

# **The Nonsuch Tea Estates Limited**

**83rd  
Annual Report and Accounts 2008**

## THE NONSUCH TEA ESTATES LIMITED

### DIRECTORS

SRIRAM KAPUR  
D. H. NANAVATI  
S. BURMAN

### AUDITORS

M/s. V. BALASUNDARAM & ASSOCIATES  
Padma Nivas,  
15, Gokhalae Street, Ramnagar,  
Coimbatore - 641 009.

### BANKERS

UNION BANK OF INDIA

### REGISTERED OFFICE

THE NONSUCH TEA ESTATES LIMITED  
Ritz Buildings,  
Coonoor - 643 101,  
Nilgiris, Tamilnadu.

### DATE OF INCORPORATION

13th September 1924

### ADMINISTRATIVE OFFICE

199, Churchgate Reclamation,  
Mumbai - 400 020.

### REGISTRAR & SHARE TRANSFER AGENT

M/s. S.K.D.C. Consultants Ltd.,  
(West Power House Road)  
Coimbatore - 641 012.  
Phone : 0422 - 5549995

**THE NONSUCH TEA ESTATES LIMITED**  
Regd. Office : RITZ BUILDINGS, COONOR-643 101

**NOTICE**

NOTICE is hereby given that the 83rd Annual General Meeting of The Nonsuch Tea Estates Limited will be held at the Registered Office of the Company, at "Ritz Buildings", Coonor - 643 101, on Saturday, 27th September 2008, at 12.00 noon to transact the following business :

**AGENDA**

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Profit & Loss Account for the year ended 31st March 2008, the Balance Sheet as on that date, and the Reports of Directors and Auditors thereon.
2. To declare a dividend for the year ended 31st March 2008.
3. To appoint a Director in place of Mr. S. Burman, who retires by rotation and is eligible for re-appointment.
4. To appoint Auditors to hold office from the conclusion of the Meeting until the conclusion of the next meeting and fix their remuneration.

**SPECIAL BUSINESS**

1. To consider and if thought fit to pass, with or without modification, the following resolution as a Special Resolution.  
Resolved that pursuant to Section 309 (4) and all other applicable provisions of the companies act, 1956, the Company do hereby approve the payment to Mr. Sriram Kapur, Director of the company, commission at the rate of three percent of the net profit to be computed in the manner laid down in Section 198(1) of the companies Act, 1956, for a period of five financial years commencing from 1st April, 2008.

By Order of the Board

Mumbai  
28th June 2008

D. H. NANAVATI  
Director

**NOTES**

1. A member entitled to attend and vote at the Meeting may appoint a proxy / proxies to attend and vote in his / her behalf and the proxy need not be a member. The proxies should however, be deposited at the Registered Office of the Company not later than 48 hours before the Meeting.
2. The Register of Member and Share Transfer Books will remain closed from 15th September 2008 to 27th September 2008 (both days inclusive.)
3. The dividend, if any, declared at this Meeting will be payable to member whose names appear in the Company's Register of Members, on 15th September 2008.
4. The Explanatory statement under Section 173 of the Companies Act, 1956, to item No. 5 is annexed to this Notice.

**EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173  
OF THE COMPANY ACT, 1956.**

**ITEM No. 5**

At the Annual General Meeting of the company held on 27th September 2003, the members of the Company, by a Special Resolution pursuant to Section 309 (4) of the Companies Act, 1956, authorised payment of commission to Mr. Sriram Kapur, Director of the company, at 3% of the net profit of the Company, computed in the manner referred to under Section 198 (1) of the said Act, for each of the five financial years of the company, commencing from 1st April, 2003.

In terms of Section 309(7) of the Companies Act, 1956, it is proposed to renew the above payment for five more financial years commencing with financial years as from 1st April 2008.

Name of the other Directors is interested, except Mr. S. Burman, who is a relative to Mr. Sriram Kapur.

The Directors commend the Resolution for adoption.

# THE NONSUCH TEA ESTATES LIMITED

Regd. Office : RITZ BUILDINGS, COONOR - 643 101

## DIRECTORS REPORT

The Directors submit their Eighty Third Annual and Audited Statement of Accounts for the year ended 31st March 2008.

## FINANCIAL RESULTS

	Rupees
Profit for the year after Depreciation	77,91,597
Deduct : Provision for Tax	
Current Tax	11,00,000
Deferred Tax	10,890
Fringe benefit Tax	80,000
Add : Refund received from Income tax relating to earlier year	2,54,369
Profit after Taxation	68,55,076
Add : Balance brought forward from previous year	91,85,037
Deduct : Dividend @ 100 %	25,87,200
Tax on Distribution of Dividend	2,35,755
Transfer to General Reserve	7,00,000
Balance carried forward	1,25,17,158

## PERFORMANCE

During the year under review the Company produced a total of 689421 kgs of made tea compared to 769114 kgs last year. The decrease in crop is mainly attributed to severe hail storm damage occurred on 14th April 2007, which covered an area of 100 hectares. The Scientific department of United Planters Association of Southern India has reported a loss of over 1,00,000 kg of made Tea, in addition to this there was severe damage to roads and buildings. The company had to undertake special measures to treat the damaged tea bushes and also repaired the building structures, roads and electricity connections.

In the year under review judicious cost control measures were introduced which resulted in a substantial reduction in operating expenses.

**DIVIDEND :** Your Directors recommend a dividend of Rs. 10.00 per share.

**SUBSIDIARY :** The Annual report of Poseldon Investments Company Limited and the statement pursuant of Section 212 of the Companies Act, 1956 are attached to this report.

## COMPLIANCE CERTIFICATE :

A copy of the Compliance Certificate from a Secretary in whole time practice is attached to this report as required by Section 383 A of the Companies act, 1956.

**DIRECTORS :** Mr. S. Burman, Director of the Company retires by rotation and is eligible for re-appointment.

**AUDITORS :** M/s. V. Balasundaram & Associates, Chartered Accountants, retire at the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment. Necessary declaration under Section 244 of the Companies Act has been received from them.

**CONSERVATION OF ENERGY :** The information as per Section 217 (1) (a) of the Companies Act read with Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1998, is also annexed.

**EMPLOYEES :** There are no employees who are in receipt of remuneration of more than Rs. 24,00,000/- per annum when employed throughout the year and Rs. 2,00,000/- per month employed for a part of the year, hence, Section 217 (2A) of the Companies Act is not applicable.

**RESPONSIBILITY STATEMENT :** As required by Section 217 (2AA) of the Companies Act, your Directors hereby confirm that :

- In preparation of the annual accounts, the applicable accounting standards have been followed ;
- They have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period ;
- They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other Irregularities ;
- They have prepared the annual accounts on going concern basis.

For and on behalf of the Board

Sriram Kapur  
D. H. Nanavati  
Directors

Mumbai,  
28th June 2008

# THE NONSUCH TEA ESTATES LIMITED

## ANNEXURE TO THE DIRECTORS' REPORT

Information as per Section 217 (1) (e) of the Companies Act, 1956, read with Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988.

### A. CONSERVATION OF ENERGY :

- Energy conservation measure taken : Recycling of waste heat and steps being taken for improvement in Power Factor.
- Additional investments and proposals, if any, being implemented for reduction of consumption of energy: Avenues for possible energy conservation measures are being identified for investment in future.
- Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods, improved energy utilization and consequent reduction in cost is expected.
- Total energy consumption and energy consumption per unit of production as per Form A (ref. Annexure).

### B. TECHNOLOGY ABSORPTION: RESEARCH AND DEVELOPMENT :

Improving cultivation and manufacture of Tea is a continuous process and the Company is a member of The United Planters' Association of Southern India and subscribes to the Scientific Research Activities. The Company expects to get the benefit of the results of the said research.

### C. FOREIGN EXCHANGE EARNING AND OUTGO :

The Company's produce is already in demand by tea exporters and the Company proposes to explore the possibility of direct export.

Total Foreign Exchange used and earned : Nil

## ANNEXURE FORM - A

Form for disclosure of particulars with respect to conservation of energy :

PARTICULARS	2007 - 2008	2006 - 2007
<b>A : POWER &amp; FUEL CONSUMPTION</b>		
1. a) Electricity purchased (TNEB)		
Units 000's	360	409
Total Amount Rs. 000's	2082	2286
Rate/Unit Rs.	5.79	5.59
b) Own Generation through Diesel		
Generating Sets - Units - 000's	16	16
Units/Ltr. of Diesel Oil	2.90	3.04
Cost per Unit	14.56	14.15
2. COAL :		
3. FURNACE OIL :		
4. LECO :		
Quantity (in Tonnes)		
Total Cost Rs. 000's		
Average Rate/Tonne Rs.		
5. OTHERS :		
a) Firewood (in Tonnes)	1401	1855
Total cost Rs. in 000's	3414	4074
Average Rate per Tonne Rs.	2.44	2.20
b) Fuel Briquettes (in Tonnes)		
Total cost Rs. in 000's		
Average Rate per Tonnes		
<b>B. CONSUMPTION PER UNIT PRODUCTION :</b>		
Product - Tea Kg.	689421	769114
a) Electricity Units	0.52	0.55
b) Coal		
c) Furnace Oil		
d) Leco Kg.		
e) Others		
Firewood	2.03	2.41
Briquetting Fuel		

Mumbai,  
28th June 2008

Sriram Kapur  
D.H. Nanavati  
Directors

**THE NONSUCH TEA ESTATES LIMITED**

**STATEMENT PURSUANT TO SECTION 212 OF THE  
COMPANIES ACT REGARDING SUBSIDIARY OF COMPANY**

1. Poseidon Investments Company Limited.
- 1.1. The last financial year of the Company ended on 31st March 2008.
- 1.2. As at the above date, interest of The Nonsuch Tea Estates Limited in the subsidiary consisted of 60,000 equity shares of Rs.10/- each, fully paid.
- 1.3. No Profit / (Losses) of the Company have been dealt within the accounts of The Nonsuch Tea Estates Limited, either during the year or earlier years.
- 1.4. Net aggregate amount of the Profit / (Losses) of the subsidiary not dealt within the accounts of The Nonsuch Tea Estates Limited.
  - a). For the subsidiary's financial year ended 31st March 2008 Rs. 78,662
  - b) For its previous financial years Rs. 1,58,19,994
- 1.5. Dividends declared by the Subsidiary :
  - a) For its financial year ended 31st March, 2008 Rs. 12,00,000
  - b) For its previous financial years Rs. 55,37,500
- 1.6. The Annual Report of the Subsidiary for the financial year ended 31st March 2008, is attached hereto.

Mumbai  
28th June 2008

Sriram Kapur  
D. H. Nanavati  
Directors

S. R. BAALAJI, B.Com., ACS.,  
Practising Company Secretary

"Akshaya" S.F.1 Block II Classic Homes,  
Param Sesh Nestle, Nanjundapuram Road,  
Coimbatore - 641 036

Phone : 0422 - 2319343 Cell : 98422-06891  
e-mail : akshayasri23@gmail.com

**COMPLIANCE CERTIFICATE**

To

The Members,  
THE NONSUCH TEA ESTATES LIMITED,  
Ritz Buildings, Coonoor - 643 101.

I have examined the registers, records, books and papers of THE NONSUCH TEA ESTATES LIMITED, (the company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made there under and also provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended 31st March 2008. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the company, its officers and agents, I certify that in respect of the aforesaid financial year:

1. The company has kept and maintained all registers as stated in Annexure "A" to this certificate, as per the provisions of the Act and the rules made there under and all entries therein have been duly recorded.
2. The company has duly filed the forms and returns as stated in Annexure "B" to this certificate with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made there under.
3. The company being a public limited company has minimum prescribed paidup capital.
4. The Board of Directors duly met 7 (SEVEN) times on the following dates in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.

1. 15th May, 2007	2. 2nd July, 2007	3. 31st July 2007
4. 27th October 2007	5. 28th January 2008	6. 9th February 2008
7. 12th March 2008		

5. The company closed its Register of Members from 14.9.2007 to 28.9.2007 and necessary compliance of Section 154 of the Act has been made, during the financial year.

