
**PROCEEDING OF THE 88th ANNUAL GENERAL MEETING OF THE
MEMBERS OF THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED
HELD AT SAE GARDENS, 3 A&B, KAMARAJ ROAD, COIMBATORE – 641018
ON THURSDAY 26th AUGUST 2010 COMMENCING AT 4.30 P.M.**

PRESENT

Sri .N. Srinivasan,	Director
Sri. Sankar Datta,	Director
Sri T K Ramasubramanyan,	Director
Sri. R.Subramaniyan,	Director
Sri. D Hegde,	Director
Sri. T G B Pinto,	Director

BY INVITATION:

Sri S.Raghuraman , Finance Manager & Company Secretary.
Sri C.R.Rajagopal, M/s.Fraser & Ross, Chartered Accountants.

Following members of the promoter / promoters' group representing
1796109 shares (35.95 %) attended the meeting -:

Promoter / Promoter Company	Represented by (Mr)	No of Shares	% age to Share Capital
(1) Mr Sudarshan Venu		2000	0.04
(2) Tractors & Farm Equipment Limited	P B Sampath	853031	17.07
(3) Bimetal Bearings Ltd	N.Venkatraman	17264	0.35
(4) T.Stanes & Co., Ltd	S.C.Sekar	836308	16.74
(5) Stanes Amalgamated Estates Ltd	V.Viswanathan	87506	1.75
		<u>1796109</u>	<u>35.95</u>

MEMBERS PRESENT : 494. BY PROXY : 46 TOTAL : 540

Mr S Raghuraman, Company Secretary informed that Mr A Sivasailam,
Chairman could not attend the Meeting and requested the shareholders to
propose a person to chair the Meeting.

Dr S Ramarethinam proposed Mr N. Srinivasan, Director to chair the Meeting.

Seconded by Mr P B Sampath, Mr.N.Srinivasan occupied the Chair.

The Chairman of the meeting mentioned that the necessary quorum was present and called the meeting to order.

With the consent of the members, the notice convening the meeting was taken as read.

Mr.C.R.Rajagopal, Partner, Fraser & Ross, Chartered Accountants read the Auditors report.

Mr. N.Srinivasan, before reading the Chairman's speech, observed as under -:

I bring with me the warm greetings this afternoon from our Chairman, who was looking forward to his visit to Coimbatore to participate at this Annual General Meeting and more particularly at the Centenary Annual General Meeting of M/s. T.Stanes And Company Limited tomorrow; but due to slight indisposition, he had been advised not to undertake the journey and we are equally disappointed not to be able to meet with him to congratulate him on his being recipient of two Awards namely Doctorate from The Tamil Nadu Agricultural University in recognition of his contribution to modern mechanized farming, fertilizer application, plantation and agri-business and secondly His Holiness Jagad Guru of Sringeri having publicly recognized his contribution to Education, Healthcare and boundless acts of Philanthropy and decorated him with the title " Dr. Dhani Sivasailam". To him this singular blessing by His Holiness is more precious than even the Padmashree he got a couple of years ago.

" On behalf of all shareholders including me, we should record our hearty felicitation. I shall no doubt convey to him the warm sentiments of all of you." (This was carried with loud applause in appreciation).

" I am also pleased to find the presence of Mr.Sudharshan Venu from Chairman's family who has interest in plantation, as seen from his frequent visits to Chamraj. I only wish that this interest transforms into a passion as his Grandfather ".

Mr.N.Srinivasan, the Chairman of the meeting, then proceeded to read the written address of the Chairman as under -:

“Dear Shareholders,

I am happy to Welcome all of you to the 88th Annual General Meeting of your Company.

India's Tea Production in 2009 was slightly lower at 979 Million Kg. as against 980.81 Million Kg. in 2008. The North India's contribution was 734.90 Million Kg. and that of South was 244.10 Million Kg..

While the North Indian Plantations reported higher production, the South Indian Production was lower due to adverse weather conditions. Although greater impact was expected from the extensive flooding in the Nilgiris during October/November 2009, the moisture stress and drought-like conditions prevalent in the earlier part of the year in South India took a more severe toll on production.

