors at its meeting held on 22<sup>nd</sup> June 2020 as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### **Declaration for Code of Conduct**

I hereby affirm and state that all Board Members and Senior Management Personnel of the Company have given a declaration pursuant to SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and I hereby affirm compliance with the said Code of Conduct for the financial year 2019-20.

Chennai  
22<sup>nd</sup> June, 2020



T.G.B. PINTO  
Whole-time Director  
DIN: 00025593

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To

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

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of The United Nilgiri Tea Estates Company Limited having CIN L01132TZ1922PLC000234 and having registered office at 3, Savithri Shanmugam Road, Race Course, Coimbatore 641018 (herein after referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Subclause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any other Statutory Authority.

Sl. No.	Name of Director	DIN	Date of appointment in Company
1	SANKAR DATTA	00025380	28/12/2005
2	DURGADASS HEGDE	00025468	27/05/2006
3	TITUS GERARD BEVERLY PINTO	00025593	27/05/2006
4	MALLIKA SRINIVASAN	00037022	25/01/2011
5	KRISHNA SRINIVASAN	02629544	10/11/2014
6	SRIRAM KALAPATTI VISWANATHAN	02703839	10/11/2014

Ensuring the eligibility of and for the appointment /continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **L K & Associates**  
Company Secretaries

Place : Chennai  
Date : 22.06.2020

**LALITHA KANNAN**  
C.P. 1894  
UDIN : A008304B000420166

## INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To

**THE MEMBERS OF  
THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED  
3, SAVITHRI SHANMUGAM ROAD  
RACE COURSE  
COIMBATORE - 641018**

1. We, K.S.Aiyar & Co, Chartered Accountants, the Statutory Auditors of **The United Nilgiri Tea Estates Company Limited ("the company")** have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31st March 2020, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of the Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("SEBI Listing Regulations").

### Management's Responsibility

2. 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 the SEBI Listing Regulations.

### Auditor's Responsibility

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. 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.
5. 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 Chartered Accountants of India (ICAI), the standards on Auditing specified under 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note issued by ICAI which requires that we comply with ethical requirements of the Code of Ethics issued by the ICAI.
6. 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 Engagement.

### Opinion

7. In our opinion and to the best of our information and according to explanations given to us and the representation 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 clause (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended 31st March 2020.
8. We state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which management has conducted the affairs of the company.

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

**(S. KALYANARAMAN)**  
Partner

Membership No. 200565  
UDIN:20200565AAAABZ6240

Date : 22.06.2020  
Place : Chennai

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

## Report on the Audit of the Financial Statements

### Opinion

We have audited the accompanying Financial statements of **The United Nilgiri Tea Estates Company Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2020, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of changes in Equity and the Statement of Cash Flow for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2020, and its profit and other comprehensive income, its cash flows and the changes in equity for the year ended on that date

### Basis of Opinion

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

### Key Audit Matters

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

Sl. No	Key Audit Matter	Auditor's Response
1	<p><b>Net Realizable Value of Finished Goods</b></p> <p>Finished goods of inventory (Made Tea) are valued at lower of cost and net realizable value. Considering that there is always volatility in the selling price of made tea, which is dependent upon various market conditions, determination of the net realizable value for this involves significant management judgement and therefore has been considered as a Key Audit Matter.</p> <p>The total value of finished goods of Made tea as at 31 March 2020 is Rs.504.03 Lakhs. Also refer to Note 2.9 for the accounting policy on valuation of finished goods.</p>	<p>Evaluated the design of internal controls relating to the valuation of finished goods of made tea and tested the operating effectiveness of the aforesaid controls.</p> <p>Obtained an understanding of the determination of the net realizable values of the Made tea and assessed and tested the reasonableness of the significant judgements applied by the management.</p> <p>Compared the actual realization after the year end/ latest realization to assess the reasonableness of the net realizable value that was estimated and considered by the management.</p> <p>Compared the cost of the finished goods of made tea with the estimated net realizable value and checked if the finished goods were recorded at net realizable value where the cost was higher than the net realizable value.</p> <p>Assessed the appropriateness of the disclosure in the financial statements in accordance with the applicable Accounting standards</p>

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

### Information other than Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, for example, Corporate Overview, Key Highlights, Board's Report, Report on Corporate Governance, Management Discussion & Analysis Report, etc., but does not include the Financial statements and our auditor's report thereon.
- Our Opinion on the Financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In Connection with our audit of the Financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Management's Responsibility for the Financial Statements

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

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

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

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

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

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

expected to influence the economic decisions of users taken on the basis of these Financial statements.

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

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

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

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

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

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

**Report on Other Legal and Regulatory Requirements**

1. 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 A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. 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 including Other Comprehensive Income, the Cash Flow statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on 31st March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 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 B". 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 Auditors report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best our information and according to the explanations given to us, the remuneration paid/ provided by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
  - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rule, 2014 as amended, in our opinion and to the best of our information and according to the explanations given to us:
    - 1) The Company has disclosed the impact of pending litigation on its financial position in its Financial Statements - Refer Note 29 (ii) to the financial statements;
    - 2) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts,
    - 3) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

**(S. KALYANARAMAN)**  
Partner

Date : 22.06.2020  
Place : Chennai

Membership No. 200565  
UDIN:20200565AAAABZ6240

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

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

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation, of fixed assets i.e Property Plant and Equipment (PPE)
- (b) Some of the fixed assets (PPE) 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 (PPE) 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/transfer deed/ conveyance 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 such physical verification.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act.
- (iv) In our opinion, and according to the information and explanations given to us, the Company has not granted any loans or made investments or provided guarantees and hence the provisions of Section 185 & 186 of the Act is not applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public during the year. Therefore the question of complying with directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under does not arise.
- (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 not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us and the records of the Company examined by us, in respect of statutory dues:
  - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Income-tax, Goods and Service Tax, Customs

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

Duty, Cess and other material statutory dues applicable to it to the appropriate authorities.

- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no undisputed amount payable in respect of Provident Fund, Income-tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, dues of Income-tax or Sales tax or Service tax or Goods and Services tax or duty of Customs or duty of Excise or Value added tax which have not been deposited by the Company on account of dispute is as under:

Name of the Statute	Nature of the Dues	Amount not deposited (in Rs.)	Period	Forum where dispute is pending
The Income-tax Act, 1961	Income-tax (Including Interest)	29,16,760/-	Assessment Year – 2012-13	Commissioner of Income-tax (Appeals) - Coimbatore

- (viii) According to the records of the Company examined by us and the information and explanation given to us, the Company has not taken any loans or borrowings from financial institution or bank or Government or has not issued any debentures. Hence reporting under clause (viii) of the Order is not applicable to the Company.
- (ix) In our opinion, and according to the information and explanations given to us, the Company has not raised money 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) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor we have been informed of any such case by the Management.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid or provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- (xii) As the Company is not a Nidhi Company and hence reporting under Clause (xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with the provisions of Sections 177 and 188 of the Act where applicable, for all the transactions with related parties and the details of related parties transactions have been disclosed in the financial statements as required by applicable Indian Accounting Standards .

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

- (xiv) Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause (xiv) of the Order are 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 him/her and hence section 192 of the Act are not applicable.
- (xvi) The Company is not required to be registered under Section 45-I (A) of the Reserve Bank of India Act, 1934.

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

**(S. KALYANARAMAN)**  
Partner

Membership No. 200565  
UDIN:20200565AAAABZ6240

Date : 22.06.2020  
Place : Chennai



# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

## Annexure B to Independent Auditors' Report

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

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, 2020 in conjunction with our audit of the Financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

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

### Auditors' 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 Act to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

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

**Meaning of Internal Financial Controls Over Financial Reporting**

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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, 2020, 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 **K.S. Aiyar & Co.**,  
Chartered Accountants  
Firm Registration No. 100186W

**(S. KALYANARAMAN)**  
Partner

Membership No. 200565  
UDIN:20200565AAAABZ6240

Date : 22.06.2020

Place : Chennai



# THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED

## Balance Sheet as at 31st March 2020

(All amounts in Rs. thousands unless otherwise stated)

Particulars	Note No.	As at 31st March 2020	As at 31st March 2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	3	2,83,596	2,14,794
(b) Capital work in progress		13,092	11,684
(c) Intangible assets	3	45	113
(d) Investment property	4	1,50,826	1,61,303
(e) Financial assets			
(i) Investments	5a	7,57,774	6,69,125
(ii) Other financial assets	5e	1,25,000	—
(f) Other non-current assets	6	8,148	25,691
<b>Total non-current assets</b>		<u>13,38,481</u>	<u>10,82,710</u>
<b>Current assets</b>			
(a) Inventories	7	66,257	63,169
(b) Financial assets			
(i) Investments	5a	1,147	57,647
(ii) Trade receivables	5b	72,028	44,435
(iii) Cash and cash equivalents	5c	35,463	8,114
(iv) Bank balances other than (iii) above	5d	70,713	1,70,613
(v) Other financial assets	5e	34,621	29,566
(c) Other current assets	8	14,094	16,648
(d) Current tax assets	15	3,109	2,676
<b>Total current assets</b>		<u>2,97,432</u>	<u>3,92,868</u>
<b>Total Assets</b>		<u>16,35,913</u>	<u>14,75,578</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	9a	49,966	49,966
(b) Other equity	9b	14,94,994	13,43,696
<b>Total Equity</b>		<u>15,44,960</u>	<u>13,93,662</u>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial Liabilities			
Other financial liabilities	10a	16,520	14,664
(b) Provisions	11	1,304	1,762
(c) Deferred tax liabilities (net)	12	3,667	3,375
(d) Other non current liabilities	13	3,434	7,985
<b>Total non-current liabilities</b>		<u>24,925</u>	<u>27,786</u>
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Trade payables			
(a) total outstanding dues of micro, small and medium enterprises	10b	360	—
(b) total outstanding dues of creditors other than micro, small and medium enterprises	10b	18,795	14,207
(ii) Other financial liabilities	10a	9,225	8,398
(b) Other current liabilities	14	37,209	31,318
(c) Provisions	11	439	208
<b>Total current liabilities</b>		<u>66,028</u>	<u>54,130</u>
<b>Total liabilities</b>		<u>90,953</u>	<u>81,916</u>
<b>Total equity and liabilities</b>		<u>16,35,913</u>	<u>14,75,578</u>
<b>Summary of significant accounting policies</b>	2		
The accompanying notes form an integral part of these financial statements			