6. The Annual General Meeting for the financial year ended 31st March, 2007 was held on the 28th day of September 2007 after giving due notice to the members of the company and the resolutions passed thereat were duly recorded in the Minutes Book duly maintained for the purpose.
7. No extra-ordinary meeting was held during the financial year.
8. The company has not advanced any loans to its directors or persons or firms or companies referred to under Section 295 of the Act.
9. The company has not entered into any contracts falling within Section 297 of the Act, during the year under scrutiny.
10. The company has made necessary entries in the register maintained under Section 301 of the Act.
11. As there were no instances falling within the purview of Section 314 of the Act, the company has not obtained any approvals from the Board of Directors, Members or Central Government.
12. The Board of Directors has approved the issue of the duplicate share certificates.
13. The Company has:
  - (i) Made no allotment and has delivered the share certificate on lodgment thereof for transmission/transfer.
  - (ii) Paid dividend to all the members within the stipulated time and there was no unpaid dividend.
  - (iii) Duly complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted. There was no appointment of additional directors, alternate directors and directors to fill casual vacancy during the financial year.
15. The company has not appointed any Managing Director/Whole-time Director/Manager during the financial year.
16. The company has not appointed any sole-selling agents during the financial year.
17. The company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar and/or such authorities prescribed under the various provisions of the Act.
18. The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. The company has not issued any shares, debentures or other securities during the financial year.
20. The company has not bought back any shares during the financial year.
21. There was no redemption of preference shares or debentures during the financial year.
22. There were no transactions necessitating the company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The company has not invited/accepted any deposits including any unsecured loans falling within the purview of Section 58A during the financial year.
24. The company has not made any borrowings during the financial year ended 31st March, 2008.
25. The company has not made loans and investments, or given guarantees or provided securities to other bodies corporate and consequently no entries have been made in the register kept for the purpose.
26. The company has not altered the provisions of the memorandum with respect to situation of the company's registered office from one state to another during the year under scrutiny.
27. The company has not altered the provisions of the memorandum with respect to the objects of the company during the year under scrutiny.
28. The company has not altered the provisions of the memorandum with respect to name of the company during the year under scrutiny.
29. The company has not altered the provisions of the memorandum with respect to share capital of the company during the year under scrutiny.
30. The company has not altered its articles of association during the financial year.

31. As explained to me there was/were no prosecution initiated against or show cause notices received by the company, during the financial year, for offences under the Act.
32. The company has not received any money as security from its employees during the financial year.
33. The provisions of Section 418 are not applicable, since the Company has not constituted any Provident Fund for its employees.

Mumbai  
28th June 2008

Sd/-  
**S. R. BAALAJI**, s.Com., A.C.S.  
PRACTISING COMPANY SECRETARY  
C. P. No. 3514

### ANNEXURE "A"

#### REGISTERS AND RECORDS

- a) Register of Charges under Section 143.
- b) Register of Members under Section 150 and Index of Members under Section 151.
- c) Register of Transfers.
- d) Registers and returns under Section 163.
- e) Minutes Book of Meetings.
- f) Register of particulars of contracts in which directors are interested under Section 301.
- g) Register of directors, managing director, manager and secretary under Section 303.
- h) Register of directors shareholding under Section 307.

### ANNEXURE "B"

Forms and Returns as filed by the company with the Registrar of Companies during the financial year ended 31st March 2007.

Sl. No.	Form No./ Return(s)	Filed under Section	For	Date of filing	Whether filed within prescribed period Yes / No	If delay in filing whether requisite additional fee paid Yes / No.
1	Balance Sheet and Profit and Loss A/c.	220	Balance Sheet as at 31-03-2007	27-10-2007	Yes	N.A
2	Compliance Certificate	383	02-07-2007	27-10-2007	Yes	N.A
3	Schedule V of the Companies Act, 1956	159	Annual Return made upto the date of AGM 28-09-2007	27-11-2007	Yes	N.A

Mumbai  
28th June 2008

**S. R. BAALAJI**  
PRACTISING COMPANY SECRETARY



**V. BALASUNDARAM & ASSOCIATES**  
*Chartered Accountants*

Tel : +91 (422) 2230946  
E-mail : balasundaramv@yahoo.co.in

"Padma Nivas"  
15, Gokhalae Street, Ram Nagar,  
Coimbatore - 641 009.

**AUDITORS REPORT TO THE MEMBERS OF THE NONSUCH TEA ESTATES LIMITED**

1. We have audited the attached Balance Sheet of **THE NONSUCH TEA ESTATES LIMITED** as at 31st March 2008 and the Profit and Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in Paragraph 3 above, we report that :
  - i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit ;
  - ii) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books ;
  - (iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account ;
  - (iv) In our opinion, the Balance Sheet, Profit and Loss Account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ;
  - (v) On the basis of written representations received from the directors, as on 31st March 2008, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2008 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956 ;
  - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
    - a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2008 ;
    - b) in the case of the Profit and Loss Account, of the PROFIT for the year ended on that date; and
    - (c) in the case of cash flow statement, of the cash flows for the year ended on that date.

For V. Balasundaram & Associates  
Chartered Accountants

V. BALASUNDARAM  
Partner  
Membership No. 19319

Mumbai  
28th June 2008

**ANNEXURE TO THE AUDITOR'S REPORT FOR THE YEAR ENDED 31ST MARCH 2008  
REFERRED TO IN PARAGRAPH 3 OF THE REPORT OF EVEN DATE**

- i. In respect of fixed assets :
  - a. The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b. Some of the fixed assets were physically verified during the year by the management in accordance with the program of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us no material discrepancies were noticed on such verification.
  - c. The company has not sold/disposed off any significant portion of fixed assets during the year.
- ii. In respect of its inventories:
  - a. As explained to us, inventories were physically verified during the year by the management at reasonable intervals.
  - b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management were reasonable and adequate in relation to the size of the company and nature of its business.

- c. In our opinion and according to the information and explanations given to us, the company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- iii. The Company has not granted any loans to Companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Therefore the provisions of clause 4(iii) of the Companies (Auditors Report) Order 2003 are not applicable to the company.
- iv. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and nature of its business for the purchase of inventory and fixed assets and for the sale of the goods and service and we have not observed any continuing failure to correct major weaknesses in such internal controls.
- v. In respect of transactions entered in the register maintained in pursuance of Section 301 of the Companies Act 1956. To the best of our knowledge and belief and according to the information and explanations given to us the company has not entered into any transactions which requires to be entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956. Therefore the provisions of clause 4(v) of the Companies (Auditor's Report) Order 2003 are not applicable to the company.
- vi. The company has not accepted any deposits from the public. Therefore the provisions of clause 4(vi) of the Companies (Auditors Report) Order 2003 are not applicable to the company.
- vii. In our opinion, the internal audit function carried out during the year by a firm of Chartered Accountants appointed by the management have been commensurate with the size of the company and the nature of its business.
- viii. We have broadly reviewed the books of account and records maintained by the company relating to the manufacture of Tea, pursuant to the order made by the Central Government for the maintenance of cost records under Section 209(1) (d) of the Companies Act and are of the opinion that *prima facie* prescribed accounts and records have been made and maintained. We have, however, not made detailed examination of the records with a view to determining whether they are accurate and complete. To the best of our knowledge and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records for any other products of the company.
- ix. In respect of statutory dues:
  - a) According to the information and explanations given to us, the Company has been regular in depositing undisputed statutory dues, including Provident Fund, Investor Education and Protection Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and any other material statutory dues with the appropriate authorities during the year.
  - b) According to the information and explanations given to us, there are no dues of disputed sales-tax, income-tax, customs duty, wealth-tax, excise duty / service tax and cess which have not been deposited as on 31st March 2008 on account of any dispute.
- x. The company has no accumulated losses and has not incurred cash loss during the financial year covered by our audit and the immediately preceding financial year.
- xi. In our opinion and according to the information and explanations given to us, the company has not defaulted in the payment of dues to financial institution, banks and debenture holders.
- xii. In our opinion the company has maintained adequate documents and records where it has granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. The company is not a chit fund or Nidhi mutual benefit fund/society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- xiv. The company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order 2003 are not applicable to the company.
- xv. In our opinion and according to the information and explanations given to us the company has not given any guarantee for loans taken by others from Banks and Financial Institutions during the year.
- xvi. To the best of our knowledge and belief and according to the information and explanations given to us, the company has not availed any Term Loan during the year.
- xvii. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, funds raised on short-term basis have *prima facie*, not been used during the year for long term investment.
- xviii. The provisions of clause (xviii), (xix) and (xx) of the companies (Audit Report) Order 2003 are not applicable since the Company has neither issued any shares during the year nor has any funds raised through issue of debentures.
- xix. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the company was noticed or reported during the year.

For V. Balasundaram & Associates  
Chartered Accountants

V. BALASUNDARAM  
Partner  
Membership No. 19319

Mumbai  
28th June 2008

**THE NONSUCH TEA ESTATES LIMITED**

**BALANCE SHEET AS AT 31ST MARCH 2008**

	Schedule No.	As at 31st March 2008 Rs.	As at 31st March 2007 Rs.
<b><u>SOURCES OF FUNDS:</u></b>			
<b>Shareholders' Funds :</b>			
Share Capital	1	25,87,200	25,87,200
Reserves & Surplus	2	7,42,18,211	7,14,84,703
Secured Loan	3	9,13,548	14,80,071
Unsecured Loan	4	3,25,470	5,15,190
Deferred Tax Liability			37,401
		<u>7,80,44,429</u>	<u>7,61,04,565</u>
<b><u>APPLICATION OF FUNDS:</u></b>			
<b>Fixed Assets :</b>			
Gross Block	5	4,04,62,313	3,72,76,310
Less : Depreciation		<u>1,97,43,313</u>	<u>1,86,30,029</u>
		2,07,19,000	1,86,46,281
Investments	6	3,38,91,501	25,85,427
Deferred Tax Asset		6,20,392	
Current Assets, Loans & Advances	7	3,40,63,803	6,46,43,504
Less : Current Liabilities & Provisions	8	<u>- 1,12,50,267</u>	<u>- 87,70,847</u>
		<u>2,28,13,536</u>	<u>5,48,72,857</u>
<b>TOTAL</b>		<u>7,80,44,429</u>	<u>7,61,04,565</u>

**NOTES ON ACCOUNTS**

Schedules 1 to 8 and 13 form an integral part of these Accounts.  
This is the Balance Sheet referred to in our Report of even date.

For V. BALASUNDARAM & ASSOCIATES  
Chartered Accountants

SRIRAM KAPUR  
D. H. NANAVATI  
Directors

V. BALASUNDARAM  
Proprietor  
Membership No. 19319  
Mumbai : 28th June 2008

Mumbai : 28th June 2008

# THE NONSUCH TEA ESTATES LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2008

	Schedule No.	Year ended 31st March 2008 Rs.	Year ended 31st March 2007 Rs.
<b>INCOME :</b>			
Sales / Tea		3,74,71,235	3,99,25,705
Less : Excise Duty / Cess		<u>2,25,202</u>	<u>2,45,477</u>
		3,72,46,033	3,96,80,228
Interest (Tax deducted at source : Rs. 3,34,938 (2006-2007 Rs. 10,59,706)		14,93,489	47,22,389
Income from Investments		23,71,750	17,49,778
Tea Board Orthodox Subsidy		21,30,604	20,71,302
Other Income	9	<u>27,74,235</u>	<u>13,55,261</u>
		4,60,16,111	4,95,78,958
<b>EXPENDITURE :</b>			
(Increase)/Decrease in Value of stock in Trade	10	1,46,000	-9,85,000
Manufacturing and other expenses	11	3,67,44,303	3,88,04,597
Interest on secured loan		1,97,845	2,98,461
Depreciation		<u>11,36,266</u>	<u>9,52,588</u>
		3,82,24,514	3,90,70,646
		77,91,597	1,05,08,312
Profit before Tax			
Less : Provision for Tax			
Current Tax		11,00,000	24,00,000
Fringe Benefit Tax		80,000	1,10,000
Deferred Tax Release		<u>10,890</u>	<u>- 600</u>
		11,90,890	25,09,400
Refund of Income Tax relating to earlier years		2,54,369	
Profit after Tax		68,55,078	79,98,912
Balance brought forward from Previous year		<u>91,85,037</u>	<u>50,13,020</u>
Profit available for appropriation		1,60,40,113	1,30,11,932
<b>APPROPRIATIONS :</b>			
Proposed Dividend @ 100%		25,87,200	25,87,200
Tax on Distribution of Dividend (Refer Note : xviii)		2,35,755	4,39,695
General Reserve		7,00,000	6,00,000
Balance Carried to Schedule 2		<u>1,25,17,158</u>	<u>91,85,037</u>
		1,60,40,113	1,30,11,932
Basic and Diluted Earnings Per Share		26.50	30.92

Schedules 1 to 13 form an integral part of these accounts.  
This is Profit and Loss referred to in our report of even date.

