

The Nonsuch Tea Estates Limited

**86th
Annual Report and Accounts 2011**

THE NONSUCH TEA ESTATES LIMITED

DIRECTORS

**SRIRAM KAPUR
D.H. NANAVATI- Up to 10/06/2011
S. BURMAN
D.R. KHATAU**

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.,
(Kanapathy Towers),
Coimbatore – 641 006.
Ph.No: 0422 – 6549995**

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

NOTICE

NOTICE is hereby given that the 86th Annual General Meeting of The Nonsuch Tea Estates Limited will be held at the Registered Office of the Company, at "Ritz Buildings", Coonoor-643 101, on Tuesday 27th September. 2011, 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 2011, 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 2011.
3. To appoint a Director in place of Mr. D.H.Nanavati, 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:

5. To Consider, and if thought fit to pass, with or without modifications the following resolution as an ordinary resolution

"**RESOLVED THAT** pursuant to the provisions of Section 260 and other applicable provisions (including any modification or re-enactment thereof), if any, of the Companies Act, 1956, and subject to the approval of shareholders in general meeting Mr.D.R. Khatau who was appointed as an Additional Director in the meeting of the Board of Directors and. whose term expires at the ensuing Annual General Meeting of the company and for the appointment of whom the Company has received a notice in writing proposing his candidature for the office of the Director be and is hereby appointed as a Director of the Company"

By Order of the Board

Mumbai
30th May 2011.

SRIRAM KAPUR
Director

NOTES

1. A member entitled to attend and vote at the Meeting may appoint 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 13th September 2011 to 27th September 2011 (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 13th September 2011.

Item 5 of the Agenda

Explanatory statement pursuant to section 173(2) of the companies Act 1956

Mr.D.R. Khatau who was appointed as additional Director of the company and holds office upto the date of forth coming Annual General Meeting of the company has received the notices under Section 260 of the Companies Act 1956 proposing his candidature for the office of Director be and hereby is appointed as Director of the Company.

The Resolution therefore is placed for your approval.

By Order of the Board

Mumbai
30th May 2011.

SRIRAM KAPUR
Director

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

DIRECTORS REPORT

Your Directors have pleasure in presenting the Eighty Sixth Annual Report on the working and progress of the Company together with the Profit and Loss Account for the year ended 31st March 2011 and the Balance Sheet as at that date together with the Auditors' Report thereon.

Financial Results	2010-2011	2009-2010
	Rs.	Rs.
Profit for the Year after Depreciation	73,73,851	2,15,49,970
Deduct: Provision for Tax		
Current Tax	6,50,000	25,50,000
Deferred Tax	(-) 28,304	9,404
Fringe Benefit tax	-----	-----
Add: Refund received from Income Tax relating to earlier year	-----	-----
Profit after Taxation	67,52,155	1,89,90,566
Add: Balance brought forward from Previous year	2,26,20,197	1,44,82,852
Deduct: Dividend @ 150%	38,80,800	51,74,400
Tax on Distribution of Dividend	5,07,895	7,51,926
Interim Dividend @ 100%	-----	25,87,200
Tax on Distribution of Interim Dividend	-----	4,39,695
Transfer to General Reserve	6,80,000	19,00,000
Balance carried forward	2,43,03,657	2,26,20,197

DIVIDEND: Your Directors recommend a Dividend of Rs.15/- per share (150%) for the year ended 31st March 2011[(Previous year Rs.30.00 per Share) (300%)]

OPERATIONS:

During the year under review the Company produced a total of 786157 kgs of made tea compared to 925203 kgs last year.

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

SUBSIDIARY: The Annual report of Poseidon 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. D.H. Nanavati, Director of the Company retires by rotation and is eligible for re-appointment.

AUDITORS: Messrs. 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) (e) 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:

- i) In the preparation of the annual accounts, the applicable accounting standards have been followed:
- ii) 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:
- iii) 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:
- iv) They have prepared the annual accounts on a going concern basis.