As per our Report of even date attached

For K.S. Aiyar & Co.  
Chartered Accountants  
Firm Registration No.100186W  
S. KALYANARAMAN  
Partner  
Membership No.200565  
Place : Coimbatore  
Date : 22.06.2020

MALLIKA SRINIVASAN  
(DIN : 00037022)  
*Chairman*

S.RAGHURAMAN  
*Chief Financial Officer*

SANKAR DATTA  
(DIN : 00025380)  
*Director*

R.V.SRIDHARAN  
*Company Secretary*

For and on behalf of the Board of Directors

T.G.B.PINTO  
(DIN: 00025593)  
*Director*

Place : Chennai  
Date : 22.06.2020

# THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED

## Statement of Profit and Loss for the year ended 31st March 2020

(All amounts in Rs. thousands unless otherwise stated)

Particulars	Note No.	for the year ended 31st March 2020	For the year ended 31st March 2019
<b>I Income</b>			
Revenue from operations	16	6,28,220	6,57,003
Other Income	17	39,117	41,050
<b>Total Income (I)</b>		<b>6,67,337</b>	<b>6,98,053</b>
<b>II Expenses</b>			
Cost of green leaf purchased and consumed		1,23,637	1,32,856
Purchases of tea		3,255	18,022
Changes in value of finished goods (Tea)	18	(5,101)	(9,936)
Employee benefits expense	19	1,86,302	1,76,877
Finance cost	20	495	714
Depreciation and amortisation expense		27,675	27,146
Other expenses	21	1,92,292	1,98,726
<b>Total Expenses (II)</b>		<b>5,28,555</b>	<b>5,44,405</b>
<b>III Profit before tax and exceptional items (I - II)</b>		<b>1,38,782</b>	<b>1,53,648</b>
<b>IV Exceptional items :</b>			
Profit on sale of Investment in Associate		—	16,362
<b>V Profit before tax (III + IV)</b>		<b>1,38,782</b>	<b>1,70,010</b>
<b>VI Tax expense:</b>			
Current tax	22	30,900	27,200
Deferred tax	12	763	(913)
<b>Total tax expense (VI)</b>		<b>31,663</b>	<b>26,287</b>
<b>VII Profit for the year (V-VI)</b>		<b>1,07,119</b>	<b>1,43,723</b>
<b>VIII Other comprehensive income</b>			
Items that will not be reclassified to profit or loss:			
— Re-measurement of gains / (losses) on defined benefit obligation		(4,681)	6,399
— Tax on re-measurement of defined benefit obligation		471	(712)
— Changes in fair value of FVOCI Equity investments		64,653	55,083
— Profit on sale of FVOCI equity investments		—	40,000
<b>Total other comprehensive income (VIII)</b>		<b>60,443</b>	<b>1,00,770</b>
<b>Total comprehensive income for the year (VII+VIII)</b>		<b>1,67,562</b>	<b>2,44,493</b>
<b>Earnings per equity share (of Rs.10/- each)</b>			
Basic and diluted (in Rs.)	25	21.44	28.76
<b>Summary of significant accounting policies</b>	2		
The accompanying notes form an integral part of these financial statements			

As per our Report of even date attached

For K.S. Aiyar & Co.  
Chartered Accountants  
Firm Registration No.100186W  
S. KALYANARAMAN  
Partner  
Membership No.200565  
Place : Coimbatore  
Date : 22.06.2020

MALLIKA SRINIVASAN  
(DIN : 00037022)  
*Chairman*

S.RAGHURAMAN  
*Chief Financial Officer*

For and on behalf of the Board of Directors

SANKAR DATTA  
(DIN : 00025380)  
*Director*

R.V.SRIDHARAN  
*Company Secretary*

T.G.B.PINTO  
(DIN: 00025593)  
*Director*

Place : Chennai  
Date : 22.06.2020

# THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED

## Statement of Changes in Equity for the year ended 31st March 2020

(All amounts in Rs. thousands unless otherwise stated)

### A. Equity Share Capital — (Refer Note 9a)

As at April 1, 2018	49,966
Changes in equity share capital	—
As at March 31, 2019	49,966
Changes in equity share capital	—
<b>As at March 31, 2020</b>	<b>49,966</b>

### B. Other Equity – (Refer Note 9b)

	Reserves and surplus		Other Reserves	Total
	General Reserve	Retained Earnings	FVOCI Equity instruments	
Balance as at April 1, 2018	6,70,000	1,45,069	3,00,398	11,15,467
Profit for the year	—	1,43,723	—	1,43,723
Other Comprehensive Income for the year (net of tax)	—	5,687	95,083	1,00,770
Transfer to General Reserve	75,000	(75,000)	—	—
Amount transferred from other Reserves to retained earnings in respect of FVOCI equity instruments sold during the year / previous year	—	1,76,403	(1,76,403)	—
Transactions with owners in their capacity as owners:				
Dividend declared and paid during the year - Final 2018	—	(8,494)	—	(8,494)
Interim 2019	—	(4,997)	—	(4,997)
Dividend distribution tax paid	—	(2,773)	—	(2,773)
Balance as at March 31, 2019	7,45,000	3,79,618	2,19,078	13,43,696
Balance as at April 1, 2019	<b>7,45,000</b>	<b>3,79,618</b>	<b>2,19,078</b>	<b>13,43,696</b>
Profit for the year	—	1,07,119	—	1,07,119
Other Comprehensive income for the year (net of tax)	—	(4,210)	64,653	60,444
Transfer to General Reserve	3,30,000	(3,30,000)	—	—
Amount transferred from Other Reserves to retained earnings in respect of FVOCI instruments sold during the year / previous year	—	—	—	—
Transactions with owners in their capacity as owners:				
Dividend declared and paid during the year - Final 2019	—	(8,494)	—	(8,494)
- Interim 2020	—	(4,997)	—	(4,997)
Dividend distribution tax paid	—	(2,773)	—	(2,773)
<b>Balance as at March 31, 2020</b>	<b>10,75,000</b>	<b>1,36,264</b>	<b>2,83,731</b>	<b>14,94,994</b>

As per our Report of even date attached

For K.S. Aiyar & Co.  
Chartered Accountants  
Firm Registration No.100186W  
S. KALYANARAMAN  
Partner  
Membership No.200565  
Place : Coimbatore  
Date : 22.06.2020

MALLIKA SRINIVASAN  
(DIN : 00037022)  
*Chairman*

S.RAGHURAMAN  
*Chief Financial Officer*

For and on behalf of the Board of Directors

SANKAR DATTA  
(DIN : 00025380)  
*Director*

R.V.SRIDHARAN  
*Company Secretary*

T.G.B.PINTO  
(DIN: 00025593)  
*Director*

Place : Chennai  
Date : 22.06.2020

# THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED

## Cash Flow Statement for the year ended 31st March, 2020

(All amounts in Rs. thousands unless otherwise stated)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
<b>Cash flow from operating activities</b>		
Profit before tax	1,38,782	1,70,010
<b>Adjustments for:</b>		
Depreciation and amortisation expense	27,675	27,146
(Gain) on disposal of property, plant and equipment	(131)	(520)
Interest on financial liability	495	714
Deferred license fees	(443)	(622)
Liabilities no longer required written back	—	(4,801)
Impairment provision for property, plant and equipment	—	4,342
Fair value gain from financial assets (mutual funds)	(8,248)	(22,987)
Profit on sale of investments in Associate	—	(16,362)
Interest income classified as investing cash flow	(19,157)	(4,870)
Dividend Income classified as investing cash flow	(2,596)	(2,313)
Profit on switch out /redemption of financial assets (mutual funds)	(2,157)	(756)
Net unrealised exchange (gain)/loss	(2,239)	(4,804)
<b>Operating profit before changes in operating asset / liabilities</b>	<b>1,31,981</b>	<b>1,44,176</b>
<b>Adjustments for increase / (decrease) in liabilities:</b>		
Other financial liabilities	2,683	(8,239)
Trade payables	4,948	2,678
Other non current liabilities	(4,550)	5,860
Other current liabilities	5,891	(2,747)
Non current Provision	(458)	489
Current Provision	231	(217)
<b>Adjustments for (increase) / decrease in assets:</b>		
Trade receivables	(27,593)	8,914
Inventories	(3,087)	(13,901)
Other non current assets	82	(103)
Other current assets	2,554	(8,011)
Other financial assets	1,470	5,665
Cash generated from operations	1,14,152	1,34,564
Income tax paid	(31,530)	(29,210)
<b>Net cash flow from operating activities (A)</b>	<b>82,622</b>	<b>1,05,354</b>
<b>Cash flow from investing activities :</b>		
Payments for purchase of property, plant and equipment	(87,742)	(29,922)
Proceeds from sale of property, plant and equipment including capital subsidy of Rs.55 (previous year- Nil-)	532	984
Capital advance	17,461	(20,328)
Payment for purchase of non-current investments	(2,70,000)	(66,200)
Payment for purchase of current investments	(3,40,512)	(2,09,250)
Proceeds from sale of non current investments	2,70,909	1,44,016
Proceeds from sale of current investments	3,78,060	1,72,378
Bank balances not considered as cash and cash equivalents	99,899	(1,09,627)
Deposit with HDFC Limited (other non current financial assets)	(1,25,000)	—
Profit on switch out /redemption of financial assets (mutual funds)	2,157	756
Profit on sale of investments in Associate	—	16,362
Interest received	12,632	3,459
Dividend received	2,596	2,313
<b>Net cash flow used in investing activities (B)</b>	<b>(39,008)</b>	<b>(95,059)</b>

# THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED

## Cash Flow Statement for the year ended 31st March, 2020 – (Contd.)

(All amounts in Rs. thousands unless otherwise stated)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
<b>Cash flow from financing activities :</b>		
Dividends paid	(13,491)	(13,491)
Tax on dividend	(2,773)	(2,773)
<b>Net cash flow used in financing activities (C)</b>	<b>(16,264)</b>	<b>(16,264)</b>
Net Increase/(decrease) in Cash and cash equivalents (A+B+C)	27,349	(5,969)
Cash and cash equivalents at the beginning of the year (Note 5c)	8,114	14,083
Cash and cash equivalents at the end of the year	<b>35,463</b>	8,114
<b>Components of cash and cash equivalents at the end of the year comprise</b>		
Cash on hand	79	79
Balances with banks		
In current accounts	35,384	8,035
Total Cash and cash equivalents (Refer Note No.5 c )	<b>35,463</b>	8,114
The accompanying notes form an integral part of these financial statements		

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

As per our Report of even date attached

For K.S. Aiyar & Co.  
Chartered Accountants  
Firm Registration No.100186W  
S. KALYANARAMAN  
Partner  
Membership No.200565  
Place : Coimbatore  
Date : 22.06.2020

MALLIKA SRINIVASAN  
(DIN : 00037022)  
*Chairman*

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For and on behalf of the Board of Directors

SANKAR DATTA  
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*Director*

R.V.SRIDHARAN  
*Company Secretary*

T.G.B.PINTO  
(DIN: 00025593)  
*Director*

Place : Chennai  
Date : 22.06.2020

# THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED

## Notes to the Financial Statements as at and for the year ended 31st March 2020

### 1. CORPORATE INFORMATION:

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

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES :

#### 2.1 Basis of preparation of financial statements

(a) Statement of compliance

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

(b) Basis of measurement

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

(c) Current / Non current classification

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

#### 2.2 Use of estimates and judgement

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

#### 2.3 Significant estimates and judgements

The areas involving significant estimates and judgements are :

- i) Estimation of fair value of investment property – (Refer Note.4.3)
- ii) Defined benefit Obligation – (Refer Note 23)
- iii) Current tax expense – (Refer Note.22)

# THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED

## Notes to the Financial Statements as at and for the year ended 31st March 2020

### 2.4 Property, Plant and Equipment

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

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

- (b) Biological Assets

#### Bearer Plants

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

#### Live stocks

Live stocks are carried at fair market value ascertained at each year end and adopted for subsequent reporting dates. The fair market value is determined based on productive life of animals.

### 2.5 Investment Property

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

### 2.6 Depreciation and amortisation

Depreciation on tangible assets is provided using straight line method over the useful life of the assets in line with the rates specified in Schedule II to the Act, except for Bearer Plants which are depreciated over their estimated useful life of 60 years. Cost of Intangible asset is amortized over a period of three years on straight line basis. Investment property is depreciated using the straight line method over its estimated useful life in line with the rates specified in Schedule II to the Act.

### 2.7 Impairment

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

# THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED

## Notes to the Financial Statements as at and for the year ended 31st March 2020

### 2.8 Foreign Currency translation

#### i) Functional and presentation currency

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

#### ii) Transactions and balances

Initial Recognition

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

Subsequent recognition

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

Forward contracts

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

### 2.9 Inventories

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

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

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

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

### 2.10 Cash and cash equivalents

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

### 2.11 Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment.

### 2.12 Investments and other financial assets

#### i) Classification

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

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

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

# THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED

## Notes to the Financial Statements as at and for the year ended 31st March 2020

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

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

#### ii) Measurement

Initial recognition :

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

Subsequent measurement :

##### a. Equity Instruments

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

##### b. Debt Instruments:

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

#### iii) Impairment of financial assets :

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortized cost. Impairment is considered when there is significant increase in credit risk. Note 33 details how the Company determines whether there has been a significant increase in credit risk.

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

#### iv) De-recognition of financial assets

A financial asset is de-recognised only when :

- a) The Company's contractual right to the cash flow expires or
- b) The Company has transferred the rights to receive cash flows from the financial asset.

# THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED

## Notes to the Financial Statements as at and for the year ended 31st March 2020

### 2.13 Revenue recognition

(i) Revenue from Contracts with customer

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

Revenue is measured at fair value of the consideration received or receivable. Revenue is net of returns, allowances, rebates and Goods and Service Tax.

(ii) Export benefits are accounted for based on eligibility and when there is no uncertainty in receiving them.

(iii) 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 recognized upon its determination as per the agreement.

(iv) Interest income from debt instruments is recognized using the effective interest rate method.

(v) Dividends are recognized in the statement of profit and loss only when the right to receive payment is established.

### 2.14 Leases :

Till 31st March 2019,

As a Lessee

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 were classified as finance lease. Such leases were capitalised at the inception of the lease at the lower of the fair value and present value of the minimum lease payments and the liability was created for an equivalent amount. Each lease rental paid was 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 lessor were recognised as operating leases. Lease rentals under operating leases were recognised in the statement of profit and loss on a straight line basis.

As a Lessor

Lease income (License fees) from operating leases where the Company was a lessor was recognised in income on a straight line basis over the lease term unless the license fees was structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases in which event such increases were recognised in the year in which such benefits accrued.

Effective 1st April 2019

As a Lessee

From April 1, 2019 leases are recognized as a right-of-use asset with a corresponding lease liability at the date on which the leased asset is available for use by the Company as a lessee except for payments associated with short term leases (lease term of 12 months or less) and low value leases, which are recognized on a straight-line basis as an expense in the profit or loss.

# THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED

## Notes to the Financial Statements as at and for the year ended 31st March 2020

### 2.14 Leases — (Contd.)

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

As a Lessor

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

### 2.15 Government grant

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

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

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

### 2.16 Employee benefits / Obligations

#### (i) Short term obligations

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

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

#### (ii) Post employment obligations

The Company has the following post employment obligations / plans :

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

##### (a) Gratuity :

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

# THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED

## Notes to the Financial Statements as at and for the year ended 31st March 2020

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

Actuarial gains or losses are recognized in other comprehensive income. Further, the profit or loss does not include an expected return on plan assets. Instead net interest recognized in profit or loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset.

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

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

#### (b) Provident Fund :

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

#### (c) Superannuation Fund :

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

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

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

### 2.17 Taxes on Income

Taxes on Income comprise current tax and deferred tax.

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

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

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

# THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED

## Notes to the Financial Statements as at and for the year ended 31st March 2020

### 2.17 Taxes on Income — (Contd.)

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

### 2.18 Provisions and contingencies

#### Provisions

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

#### Contingencies

Wherever there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognised because (a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation ; or (b) the amount of the obligation cannot be measured with sufficient reliability are recognised as contingent liability. Show Cause notices are not considered as contingent liabilities unless converted into demand.

### 2.19 Earnings per share

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

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

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

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

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

### 2.21 Segment Reporting

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

### 2.22 Dividend to Shareholders

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

**THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED**  
**Notes to the Financial Statements as at and for the year ended 31st March 2020**

(All amounts in Rs. thousands unless otherwise stated)

**Note 3 Property, Plant and Equipment and intangible assets**

	Property, plant and equipment								Intangible Assets		
	Freehold Land and Development	Buildings	Machinery and Electrical Installations	Furniture and Fixtures	Office and Computer equipment	Vehicles	Bearer plant	Live Stocks	Total	Software	Grand Total
<b>Year ended March 31, 2019</b>											
<b>Gross carrying amount</b>											
<b>Balance as at March 31, 2018</b>	76,494	48,478	86,473	1,691	1,023	13,727	10,705	2,261	2,40,852	718	2,41,570
Additions	11,269	1,297	3,701	33	122	6,330	—	—	22,752	—	22,752
Disposals	—	30	9,803	41	151	2,317	—	81	12,423	282	12,705
Impairment provision	—	—	4,342	—	—	—	—	—	4,342	—	4,342
<b>Balance as at March 31, 2019</b>	87,763	49,745	76,029	1,683	994	17,740	10,705	2,180	2,46,839	436	2,47,275
Accumulated depreciation / amortisation	—	5,864	18,359	659	449	1,481	661	—	27,473	388	27,861
Depreciation/amortisation charge during the year	—	2,791	10,092	267	232	2,716	352	—	16,450	218	16,668
Disposals	—	30	9,803	41	151	1,853	—	—	11,878	283	12,161
<b>Balance as at March 31, 2019</b>	—	8,625	18,648	885	530	2,344	1,013	—	32,045	323	32,368
Net carrying amount as on March 31, 2019	87,763	41,120	57,381	798	464	15,396	9,692	2,180	2,14,794	113	2,14,907
<b>Year ended March 31, 2020</b>											
<b>Gross carrying amount</b>											
<b>Balance as at March 31, 2019</b>	87,763	49,745	76,029	1,683	994	17,740	10,705	2,180	2,46,839	436	2,47,275
Additions	15,243	24,563	38,978	4,967	530	1,967	—	84	86,332	—	86,332
Disposals/Capital Subsidy	—	—	55	—	—	1,441	—	—	1,496	—	1,496
Impairment provision	—	—	—	—	—	—	—	—	—	—	—
<b>Balance as at March 31, 2020</b>	1,03,006	74,308	1,14,952	6,650	1,524	18,266	10,705	2,264	3,31,675	436	3,32,111
Accumulated depreciation/amortisation	—	8,625	18,648	885	530	2,344	1,013	—	32,045	323	32,368
Depreciation /amortisation charge during the year	—	2,967	10,330	383	274	2,824	352	—	17,130	68	17,198
Disposals	—	—	—	—	—	1,096	—	—	1,096	—	1,096
<b>Balance as at March 31, 2020</b>	—	11,592	28,978	1,268	804	4,072	1,365	—	48,079	391	48,470
<b>Net carrying amount as at March 31, 2020</b>	1,03,006	62,716	85,974	5,382	720	14,194	9,340	2,264	2,83,596	45	2,83,641

**THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED**  
**Notes to the Financial Statements as at and for the year ended 31st March 2020**