For V. BALASUNDARAM & ASSOCIATES  
Chartered Accountants

SRIRAM KAPUR  
D. H. NANAVATI  
Directors

V. BALASUNDARAM  
Proprietor  
Membership No. 19319  
Mumbai : 28th June 2008

Mumbai : 28th June 2008

**THE NONSUCH TEA ESTATES LIMITED**

**SCHEDULES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2008**

**SCHEDULE 1**

**SHARE CAPITAL**

		As at 31st March 2008 Rs.	As at 31st March 2007 Rs.
<b>Authorised :</b>			
10,00,000	Equity Shares of Rs. 10/- each	1,00,00,000	1,00,00,000
20,00,000	Unclassified Shares of Rs. 10/- each	2,00,00,000	2,00,00,000
		<u>3,00,00,000</u>	<u>3,00,00,000</u>
<b>Issued &amp; Subscribed :</b>			
2,58,720	Equity Shares of Rs. 10/- each fully paid	<u>25,87,200</u>	<u>25,87,200</u>
<b>Of the above Shares :</b>			
40,000	Shares have been allotted as fully paid up pursuant to a contract without payments being received in cash		
85,360	Shares have been allotted as fully paid up by way of Bonus Shares through the Capitalisation of Reserves		

**SCHEDULE 2**

**RESERVES AND SURPLUS :**

**A. CAPITAL RESERVE :**

As per last Balance Sheet	<u>89,58,668</u>	<u>89,58,668</u>
---------------------------	------------------	------------------

**B. REVENUE RESERVE :**

**GENERAL RESERVE :**

As per last Balance Sheet	5,33,36,998	5,25,36,998
Less : Adjustment consequent to recomputation of defined benefit plan liability as per AS15 - revised (Net of deferred tax of Rs. 668683)	<u>12,88,613</u>	
Refer Note : 15(A)		
Add : Transfer from Profit and Loss Account	<u>7,00,000</u>	<u>8,00,000</u>

**Debenture Redemption Reserve :**

As per last Balance Sheet	6,000	6,000
(Representing Debentures not surrendered for redemption)		
Surplus as shown in Profit & Loss Account	<u>1,25,17,158</u>	<u>91,85,037</u>
<b>TOTAL</b>	<u><u>7,42,18,211</u></u>	<u><u>7,14,84,703</u></u>

**SCHEDULE 3**

**SECURED LOAN**

**LOAN FROM BANKS :**

Cash Credit	<u>9,13,548</u>	<u>14,80,071</u>
(Secured by hypothecation of Crops, stores Movable properties and Book debts)		

**SCHEDULE 4**

**UNSECURED LOAN**

Financial Lease	<u>3,25,470</u>	<u>5,15,190</u>
(Lessor has a lien on the vehicles acquired through Financial Leases)		

**THE NONSUCH TEA ESTATES LIMITED**

**SCHEDULE 'S'**

**FIXED ASSETS:**

(In Rupees)

Description of Assets	COST OR VALUATION			DEPRECIATION			WRITTEN DOWN VALUE	
	As on 1st Apr 2007	Additions	Deletions 31st Mar 2008	As on 1st Apr 2007	For this year Additions	Deletions 31st Mar 08	As on 31st Mar 08	As on 31st Mar 07
Land Purchase & Development	1,23,54,283		1,23,54,283				1,23,54,283	1,23,54,283
Buildings	50,75,444	12,68,806	63,44,252	39,84,666	1,90,774		22,68,812	11,90,778
Plant & Machinery	1,54,97,910	14,26,329	1,69,23,239	1,21,69,832	6,47,328	1,28,17,160	41,06,079	53,28,078
Furniture	4,91,411	37,600	5,29,011	3,79,457	11,643	3,91,110	1,37,901	1,11,944
Vehicles	38,57,262	4,77,388	43,11,528	21,96,054	2,86,521	22,982	18,51,925	16,61,198
<b>Total</b>	<b>3,72,76,310</b>	<b>32,09,125</b>	<b>4,04,82,313</b>	<b>1,86,30,029</b>	<b>11,36,256</b>	<b>22,982</b>	<b>2,07,19,000</b>	<b>1,96,46,281</b>

\* At valuation in 1970 and additions, deletions since 1970 at cost.

## Includes cost of Assets acquired under Financial Lease Terms Rs. 7,16,468

**THE NONSUCH TEA ESTATES LIMITED**

		<u>As at 31st March 2008 Rs.</u>	<u>As at 31st March 2007 Rs.</u>
<b><u>SCHEDULE 6</u></b>			
<b><u>INVESTMENTS</u></b>			
<b>Non-Trade-at Cost :</b>			
<b>Unquoted : Long Term</b>			
60,000	Fully Paid Equity Shares of Rs. 10/- each in Poseldon Investments Company Limited (a subsidiary Company)	2,99,800	2,99,800
2,500	Fully paid units of Rs. 10/- each in Nilhat Shipping Company Ltd.	25,000	25,000
50,000	Fully paid units of Rs. 10/- each in Capital Growth UTI Capital Growth Scheme 1992 (Mutual Fund - Refer Note : XX)	5,00,000	5,00,000
20,56,731.379	HDFC CMF Sav plus Plan-WB-Daily Div.	20832104	
926660.850	HDFC CMF Savings Plus-Ret-Wkly Div.	92,86,518	
313619.384	HDFC CMF - Sav Plus - Retail - Daily Div.	31,48,079	
	HDFC Liquid fund Dividend Reinvestment plan	---	17,80,627
		<u>3,38,91,501</u>	<u>25,85,427</u>

**SCHEDULE 7**

**CURRENT ASSETS, LOANS AND ADVANCES :**

<b>(A) Current Assets :</b>			
Stores & Spares, at Cost		9,69,625	7,95,787
Stock In Trade :			
Tea, at Lower of Cost or Market Value		43,35,000	44,81,000
Sundry Debtors :			
(Unsecured Considered Good) :			
Debts outstanding for a period exceeding six months	1,74,811		1,39,987
Other debts	<u>15,12,951</u>		<u>20,99,600</u>
		16,87,762	22,39,587
Cash and Stamps on Hand		2,00,329	1,04,344
Balance with Scheduled Banks :			
On Current Accounts		<u>8,13,155</u>	<u>1,45,00,868</u>
	<b>(A)</b>	<u>80,05,871</u>	<u>2,21,21,386</u>
<b>(B) Loans &amp; Advances</b>			
<b>(Unsecured Considered Good) :</b>			
Inter Corporate Deposits		1,50,00,000	3,25,00,000
Advances recoverable in Cash or in kind or for value to be received		30,28,028	20,10,479
Deposits		74,11,430	74,11,430
Balances with Govt. Authorities		6,18,474	6,00,209
	<b>(B)</b>	<u>2,60,57,932</u>	<u>4,25,22,118</u>
<b>Total of (A) and (B)</b>		<u>3,40,63,803</u>	<u>6,46,43,504</u>

**THE NONSUCH TEA ESTATES LIMITED**

**SCHEDULE 8**

**CURRENT LIABILITIES AND PROVISIONS**

**A. Current Liabilities :**

		As at 31st March 2008 Rs.	As at 31st March 2007 Rs.
Sundry Creditors	81,88,853		60,17,172
Due to Directors	<u>3,37,293</u>		<u>6,22,493</u>
		85,05,946	66,39,665
Unclaimed Dividend		42,446	35,566
Capital Reduction Account		11,724	11,724
		<u>85,60,116</u>	<u>68,86,955</u>

**B. Provisions:**

Provision for Taxation	38,90,000		25,10,000
Less : Payments in advance of Assessments	<u>38,22,804</u>		<u>24,53,203</u>
		-1,32,804	56,797
Proposed Dividend		25,87,200	25,87,200
Tax on Distribution of Dividend		2,35,755	4,39,695
		<u>26,90,151</u>	<u>30,83,692</u>
<b>TOTAL OF (A &amp; B)</b>		<u>1,12,50,267</u>	<u>97,70,647</u>

**SCHEDULE 9**

**OTHER INCOME :**

Miscellaneous Receipts	24,02,781	13,31,324
Profit on sale of Fixed Assets	8,995	--
Profit on sale of Investments	12,124	23,937
Sale of Trees	3,50,325	--
	<u>27,74,235</u>	<u>13,55,261</u>

**SCHEDULE 10**

**(Increase) Decrease in Value of Stock in Trade (Tea)**

Opening Stock	44,81,000	34,96,000
Closing Stock of Tea	43,35,000	44,81,000
(Increase) Decrease	<u>1,46,000</u>	<u>- 9,85,000</u>



**THE NONSUCH TEA ESTATES LIMITED**

		Year ended 31st March 2008 Rs.	Year ended 31st March 2007 Rs.
<b>SCHEDULE 11</b>			
<b>MANUFACTURING AND OTHER EXPENSES :</b>			
Salaries, Wages and Bonus		70,70,355	1,82,24,509
Contribution to Provident, Superannuation Fund & Gratuity Fund		18,68,644	27,05,387
Workman and Staff Welfare Expenses		11,10,789	12,78,051
Consumption of Stores and spare parts		43,44,551	31,30,367
Power & Fuel		59,36,137	67,80,423
<b>Repairs and Maintenance</b>			
Buildings & Roads :			
Stores	3,31,490		5,76,569
Wages	2,69,152		1,55,582
		6,00,642	7,32,151
Machinery :			
Stores	7,42,275		9,33,157
Wages	4,45,348		4,43,389
		11,87,623	13,76,546
Vehicles Maintenance		2,16,707	4,22,911
Rent, Rates & Taxes		2,70,475	4,24,140
Insurance		2,55,161	3,58,842
Directors' Sitting Fees		4,000	4,000
Directors' Commission (Schedule 12)		2,29,890	3,24,383
<b>Auditors' Remuneration :</b>			
For Audit		40,000	40,000
For Tax audit		15,000	15,000
For Certification & Others		27,000	27,000
Miscellaneous Expenses (Includes Auditor's Travelling Expenses Rs. 11,500/-)		24,78,159	17,93,056
<b>Selling Expenses :</b>			
Transport, Handling and Warehousing Charges		7,43,947	7,89,355
Brokerage		3,42,203	3,72,083
Service charges		3,020	6,393
		3,67,44,303	3,68,04,597
<b>SCHEDULE 12</b>			
<b>DIRECTOR'S COMMISSION :</b>			
Profit as per Profit & Loss Account Before Tax		77,91,597	1,05,08,312
Add : Director's Commission	2,29,890		3,24,383
Sitting Fees	4,000		4,000
		2,33,890	
		80,25,487	1,08,36,695
Less : Profit on Sale of Trees		3,50,325	--
Profit on Sale Investments		12,124	23,937
Profit for the purpose of calculation of Commission		76,63,038	1,08,12,758
Commission thereon @ 3%		2,29,890	3,24,383

**SCHEDULE 13**

**ACCOUNTING POLICIES AND NOTES ON ACCOUNTS**

Significant Accounting policies and Notes Annexed to and forming part of the Balance Sheet as at 31st March 2008 and Profit and Loss Account of the year ended 31st March 2008.

**1. SIGNIFICANT ACCOUNTING POLICIES :**

- All Income and Expenditure are accounted on accrual basis, except replanting subsidy, which is accounted for when received.
- Revenue from sale of tea at auction is recognized on receipt of sale notes from the brokers. Private tea sales including exports are recognized on dispatch of goods. Other revenue is recognized when no significant uncertainties as to the measurability or realisability of any claim exist.
- Depreciation on Fixed Assets has been provided on Written Down Value method at the rates prescribed by Income Tax Rules and amendments thereto.
- Fixed Assets are recorded at cost to the Company with the exception of Nonsuch Tea Estate land, which was revalued in 1970. Assets acquired under Financial Lease agreement are capitalized.

# THE NONSUCH TEA ESTATES LIMITED

5. Investments are stated at cost less provision for permanent diminution of value where applicable.
6. Stock in trade is valued at the lower of cost and net realizable price. Stores and spares are valued at average cost.
7. Foreign currency transactions are converted at the rate ruling on the date of transactions. The foreign currency Assets and Liabilities if any as on the date of the Balance Sheet are restated at the rates on that date and exchange difference referable to fixed assets is capitalised.
8. **Taxes on Income**  
Current Tax is determined as per the provisions of the Income-tax Act, 1961 in respect of taxable income for the year and based on the expected outcome of assessment / appeals.  
Deferred Tax assets and liabilities are recognized on timing differences between accounting income and taxable income that originate in one period and are capable of reversal in one or more subsequent period and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.  
Deferred Tax assets, other than those arising on account of unabsorbed depreciation or carried forward business losses under tax laws, are recognized and carried forward subject to consideration of prudence only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.
9. **Provisions**  
Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the Notes. Contingent assets are neither recognized nor disclosed in the financial statements.
10. **Employee Benefits**  
Short term employee benefits (other than termination benefits) which are payable within 12 months after the end of the period in which the employees rendered service are accounted on accrual basis.