For and on behalf of the Board

Sriram Kapur

Mumbai,
30th May'2011

Director

Important Communication to Shareholders

The Ministry of corporate Affairs vide its circular has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliance by the companies. Accordingly, the Company proposes to send notices/documents including Annual Reports electronically from next year onwards. Shareholders holding shares in Demat form and who have not yet registered their e-mail address are requested to register their e-mail address with their respective Depository Participant at the earliest, shareholders who hold shares in physical form are also requested to register their e-mail address with our Registrar & Share Transfer Agent. SKDC Consultants Ltd, Kanapathy Towers, 3rd Floor, 1391/A1, Sathy Road, Ganapathy, Coimbatore 641006, E-Mail ID: info@skdc consultants.com. Such registration of e-mail address may also be made with the Company at its Registered Office as mentioned above, or at the E-Mail ID: nonsuch1924@dataone.in

In case, members desire to receive the above-mentioned documents in physical form or in case of any change in their e-mail ID, members are requested to contact the Company or the Company's registrar and share Transfer Agent mentioning their Client ID and latest e-mail address.

The Annual Report of the Company and Notice convening the Annual General Meeting is also available on our website:

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:

- a) Energy conservation measure taken: Recycling of waste heat and steps being taken for improvement in Power Factor.
- b) 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.
- c) 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.
- d) 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 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

THE NONSUCH TEA ESTATES LIMITED
ANNEXURE
FORM – A

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

PARTICULARS	2010-2011	2009-2010
A: POWER & FUEL CONSUMPTION		
1. A) Electricity purchased (TNEB)		
Units 000's	413	420
Total Amount Rs.000's	2440	2317
Rate/Unit Rs.	5.90	5.52
b) Own Generation through Diesel		
Generating Sets-Units-000's	9	43
Units/Ltr. of Diesel Oil	2.25	2.64
Cost per Unit	19.64	14.87
2. OTHERS:		
Firewood (in Tonnes)	1553	1889
Total cost in Rs.000's	5000	5739
Average Rate per Tonne Rs.	3.22	3.04
B. CONSUMPTION PER UNIT PRODUCTION:		
Product - Tea Kg.	786157	925203
a) Electricity Units	0.53	0.45
Firewood	1.98	2.04

Sriram Kapur

D.R. Khatau
Directors

Mumbai
30th May 2011

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 2011.

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 2011	Rs.	89,913
--	-----	--------

b) For its previous financial years	Rs.	1, 56, 94,607
-------------------------------------	-----	---------------

1.5. Dividends declared by the Subsidiary:

a) For its financial year ended 31st March 2011	Rs.	7,50,000
---	-----	----------

b) For its previous financial years	Rs.	86, 87,500
-------------------------------------	-----	------------

1.6. The Annual Report of the Subsidiary for the financial year ended 31st March 2011 is attached hereto.

Sriram Kapur

D.R. Khatau
Directors

Mumbai
30th May 2011.

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

23, Vaikunth Complex,
80 Ft. Road, Olembus,
Ramanathapuram, Coimbatore.- 641 045

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

COMPLIANCE CERTIFICATE

To

The Members,
M/s. THE NONSUCH TEA ESTATES LIMITED.
RITZ BUILDINGS
COONOR – 643 101

I have examined the registers, records, books and papers of M/s. 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 2011. 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 paid up capital.
4. The Board of directors duly met 9 (NINE) 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. 08th May 2010	2. 29th June 2010	3. 30th July 2010
4. 08th September 2010	5. 30th October 2010	6. 10th December 2010
7. 27th January 2011	8. 12th February 2011	9. 26th March 2011

5. The company closed its Register of Members from 13.9.2010 to 27.9.2010 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 31st March, 2010 was held on The 27th day of September, 2010 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 of 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 that the unclaimed dividend has been transferred to Unpaid Dividend Account of the Company with Union Bank of India, Coonoor.
 - (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 2011.
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.

Place: Mumbai

Date: 30th May 2011

S.R. BAALAJI
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 2011.

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	FORM - 23AC, 23ACA - Balance Sheet and Profit and Loss Account	220	Balance Sheet As at 31.03.2010	19.10.2010 S.R. No P55062319	Yes	N.A
2	Form-66 Compliance Certificate	383-A	Certificate as at 31.03.2010	06.10.2010 S.R. No. P53790051	Yes	N.A
3	Form 20B Schedule V of the Companies Act, 1956	159	Annual Return made up to the Date of AGM	18-11-2010 S.R. No. P60086188	Yes	N.A
4	Form – 1	205C(2)	Transfer of unclaimed amount to Investor Education and Provident Fund	11-12-2010 S.R. No. B00402354	Yes	N.A

Place: Mumbai

Date: 30th May 2011

S.R. BAALAJI
PRACTISINGCOMPANY SECRETARY

C.P.No. 3514

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.

AUDITOR’S 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 2011 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 2011, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2011 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 2011;
 - (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.