India's Tea Exports during 2009 were lower at 191.50 Million Kg. as against 203.1 Million Kg. in 2008. Lower orthodox production in North India was also another factor contributing to the decline in exports . As a result, exports out of North India at 98.8 Million Kg. recorded a decline of 17.4 Million Kg while exports out of South India at 92.7 Million Kg recorded a rise of 5.8 Million Kg.

The total Tea manufactured by your Company during the financial year 2009-2010 was 2.52 Million Kg. as against 2.36 Million Kg. during the previous financial year. Similarly the total quantity of Tea Exported during the year was 1.330 Million Kg. as against 1.259 Million Kg. during the previous year. The adherence to quality of International Standards of Production helped your Company to ensure steady and sustained growth.

The average domestic price realized by your Company during the financial year was higher by 24.87% at Rs.112.68 per Kg. as against Rs. 90.24 per Kg last year. The average export realization price was also higher than the previous year. Both these factors have enabled your Company to register higher turnover and profit.

While the Tea Board is extending the re-planting and rejuvenation subsidy, the Subsidy for Orthodox Tea Production has been put on hold with effect from 1st January 2010 and also the Capital subsidy for up-gradation of capital equipment with effect from 1st April 2010.(We now understand from UPASI that the Capital Subsidy has been restored). As the plantation industry is agro-based, nature-dependent and also the price realization is driven by market conditions, the Government must continue the subsidy on orthodox tea and the Tea Board must take effective steps towards the same.

The price realization during the current financial year has come down nearly by 20%, (and it is expected that the prices would improve in the coming months) This along with increase in Labour Cost and other input costs would have an impact on the profitability of the current year.(unless neutralized by increase in price realization in the coming months).

The Korakundah Estate had won the Golden Leaf India award for the sixth time in a row for its Organic Tea. Chamraj and Korakundah Estates have continued to be certified under ISO 9001 and 22000 and Korakundah Estate is also certified as ISO 14001 compliant which stands for Environment safety. Your Company is continued to be certified by Rain Forest Alliance during the year under reference and your company will continue to maintain this certification considering the ecological benefits to the society.

The Allada Valley Tea Factory, where both Orthodox and CTC Tea are produced , has achieved an all time high profit of Rupees One Crore which is commendable. This factory is being modernized with a view to achieve much better results in future.

The planting of Carnation Flowers, Bird of Paradise and certain other exotic flowers at the Estate is in progress. While the Carnation Flowers are being sold locally (although the price realization at present is not satisfactory) the first Yield of Bird of Paradise normally takes eighteen months from the date of planting. However, once it starts yielding we will get the crop for the next twenty five years. Hence the benefit to the company is expected to accrue from the next year onwards. At this stage, Mr N Srinivasan added "With a view to broad base the company's operations, the building project was launched last year".

The construction of Commercial building at the Company's property at Coimbatore is in progress and it is expected to be completed before end of this financial year. The revenue from this project will accrue to the Company from the financial year 2011-2012. Mr.N.Srinivasan further added "Being a visionary, our Chairman has a few other business plans which presently are on the drawing board. Upon examining the feasibility thereof and approval by the Board, the Shareholders will be appraised and would be welcomed to be partners in the new ventures as we go along".

I am glad to inform you that one of the Class X students of Chamraj Higher Secondary School Ms.Jency Jennifer, has obtained First rank in the District of Nilgiris. She has received a gift for this achievement at the hand of the Deputy Chief Minister of Tamilnadu. As a token of appreciation, we would like to give her a matching gift on behalf of our Chairman.

The Net Profit before Taxation for 2009-2010 was Rs. 6.09 crores as against Rs.4.43 crores in 2008-2009, an increase of 37% over the previous year.

Your Directors have pleasure in recommending a final Dividend of 12.5% in addition to 15% Interim Dividend already paid. Thus, the total Dividend for the year is 27.5% as against 22.5% paid last year. The pay-out absorbs a sum of Rs.1.61 crore.

The industrial relations have continued to be cordial during the year.

I would like to thank my colleagues on the Board for their support and guidance and also Officers, Staff and workers of the Company for their continued good work during the year.