## Defined Contribution Plans

Company's contributions paid / payable during the year to Provident Fund and Superannuation fund are recognized in the profit and loss account.

## Defined Benefit Plans

Company liabilities towards gratuity are determined based on the actuarial valuation using projected unit credit method. The company makes annual contribution to a Gratuity Fund administered by Trustees. Actuarial gains and losses are recognized in full in the profit and loss account for the period in which they occur. The retirement Benefit obligation recognized in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost.

There is no scheme for encashment of unavailed leave on retirement since unavailed earned leave is settled annually and accounted on payment.

## NOTES ON ACCOUNTS

### i) Deferred Taxation

Particulars	Balance as on 01-04-2007	Charges for the Liability (asset)	Others	Balance as on 31-03-2008
Deferred Tax Liability Depreciation	37401	10890	Nil	48291
43 B Disallowance Gratuity	Nil	Nil	(668683)	(668683)
Total	37401	10890	(668683)	(620392)

	As at 31st March 2008 Rs.	As at 31st March 2007 Rs.
ii) Claim against the company not acknowledged as debts.	1,29,281	1,29,281
iii) Bank Balances includes :-		
Unclaimed Dividend	42,446	35,666
Unclaimed Capital reduction	11,724	11,724
iv) Deposits include amounts:		
With the National Bank for Agricultural and Rural Development in accordance with Sec. 32 AB and 33 AB of Income-tax Act of 1961	74,05,030	74,05,030
v) Capacities and Stocks :-		
a) Licensed Capacity	Kg.	N.A.
		N.A.

		As at 31st March 2008 Rs.	As at 31st March 2007 Rs.
b) Installed capacity per annum for single shift as determined by the company		10,50,000	10,50,000
c) Raw Materials consumed			
Green Leaf from own Estate	Kg.	32,29,497	34,51,345
Bought Leaf		NI	NI
vi) Quantitative Particulars of Made Tea :			
a) Opening Stock - Tea Quantity	Kg.	76,591	73,034
b) Production of Tea	Kg.	6,89,421	7,69,114
c) Turnover	Kg.	6,96,281	7,65,557
d) Closing Stock - Tea	Kg.	69,731	76,591
vii) Value of Imports		NI	NI
viii) Expenses in Foreign Currency on account of Royalty know-how, Professional and Consultancy fees		NI	NI
ix) Value of Raw-materials, Spare Parts and Components consumed :			
Imported		NI	NI
Indigenous		54,18,316 (100%)	48,40,092 (100%)
x) Amount remitted in Foreign Currencies on account of dividends		NI	NI
xi) Earnings in Foreign Exchange Export of goods calculated on FOB Basis Royalty, Know-how, Professional & Consultancy Fees Interest, Dividend and other Income		NI	NI
xii) The company has only one business segment viz. growing and manufacturing of Tea.		NI	NI
xiii) Related Party Disclosures.			
Name of the related parties and nature of related party, relationship where control exists are as under :			
Key Management Personnel		Sriram Kapur - Director	
Subsidiary Company		M/s. Poseidon Investments Co. Ltd.	
Associated Companies		M/s. Ritz Private Limited	
Relatives of Management Personnel		NI	

Nature of Transactions	Subsidiary Company	Associate Company	Key Management Personnel	Outstanding as at 31.3.2008	Outstanding as at 31.3.2007
Commission			228880	228880	324383
Equity Participation	2,99,800			299800	2,99,800
Tea Sales		74,292		NI	10692

xiv) In accordance with the Notification No. GSR 719 (E) dated 16.11.2007 issued by the Ministry of Corporate Affairs, certain disclosures are required to be made relating to Micro, Small and Medium Enterprises as defined under the Micro, Small and Medium Development act, 2008. The company is in the process of compiling relevant information from its suppliers about their coverage under the said Act. Since the relevant information is not readily available, no disclosures have been made in these financial statements. However, in the considered view of the management and as relied upon by the auditors, impact of interest, if any that may be payable in accordance with the provisions of this Act is not expected to be material.

#### xv) Employee's benefits

(a) Transitional provisions : the company has determined the liability for defined benefit employees plans as at 31st March 2007 in accordance with the Revised Accounting Standard - 15 - Employee benefits issued by the ICAI and adjusted a sum of 1298613/- (Net of Deferred tax asset of Rs. 688683/-) relating to the period up to 31st March 2007 from the opening General reserves in terms of the said Standard.

b) Defined Benefit Plans	Gratuity (Funded)
<b>A. Expense recognized during year ended 31.03.2008</b>	
1. Current Service Cost	3.15
2. Interest Cost	6.70
3. Expected return on plan assets	(6.02)
4. Actuarial Losses / (Gains) during the year	(1.18)
5. Total Expense	2.65

<b>B. Actual return on plan assets</b>	
1. Expected return on plan assets	6.02
2. Actuarial (loss) / Gain on Plan assets	(1.59)
3. Actual return on plan assets	4.43
<b>C. Net Asset / (Liability) recognized in the Balance Sheet</b>	
1. Present value of the obligation as on 31.03.2008	85.07
2. Fair value of plan assets as on 31.03.2008	85.07
3. Funded status surplus / (deficit)	0
4. Unrecognised past service cost	0
5. Net Asset / (Liability) recognized in the Balance Sheet	0
<b>D. Change in present value of the Obligation during the year ended March 31, 2008</b>	
1. Present value of the obligations as at April 1, 2007	89.45
2. Current Service Cost	3.15
3. Interest Cost	6.70
4. Benefits paid	(11.46)
5. Actuarial gain / (loss) on obligation	(2.77)
6. Present value of obligation as at March 31, 2008	85.07
<b>E. Change in Assets during the year ended March 31, 2008</b>	
1. Fair value of plan assets as at April 1, 2007	69.77
2. Expected return plan assets	6.02
3. Contributions made	22.33
4. Benefits paid	(11.46)
5. Actuarial gain / (loss) on plan assets	(1.59)
6. Fair value of plan assets as at March 31, 2008	85.07
<b>F. Major categories of plan assets as a percentage of total plan</b>	
Special Deposit Schemes	99.98%
Bank Balances and recoverables	0.02%
Total	100.00%
<b>G. Actuarial Assumptions</b>	
1. Discount rate	8%
2. Salary escalation	4%
3. Expected rate of return on plan assets	8%
4. Attrition rate	10%
	LIC (1994 - 96)
5. Mortality rate	Ultimate

Note : The Salary escalation considered in actuarial valuation takes accounts inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. This being the first year of disclosure, previous year figures are not yet given.

xvi) <b>Earnings per Share</b>		
Profits as per Profit and Loss amount	6855076	7998912
Number of Equity Shares	258720	258720
Basic and Diluted Earnings per share	26.50	30.92
(Nominal value of equity share Rs. 10/-)		

xvii) <b>Financial Lease</b>		
Availed for part financing purchase of vehicles		
<b>Amount Payable</b>		
One Year	141700	189720
One Year to Five Years	183770	325470
Beyond Five Years	Nil	Nil
Included above, Unmatured Finance charges on Financial Lease	83370	113250

xviii) Tax on distribution of Dividend is arrived at after considering the Dividend and Dividend tax paid by subsidiary company Poseidon Investment Company Limited Rs. 12,00,000/- and Rs. 2,03,940/- respectively.

xix) Comparative figures for the previous year have been reclassified wherever necessary to confirm to this year's classification.

xx)	Description	Purchases Cost Nos. Rupees	Sales Nos. Rupees
	(a). HDFC CMF Sav Plus plan-W5-Daily Div.	2058731.379	20632104
	(b). HDFC CMF Sav Plus - Ret - Wkly Div.	926660.850	9286518
	(c). HDFC CMF Sav Plus - Retail - Daily Div.	313619.384	3148079
	(d). HDFC Liquid fund Div. Reinvestment Plan		170571.061
			1760627

Signature to Schedules 1 to 13  
For V. BALASUNDARAM & ASSOCIATES  
Chartered Accountants

V. BALASUNDARAM  
Proprietor (Membership No. 19319)

Mumbai : 28th June 2008

SRIRAM KAPUR  
D. H. NANAVATI  
Directors

Mumbai : 28th June 2008

**THE NONSUCH TEA ESTATES LIMITED**

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL PROFILE**

**Registration Details :**

i)	Registration No.	3966	State Code	181
	Balance sheet date	31/03/2008		
ii)	Capital raised during the year (amount in Thousands) :			
	Public Issue	NIL	Rights Issue	NIL
	Bonus Share	NIL	Private Placement	NIL
iii)	Position of Mobilisation and Deployment of Funds (amount in Rs. Thousands):			
	Total Liabilities	78044	Total Assets	78044
	Source of funds :			
	Paid up Capital	2587	Reserves & Surplus	74218
	Secured Loans	913	Unsecured Loans	326
			Deferred tax Liability	
	Application of funds			
	Net Fixed Assets	20719	Investments	33892
	Net Current Assets	22813	Deferred tax asset	620
iv)	Performance of the Company (amount in Rs. Thousands):			
	Turnover	46016	Total Expenditure	38224
	Profit Before Tax	7792	Profit After Tax	6855
	Earnings per Share	26.50	Dividend Rate	100%
v)	Generic Name of three Principal Products / Services of the Company (as per monetary terms):			
	Item Code (ITC Code)	09023000	Product Description	Black Tea

For V. BALASUNDARAM & ASSOCIATES  
Chartered Accountants

V. BALASUNDARAM  
Proprietor  
Membership No. 19319

Mumbai : 28th June 2008

SRIRAM KAPUR  
D. H. NANAVATI  
Directors

Mumbai : 28th June 2008

**THE NONSUCH TEA ESTATES LIMITED**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2008**

	Year ended 31st March 2008 Rs.	Year ended 31st March 2007 Rs.
<b>A. Cash Flow from Operating Activities :</b>		
Net Profit before Tax & Extraordinary Items	77,91,597	1,05,08,312
Adjustment for :		
Depreciation	11,36,266	9,52,588
Profit on sale of Fixed Assets	(8,995)	--
Profit on sale of Investments	(12,124)	(23,937)
Interest / Dividend	(38,65,239)	(64,72,167)
Interest paid	1,97,945	2,98,461
Operating Profit before working Capital Charges	52,39,450	52,63,257
Adjustment for :		
Trade & Other Receivables	(4,83,989)	2,79,515
Inventories	(27,838)	(5,64,335)
Trade payable	(1,01,015)	(12,80,483)
Cash generated from Operations	46,26,608	36,97,954
Direct taxes paid	(15,54,927)	(26,31,517)
Cash flow before extraordinary items	30,71,681	10,66,437
<b>Net cash from operating activities "A"</b>	<b>30,71,681</b>	<b>10,66,437</b>
<b>B. Cash Flow from Investing Activities :</b>		
Purchase of Fixed Assets	(32,09,125)	(19,83,750)
Proceeds from Sale of Fixed Assets	9135	0
Purchase of Investments	(3,49,80,168)	(85,07,778)
Sale of Investments	36,86,218	85,20,000
Loans / Inter-corporate deposits	1,75,00,000	95,00,000
Interest received	14,93,489	47,22,389
Dividend Received	23,71,750	17,49,778
<b>Net Cash used in Investing Activities "B"</b>	<b>(1,31,28,701)</b>	<b>1,40,00,639</b>
<b>C. Cash Flow from Financing Activities :</b>		
Dividend paid	(26,80,320)	(13,26,689)
Interest paid	(1,97,945)	(2,98,461)
Cash Credit - Hypothecation - UBI	(5,66,523)	(4,25,739)
Unsecured Loans	(1,89,720)	3,20,145
<b>Net cash used in financing Activities "C"</b>	<b>(35,34,508)</b>	<b>(17,30,740)</b>
<b>Net increase in Cash &amp; Cash equivalents "A+B+C"</b>	<b>(1,35,91,528)</b>	<b>1,33,36,336</b>
Cash and Cash equivalents (Opening Balance)	1,46,05,012	12,68,676
Cash and Cash equivalents (Closing Balance)	10,13,484	1,46,05,012

As per our report of even date

For V. BALASUNDARAM & ASSOCIATES  
Chartered Accountants

V. BALASUNDARAM  
Proprietor  
Membership No. 19319

Mumbai : 26th June, 2008

SRIRAM KAPUR  
D. H. NANAVATI  
Directors

Mumbai : 28th June, 2008

**V. BALASUNDARAM & ASSOCIATES**  
*Chartered Accountants*

Tel : +91 (422) 2230946  
E-mail : balasundaramv@yahoo.co.in

"Padma Nivas"  
15, Gokhalze Street, Ram Nagar,  
Coimbatore - 641 009.