Mumbai
30th May 2011

For V.Balasundaram & Associates
Chartered Accountants
(Registration No. 011113S)
V. BALASUNDARAM
Proprietor
Membership No.19319

**ANNEXURE TO THE AUDITOR'S REPORT FOR THE YEAR ENDED 31st MARCH
2011 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 require 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 is 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 due of disputed sales tax, income tax, customs duty, wealth-tax, excise duty and cess which have not been deposited as on 31st March 2011 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
(Registration No. 011113S)

V.BALASUNDARAM
Proprietor
Membership No.19319

Mumbai

Date: 30th May 2011

BALANCE SHEET AS AT 31 ST MARCH 2011

	Schedule	As at 31st March 2011	As at 31st March 2010
	<u>No.</u>	<u>Rs.</u>	<u>Rs.</u>
<u>SOURCES OF FUNDS :</u>			
Shareholder's Funds :			
Share Capital	1	2587200	2587200
Reserves & Surplus	2	89484710	87121250
Dererred Tax Liability		187605	215909
		<u>92259515</u>	<u>89924359</u>
<u>APPLICATION OF FUNDS:</u>			
Fixed Assets :			
Gross Block	3	48039182	44230195
Less : Depreciation		<u>19679309</u>	<u>17615600</u>
		28359873	26614595
Investments	4	58368651	61325531
Current Assets, Loans & Advances	5	16823411	17055724
Less : Current Liabilities & Provisions	6	<u>-11292420</u>	<u>-15071491</u>
		5530991	1984233
		<u>92259515</u>	<u>89924359</u>
	TOTAL	92259515	89924359

NOTES ON ACCOUNTS

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.

SRIRAM KAPUR

For BALASUNDARAM & ASSOCIATES

Chartered Accountants

D.R. KHATAU

Directors

V. BALASUNDARAM

Proprietor

Membership No.19319

Mumbai : 30th May 2011

Mumbai : 30th May 2011

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2011

	Schedule	Year ended 31st March 2011	Year ended 31st March 2010
	No.	Rs.	Rs.
<u>INCOME:</u>			
Sales/Tea		53828958	76126883
Less: Excise Duty/Cess		<u>240816</u>	277580
		53588142	75849303
Interest (Tax deducted at source:Rs.17464) (2009-2010 Rs.19470)		34571	111339
Income from Investments		2306520	3243870
Profit on sale of Tea (Purchase/Sold)		40578	
Other Income	7	939879	1737504
(Increase)/Decrease in Value of stock in Trade	8	<u>1399845</u>	<u>1340010</u>
		<u>58309535</u>	<u>82282026</u>
<u>EXPENDITURE :</u>			
Manufacturing and other expenses	9	48623979	58603595
Interest on secured loan		23026	59389
Depreciation		<u>2288679</u>	<u>2069072</u>
		<u>50935684</u>	<u>60732056</u>
Profit before Tax		7373851	21549970
Less : Provision for Tax			
Current Tax		650000	2550000
Deferred Tax		<u>-28304</u>	<u>9404</u>
		621696	2559404
Profit after Tax		6752155	18990566
Balance brought forward from Previous year		22620197	14482852
		<u>29372352</u>	<u>33473418</u>
Profit available for appropriation			

APPROPRIATIONS:

Proposed Final Dividend @ 150 %	3880800	5174400
Tax on Distribution of Final Dividend	507895	751926
Interim Dividend @ 100%	----	2587200
Tax on Distribution of Interim Dividend	----	439695
General Reserve	680000	1900000
Balance Carried to Schedule 2	<u>24303657</u>	<u>22620197</u>
	<u>29372352</u>	<u>33473418</u>

Basic and Diluted earnings Per Share	26.10	73.40
--------------------------------------	-------	-------

Schedules 1 to 13 form an integral part of these accounts.