The Directors' Report and the Audited Accounts have been with you for the requisite period and with your permission, I shall take them as read. Thank you".

Adoption of Annual Accounts :-

The Audited Accounts, Director's Report, Balance Sheet, Profit & Loss Account and Cash Flow Statement for the period ended 31st March 2010 were proposed by Mr.N.Srinivasan, Chairman of the Meeting.

Before the Resolution was finally put to vote, Chairman invited comments and queries from the shareholders.

Mr.K.V.Balasubramaniam, a shareholder, commended the Company for its good performance during the year. Queries about new Building project progressing at Coimbatore, Rain Forest Alliance Certification etc., were raised and were answered suitably by the Chairman of the Meeting and Director Mr.T G B Pinto.

Seconded by Mr.L.Muralidharan, the Resolution approving the Accounts was passed unanimously.

Approval of Dividend at 12.50 % to shareholders :-

Mr.K.R.Ramaswamy proposed the following resolution for payment of Dividend for 2009-10.

"RESOLVED that a Final Dividend at the rate of Rs.1.25 per share (12.50%) which together with Interim Dividend of Rs.1.50 per share (15.00%) paid already aggregate to Rs.2.75 per share (27.50%) for the year 2009-10 on the Paid-up Capital of the Company, be and is hereby approved". [Last year Rs. 2.25 per share (22.50%)].

Seconded by Mr.P.S.Bopaiah, the Resolution was put to vote and declared carried unanimously.

Re-appointment of Mr.Sankar Datta as a Director :-

Mr. R.Ragavan proposed that Sri.Sankar Datta be re-appointed as a Director of the Company.

Seconded by Mr.G.G.Muthanna, the Resolution was put to vote and declared carried unanimously.

Re-appointment of Mr.R.Subramaniyan as a Director :-

Mr.R.Jagannathan proposed that Sri.R.Subramaniyan be re-appointed as a Director of the Company.

Seconded by Mr. K.N.Krishnamoorthy, the Resolution was put to vote and declared carried unanimously.

Appointment of Auditors:-

Mr.K.V.Balasubramaniyan proposed that Messrs. Fraser and Ross, Chartered Accountants be re-appointed as Auditors of the Company to hold the office from the conclusion the 88th Annual General Meeting of the Company till the conclusion of the next Annual General Meeting on a fees, plus out of pocket expenses to be decided by the Board of Directors.

Seconded by Mr.S.Kasi Viswanathan, the Resolution was put to vote and declared carried unanimously.

Appointment of Mr.T.K.Ramasubramaniyan as a Director :-

Mr Sudharshan Venu, a shareholder proposed the appointment of Mr.T.K.Ramasubramanyan as a Director of the Company.

Seconded by Mr.K.R.Ramaswamy, the Resolution was put to vote and declared carried unanimously.

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

Mr.K.R.Ramaswamy proposed the following Resolution for re-appointment of Mr.D.Hegde as a Whole-time Director :-

"RESOLVED THAT:

- (a) "in accordance with the provisions of Section 198, 269, 309 & 310 and other applicable provisions of the Companies Act, 1956, and read with Schedule XIII to the said Act, Mr.D.Hegde, Whole-time Director be and is hereby re-appointed for a period of 3 years with effect from 1st January, 2010 as per the following Terms and Conditions, within the overall ceiling limits of Clause (B) of para (1) of Section II of part II of Schedule XIII of the Companies Act,1956".

Basic Pay	Rs.1,20,000 (in the scale of Rs.1,20,000 to Rs.1,40,000)
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Dearness Allowance: Rs.1,500 Per Month.

Annual Increment: As may be decided by the Board.

Perquisites -:

- (i) Holiday Allowance - One month's Salary
- (ii) Education Allowance - Rs.5,000 per month in case of Boarder/Outstation and Rs.3,000 per month in case of Day Scholar.
- (iii) Annual Incentive As may be sanctioned by the Board for every financial year.
- (iv) Telephone at his Residence and a Mobile Phone
- (v) Participation in the Medi-claim Insurance for hospitalization as per Company's Rule
- (vi) Company's Contribution to Provident Fund @ 12 % of Salary and Super-annuation @ 15 % of Basic Pay.
- (vii) Free use of Company car with driver.