(All amounts in Rs. thousands unless otherwise stated)

**Note 4 Investment Property**

Description of Assets	Freehold Land	Buildings	Machinery and Electrical Installations	Total
<b>Year ended March 31, 2019</b>				
<b>Gross carrying amount</b>				
<b>Balance as at March 31, 2018</b>	400	1,47,458	44,876	1,92,734
Additions	—	—	—	—
Disposals	—	—	—	—
<b>Balance as at March 31, 2019</b>	400	1,47,458	44,876	1,92,734
Accumulated depreciation / amortisation	—	11,796	9,158	20,954
Depreciation/amortisation charge during the year	—	5,898	4,579	10,477
Disposals	—	—	—	—
<b>Balance as at March 31, 2019</b>	—	17,694	13,737	31,431
<b>Net carrying amount as at March 31, 2019</b>	400	1,29,764	31,139	1,61,303
<b>Year ended March 31, 2020</b>				
<b>Gross carrying amount</b>				
<b>Balance as at March 31, 2019</b>	400	1,47,458	44,876	1,92,734
Additions	—	—	—	—
Disposals	—	—	—	—
<b>Balance as at March 31, 2020</b>	400	1,47,458	44,876	1,92,734
Accumulated depreciation / amortisation	—	17,694	13,737	31,431
Depreciation/amortisation charge during the year	—	5,898	4,579	10,477
Disposals	—	—	—	—
<b>Balance as at March 31, 2020</b>	—	23,592	18,316	41,908
<b>Net carrying amount as at March 31, 2020</b>	400	1,23,866	26,560	1,50,826

**THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED**  
**Notes to the Financial Statements as at and for the year ended 31st March 2020**

(All amounts in Rs. thousands unless otherwise stated)

	Year ended	
	31st March 2020	31st March 2019
<b>4.1 Amounts recognised in profit and loss for investment property :</b>		
Rental income from freehold buildings	<b>40,544</b>	41,725
Direct operating expense from property that generated rental income	<b>3,623</b>	3,213
Direct operating expense from property that did not generate rental income	<b>3,219</b>	—
<b>Profit from investment property before depreciation</b>	<b>33,702</b>	38,512
Depreciation	<b>10,477</b>	10,477
<b>Profit from investment property</b>	<b>23,225</b>	28,035
	Year ended	
	31st March 2020	31st March 2019
<b>4.2 Fair Value</b>		
Land	<b>3,73,880</b>	4,02,540
Buildings	<b>1,95,093</b>	1,94,670
Machinery and Electrical installations	<b>31,000</b>	34,000
	<b>5,99,973</b>	6,31,210
<b>4.3 Estimation of Fair Value</b>		
<p>The best evidence of fair value is current prices in an active market for similar properties. Since investment properties leased out by the Company are cancellable leases, the market rates for sale / purchase of such premises are representative of fair values. Company's investment properties are at a location where active market is available for similar kind of properties. The market approach is being followed for ascertaining the fair value of the investment properties and hence fair value is ascertained on the basis of market rates prevailing for similar properties in those locations determined by an independent registered valuer. Consequently this is classified as a Level 2 valuation.</p>		

**THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED**  
**Notes to the Financial Statements as at and for the year ended 31st March 2020**

(All amounts in Rs. thousands unless otherwise stated)

**Note 5 a Investments**

**Non-current investments**

PARTICULARS	Nominal value of Shares/units	As at 31st March 2020		As at 31st March 2019	
		No. of shares/Units	Amount	No. of shares/Units	Amount
<b>A Investments in equity instruments designated at fair value through other comprehensive income</b>					
<b>I. Unquoted (fully paid)</b>					
Stanes Amalgamated Estates Limited	10	81,783	6,952	81,783	8,178
Hifame Private Limited	10	27,600	7,921	27,600	8,335
Simpson and Company Limited	10	16,333	2,42,708	16,333	1,71,497
Orkay Industries Limited	10	450	—	450	—
Palani Andavar Cotton & Synthetic Spinners Ltd.	10	500	—	500	—
			<b>2,57,581</b>		<b>1,88,010</b>
<b>II Quoted (fully paid)</b>					
IP Rings Limited	10	3,600	139	3,600	373
TATA Coffee Limited	1	1,000	562	1,000	902
Tata Steel Limited	10	6,739	1,816	6,739	3,511
The Tata Power Company Limited	1	10,000	329	10,000	738
Uniworth India Limited	10	750	—	750	—
Wabco (India) Limited	5	4,300	26,407	4,300	28,647
			<b>29,253</b>		<b>34,171</b>
<b>Total Investments in equity instruments</b>			<b>2,86,834</b>		<b>2,22,181</b>

**THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED**  
**Notes to the Financial Statements as at and for the year ended 31st March 2020**

(All amounts in Rs. thousands unless otherwise stated)

**Note 5 a Investments**

**Non-current investments**

PARTICULARS	Nominal value of Shares/units	As at 31st March 2020		As at 31st March 2019	
		No. of shares/Units	Amount	No. of shares/Units	Amount
<b>B Investments in debt instruments designated as Fair Value through Profit and Loss</b>					
<b>Investments in Mutual Funds</b>					
Sundaram Select Debt Short term Asset Plan-Growth	10	—	—	6,77,630	22,741
Nippon India Short Term Fund - Growth	10	83,721	3,163	83,721	2,907
Reliance Equity Hybrid Fund - Growth	10	—	—	91,211	5,393
Nippon India Short Term Fund - Direct-Growth	10	3,10,174	12,264	3,10,174	11,184
Reliance Classic Bond Fund - Growth	10	—	—	7,31,855	10,761
Reliance Fixed Horizon Fund-Series XXXI 4 - Growth	10	—	—	5,00,000	6,318
Nippon India Fixed Horizon Fund-Series XXXV-16 - Growth	10	7,50,000	8,236	7,50,000	8,067
Nippon India Fixed Horizon Fund-Series XXXV-09 - Growth	10	10,00,000	9,846	10,00,000	10,653
Reliance Credit Risk Fund-Growth	10	—	—	4,88,099	12,578
HDFC Medium Term Debt Fund-Growth	10	—	—	1,84,379	6,792
HDFC Fixed Maturity Plan-Quarterly Dividend	10	—	—	5,00,000	5,007
HDFC Fixed Maturity Plan-Growth	10	37,50,000	45,467	45,00,000	51,238
HDFC Credit Risk Fund-Growth	10	—	—	17,24,090	27,445
HDFC Hybrid equity Fund Growth- Direct	10	1,97,286	8,777	1,97,286	11,186
HDFC Short Term Debt fund-Growth	10	—	—	1,41,722	2,925
HDFC Credit Risk Fund-Growth	10	—	—	12,74,109	19,437
Birla Sun Life Dynamic Fund-Growth	10	—	—	4,85,087	15,327
Birla Sun Life Corporate Bond Fund-Growth	10	80,338	6,287	80,338	5,756
Birla Sun Life Short Term Opportunities Fund-Growth	10	—	—	6,29,371	19,447
Birla Sun Life Short Term Opportunities Fund-Quarterly Dividend Reinvestment	10	—	—	3,22,255	3,430
Birla Sunlife Banking and PSU Debt Fund-Growth-Direct	10	22,651	6,047	22,651	5,480
Birla Sun Life Hybrid fund-Growth-Direct	10	—	—	6,571	5,329
Birla Sun Life Corporate Bond fund-Growth- Direct	10	2,33,874	18,449	2,33,874	16,870
Birla Sunlife Banking and PSU Debt Fund-Growth	10	48,591	12,725	48,591	11,565
Birla Sunlife Medium Term Plan-Growth	10	—	—	4,09,310	9,324
ICICI Prudential Corporate Bond Fund-Growth	10	1,51,598	3,157	1,51,598	2,896
ICICI Prudential Credit Risk Fund-Growth	10	—	—	21,07,716	41,877

**THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED**  
**Notes to the Financial Statements as at and for the year ended 31st March 2020**

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

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

PARTICULARS	Nominal value of Shares/units	As at 31st March 2020		As at 31st March 2019	
		No. of shares/Units	Amount	No. of shares/Units	Amount
ICICI Prudential Medium Term Bond fund - Growth	10	—	—	8,21,255	24,632
ICICI Prudential Short Term Fund - Growth	10	2,87,044	12,104	2,87,044	11,090
DSP BlackRock Income Opportunities fund - Growth	10	—	—	2,14,987	6,034
DSP BlackRock Equity and Bond fund - Growth-Direct	10	33,540	4,758	33,540	5,361
TATA Value Fund Series 1 - Growth	10	45,00,000	34,807	45,00,000	44,025
TATA Multicap Fund - Growth	10	3,70,000	3,188	3,70,000	3,869
IDFC Banking and PSU Debt Fund - Growth - Direct	10	48,06,722	86,348	—	—
AXIS Banking and PSU Debt Fund - Growth - Direct	1000	38,522	74,771	—	—
LIC MF Banking and PSU Debt Fund - Growth - Direct	10	22,33,522	60,254	—	—
L&T MF Banking and PSU Debt Fund - Growth - Direct	10	32,47,491	60,292	—	—
<b>Total investments in debt instruments</b>			<b>4,70,940</b>		<b>4,46,944</b>
<b>Total non current investments</b>			<b>7,57,774</b>		<b>6,69,125</b>
<b>Other Disclosures</b>					
<b>Aggregate carrying amount of quoted investments</b>			<b>29,253</b>		<b>34,171</b>
<b>Aggregate market value of quoted investments</b>			<b>29,253</b>		<b>34,171</b>
<b>Aggregate amount of unquoted investments</b>			<b>7,28,521</b>		<b>6,34,954</b>

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

**Note 5 a Investments**

**Current investments**

PARTICULARS	Nominal value of Shares/units	As at 31st March 2020		As at 31st March 2019	
		No. of shares/Units	Amount	No. of shares/Units	Amount
<b>B Investments in debt instruments designated as Fair Value through Profit and Loss</b>					
<b>Investments in Mutual Funds</b>					
HDFC Liquid Fund Daily Dividend reinvested	10	1,124	1,147	36,629	37,355
Franklin India Ultra Short Term Bond Fund - Growth	10	—	—	7,72,487	20,292
<b>Total current investments</b>			<b>1,147</b>		<b>57,647</b>