**AUDITORS REPORT TO THE BOARD OF DIRECTORS OF THE NONSUCH TEA ESTATES LIMITED ON THE  
CONSOLIDATED FINANCIAL STATEMENTS OF THE NONSUCH TEA ESTATES LIMITED AND ITS SUBSIDIARY.**

We have examined the attached Consolidated Balance sheet of the THE NONSUCH TEA ESTATES LIMITED and its subsidiary POSEIDON INVESTMENTS COMPANY LIMITED as at 31st March 2008 and the Consolidated Profit and Loss account for the year ended annexed thereto and the consolidated cash flow statement for the period ended on that date. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in India. These standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting frame work and are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We did not audit the financial statements of the subsidiary, whose financial statements reflect total asset of Rs.1,84,96,656/- as at 31.03.2008 and total revenue of Rs. 15,99,615/- for the year then ended. These financial statements have been audited by statutory auditors of the subsidiary whose report has been furnished to us and our opinion, in so far as it relates to the amounts included in respect of these subsidiaries, is based solely on the report of the other auditors.

We report that the consolidated financial statements have been prepared by the company in accordance with the requirements of accounting Standard (AS) 21, Consolidated Financial Statements, issued by the Institute of Chartered Accountants of India and on the basis of the separate audited Financial Statements of the company and its subsidiary included in the consolidated financial statements.

On the basis of the information and explanation given to us and on the consideration of the separate audit reports on individual audited financial statements of the Company and its aforesaid subsidiary we are of the opinion that the said consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of consolidated Balance Sheet, of the consolidated state of affairs of the company and its subsidiary as at 31st March 2008 : and
- b) In the case of Consolidated Profit and Loss Account of the Consolidated results of the operations of the company and its subsidiary for the year then ended and
- c) In the case of the consolidated cash flow statement, of the consolidated cash flows of the company and its subsidiary for the year then ended.

For V. BALASUNDARAM & ASSOCIATES  
Chartered Accountants

Mumbai  
28th June 2008

V. BALASUNDARAM  
Proprietor  
Membership No. 19319

**THE NONSUCH TEA ESTATES LIMITED AND ITS SUBSIDIARY**

**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2008**

	Schedule No.	As at 31st March 2008 Rs.	As at 31st March 2007 Rs.
<b><u>SOURCES OF FUNDS:</u></b>			
<b>Shareholders' Funds :</b>			
Share Capital	1	25,87,200	25,87,200
Reserves & Surplus	2	9,04,15,067	8,76,04,897
Secured Loan	3	9,13,548	14,80,071
Unsecured Loan	4	3,25,470	5,16,190
Deferred Tax Liability		--	37,401
		<u>9,42,41,285</u>	<u>9,22,24,759</u>
<b><u>APPLICATION OF FUNDS:</u></b>			
<b>Fixed Assets :</b>			
Gross Block	5	4,16,89,543	3,85,03,540
Less : Depreciation		<u>1,97,43,313</u>	<u>1,86,30,029</u>
		2,19,46,230	1,98,73,511
Investments		5,05,97,881	1,77,47,481
Deferred Tax Asset		6,20,392	
Current Assets, Loans & Advances	6	3,41,19,208	6,47,04,670
Less : Current Liabilities & Provisions	7	<u>1,30,42,426</u>	<u>1,01,00,903</u>
		2,10,76,782	5,46,03,767
<b>TOTAL</b>		<u>9,42,41,285</u>	<u>9,22,24,759</u>

**NOTES ON ACCOUNTS**

11

Schedules 1 to 6 and 11 form an integral part of these Accounts.  
This is the Balance Sheet referred to in our Report of even date.

For V. BALASUNDARAM & ASSOCIATES  
Chartered Accountants

V. BALASUNDARAM  
Proprietor  
Membership No. 19319

Mumbai : 28th June, 2008

SRI RAM KAPUR  
D. H. NANAVATI  
Directors

Mumbai : 28th June, 2008



THE NONSUCH TEA ESTATES LIMITED AND ITS SUBSIDIARY

**CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2008**

	Schedule No.	Year ended 31st March 2008 Rs.	Year ended 31st March 2007 Rs.
<b>INCOME:</b>			
Sales / Tea		3,74,71,235	3,99,25,705
Less : Excise Duty / Cess		2,25,202	2,45,477
Interest (Tax deducted at source : Rs. 3,34,938 (2006 - 2007 Rs. 10,59,706)		3,72,46,033	3,96,80,228
Income from Investments		14,93,489	47,22,389
Tea Board Orthodox Subsidy		39,53,216	30,41,064
Other Income	8	21,30,804	20,71,302
		27,92,384	13,56,258
		<u>4,76,16,726</u>	<u>5,08,71,241</u>
<b>EXPENDITURE:</b>			
(Increase)/Decrease in Value of stock in Trade	9	1,46,000	- 9,85,000
Manufacturing and other expenses	10	3,68,63,316	3,88,85,973
Interest on secured loan		1,97,945	2,98,461
Depreciation		11,36,266	9,52,588
		<u>3,83,43,527</u>	<u>3,91,52,022</u>
Profit before Tax		92,72,199	1,17,19,219
Less : Provision for Tax			
Current Tax		11,00,000	24,00,000
Fringe Benefit Tax		80,000	1,10,000
Deferred Tax		10,890	- 600
		<u>11,90,890</u>	<u>25,09,400</u>
Refund of Income Tax relating to earlier years		2,54,369	-
Profit after Tax		83,35,678	92,09,819
Balance brought forward from Previous year		1,44,96,031	1,02,61,332
		<u>2,28,31,709</u>	<u>1,94,71,151</u>
Profit available for appropriation		2,28,31,709	1,94,71,151
<b>APPROPRIATIONS:</b>			
Interim Dividend			9,00,000
Corporate Tax on interim Dividend			1,26,225
Proposed Dividend		37,87,200	25,87,200
Corporate Tax on Proposed Dividend (Refer Note : xviii)		4,39,695	4,39,695
Transfer to General Reserve		8,49,000	9,22,000
Balance Carried to Schedule 2		1,77,55,814	1,44,96,031
		<u>2,28,31,709</u>	<u>1,94,71,151</u>
Basic and Diluted Earnings Per Share		32.22	35.60

Schedules 1 to 11 form an integral part of these accounts.  
This is Profit and Loss referred to in our report of even date.

For BALASUNDARAM & ASSOCIATES  
Chartered Accountants

SRIRAM KAPUR  
D. H. NANAVATI  
Directors

V. BALASUNDARAM  
Proprietor  
Membership No. 19319  
Mumbai : 28th June, 2008

Mumbai : 28th June 2008

**THE NONSUCH TEA ESTATES LIMITED AND ITS SUBSIDIARY**

**SCHEDULES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2008**

<b><u>SCHEDULE 1</u></b>	<b>As at 31st March 2008 Rs.</b>	<b>As at 31st March 2007 Rs.</b>
<b><u>SHARE CAPITAL</u></b>		
<b>Authorised :</b>		
10,00,000 Equity Shares of Rs. 10/- each	1,00,00,000	1,00,00,000
20,00,000 Unclassified Shares of Rs. 10/- each	2,00,00,000	2,00,00,000
	<u>3,00,00,000</u>	<u>3,00,00,000</u>
<b>Issued &amp; Subscribed :</b>		
2,58,720 Equity Shares of Rs. 10/- each fully paid	<u>25,87,200</u>	<u>25,87,200</u>
<b>Of the above Shares :</b>		
40,000 Shares have been allotted as fully paid up pursuant to a contract without payments being received in cash		
<b><u>SCHEDULE 2</u></b>		
<b><u>RESERVES AND SURPLUS :</u></b>		
<b>A. CAPITAL RESERVE :</b>		
As per last Balance Sheet	92,56,868	92,56,868
<b>B. REVENUE RESERVE :</b>		
<b>GENERAL RESERVE :</b>		
As per last Balance Sheet	6,38,45,998	6,29,23,998
Add : Transfer from Profit & Loss Account	8,49,000	9,22,000
	<u>6,46,94,998</u>	<u>6,38,45,998</u>
Less : Transferred to Gratuity fund	<u>12,98,613</u>	<u>--</u>
(Adjustment consequent to recomputation of defined benefit plan liability as per AS15 - revised (Net of deferred tax of Rs. 668683) Refer Note : 15 (A))	6,33,96,385	6,38,45,998
<b>Debenture Redemption Reserve :</b>		
As per last Balance Sheet	6,000	6,000
(Representing Debentures not surrendered for redemption)		
Surplus in Profit & Loss Account	<u>1,77,55,814</u>	<u>1,44,96,031</u>
<b>TOTAL of (A+B)</b>	<u>9,04,15,067</u>	<u>8,76,04,897</u>
<b><u>SCHEDULE 3</u></b>		
<b><u>SECURED LOAN</u></b>		
<b>LOAN FROM BANKS :</b>		
Cash Credit	<u>9,13,548</u>	<u>14,80,071</u>
(Secured by hypothecation of Crops, stores Movable properties and Book debts)		
<b><u>SCHEDULE 4</u></b>		
<b><u>UNSECURED LOAN</u></b>		
Financial Lease	<u>3,25,470</u>	<u>5,15,190</u>
(Lessor has a lien on the vehicles acquired through Financial Leases)		

**THE NONSUCH TEA ESTATES LIMITED AND ITS SUBSIDIARY**

**SCHEDULE 5**

**FIXED ASSETS:**

(In Rupees)

Description of Assets	COST OR VALUATION			DEPRECIATION			WRITTEN DOWN VALUE	
	As on 1st Apr 2007	Additions	As on 31st Mar 2008	As on 1st Apr 2007	For the year Additions	As on 31st Mar 08	As on 31st Mar 07	As on 31st Mar 07
Land Purchase & Development	1,23,54,283		1,23,54,283				1,23,54,283	1,23,54,283
Buildings	53,02,674	12,68,808	75,71,482	38,84,886	1,90,774	40,75,660	34,96,042	24,18,006
Plant & Machinery	1,54,97,910	14,25,329	1,69,23,239	1,21,69,832	6,47,328	1,28,17,160	41,04,079	33,28,078
Furniture	4,91,411	37,800	5,29,011	3,79,467	11,643	3,91,110	1,37,901	1,11,944
Vehicles	38,57,252	4,77,388	43,34,640	21,98,064	2,66,521	24,64,585	18,51,925	16,81,198
<b>Total</b>	<b>3,85,03,540</b>	<b>32,09,125</b>	<b>4,17,12,665</b>	<b>1,86,30,029</b>	<b>11,36,266</b>	<b>1,97,66,295</b>	<b>2,19,46,230</b>	<b>1,98,73,511</b>

\* At valuation in 1970 and additions, deletions since 1970 at cost.  
 \*\* Includes cost of Assets acquired under Financial Lease Terms Rs. 7,16,468

**THE NONSUCH TEA ESTATES LIMITED AND ITS SUBSIDIARY**

		As at 31st March 2008 Rs.	As at 31st March 2007 Rs.
<b>SCHEDULE 6</b>			
<b><u>CURRENT ASSETS, LOANS AND ADVANCES :</u></b>			
<b>A. Current Assets :</b>			
Stores & Spares, at Cost		9,69,625	7,95,788
Stock in Trade :			
Tea, at Lower of cost or Market Value		43,35,000	44,81,000
<b>Sundry Debtors :</b> (Unsecured Considered Good) :			
Debt outstanding for a period exceeding six months	1,74,811		1,39,986
Other debts	<u>15,12,951</u>		<u>20,99,600</u>
		16,87,782	22,39,586
Cash and Stamps on Hand		2,00,329	1,04,344
<b>Balance with Scheduled Banks :</b>			
On Current Accounts	8,39,120		
		8,39,120	1,45,55,834
	<b>(A)</b>	<u>80,31,836</u>	<u>2,21,76,552</u>
<b>(B) Loans &amp; Advances :</b> (Unsecured Considered Good) :			
Inter Corporate Deposits		1,50,00,000	3,25,00,000
Advances recoverable in Cash or in kind or for value to be received		30,57,468	20,16,479
Deposits		74,11,430	74,11,430
Balance with Govt. Authorities		6,18,474	6,00,209
	<b>(B)</b>	<u>2,60,87,372</u>	<u>4,26,28,118</u>
<b>Total of (A) and (B)</b>		<u>3,41,19,208</u>	<u>6,47,04,670</u>