(viii) Free Gas, Firewood, Water and Electricity at the residence of the Director.

(ix) Personal Accident Insurance for self.

Leave : As per Company's rules.

Termination of Appointment :

Three months' notice on either side.

- (b) "in the event of absence or inadequacy of Profits in any financial year during the tenure of the Director, the salary and perquisites as specified above would be admissible as minimum remuneration subject to the ceiling under clause B of Para 1, of Section II of Part II of Schedule XIII to the Companies Act, 1956 on the basis of 'effective capital' computed for each financial year within the overall ceiling limits of Clause (B) of para (1) of Section II of part II of Schedule XIII of the Companies Act, 1956".

Seconded by Mr. P.S. Bopaiah, the resolution was put to vote and declared carried unanimously.

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

Dr.S.Ramarethinem proposed the following Resolution for re-appointment of Mr.T.G.B.Pinto as a Whole-time Director :-

"RESOLVED THAT

- (a) in accordance with the provisions of Sec. 198, 269, 309 & 310 and other applicable provisions of the Companies Act, 1956, and read with Schedule XIII to the said Act, Mr.T.G.B.Pinto, Whole-time Director be and is hereby re-appointed for a period of 3 years with effect from 1st January, 2010 as per the following Terms and Conditions, within the overall ceiling limits of Clause (B) of para (1) of Section II of part II of Schedule XIII of the Companies Act, 1956".

Basic Pay

Rs.1,15,000 (in the scale of
Rs.1,15,000 to Rs.1,35,000)

Dearness Allowance: Rs.1,500 Per Month.

Annual Increment : As may be decided by the Board.

Perquisites -:

- (i) Holiday Allowance - One month's Salary
- (ii) Education Allowance - Rs. 5,000 per month in case of Rs.3,000 per month in case of Boarder / Outstation and Rs.3000 per month in case of Day Scholar.
- (iii) Annual Incentive As may be sanctioned by the Board for every financial year.
- (iv) Telephone at his Residence and a Mobile Phone
- (v) Participation in the Medi-claim Insurance for hospitalization as per Company's Rule
- (vi) Company's Contribution to Provident Fund @ 12 % of Salary and Super-annuation @ 15 % of Basic Pay.
- (vii) Free use of Company car with driver.
- (viii) Free Gas, Firewood, Water and Electricity at the residence of the Director.
- (ix) Personal Accident Insurance for self.

Leave: As per Company's rules.

Termination of Appointment :

Three months' notice on either side.

- (b) "in the event of absence or inadequacy of Profits in any financial year during the tenure of the Director, the salary and perquisites as specified above would be admissible as minimum remuneration subject to the ceiling under clause B of Para 1, of Section II of Part II of Schedule XIII to the Companies Act, 1956 on the basis of 'effective capital' computed for each financial year within the overall ceiling limits of Clause (B) of para (1) of Section II of Part II of Schedule XIII of the Companies Act, 1956".

Seconded by Mr. P.B.Sampath, the resolution was put to vote and declared carried unanimously.

Commission payable to Non Whole-time Directors :-

Mr.K.R.Ramaswamy proposed the following Resolution.

"RESOLVED that pursuant to Article 17 (a) of the Articles of Association of the Company and the provisions of Sec 309 (4) and other applicable provisions, if any, of the Companies Act, 1956, such sum by way of commission for the financial year commencing from 1st April 2009 and also for the subsequent four financial years of the Company not exceeding in the aggregate one percent of the net profit of the Company computed in the manner laid down in Section 349 and 350 of the Companies Act, 1956, be paid and distributed amongst one or more of the Directors of the Company (but excluding the Managing / Joint Managing / Whole-time Director / Employee Director/s) as may be determined by the Board"

Seconded by Dr.S.Ramarethinam, the Resolution was put to vote and declared carried unanimously.

There being no other business, the Chairman thanked all the shareholders present and for their participation and thereafter declared that the Meeting concluded.

CHAIRMAN OF THE MEETING
26-08-2010