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

**THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED**  
**Notes to the Financial Statements as at and for the year ended 31st March 2020**

(All amounts in Rs. thousands unless otherwise stated)

Particulars	As at 31st March 2020	As at 31st March 2019
<b>Note 5b - Trade Receivables</b>		
Unsecured - considered good	<b>72,028</b>	44,435
<b>Total</b>	<b>72,028</b>	44,435
There are no dues from related parties.		
<b>Note 5 c - Cash and cash equivalents</b>		
(a) Cash on hand	<b>79</b>	79
(b) Balances with banks		
- In current accounts	<b>35,384</b>	8,035
<b>Total</b>	<b>35,463</b>	8,114
<b>Note 5 d - Bank balances other than cash and cash equivalents</b>		
(a) In deposit accounts (original maturity of more than three months)	<b>62,454</b>	1,62,215
(b) In earmarked accounts:		
Unpaid dividend accounts	<b>8,259</b>	8,398
<b>Total</b>	<b>70,713</b>	1,70,613
<b>Note 5 e Other financial assets (Unsecured - considered good)</b>		
<b>Non current</b>		
Deposit with HDFC Limited	<b>1,25,000</b>	—
<b>Total</b>	<b>1,25,000</b>	—
<b>Current</b>		
Accrued interest on fixed deposits	<b>9,610</b>	3,085
Replanting / Orthodox Subsidy receivable	<b>25,011</b>	22,085
MEIS License receivable	<b>—</b>	4,396
<b>Total</b>	<b>34,621</b>	29,566

**THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED**  
**Notes to the Financial Statements as at and for the year ended 31st March 2020**  
(All amounts in Rs. thousands unless otherwise stated)

Particulars	As at 31st March 2020	As at 31st March 2019
<b>Note 6 Other non current assets (Unsecured - considered good)</b>		
Capital advance	2,867	20,328
Security deposits	5,281	5,363
<b>Total</b>	<u>8,148</u>	<u>25,691</u>
<b>Note 7 Inventories (at lower of cost and net realizable value)</b>		
Finished goods (Tea)	50,404	45,303
Stores and Spare Parts	13,983	16,506
Nursery Stock	1,870	1,360
<b>Total</b>	<u>66,257</u>	<u>63,169</u>
<b>Note 8 Other current assets (Unsecured - considered good)</b>		
Advances - trade and supplies	1,013	2,137
Prepaid expenses	12,394	9,796
Due from Gratuity Trust (Note 23 )	—	4,396
Others	687	319
<b>Total</b>	<u>14,094</u>	<u>16,648</u>

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(All amounts in Rs. thousands unless otherwise stated)

Description of Assets	As at 31st March 2020		As at 31st March 2019	
	No. of Shares	Amount	No. of Shares	Amount
<b>9a Equity share capital</b>				
<b>Authorised</b>				
Equity shares of Rs10/- each	<b>50,00,000</b>	<b>50,000</b>	50,00,000	50,000
<b>Issued, subscribed and fully paid-up</b>				
Equity shares of Rs 10/- each	<b>49,96,566</b>	<b>49,966</b>	49,96,566	49,966
		<u>49,966</u>		<u>49,966</u>
<b>a. Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year</b>				
<b>Equity Shares</b>				
At the beginning of the year	<b>49,96,566</b>	<b>49,966</b>	49,96,566	49,966
Less: Changes during the year	—	—	—	—
Outstanding at the end of the year	<b>49,96,566</b>	<b>49,966</b>	49,96,566	49,966
		<u>49,966</u>		<u>49,966</u>
<b>b Rights, preferences and restrictions attached to equity shares</b>				
Each shareholder is entitled to one vote per share and dividend when declared. Other rights are governed by the Articles of Association of the Company and the Companies Act 2013.				
<b>c. Details of shares held by each shareholder holding more than 5% of share capital</b>	<b>No. of shares</b>	<b>%</b>	<b>No. of Shares</b>	<b>%</b>
Tractors and Farm Equipment Limited	<b>8,55,363</b>	<b>17.12%</b>	8,55,363	17.12%
T Stanes & Company Limited	<b>8,36,688</b>	<b>16.75%</b>	8,36,688	16.75%
Life Insurance Corporation of India	<b>7,16,209</b>	<b>14.33%</b>	7,71,496	15.44%
Amalgamations Private Limited	<b>4,05,460</b>	<b>8.11%</b>	3,75,460	7.51%
Trustees T Stanes & Co Limited Staff Pension Fund	<b>2,64,816</b>	<b>5.30%</b>	2,64,816	5.30%
	<u>30,78,536</u>		<u>31,03,823</u>	

**THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED**  
**Notes to the Financial Statements as at and for the year ended 31st March 2020**

(All amounts in Rs. thousands unless otherwise stated)

Particulars	As at 31st March 2020	As at 31st March 2019
<b>Note 9b Other equity</b>		
<b>Reserves and Surplus</b>		
<b>General Reserve</b>	<b>10,75,000</b>	7,45,000
Retained earnings (Surplus)	<b>1,36,264</b>	3,79,618
Other reserves - Refer Note [9 b(iii)]	<b>2,83,731</b>	2,19,078
<b>Total</b>	<b>14,94,994</b>	13,43,696
<b>(i) General reserve</b>		
Opening balance	<b>7,45,000</b>	6,70,000
Add : Transfer from retained earnings	<b>3,30,000</b>	75,000
<b>Closing balance</b>	<b>10,75,000</b>	7,45,000
<b>(ii) Retained earnings (surplus)</b>		
Opening balance	<b>3,79,618</b>	1,45,069
Add : Profit for the year	<b>1,07,119</b>	1,43,723
Add: Items of Other Comprehensive income recognised directly in retained earnings:		
Remeasurements of post-employment benefit obligations, net of tax	<b>(4,210)</b>	5,687
Add: Amount transferred from Other Reserves in respect of FVOCI instruments sold during the year / previous year	—	1,76,403
Less: Appropriations		
Transfer to General reserve	<b>(3,30,000)</b>	(75,000)
Transaction with owners in their capacity as owners:		
Dividend declared and paid during the year - Final 2019 / Final 2018	<b>(8,494)</b>	(8,494)
- Interim 2020 / Interim 2019	<b>(4,997)</b>	(4,997)
Tax on dividend	<b>(2,773)</b>	(2,773)
<b>Closing Balance</b>	<b>1,36,264</b>	3,79,618
<b>(iii) Other Reserves :</b>		
<b>FVOCI Equity Instruments</b>		
Opening balance	<b>2,19,078</b>	3,00,398
Add: Change in fair value of FVOCI equity instruments	<b>64,653</b>	95,083
Less: Amount transferred to Retained earnings in respect of FVOCI instruments sold during the year / previous year	—	<b>(1,76,403)</b>
<b>Closing balance</b>	<b>2,83,731</b>	2,19,078
<b>Nature and Purpose of Other Reserves :</b>		
The Company has elected to recognise changes in the fair value of investments in equity instruments in Other Comprehensive Income. These changes are accumulated within FVOCI equity instruments in Other Equity. The Company has an option of transferring amounts from FVOCI equity instruments to retained earnings on de-recognition of the relevant equity instruments.		

**THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED**  
**Notes to the Financial Statements as at and for the year ended 31st March 2020**  
(All amounts in Rs. thousands unless otherwise stated)

Particulars	As at 31st March 2020	As at 31st March 2019
<b>Note 10 a Other financial liabilities</b>		
<b>Non Current (carried at amortized cost)</b>		
Security deposits	16,520	14,664
<b>Total</b>	<u>16,520</u>	<u>14,664</u>
<b>Current</b>		
Unclaimed Dividend	3,262	3,401
Interim Dividend Payable	4,997	4,997
Due to gratuity trust (Note 23 )	966	—
<b>Total</b>	<u>9,225</u>	<u>8,398</u>
<b>Note 10 b Trade payables</b>		
Total outstanding dues of micro, small and medium enterprises (Refer note 28)	360	—
Total outstanding dues of creditors other than micro, small and medium enterprises	18,795	14,207
<b>Total</b>	<u>19,155</u>	<u>14,207</u>
<b>10 b 1.</b> There are no dues to any related party nor were there any acceptances outstanding as at the year end.		
<b>Note 11 Provisions</b>		
<b>Non Current</b>		
Provision for Compensated Absences	1,304	1,762
	<u>1,304</u>	<u>1,762</u>
<b>Current</b>		
Provision for Compensated Absences	439	208
	<u>439</u>	<u>208</u>
<b>12. 1. Deferred tax liabilities (net)</b>		
<b>Balance comprises temporary differences attributable to:</b>		
<b>Deferred tax liabilities :</b>		
— Property, Plant and Equipment and intangible assets	2,657	3,367
— Investments	2,076	—
	<u>4,733</u>	<u>3,367</u>
<b>Deferred tax assets :</b>		
Provision for Employee benefit	(1,066)	8
	<u>(1,066)</u>	<u>8</u>
<b>Net deferred tax liabilities</b>	<u>3,667</u>	<u>3,375</u>

**THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED**  
**Notes to the Financial Statements as at and for the year ended 31st March 2020**

(All amounts in Rs. thousands unless otherwise stated)