**SCHEDULE 7**

**CURRENT LIABILITIES AND PROVISIONS**

<b>A. Current Liabilities :</b>			
Sundry Creditors	85,79,382		63,69,938
Due to Directors	<u>3,37,293</u>		<u>6,22,493</u>
		89,16,675	69,92,431
Unclaimed Dividend		42,446	35,566
Capital Reduction Account		11,724	11,724
		<u>89,70,845</u>	<u>70,39,721</u>
<b>B. Provisions :</b>			
Provision for Taxation	45,43,000		25,10,000
Less : Payments in advance of Assessments	<u>46,98,314</u>		<u>24,75,713</u>
		-1,55,314	34,287
Proposed Dividend		37,87,200	25,87,200
Tax on distribution of dividend		4,39,695	4,39,695
		<u>40,71,581</u>	<u>30,61,182</u>
<b>Total of (A &amp; B)</b>		<u>1,30,42,428</u>	<u>1,01,00,903</u>

**THE NONSUCH TEA ESTATES LIMITED AND ITS SUBSIDIARY**

	As at 31st March 2008 Rs.	As at 31st March 2007 Rs.
<b>SCHEDULE 8</b>		
<b><u>OTHER INCOME:</u></b>		
Miscellaneous Receipts	24,02,791	13,31,324
Profit on Sale of Fixed Assets	8,995	--
Profit on Sale of Investments	30,273	24,934
Sale of Trees	3,50,325	--
	<u>27,92,384</u>	<u>13,56,258</u>
<b>SCHEDULE 9</b>		
<b>(Increase) Decrease in Value of Stock in Trade (Tea)</b>		
Opening Stock of Tea	44,81,000	34,96,000
Closing Stock of Tea	43,35,000	44,81,000
(Increase) Decrease	<u>1,46,000</u>	<u>- 9,85,000</u>
<b>SCHEDULE 10</b>		
<b>MANUFACTURING AND OTHER EXPENSES :</b>		
Salaries, Wages and Bonus	1,70,70,355	1,82,24,509
Contribution to Provident & Superannuation Fund	18,68,644	27,05,387
Workmen and Staff Welfare Expenses	11,10,789	12,78,051
Consumption of Stores and spare parts	43,44,551	51,30,367
Power & Fuel	59,36,137	67,80,423
<b>Repairs and Maintenance</b>		
Buildings & Roads :		
Stores	3,31,490	
Wages	2,69,152	6,00,642
	<u>6,00,642</u>	7,32,151
Machinery :		
Stores	7,42,275	
Wages	4,45,348	11,87,623
	<u>11,87,623</u>	13,78,546
Vehicles Maintenance	2,16,707	4,22,911
Rent, Rates & Taxes	2,70,475	4,44,676
Insurance	2,55,161	3,58,842
Directors' Sitting Fees	10,000	10,000
Directors' Commission	2,29,890	3,24,383
<b>Auditors' Remuneration :</b>		
For Audit	42,000	42,000
For Tax work	15,000	15,000
For Certification & Others	27,000	27,000
Investments written off	16,400	--
Miscellaneous Expenses (Includes Auditors' Travelling Expenses Rs. 11,500/-)	25,72,772	18,45,896
<b>Selling Expenses :</b>		
Transport, Handling and Warehousing Charges	7,43,947	7,89,355
Brokerage	3,42,203	3,72,083
Service charges	3,020	6,393
	<u>3,68,63,316</u>	<u>3,88,85,973</u>

**SCHEDULE 11****ACCOUNTING POLICIES AND NOTES ON ACCOUNTS**

Significant Accounting policies and Notes Annexed to and forming part of the Balance Sheet as at 31st March 2008 and Profit and Loss Account for the year ended 31st March 2008.

**I. SIGNIFICANT ACCOUNTING POLICIES :**

1. All Income and Expenditure are accounted on accrual basis, except replanting subsidy, which is accounted for when received.
2. Revenue is recognised when no significant un-certainties as to the measurability or realisability of any claim exist.
3. Depreciation on Fixed Assets has been provided on Written Down Value method at the rates prescribed by Income Tax Rules and amendments thereto.
4. Fixed Assets are recorded at cost to the company with the exception of Nonsuch Tea Estate land which was revalued in 1970.
5. Investments are stated at cost less provision for permanent diminution of value where applicable.
6. Stock in Trade is valued at the lower of cost and net realizable price. Stores and Spares are valued at average cost.
7. Foreign currency transactions are converted at the rate ruling on the date of transactions. The foreign currency Assets and Liabilities if any as on the date of the Balance Sheet are restated at the rates on that date and exchange difference referable to fixed assets is capitalised.

**8. Taxes on Income**

Current Tax is determined as per the provisions of the Income-tax Act, 1961 in respect of taxable income for the year and based on the expected outcome of assessment / appeals.

Deferred Tax assets and liabilities are recognized on timing differences between accounting income and taxable income that originate in one period and are capable of reversal in one or more subsequent period and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

Deferred Tax assets, other than those arising on account of unabsorbed depreciation or carried forward business losses under tax laws, are recognized and carried forward subject to consideration of prudence only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

**9. Provisions**

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

**10. Employee Benefits :**

Short term employee benefits (other than termination benefits) which are payable within 12 months after the end of the period in which the employees rendered service are accounted on accrual basis.

**Defined Contribution Plans**

Company's contributions paid / payable during the year to Provident Fund and Superannuation fund are recognized in the profit and loss account.

**Defined Benefit Plans**

Company's liabilities towards gratuity are determined based on the actuarial valuation using projected unit credit method. The company makes annual contribution to a Gratuity Fund administered by Trustees. Actuarial gains and losses are recognized in full in the profit and loss account for the period in which they occur. The retirement Benefit obligation recognized in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost.

There is no scheme for encashment of unavailed leave on retirement since unavailed earned leave is settled annually and accounted on payment.

**NOTES ON ACCOUNTS****i) Deferred Taxation**

Particulars	Balance as on 01-04-2007	Charges for the Liability (asset)	Others	Balance as on 31-03-2008
Deferred Tax Liability: Depreciation	37401	10890	Nil	48291
43 B Disallowance Gratuity	Nil	Nil	(668683)	(668683)
Total	37401	10890	(668683)	(620392)

		As at 31st March 2008 Rs.	As at 31st March 2007 Rs.
ii)	Claim against the company not acknowledged as debts.	1,29,281	1,29,281
iii)	Bank Balances includes :		
	Undeclared Dividend	42,446	35,566
	Undeclared Capital reduction	11,724	11,724
iv)	Deposits include amounts:-		
	With the National Bank for Agricultural and Rural Development in accordance with Sec. 32 AB and 33 AB of Income-tax Act of 1961	74,05,030	74,05,030
v)	Capacities and Stocks :		
a)	Licensed Capacity Kg.	N.A.	N.A.
b)	Installed capacity per annum for single shift as determined by the company	10,50,000	10,50,000
c)	Raw Materials consumed		
	Green Leaf from own Estate Kg.	32,29,497	34,51,345
	Bought Leaf	Nil	Nil
vi)	Quantitative Particulars of Made Tea :		
a)	Opening Stock - Tea Quantity Kg.	76,591	73,034
b)	Production of Tea Kg.	6,89,421	7,69,114
c)	Turnover Kg.	8,96,281	7,65,557
d)	Closing Stock - Tea Kg.	69,731	76,591
vii)	Value of Imports	Nil	Nil
viii)	Expenses in Foreign Currency on account of Royalty know-how, Professional and Consultancy fees	Nil	Nil
ix)	Value of Raw-materials, Spare Parts and Components consumed :		
	Imported	Nil	Nil
	Indigenous	54,18,316 (100%)	46,40,092 (100%)
x)	Amount remitted in Foreign Currencies on account of dividends	Nil	Nil
xi)	Earnings in Foreign Exchange Export of goods calculated on FOB Basis Royalty, Know-how, Professional & Consultancy Fees Interest, Dividend and other Income	Nil	Nil
xii)	The company has only one business segment viz. growing and manufacturing of Tea.		
xiii)	Related Party Disclosures.		
	Name of the related parties and nature of related party relationship where control exists are as under :		
	Key Management Personnel	Sriram Kapur - Director	
	Subsidiary Company	M/s. Poseldon Investments Co. Ltd.	
	Associated Companies	M/s. Ritz Private Limited	
	Relatives of Management Personnel	Nil	

Nature of Transactions	Subsidiary Company	Associate Company	Key Management Personnel	Outstanding as at 31.3.2008	Outstanding as at 31.3.2007
Commission			228890	228890	324383
Equity Participation	2,99,800			2,99,800	2,99,800
Tea Sales		74,282		Nil	10692

xiv) In accordance with the Notification No. GSR 719 (E) dated 16.11.2007 issued by the Ministry of Corporate Affairs, certain disclosures are required to be made relating to Micro, Small and Medium Enterprises as defined under the Micro, Small and Medium Development act, 2006. The company is in the process of compiling relevant information from its suppliers about their coverage under the said Act. Since the relevant information is not readily available, no disclosures have been made in these financial statements. However, in the considered view of the management and as relied upon by the auditors, impact of interest, if any that may be payable in accordance with the provisions of this Act is not expected to be material.

xv) **Employee's benefits**

- (a) Transitional provisions : the company has determined the liability for defined benefit employees plans as at 31st March 2007 in accordance with the Revised Accounting Standard - 15 - Employee benefits issued by the ICAI and adjusted a sum of 1298613/- (Net of Deferred tax asset of Rs. 668683/-) relating to the period up to 31st March 2007 from the opening General reserves in terms of the said Standard.

b) Defined Benefit Plans	Gratuity (Funded)
<b>A. Expense recognized during year ended 31.03.2008</b>	
1. Current Service Cost	3.15
2. Interest Cost	6.70
3. Expected return on plan assets	(6.02)
4. Actuarial Losses / (Gains) during the year	(1.18)
5. Total Expense	2.65
<b>B. Actual return on plan assets</b>	
1. Expected return on plan assets	6.02
2. Actuarial (loss) / Gain on Plan assets	(1.59)
3. Actual return on plan assets	4.43
<b>C. Net Asset / (Liability) recognized in the Balance Sheet</b>	
1. Present value of the obligation as on 31.03.2008	85.07
2. Fair value of plan assets as on 31.03.2008	85.07
3. Funded status surplus / (deficit)	0
4. Unrecognised past service cost	0
5. Net Asset / (Liability) recognized in the Balance Sheet	0
<b>D. Change in present value of the Obligation during the year ended March 31, 2008</b>	
1. Present value of the obligations as at April 1, 2007	89.45
2. Current Service Cost	3.15
3. Interest Cost	6.70
4. Benefits paid	(11.46)
5. Actuarial gain / (loss) on obligation	(2.77)
6. Present value of obligation as at March 31, 2008	85.07
<b>E. Change in Assets during the year ended March 31, 2008</b>	
1. Fair value of plan assets as at April 1, 2007	69.77
2. Expected return plan assets	6.02
3. Contributions made	22.33
4. Benefits paid	(11.46)
5. Actuarial gain / (loss) on plan assets	(1.59)
6. Fair value of plan assets as at March 31, 2008	85.07
<b>F. Major categories of plan assets as a percentage of total plan</b>	
Special Deposit Schemes	99.98%
Bank Balances and recoverables	0.02%
total	100.00%
<b>G. Actuarial Assumptions</b>	
1. Discount rate	8%
2. Salary escalation	4%
3. Expected rate of return on plan assets	8%
4. Attrition rate	10%
	LIC (1994 - 96)
5. Mortality rate	Ultimate

Note : The Salary escalation considered in actuarial valuation takes accounts inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. This being the first year of disclosure, previous year figures are not yet given.

xvi) <b>Earnings per Share</b>		
Profits as per Profit and Loss account	83,35,678	92,09,819
Number of Equity Shares	2,58,720	2,58,720
Basic and Diluted Earnings per share	32.22	35.60
(Nominal value of equity share Rs. 10/-)		

xvii) <b>Financial Lease</b>		
Availed for part financing purchase of vehicles		
<b>Amount Payable:</b>		
One Year	141700	189720
One Year to Five Years	183770	325470
Beyond Five Years	Nil	Nil
Included above, Unmatured Finance charges on Financial Lease	83370	113250

- xviii) Tax on distribution of Dividend is arrived at after considering the Dividend and Dividend tax paid by subsidiary company Possidon Investment Company Limited Rs. 12,00,000/- and Rs. 2,03,940/- respectively.



xix) Comparative figures for the previous year have been reclassified wherever necessary to confirm to this year's classification.

Description	Purchases Cost		Sales	
	Nos.	Rupees	Nos.	Rupees
(a) HDFC CMF Sav Plus plan-W5-Daily Div.	2056731.379	20632104		
(b) HDFC CMF Sav Plus - Ret - Wkly Div.	926660.850	9286518		
(c) HDFC CMF Sav Plus - Retail - Daily Div.	313619.384	3148079		
(d) HDFC Liquid fund Div. Reinvestment Plan			170571.061	1760627

Signatures to Schedules 1 to 11

For V. BALASUNDARAM & ASSOCIATES  
Chartered Accountants

V. BALASUNDARAM  
Proprietor  
Membership No. 19319

Mumbai : 28th June 2008

SRIRAM KAPUR  
D. H. NANAVATI  
Directors

Mumbai : 28th June 2008

### CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2008

	Year ended 31st March 2008 Rs.	Year ended 31st March 2007 Rs.
<b>A. Cash Flow from Operating Activities :</b>		
Net Profit before Tax & Extraordinary Items	92,72,189	1,17,19,219
Adjustment for :		
Depreciation	11,36,266	9,52,588
Profit on sale of Fixed Assets	(8,995)	--
Profit on sale of Investments	(30,273)	(24,934)
Interest / Dividend	(54,46,705)	(77,63,453)
Interest paid	1,97,945	2,98,461
Operating Profit before working Capital Charges	51,20,437	51,81,881
Adjustment for :		
Trade & Other Receivables	(5,07,429)	3,09,382
Inventories	(27,838)	(5,64,335)
Trade payable	(43,052)	(12,21,469)
Cash generated from Operations	45,42,118	37,05,459
Direct taxes paid	(15,54,927)	(28,41,892)
Cash flow before extraordinary Items	29,87,191	8,63,567
Extra Ordinary Items		
Net cash from operating activities "A"	29,87,191	8,63,567
<b>B. Cash Flow from Investing Activities :</b>		
Purchase of fixed assets	(32,09,125)	(19,83,750)
Sale of Assets	9,135	0
Purchase of Investments	(3,65,24,494)	(54,98,774)
Sale of Investments	37,04,367	58,69,845
Loans / Inter-corporate deposits	1,75,00,000	95,00,000
Interest received	14,93,489	47,22,389
Dividend Received	39,53,216	30,41,064
Net Cash used in Investing Activities "B"	(1,30,73,412)	1,56,60,574
<b>C. Cash Flow from Financing Activities :</b>		
Dividend paid	(25,80,320)	(28,26,689)
Interest paid	(1,97,945)	(2,98,461)
Cash Credit Hypothecation - UBI	(5,66,523)	(4,25,739)
Unsecured Loans	(1,89,720)	3,20,149
Net cash used in financing Activities "C"	(35,34,508)	(32,30,740)
Net increase in Cash & Cash equivalents "A+B+C"	(1,36,20,729)	1,32,83,401
Cash and Cash equivalents (Opening Balance)	1,46,60,178	13,76,777
Cash and Cash equivalents (Closing Balance)	10,39,449	1,46,60,178

As per our report of even date.

For V. BALASUNDARAM & ASSOCIATES  
Chartered Accountants

V. BALASUNDARAM  
Proprietor  
Membership No. 19319  
Mumbai : 28th June, 2008

SRIRAM KAPUR  
D. H. NANAVATI  
Directors

Mumbai : 28th June, 2008

ΠΡΟΕΔΡΟΣ ΔΕΛΤΑ ΕΠΕΧΕΙΡΗΣΙΑΚΗ ΑΕ  
ΠΡΟΕΔΡΟΣ ΕΠΕΧΕΙΡΗΣΙΑΚΗ ΑΕ  
ΠΡΟΕΔΡΟΣ ΕΠΕΧΕΙΡΗΣΙΑΚΗ ΑΕ

# Poseidon Investments Company Limited

ΕΠΕΧΕΙΡΗΣΙΑΚΗ ΑΕ  
ΕΠΕΧΕΙΡΗΣΙΑΚΗ ΑΕ  
ΕΠΕΧΕΙΡΗΣΙΑΚΗ ΑΕ

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ΕΠΕΧΕΙΡΗΣΙΑΚΗ ΑΕ

**25th Annual Report and Accounts 2008**

**POSEIDON INVESTMENTS COMPANY LIMITED**

199, Churchgate Reclamation  
Mumbai - 400 020.

**25th Annual Report and Accounts  
for the year ended 31st March 2008**

**Directors :**

**D. H. NANAVATI**

**S. KAPUR**

**D. R. KHATAU**

**Auditors :**

**M. S. SANKARAN & CO.,**  
Chartered Accountants,  
Jeevan Sahakar,  
Sir P.M. Road,  
Mumbai - 400 001.

**Registered Office :**

199, Churchgate Reclamation,  
Mumbai - 400 020.

**POSEIDON INVESTMENTS COMPANY LIMITED**  
Regd Office : 199, Churchgate Reclamation, Mumbai - 400 020.

**NOTICE**

Notice is hereby given that the **TWENTY-FIFTH Annual General Meeting** of Poseidon Investments Company Limited will be held at the Registered Office of the Company at 199, Churchgate Reclamation, Mumbai - 400 020, on Monday, the 28th July, 2008 at 11.30 a.m. to transact the following business :

**ORDINARY BUSINESS**

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 2008 and the Profit and Loss account for the year ended on that date and the Report of the Directors and the Auditors' Report thereon.
2. To appoint a Director in place of Mr. D. H. Nanavati who retires by rotation and being eligible offers himself for reappointment.
3. To appoint Auditors and fix their remuneration.

By Order of the Board of Directors

Mumbai,  
28 June 2008

S. Kapur  
Director

Registered Office :  
199, Churchgate Reclamation,  
Mumbai - 400 020.

Note : A member entitled to attend and vote at the meeting is entitled to appoint a proxy and the proxy need not be a member.

**DIRECTORS' REPORT**

To the Members :

The Directors submit herewith the **TWENTY-FIFTH Annual Report** and the Audited Accounts for the year ended 31st March, 2008.

Financial Results	Current Year Rupees	Previous Year Rupees
Profit for the year	1,480,602	1,210,907
Balance brought forward from Previous year	5,310,994	5,248,312
Balance available for Appropriation	<u>6,791,596</u>	<u>6,459,219</u>
Appropriations :		
Interim Dividend	--	900,000
Corporate Tax on Interim Dividend	--	126,225
Proposed Dividend	1,200,000	--
Corporate Tax on Proposed Dividend	203,940	--
General Reserve	149,000	122,000
Balance Carried to Balance Sheet	<u>5,238,656</u>	<u>5,310,994</u>
	<u>6,791,596</u>	<u>6,459,219</u>

The Directors recommended the payment of a dividend of Rs. 20 per share on 60,000 equity shares.

Mr. D. H. Nanavati will retire at the ensuing Annual General Meeting and is eligible for reappointment.

The Auditors, M/s. M. S. Sankaran & Co., Chartered Accountants, will retire at the ensuing Annual General Meeting and are eligible for re-appointment. The requisite Certificate under Section 224 of the Companies' Act, 1956 has been received from them.

Information pertaining to Section 217 (1) (e) and Section 217 (2A) of the Companies' Act, 1956, are not applicable since the Company has no manufacturing activity nor any employee. The company did not have any income or expenditure in foreign exchange.

## POSEIDON INVESTMENTS COMPANY LIMITED

### Directors' Responsibility Statement :

Your Directors confirm :

- i) that in the preparation of the annual accounts, the applicable accounting standards have been followed.
- ii) that the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year ended 31st March, 2008 and the profit and loss of the company for that year.
- iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 1956, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- iv) that the Directors have prepared the annual accounts on a going concern basis.

On behalf of the Board of Directors

D. H. Nanavati  
S. Kapur  
D. R. Khatau  
Directors

Mumbai,  
26 June 2008.

### AUDITORS REPORT TO THE MEMBERS OF POSEIDON INVESTMENTS COMPANY LIMITED

1. We have audited the attached Balance Sheet of Poseidon Investments Company Limited (Company), as at 31st March 2008 and also the Profit & Loss Account of the Company for the year ended on that date. These financial statements are the responsibility of the Company's Management. Our responsibility is to express our opinion on these financial statements based on our audit.
2. We conducted our Audit in accordance with Auditing Standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that :
  - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit ;
  - b) In our opinion, proper books of accounts as required by law have been kept by the company, so far as appears from our examination of such books;
  - c) The Balance Sheet and Profit & Loss Account dealt with by this Report are in agreement with the books of accounts.
  - d) In our opinion the Balance Sheet and Profit and Loss Account dealt with by this report are in the compliance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 to the extent applicable;
  - e) In our opinion and based on information and explanations given to us, none of the Directors are disqualified as on 31st March, 2008 from being appointed as Directors in terms of clause (g) of sub-section (i) of Section 274 of the Companies Act, 1956.
  - f) In our opinion and to the best of our information and according to the explanations given to us the said Balance Sheet and Profit and Loss Account read together with the Notes thereon give information required by the Companies Act, 1956 in the manner so required and give a true and fair view :
    - i) In the case of Balance Sheet, of the State of affairs of the company as at 31st March, 2008 and
    - ii) In the case of the Profit and Loss Account, of the Profit of the company for the year ended on that date.

For M.S. Sankaran & Co,  
Chartered Accountants

M.S. Sankaran  
Partner.

Mumbai,  
26 June 2008.

**POSEIDON INVESTMENTS COMPANY LIMITED**

**ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE ON THE ACCOUNTS OF  
POSEIDON INVESTMENTS COMPANY LTD. FOR THE YEAR ENDED ON 31ST MARCH 2008.**

1. In respect of its Fixed Assets : The company has maintained proper records to showing full particulars including quantitative details and situation of its fixed assets. These fixed assets were physically verified by the Management during the year.
2. In our opinion the company has an internal audit system commensurate with its size and nature of business.
3. There are no amounts in respect of Income-tax / Wealth tax and other statutory dues which have not been deposited with the appropriate authorities on account of any dispute.
4. The company has no accumulated losses. The company has not incurred cash losses in the financial year under report and financial year immediately preceding such financial year.
5. During the checks carried out by, any fraud on or by the company has not been noticed or reported during the year under report.
6. In our opinion and according to the information and explanations given to us, the nature of the company's business / activities during the year are such that clauses (ii), (iii), (iv), (v), (vi), (vii), (xi), (xii), (xiii), (xiv), (xv), (xvi), (xvii), (xviii), (xix) and (xx) of paragraph 4 & 5 of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.

For M.S. Sankaran & Co,  
Chartered Accountants

Mumbai.  
26 June 2008.

M.S. Sankaran  
Partner.

**POSEIDON INVESTMENTS COMPANY LIMITED**

**BALANCE SHEET AS AT 31ST MARCH, 2008**

	Schedule	As at 31st March 2008 Rs.	As at 31st March 2007 Rs.
<b>SOURCES OF FUNDS :</b>			
<b>SHAREHOLDER'S FUNDS</b>			
Share Capital	A	6,00,000	6,00,000
Reserves and Surplus	B	15,896,656	15,819,994
Total		<u>16,496,656</u>	<u>16,419,994</u>
<b>APPLICATION OF FUNDS :</b>			
Fixed Assets	C	1,227,230	1,227,230
Investments	D	17,008,180	15,461,854
Current Assets, Loans & Advances	E	77,915	83,676
Less : Current Liabilities & Provisions	F	1,814,869	352,766
Net Current Assets		<u>-1,736,754</u>	<u>-269,090</u>
		<u>16,496,656</u>	<u>16,419,994</u>
Notes forming part of the Accounts	G		
Significant Accounting Policies	H		
Schedules A to H annexed hereto form part of the Accounts			

This is the Balance Sheet referred to in our report of even date.