<b>12. 2. Movement in deferred tax liability / (asset)</b>					
	Property, Plant and equipment	Expenses capitalised but allowable for tax purpose	Investments	Employee benefit	Total
As at April 1, 2018	4,474	312	—	(1,210)	3,576
Charged/(credited) to					
— Profit and Loss	(1,107)	(312)	—	506	(913)
— Other comprehensive income	—	—	—	712	712
<b>As at March 31, 2019</b>	<b>3,367</b>	<b>—</b>	<b>—</b>	<b>8</b>	<b>3,375</b>
<b>As at April 1, 2019</b>	<b>3,367</b>	<b>—</b>	<b>—</b>	<b>8</b>	<b>3375</b>
Charged/(credited) to					
— Profit and Loss	(710)	—	2,076	(603)	763
— Other comprehensive income	—	—	—	(471)	(471)
<b>As at March 31, 2020</b>	<b>2,657</b>	<b>—</b>	<b>2,076</b>	<b>(1,066)</b>	<b>3,667</b>
Particulars				As at 31st March 2020	As at 31st March 2019
<b>Note 13 Other non current liabilities</b>					
Deferred Government grants				1,232	309
Deferred license income				2,202	1,193
Other Liabilities				—	6,483
<b>Total</b>				<b>3,434</b>	<b>7,985</b>
<b>Note 14 Other current liabilities</b>					
Statutory remittances				3,193	3,501
Payable on purchase of property, plant and equipment				4,541	—
Advance from customers				282	351
Employee Benefits payable				27,430	26,101
Other Liabilities				1,763	1,365
<b>Total</b>				<b>37,209</b>	<b>31,318</b>
<b>Note 15 Current tax asset</b>					
Advance tax paid				1,80,585	1,54,585
Tax deducted at source				31,332	25,998
Less : Provision for Current Tax				2,08,808	1,77,907
<b>Total</b>				<b>3,109</b>	<b>2,676</b>

**THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED**  
**Notes to the Financial Statements as at and for the year ended 31st March 2020**

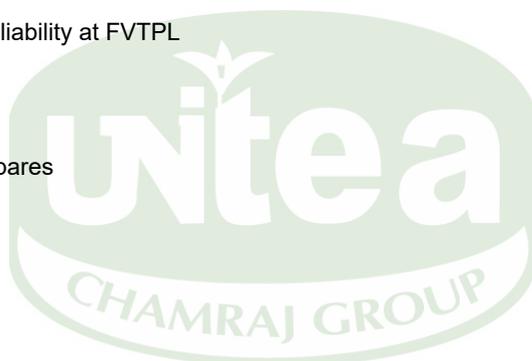
(All amounts in Rs. thousands unless otherwise stated)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
<b>Note 16. Revenue from operations</b>		
a) Sale of Products - Tea [Refer note (i) ]	<b>5,59,173</b>	5,78,061
b) Sale of services - License fees from letting of property	<b>40,544</b>	41,725
c) Other operating revenues {Refer note (ii) below}	<b>28,503</b>	37,217
<b>Total</b>	<b>6,28,220</b>	6,57,003
Note : (ii) Other operating revenues comprise		
Export benefits		
Duty Drawback	<b>517</b>	728
MEIS License	<b>15,853</b>	4,119
Orthodox subsidy	<b>4,867</b>	3,747
Insurance claim on damaged stock	<b>—</b>	19,407
Income from other planting activities	<b>7,266</b>	9,216
	<b>28,503</b>	37,217
Note : (i) includes Revenue from contracts with customers	<b>3,48,858</b>	3,80,084
<b>Note 17. Other Income</b>		
Fair value gain from financial assets (mutual funds) mandatorily measured at FVTPL	<b>8,248</b>	22,987
Profit on switch out / redemption of financial assets (mutual funds)	<b>2,157</b>	756
Interest Income on		
Bank deposits	<b>18,844</b>	4,558
Others	<b>313</b>	312
Dividend Income on		
Non current investments	<b>1,305</b>	980
Current investments	<b>1,292</b>	1,333
Gain on Foreign currency transactions (net)	<b>6,826</b>	4,803
Liabilities no longer required written back	<b>—</b>	4,801
Gain on disposal of property, plant and equipment	<b>131</b>	520
<b>Total</b>	<b>39,117</b>	41,050
<b>Note 18. Changes in value of finished goods (Tea)</b>		
Inventories at the end of the year	<b>50,404</b>	45,303
Inventories at the beginning of the year	<b>45,303</b>	35,367
Net (increase)/decrease	<b>(5,101)</b>	(9,936)

**THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED**  
**Notes to the Financial Statements as at and for the year ended 31st March 2020**

(All amounts in Rs. thousands unless otherwise stated)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
<b>Note 19. Employee benefits expense</b>		
Salaries, wages and bonus	1,42,871	1,47,359
Contribution to provident and family pension funds	12,866	14,182
Contribution to Superannuation Fund	3,021	2,254
Gratuity (Refer note: 23)	7,247	5,919
Workmen and staff welfare expenses	20,297	7,163
<b>Total</b>	<u>1,86,302</u>	<u>1,76,877</u>
<b>Note 20. Finance Cost</b>		
Interest expense on financial liability at FVTPL	495	714
<b>Total</b>	<u>495</u>	<u>714</u>
<b>Note 21. Other expenses</b>		
Consumption of stores and spares	30,884	29,752
Power and fuel	37,803	38,641
Repairs and maintenance		
Building	21,778	26,751
Machinery	3,533	4,002
Rates and taxes	2,649	2,570
Insurance	7,056	4,860
Selling expenses		
Brokerage and Commission	600	820
Sampling and Other Expenses	14,946	14,162
Freight and other expenses on Tea Export	25,389	32,269
Commission to Non-Wholetime Directors	700	1,021
Donation	500	500
Corporate Social Responsibility expense (Refer Note :26)	3,336	2,047
Directors' Sitting Fees	180	233
Remuneration to Auditors :		
- for Audit	650	650
- for certification	61	101
- for taxation	50	175
Professional Charges	4,623	2,105
Transport charges	8,723	8,651
Travelling expenses	7,321	6,105
Rent	14	32
Impairment provision of property, plant and equipment	—	4,342
Miscellaneous expenses	21,495	18,937
<b>Total</b>	<u>1,92,292</u>	<u>1,98,726</u>



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(All amounts in Rs. thousands unless otherwise stated)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019		
<b>Note 22. Current Tax:</b>				
Current tax charge	30,900	27,200		
<b>Current tax expense recognised in the statement of profit and loss</b>	<b>30,900</b>	<b>27,200</b>		
The reconciliation between the provision for income tax of the Company and amounts computed by applying the Indian statutory income tax rate to profit before taxes is as follows:				
Profit before tax	1,38,782	1,70,010		
Enacted income tax rate in India	25.168%	27.82%		
	<b>34,929</b>	47,297		
<b>Effect of:</b>				
Income that is exempt from tax	(12,979)	(19,399)		
Expenses that are not deductible in determining taxable profit	6,844	3,613		
Income subject to different tax rate	2,079	(4,381)		
Others	27	70		
<b>Current tax expense recognised in the statement of profit and loss</b>	<b>30,900</b>	<b>27,200</b>		
The tax rates under Indian Income-tax Act for the year ended 31st March 2020 and 31st March 2019 are 25.168% and 27.82% respectively.				
<b>Note 23. Employee benefit obligations</b>				
	<b>March 31, 2020</b>	March 31, 2019	<b>March 31, 2020</b>	March 31, 2019
	Compensated absence		Gratuity	
Current	439	208	966	(4,396)
Non current	1,304	1,762	—	—
<b>Total</b>	<b>1,743</b>	1,970	<b>966</b>	(4,396)
<b>Other long-term employee benefits</b>				
<b>Compensated absence</b>				
The compensated absences cover the Company's liability for earned leave.				
The amount of provision of Rs.439/- (March 31, 2019 - Rs. 208/- ) is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.				
<b>Post employment benefits</b>				
(a) Defined contribution plan - Provident fund and Superannuation fund				
Contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to recognised provident fund administered by the government. The Company also makes contribution to superannuation fund at a specified percentage of the basic pay of the eligible employees in accordance with the Company's scheme administered by the Trustees and managed by Life Insurance Corporation of India (LIC). The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation.				

**THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED**  
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(All amounts in Rs. thousands unless otherwise stated)

<b>Note 23. Employee benefit obligations (Contd.)</b>			
<b>Amount recognised in statement of profit and loss</b>	<b>March 31, 2020</b>	<b>March 31, 2019</b>	
Provident Fund	<b>12,866</b>	14,182	
Superannuation Fund	<b>3,021</b>	2,254	
<b>Total</b>	<b>15,887</b>	16,436	
<b>(b) Defined benefit plan - Gratuity</b>			
<p>The Company provides for Gratuity for employees as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for 5 years are eligible for Gratuity. The amount of Gratuity payable on retirement/termination is the employees' last drawn basic salary per month computed proportionately for 15 days' salary multiplied by the number of years of service. The Gratuity plan is a funded plan and the Company makes contribution to LIC.</p>			
<b>(i) Reconciliation</b>	Present value of obligation	Fair value of plan assets	Net amount
<b>April 1, 2018</b>	68,796	63,566	(5,230)
Current service cost	5,868	—	(5,868)
Interest expense/(income)	5,086	5,035	(51)
<b>Total amount recognised in the statement of profit and loss</b>	<b>10,954</b>	<b>5,035</b>	<b>(5,919)</b>
Remeasurements			
Return on plan assets, excluding amounts included in interest expense/(income)	—	699	699
(Gain)/loss from change in demographic assumptions	(486)	—	(486)
(Gain)/loss from change in financial assumptions	(212)	—	(212)
Experience (gains)/losses	(6,400)	—	(6,400)
<b>Total amount recognised in other comprehensive income</b>	<b>(7,098)</b>	<b>699</b>	<b>(6,399)</b>
Employer contributions	—	9,146	9,146
Benefit payments	(6,504)	6,504	—
<b>March 31, 2019</b>	<b>66,148</b>	<b>70,544</b>	<b>(4,396)</b>
<b>April 1, 2019</b>	<b>66,148</b>	<b>70,544</b>	<b>(4,396)</b>
Current service cost	7,776	—	7,776
Interest expense/(income)	4,265	4,793	528
<b>Total amount recognised in the statement of profit and loss</b>	<b>12,041</b>	<b>4,793</b>	<b>(7,247)</b>
Remeasurements			
Return on plan assets excluding amounts included in interest expense/(income)	—	483	483
(Gain)/loss from change in financial assumptions	5,859	—	5,859
Experience (gains)/losses	(1,662)	—	(1,662)
<b>Total amount recognised in other comprehensive income</b>	<b>4,198</b>	<b>483</b>	<b>4,681</b>
Employer contributions	—	6,566	6,566
Benefit payments	(8,318)	8,318	—
<b>March 31, 2020</b>	<b>74,068</b>	<b>73,102</b>	<b>966</b>

**THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED**  
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(All amounts in Rs. thousands unless otherwise stated)

<b>Note 23. Employee benefit obligations (Contd.)</b>				
<b>Net Asset / (liability) disclosed above relating to funded obligations are as follows:</b>				
	<b>March 31,</b>		<b>March 31,</b>	
	<b>2020</b>		<b>2019</b>	
Present value of funded obligations	<b>74,068</b>		66,148	
Fair value of plan assets	<b>73,102</b>		70,544	
<b>(Surplus) / Deficit of funded plan</b>	<b>966</b>		(4,396)	
<b>(ii) Significant actuarial assumptions :</b>				
The significant actuarial assumptions are as follows:				
Discount rate	<b>6.88%</b>		7.76%	
Expected return on plan assets	<b>6.88%</b>		7.76%	
Salary growth rate	<b>6.00%</b>		6.00%	
Attrition rate	<b>5.00%</b>		5.00%	
The estimates of future salary increases, considered in actuarial valuation, take into account inflation, seniority, promotions and other relevant factors such as demand and supply in the employment market.				
<b>(iii) (a) Sensitivity Analysis</b>				
	<b>March 31,</b>	<b>March 31,</b>	<b>March 31,</b>	<b>March 31,</b>
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	Change in assumption		Defined Benefit Obligation	
Discount rate	<b>1.00%</b>	1.00%	<b>67,991</b>	60,950
	<b>-1.00%</b>	-1.00%	<b>81,254</b>	71,957
Salary growth rate	<b>1.00%</b>	1.00%	<b>81,186</b>	71,958
	<b>-1.00%</b>	-1.00%	<b>67,942</b>	60,872
The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.				
<b>(b) The expected maturity analysis of undiscounted gratuity is as follows.:</b>				
	<b>Year ended</b>		<b>Year ended</b>	
	<b>March 31, 2020</b>		<b>March 31, 2019</b>	
Within one year	<b>6,076</b>		4,179	
1 - 2 years	<b>3,138</b>		4,835	
2 - 3 years	<b>4,116</b>		2,748	
3 - 4 years	<b>3,616</b>		3,738	
4 - 5 years	<b>3,727</b>		3,480	
Over 5 years	<b>17,079</b>		15,803	
<b>Total</b>	<b>37,752</b>		34,783	
The Company has plan assets by way of investments in LIC.				

**THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED**  
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(All amounts in Rs. thousands unless otherwise stated)

<b>Note 23. Employee benefit obligations (Contd.)</b>		
<b>(iv) Risk exposure</b>		
Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:		
<b>Asset volatility</b>		
The present value of the defined benefit plan obligation is calculated using a discount rate determined by reference to Government of India bond rate. If the return on plan asset is lower than this rate, then it will create a plan deficit.		
<b>Changes in bond yields</b>		
A decrease in bond yields will increase plan liabilities, although this will be partly offset by increase in the value of the plan holdings.		
<b>(v)</b> The weighted average duration of the defined benefit obligation is 14.95 years (2019 – 14.21 years).		
Particulars	<b>year ended 31st March 2020</b>	year ended 31st March 2019
<b>Note 24.</b> The Company was permitted in an earlier year to retain excess holding of 333.67 acres of vacant land contiguous to the planted area in the tea garden but due to rocky terrain, the land could not be cultivated as stipulated by Government and eviction proceedings relating to the aforesaid piece of land had been stayed by the Supreme Court of India. In its final order dated 7th August 2013, the Supreme Court has directed the Land Board to review the case afresh.		
<b>Note 25. Earnings per Share</b>		
For the purpose of computing the earnings per share the net profit after tax has been used as the numerator and the weighted average number of shares outstanding has been considered as the denominator.		
Net Profit attributable to shareholders	<b>1,07,119</b>	1,43,723
Number of shares in thousands (Face value of Rs.10/-)	<b>4,997</b>	4,997
Earnings per Share ( Basic and Diluted) - (Rs.)	<b>21.44</b>	28.76
<b>Note 26. Corporate Social Responsibility :</b>		
(a) In compliance with Section 135(5) of the Companies Act, 2013, the Company is required to spend Rs.2,618/- (previous year Rs.2,642/-) calculated at 2% of the average net profits made during the three immediate preceding financial years towards Corporate Social Responsibility. Amounts spent towards CSR activities are monitored by CSR Committee and CSR Policy of the Company which covers predominantly Orphanage, Healthcare and Rural development and Tribal welfare. The Company has incurred an expenditure of Rs.3,336/- (P.Y. Rs.2,047/-) including the previous year's unspent amount of Rs.595/- as below :		
(b) Amounts spent during the year in cash on :		
(i) Construction /acquisition of any asset	—	—
(ii) Purpose other than (i) above	<b>3,336</b>	2,047
<b>Total</b>	<b>3,336</b>	2,047
<b>Note 27. Repairs to Building and Machinery include</b>		
Salaries and Wages	<b>9,103</b>	10,660
Consumption of stores	<b>11,258</b>	14,989
<b>Total</b>	<b>20,361</b>	25,649

**THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED**  
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(All amounts in Rs. thousands unless otherwise stated)

<b>Note 28. Due to Micro, Small and Medium Enterprises :</b>		
<p>The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ("MSME Act")</p> <p>The disclosures pursuant to the said MSMED Act are as follows:</p>		
Particulars	year ended 31st March 2020	year ended 31st March 2019
i. Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end.	<b>360</b>	—
ii. Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end.	—	—
iii. Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year.	—	—
iv. Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year.	—	—
v. Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year.	—	—
vi. Interest due and payable towards suppliers registered under MSMED Act, for payments already made.	—	—
vii. Further interest remaining due and payable for earlier years.	—	—
<b>Note 29. Contingent Liabilities and commitments</b>		
i) Estimated amount of contracts (net of advances Rs.2,867/-) remaining to be executed on capital accounts	<b>20,733</b>	—
ii) Claim against the Company not acknowledged as debt in respect of Income tax matters	<b>2,917</b>	—
<b>Note 30. Related Party Disclosures</b>		
<b>1. List of related parties and nature of relationship are as under :</b>		
Key Managerial Personnel	Mr.D.Hegde, Whole-time Director	
	Mr.T.G.B.Pinto, Whole-time Director	
	Mr.S.Raghuraman, Chief Financial Officer	
	Mr.R.V.Sridharan , Company Secretary	

**THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED**  
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(All amounts in Rs. thousands unless otherwise stated)

<b>Note 30. Related Party Disclosures (Contd.)</b>				
<b>2. Particulars of transactions with related parties</b>				
Description			Key Managerial Personnel	
			2019-2020	2018-2019
(a)	(i)	Remuneration to key managerial personnel	<b>14,296</b>	13,240
		Mr.D.Hegde	4,929	4,477
		Mr.T.G.B.Pinto	5,004	4,558
		Mr. S.Raghuraman	3,463	3,305
		Mr. R.V.Sridharan	900	900
	(ii)	Dividend Paid	<b>17</b>	17
		Mr.D.Hegde	6	6
		Mr.T.G.B.Pinto	8	8
		Mr.S.Raghuraman	3	3
<b>(b) Payment to Directors</b>				
Description			Directors	
			2019-2020	2018-2019
(i)	Sitting Fees paid :		<b>180</b>	233
	Ms. Mallika Srinivasan		30	28
	Mr.N.Srinivasan		—	63
	Mr.Sankar Datta		50	50
	Mr.K.V.Sriram		50	47
	Mr.Krishna Srinivasan		50	25
	Mr.R.Srinivasan		—	20
(ii)	Commission paid :		<b>1,021</b>	1050
	Ms. Mallika Srinivasan		175	175
	Mr.N.Srinivasan		175	175
	Mr.Sankar Datta		175	175
	Mr.K.V.Sriram		175	175
	Mr.Krishna Srinivasan		175	175
	Mr.R.Srinivasan		146	175
<b>Note 31. Segment Information</b>				
<b>31.1</b> The Whole-time directors of the Company have been identified as the Chief Operating Decision Makers (CODM) as defined by Ind AS 108, Operating Segments. The CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators for business as a whole. The Company's main business is growing and manufacturing of tea and letting of Commercial Property. Income from investments and interest income are not allocated to segments as the related activities are carried out by the central treasury function which manages the cash position of the Company.				

**THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED**  
**Notes to the Financial Statements as at and for the year ended 31st March 2020**

(All amounts in Rs. thousands unless otherwise stated)

<b>Note 31. Segment Information (Contd.)</b>						
<b>31.2 (a)</b> The business operations are restricted in India. The Company operates in domestic and foreign markets. The Company has opted to disclose segment information using quantitative threshold as per Ind AS 108.						
	31st March 2020			31st March 2019		
	Segment I	Segment II	Total	Segment I	Segment II	Total
	Plantation	Commercial Property		Plantation	Commercial Property	
<b>Segment revenue</b>						
External sales	5,87,676	40,544	6,28,220	6,15,278	41,725	6,57,003
Inter-segment sales	—	—	—	—	—	—
<b>Total Revenue</b>	<b>5,87,676</b>	<b>40,544</b>	<b>6,28,220</b>	6,15,278	41,725	6,57,003
<b>Segment results - Profit</b>	<b>1,16,653</b>	<b>23,225</b>	<b>1,39,878</b>	1,25,077	28,035	1,53,112
Unallocated corporate expenses (H O expense)			32,760			13,314
<b>Profit from operations</b>			<b>1,07,118</b>			1,39,798
Investment income			32,159			30,926
Finance cost			495			714
Income taxes			31,663			26,287
<b>Net Profit</b>			<b>1,07,119</b>			1,43,723
<b>Segment assets</b>	<b>4,84,513</b>	<b>1,70,538</b>	<b>6,55,051</b>	3,47,679	2,08,075	5,55,754
Unallocated corporate assets			9,80,862			9,19,824
<b>Total assets</b>			<b>16,35,913</b>			14,75,578
<b>Segment liabilities</b>	<b>56,951</b>	<b>18,722</b>	<b>75,673</b>	44,850	15,858	60,708
Unallocated corporate liabilities			15,279			21,208
<b>Total liabilities</b>			<b>90,953</b>			81,916
<b>31.2 (b) Segment Information - Geographical</b>						
				<b>Year ended 31st March 2020</b>	<b>Year ended 31st March 2019</b>	
<b>(i) Revenue</b>						
India				2,67,135	2,76,919	
Outside India				3,61,085	3,80,084	
<b>Total</b>				<b>6,28,220</b>	6,57,003	
<b>(ii) Assets *</b>						
India				15,84,777	14,42,418	
Outside India				51,136	33,160	
<b>Total</b>				<b>16,35,913</b>	14,75,578	
* Trade receivables are disclosed on geographical locations of customers. Other assets are not identifiable separately to any reportable segments as these are used interchangeably between segments and are disclosed under "India".						

**THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED**  
**Notes to the Financial Statements as at and for the year ended 31st March 2020**

**Note 32. Fair Value Measurements** (All amounts in Rs. thousands unless otherwise stated)

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

Particulars	Hierarchy	Notes	31st March 2020			31st March 2019		
			FVTPL	FVOCI	Amortized cost	FVTPL	FVOCI	Amortized cost
<b>Financial assets</b>								
<b>(i) Financial assets at fair value</b>								
Investments								
Equity instruments - quoted	1	5 a	—	29,253	—	—	34,171	—
Equity instruments - unquoted	3	5a	—	2,57,581	—	—	1,88,010	—
Mutual funds	2	5 a	4,72,087	—	5,04,591	—	—	—
<b>(ii) Financial assets at amortized cost</b>								
Trade receivables	3	5b	—	—	—	—	—	44,435
Cash and cash equivalents	3	5c	—	—	—	—	—	8,114
Bank balances other than cash and cash equivalents	3	5d	—	—	—	—	—	1,70,613
Other financial assets	3	5e	—	—	—	—	—	29,566
<b>Financial liabilities</b>								
<b>(i) Financial liabilities held at amortized cost</b>								
Trade payables	3	10 b	—	—	—	—	—	14,207
Other financial liabilities	3	10 a	—	—	—	—	—	23,062

**Hierarchy**

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

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

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

**(b) Valuation processes**

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

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

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

**(d) Valuation techniques**

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

**THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED**  
**Notes to the Financial Statements as at and for the year ended 31st March 2020**

(All amounts in Rs. thousands unless otherwise stated)

**Note 33. Financial Risk Management**

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

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

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

**THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED**  
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 (All amounts in Rs. thousands unless otherwise stated)

**Note 33. Financial Risk Management (Contd.)**

**(A) Credit Risk**

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

**(i) Credit risk management**

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

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

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

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

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

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

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

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

**Year ended March 31, 2020:**

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

Ageing	Less than twelve months	More than twelve months	Total
Gross carrying amount	72,028	—	72,028
Loss allowance rate	0%	0%	0%
Expected credit losses (Loss allowance provision)	—	—	—
<b>Carrying amount of trade receivables</b>	<b>72,028</b>	<b>—</b>	<b>72,028</b>

**THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED**  
**Notes to the Financial Statements as at and for the year ended 31st March 2020**  
 (All amounts in Rs. thousands unless otherwise stated)

**Note 33. Financial Risk Management (Contd.)**

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

- (b) Expected credit loss for other financial assets

The other financial assets amounting to Rs.1,59,621/- are classified as standard assets and hence no provision for expected credit loss has been made.

**Year ended March 31, 2019:**

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

Ageing	Less than twelve months	More than twelve months	Total
Gross carrying amount	44,435	—	44,435
Loss allowance rate	0%	0%	0%
Expected credit losses (Loss allowance provision)	—	—	—
<b>Carrying amount of trade receivables</b>	<b>44,435</b>	<b>—</b>	<b>44,435</b>

- (b) Expected credit loss for other financial assets

The other financial assets amounting to Rs.29,566/- are classified as standard assets and hence no provision for expected credit loss has been made.

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

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

During the years ended March 31, 2020 and March 31, 2019 the Company has not made any write offs of trade receivables.

**B. Liquidity risk**

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

**(i) Financing arrangements**

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

**(ii) Maturities of financial liabilities**

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

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

**THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED**  
**Notes to the Financial Statements as at and for the year ended 31st March 2020**

(All amounts in Rs. thousands unless otherwise stated)

**Note 33. Financial Risk Management (Contd.)**

**(A) Liquidity Risk (Contd.)**

**Contractual maturities of financial liabilities:**

	Less than 6 months	6 months to 1 year	More than 1 year
<b>March 31, 2020</b>			
<b>Non-derivatives</b>			
Trade payables	19,155	—	—
Other financial liabilities	15,990	—	9,755
<b>Total non-derivative liabilities</b>	<b>35,145</b>	<b>—</b>	<b>9,755</b>

	Less than 6 months	6 months to 1 year	More than 1 year
<b>March 31, 2019</b>			
<b>Non-derivatives</b>			
Trade payables	14,207	—	—
Other financial liabilities	8,398	—	14,664
<b>Total non-derivative liabilities</b>	<b>22,605</b>	<b>—</b>	<b>14,664</b>

**(C) Market risk**

**(i) Foreign currency exposure**

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

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

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

Particulars	March 31, 2020	March 31, 2019
<b>Trade Receivables</b>		
USD {4,93,641 (March 31,2019: 3,68,308) }	<b>37,214</b>	22,816
EURO {1,68,348 (March 31,2019 : 1,20,360) }	<b>13,922</b>	9,326
AUD { Nil (March 31,2018 : 20,635) }	—	1,018
<b>Total</b>	<b>51,136</b>	33,160

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

**THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED**  
**Notes to the Financial Statements as at and for the year ended 31st March 2020**

(All amounts in Rs. thousands unless otherwise stated)

**Note 33. Financial Risk Management (Contd.)**

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

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

	Impact on Profit after tax	
	March 31, 2020	March 31, 2019
USD	3,721	2,282
EURO	1,392	933
AUD	—	102

**(ii) Price risk**

- (a) **Exposure:** The Company has invested in equity instruments and the exposure is equity securities price risk from investments held by the Company and classified in the balance sheet as FVOCI.
- (b) **Sensitivity:** An increase in the price risk by 100 basis points would increase the impact in the other comprehensive income by Rs. 293/- as on March 31, 2020 and Rs. 342/- as on March 31, 2019. A corresponding reduction in the other comprehensive income would be noted upon decreasing the market index levels.

**D. Other Risk**

**COVID19 pandemic**

In view of the lockdown across the country due to the outbreak of COVID pandemic, operations of the Company was closed for five days during last week of March 2020. However, the Government of Tamil Nadu exempted the plantation industry from lockdown effective 30th March 2020 and the Company is operating normally as usual. Based on a detailed assessment of the recoverability and carrying values of inventories, intangible assets, trade receivables, investments and other financial assets, it has been concluded that no material adjustments are required in the financial statements.

**Note 34. Capital Management**

**(a) Risk management**

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

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

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

Particulars	March 31, 2020	March 31, 2019
<b>Equity</b>	<b>15,44,960</b>	13,93,662
Less : Tangible and other assets (net)	<b>4,30,782</b>	3,85,798
Working capital	<b>1,67,803</b>	1,18,877
<b>Investment in equity instruments, debt instruments, bank and other deposits</b>	<b>9,46,375</b>	8,88,987

**THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED**  
**Notes to the Financial Statements as at and for the year ended 31st March 2020**

(All amounts in Rs. thousands unless otherwise stated)

**Note 34. Capital Management (Contd.)**

**(b) Dividends**

Particulars	March 31, 2020	March 31, 2019
(i) Dividends recognised on equity shares		
Final dividend for the year ended 31st March 2019 of Rs. 1.70 (31st March 2018 - Rs.1.70) per fully paid up share.	<b>10,240</b>	10,240
Interim dividend for the year ended 31st March 2020 of Re.1/- (31st March 2019 - Re. 1/-) per fully paid share.	<b>6,024</b>	6,024
(ii) Dividends not recognised at the end of the reporting period		
In addition to the above dividends, since year end the Directors have recommended a final dividend of Rs.1.70 per fully paid equity share (31st March 2019 - Rs.1.70). This proposed final dividend is subject to approval of the shareholders in the ensuing Annual General meeting. The proposed dividend when approved by the shareholders will be met out of surplus in the retained earnings in the Balance Sheet.	<b>8,494</b>	10,240*

\* includes dividend distribution tax Rs.1,746/-

**Note 35. Events occurring after the reporting period**

**(a) Final dividend**

Refer note 34 above for the final dividend recommended by the Directors, which is subject to approval of the shareholders in the ensuing Annual General meeting.

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

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

Particulars	31st March 2020	31st March 2019
Transfer of profits to general reserve not recognised as at the end of the reporting period	<b>90,000</b>	3,30,000

**(c)** The financial statements for the year ended March 31,2020 were approved by the Board of Directors and authorised for issuance on 22nd June 2020.

**Note 36.** Previous year figures have re-grouped wherever necessary to conform to current year's presentation.

As per our Report of even date attached

For K.S. Aiyar & Co.  
Chartered Accountants  
Firm Registration No.100186W  
S. KALYANARAMAN  
Partner  
Membership No.200565  
Place : Coimbatore  
Date : 22.06.2020

MALLIKA SRINIVASAN  
(DIN : 00037022)  
*Chairman*

S.RAGHURAMAN  
*Chief Financial Officer*

For and on behalf of the Board of Directors

SANKAR DATTA  
(DIN : 00025380)  
*Director*

R.V.SRIDHARAN  
*Company Secretary*

T.G.B.PINTO  
(DIN: 00025593)  
*Director*

Place : Chennai  
Date : 22.06.2020