For M.S. Sankaran & Co.  
Chartered Accountants

On behalf of the Board of Directors

M.S. Sankaran  
Partner

D.H. Nanavall  
S. Kapur  
D. R. Khatau  
Directors

Mumbai  
26 June 2008

Mumbai  
26 June 2008

**POSEIDON INVESTMENTS COMPANY LIMITED**

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2008**

	Schedule	Current Year Rupees	Previous Year Rupees
<b><u>A. EARNINGS :</u></b>			
Dividend		1,581,466	1,291,286
Profit on Sale of Investments		18,149	997
Total 'A'		<u>1,599,615</u>	<u>1,292,283</u>
<b><u>B. OUTGOINGS :</u></b>			
Administrative & other expenses		102,613	81,376
Investments written off		16,400	--
TOTAL 'B'		<u>119,013</u>	<u>81,376</u>
PROFIT FOR THE YEAR (A-B)		1,480,602	1,210,907
Add : Profit Brought Forward from Previous Year		5,310,994	5,248,312
Profit available for appropriation		<u>6,791,596</u>	<u>6,459,219</u>
Appropriations :			
Interim Dividend		--	900,000
Corporate Tax on Interim Dividend		--	126,225
Proposed Dividend		1,200,000	--
Corporate Tax on Proposed Dividend		203,940	--
Transfer to General Reserve		149,000	122,000
Balance carried to Balance Sheet		<u>5,238,656</u>	<u>5,310,994</u>
		<u>6,791,596</u>	<u>6,459,219</u>

Notes forming part of the Accounts G

Significant Accounting Policies H

Schedule A to H annexed hereto form part of the Accounts

This is the Profit and Loss Account referred to in our report of even date.

For M. S. Sankaran & Co.  
Chartered Accountants

On behalf of the Board of Directors

M.S. Sankaran  
Partner

D.H. Nanavati  
S. Kapur  
D. R. Khatau  
Directors

Mumbai  
26 June, 2008

Mumbai  
26 June, 2008

**POSEIDON INVESTMENTS COMPANY LIMITED**

	As at 31st March 2008 Rupees	As at 31st March 2007 Rupees
<b>SHARE CAPITAL</b>		<b>Schedule A</b>
Authorised :		
2,00,000 Equity Shares of Rs. 10/- each	<u>20,00,000</u>	<u>20,00,000</u>
Issued, Subscribed & Paid-up : 60,000 Equity Shares of Rs. 10/- each fully paid-up (Previous year 60,000 equity shares of Rs. 10/- each fully paid-up)	<u>6,00,000</u>	<u>6,00,000</u>
<b>RESERVES &amp; SURPLUS :</b>		<b>Schedule B</b>
General Reserve		
Balance at the beginning of the year	10,509,000	10,387,000
Add : Amount transferred from Profit and Loss Account	<u>149,000</u>	<u>122,000</u>
	10,658,000	10,509,000
Profit & Loss Account - Surplus	<u>5,238,656</u>	<u>5,310,994</u>
<b>TOTAL</b>	<u>15,896,656</u>	<u>15,819,994</u>
<b>FIXED ASSETS</b>		<b>Schedule C</b>
Building (at cost) (see note below)	<u>1,227,230</u>	<u>1,227,230</u>
<b>TOTAL :</b>	<u>1,227,230</u>	<u>1,227,230</u>

**Note :** Includes a sum of Rs. 2000/- being paid-up value of 40 shares of Rs. 50 each in Ashoka Shopping Centre Premises Co-op. Society Ltd. towards ownership rights of the premises.



## POSEIDON INVESTMENTS COMPANY LIMITED

Investments (At Cost)  
LONG TERM

## Schedule D

Name of Company	Face Value Rs.	31st March 2008		31st March 2007	
		Number	Cost Rs.	Number	Cost Rs.
<b>A. Equity Shares (Quoted)</b>					
1. Asian Hotels Ltd.	10	140	2,610	140	2,610
2. Benares Hotels Ltd.	10	550	13,929	550	13,929
3. Blue Star Ltd.	2	3750	12,916	3750	12,916
4. Blue Star Infotech Ltd.	10	250	904	250	904
5. CHL Limited	10	100	1,010	100	1,010
6. Eveready Industries India Ltd.	5	112	1,501	112	1,501
7. The GL Hotels Ltd.	10	100	2,272	100	2,272
8. Hindustan Lever Ltd.	1	7500	64,000	7,500	64,000
9. ITC Ltd.	1	9,600	7,035	9,600	7,035
10. Mc Leod Russel (I) Ltd.	5	112	1,502	112	1,502
11. Oriental Hotels Ltd.	10	1,746	41,068	1,746	41,068
12. Orkay Silks Mills Ltd.	10	250	-	250	4,000
13. Procter & Gamble Hygiene & Health Care Ltd.	10	873	34,827	873	34,827
14. State Bank of India	10	334	158,560	250	25,000
15. Tata Tea Ltd.	10	348	9,334	348	9,334
16. Warren Tea Ltd.	10	120	4,010	120	4,010
<b>B. Mutual Funds (Unquoted)</b>					
1. Birla Monthly Income Plan - Dividend Reinvestment	10	414,054	4,517,477	376,538	4,095,241
2. HDFC Monthly Income plan - Long term monthly dividend	10	437,002	4,654,980	406,144	4,287,511
3. HDFC Cash Management Fund Savings Plan - Weekly Dividend Reinvestment	10	--	--	240,693	2,557,906
4. HDFC Cash Management Fund Savings Plus Plan - Daily Dividend Reinvestment	10	3,685	36,967	--	--
5. HDFC Cash Management Fund Savings Plus Plan-Weekly Dividend Management	10	7,674	76,880	--	--
6. HDFC Cash Management Fund Savings Plan Plan - Growth	10	908	14,766	--	--
7. HDFC Fixed Maturity Plan 24 M May 07 Growth	10	150,000	1,500,000	--	--
8. HDFC Fixed Maturity Plan 90D Jan 08 Dividend	10	100,000	1,000,000	--	--
9. Templeton India Monthly Income Plan - Monthly Dividend Reinvestment	10	404,533	4,799,652	356,781	4,232,879
10. UTI Equity Fund	10	5,000	50,000	5,000	50,000
<b>C. Secured Debentures (Unquoted) : **</b>					
1. Hindustan Development Corpn. Ltd.					
(a) 12.5% Non-Convertible Series VII Part A	20	100	--	100	2,000
(b) 12.5% Non-Convertible Series VIII Part A	40	127	--	127	5,080
(c) 14% Non-Convertible Series IX Part C	40	133	--	133	5,320
<b>TOTAL</b>			<b>17,006,180</b>		<b>15,481,854</b>
Cost of Quoted Investments			355,478		225,918
Market Value of Quoted Investments			7,571,623		5,887,092
Cost of Units (Un Quoted)			16,650,702		15,223,536
NAV of Units			16,836,048		15,584,117
** Cost of Unquoted Debentures			--		12,400

Notes : 1. All the above Investments are fully paid - up

**POSEIDON INVESTMENTS COMPANY LIMITED**

	As at 31st March 2008 Rupees	As at 31st March 2007 Rupees
<b>CURRENT ASSETS, LOANS &amp; ADVANCES :</b>		<b>Schedule E</b>
<b>A. Current Assets :</b>		
Balance with Scheduled Banks : On Current Account	25,965	55,166
<b>B. Loans and Advances :</b>		
Advance Recoverable in cash or in kind or for value to be received	29,440	6,000
Advance Tax & Tax deducted at source (Net of Provision)	22,510	22,510
<b>TOTAL</b>	<b>77,915</b>	<b>83,676</b>
<b>CURRENT LIABILITIES &amp; PROVISIONS :</b>		<b>SCHEDULE F</b>
<b>I. Current Liabilities :</b>		
Trade Creditors and Accrued Liabilities	410,729	352,766
<b>SUB-TOTAL :</b>	<b>410,729</b>	<b>352,766</b>
<b>II. Provisions :</b>		
i) For Proposed Equity Dividend	1,200,000	--
ii) For Tax on distributed profit	203,940	--
<b>SUB-TOTAL</b>	<b>1,403,940</b>	<b>--</b>
<b>TOTAL</b>	<b>1,814,669</b>	<b>352,766</b>

**NOTES ON ACCOUNTS**

**Schedule G**

- Figures have been rounded off to the nearest rupee.
- Figures for the previous year have been regrouped wherever necessary in order to conform to this year presentation.
- There are no amounts payable to Small scale Industrial undertaking.
- Administrative & other expenses include Directors' sitting fees Rs. 6,000 (previous year Rs. 6,000), payment to Auditors for Statutory Audit Rs. 2,000 (previous year Rs. 2,000) & for other services Rs. 3,000 (previous year Rs. 3,000) Rates & Taxes Rs. Nil. (Previous year Rs. 20536)
- Depreciation has not been provided on Buildings as the same is not used.
- Related party disclosures as required by Accounting Standard 18 :
  - Holding Company : The Nonsuch Tea Estates Limited.
  - The nature of transactions of the Company during the year is as follows :

Particulars	Holding Company (Rs.)
Dividend Paid	Nil
Interim Dividend	Nil

- Quantitative & other information as per Schedule VI & Notifications have not been furnished as the same are not applicable. The Balance Sheet Abstract & General Business Profile is annexed hereto.
- The entire paid up capital is owned by The Nonsuch Tea Estates Limited, the holding company. The same includes 30,000 Equity shares (thirty thousand) allotted (as fully paid up) by way of Bonus shares by capitalisation of General Reserve.
- Investments : Purchase and Sale / Redemption on Investments during the year are :

Description	Purchases Cost		Sales	
	Nos.	Rupees	Nos.	Rupees
(a) Units in Schemes of various funds	776,205	8,539,281	638,507	7,130,264
(b) Redeemable Bonds	---	---	---	---
(c) Equity Shares	84	133,560	---	---

**POSEIDON INVESTMENTS COMPANY LIMITED**

**SIGNIFICANT ACCOUNTING POLICIES**

**SCHEDULE H**

**1. SYSTEM OF ACCOUNTING**

The company adopts the accrual concept in the preparation of the accounts.

**2. INVESTMENTS**

Investments are classified as long term and current in accordance with the Accounting Standard on "Accounting for Investments" (AS 13) issued by the Institute of Chartered Accountants of India. Long term investments are valued at acquisition cost. Current investments are valued at lower of cost and market value.

**3. INCOME-TAX**

The accounting treatment for Income-tax is based on the Accounting Standard on "Accounting for Taxes on Income" (AS 22) issued by the Institute of Chartered Accountants of India.

Schedules A to H annexed hereto form part of the Accounts

This is the Profit and Loss Account referred to in our report of even date.

For M.S. Sankaran & Co.  
Chartered Accountants

On behalf of the Board of Directors

M.S. Sankaran  
Partner

D. H. Nanavati  
S. Kapur  
D. R. Khatau  
Directors

Mumbai  
26 June 2008

Mumbai  
26 June 2008

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

**I. Registration Details**

Registration No. 30475

State Code 11

Balance Sheet date 31-03-2008

**II. Capital Raised during the year (Amount in Rs. Thousands)**

Public Issue	Nil	Rights Issue	Nil
Bonus Shares	Nil	Private Placement	Nil

**III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)**

Sources of Funds	Total Liabilities	16,497	Total Assets	16,497
	Paid-up capital	600	Reserves & Surplus	15,897
	Secured Loans	Nil	Unsecured Loans	Nil
Application of Funds	Net Fixed Assets	1227	Investments	17006
	Net Current Assets	(1737)	Misc. Expenditure	Nil
	Accumulated Losses			

**IV. Performance of Company (Amount in Rs. Thousands)**

Turnover (Gross Revenue)	1600	Total Expenditure	119
+/- Profit / Loss before tax	+ 1481	+/- Profit / Loss after Tax	1481
Earnings per Share in Rs.	24.68	Dividend rate %	200%

**V. Generic Name of Three Principal Product / Services of Company (as per monetary terms)**

Item Code (ITC Code) : N. A  
Product Description : Investments

On behalf of the Board of Directors

D.H. NANAVATI  
S. KAPUR  
D. R. KHATAU  
Directors

Mumbai  
26 June, 2008.

THE NONSUCH TEA ESTATES LIMITED

PROXY

I/We ..... of .....

in the District of ..... being a member / members of the above named

Company hereby appoint .....

of .....

in the District of ..... or failing him .....

of ..... in the District of .....

as my / our proxy to vote for me / us on our behalf at the Annual General Meeting of the Company to be held on the 27th September 2008 and any adjournment thereof.

Signed this ..... day of ..... 2008

Please  
affix  
Re. 1.  
Revenue  
stamp here

Signature