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

SRIRAM KAPUR

For V.Balasundaram & Associates

Chartered Accountants

D.R. KHATAU

Directors

V. BALASUNDARAM

Proprietor

Membership No.19319

Mumbai : 30th May 2011

Mumbai : 30th May 2011

SCHEDULES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2011

-	-		
<u>SCHEDULE 1</u>	-	As at	As at
-	-	31st March 2011	31st March 2010
<u>SHARE CAPITAL :</u>	-	Rs.	Rs.
		<hr/>	<hr/>
Authorised :			
1000000 Equity Shares of Rs.10/- each		10000000	10000000
2000000 Unclassified Shares of Rs.10/- each		<hr/> 20000000	<hr/> 20000000
		<hr/> 30000000	<hr/> 30000000
Issued & Subscribed :			
258720 Equity Shares of Rs.10/- each			
fully paid		<hr/> 2587200	<hr/> 2587200
of the above Shares :			
40000 Shares have been allotted as fully paid			
up pursuant to a contract without			
payments being received in cash			
85360 Shares have been allotted as fully			
paid up by way of Bonus Shares			
through the Capitalisation of Reserves			
<u>SCHEDULE 2</u>	-		
<u>RESERVES AND SURPLUS :</u>			
A. Capital Reserve :			
As per last Balance Sheet		<hr/> 8956668	<hr/> 8956668
B. Revenue Reserve :			
GENERAL RESERVE :			
As per last Balance Sheet	55538385		53638385
Add : Transfer from Profit and Loss Account	<hr/> 680000		<hr/> 1900000
		56218385	55538385
Debenture Redemption Reserve :			
As per last Balance Sheet		6000	6000
(Representing Debentures not surrendered			
for redemption)			
Surplus as shown in Profit & Loss Account		24303657	22620197
		<hr/>	<hr/>
	TOTAL	<hr/> 89484710	<hr/> 87121250

SCHEDULE 3**FIXED ASSETS:-**

(In Rupees)

DESCRIPTION OF ASSETS	COST OR VALUATION			DEPRECIATION			WRITTEN DOWN VALUE			
	As on 1st Apr '2010	Additions	Deletions	As on 31st Mar 2011	As on 1st Apr '2010	For the Year Additions	Deletions	As on 31st Mar 2011	As on 31st Mar 2011	As on 31st Mar '2010
LAND PURCHASE & * DEVELOPMENT	12354283			12354283					12354283	12354283
BUILDINGS	7835329	582717		8418046	4615496	360448		4975944	3442102	3219833
ROADS		1128799		1128799		68212		68212	1060587	-----
PLANT & MACHINERY	17984953	1636677		19621630	9572573	1353316		10925889	8695741	8412380
FURNITURE	696247	185711	23390	858568	437944	40038	23390	454592	403976	258303
OFFICE EQUIPMENT	416999	35150		452149	192733	86797		279530	172619	224266
VEHICLES	4942384	467855	204532	5205707	2796854	379868	201580	2975142	2230565	2145530
Total	44230195	4036909	227922	48039182	17615600	2288679	224970	19679309	28359873	26614595

* At valuation in 1976 and additions, deletions since 1976 at cost

	As at 31st March 2011 Rs.	As at 31st March 2010 Rs.
<u>SCHEDULE 4</u>		
<u>INVESTMENTS</u>		
Non-Trade-at Cost :		
Unquoted : Long Term		
60000 Fully Paid Equity Shares of Rs. 10/- each in Poseidon Investments Company Limited (a subsidiary Company)	299800	299800
2500 Fully paid units of Rs.10/- each in Nilhat Shipping Company Ltd.	25000	25000
50000 Fully paid units of Rs. 10/- each in Capital Growth UTI Capital Growth Scheme 1992 (MUTUAL FUND)	500000	500000
2745736 HDFC CMFTreasury Adv Plan Wholesale Daily Div Rein	27543851	30500731
2000000 HDFC FMP 13M March 2010 Growth	20000000	20000000
1000000 HDFC 20M Sep 2009 Growth Series XI	10000000	10000000
	<u>58368651</u>	<u>61325531</u>

		As at 31st March 2011 Rs.	As at 31st March 2010 Rs.
<u>SCHEDULE 5</u>			
<u>CURRENT ASSETS, LOANS AND ADVANCES :</u>			
(A) Current Assets :			
Stores & Spares, at Cost		1251886	1486673
Stock in Trade :			
Tea, at Lower of Cost or Market Value		5518055	4100010
Sundry Debtors :			
(Unsecured Considered Good) :			
Debts outstanding for a period exceeding six months	183562		24500
Other debts	<u>2160219</u>		<u>2680042</u>
		2343781	2704542
Cash and Stamps on Hand		412143	298130
Balance with Scheduled Banks :			
On Current Accounts		4386877	4459028
	(A)	<u>13912742</u>	<u>13048383</u>
(B) Loans & Advances :			
(Unsecured Considered Good) :			
Advances recoverable in Cash or in kind or for value to be received		1172010	2327047
Deposits		1148930	1108930
Balances with Govt. Authorities		<u>589729</u>	<u>571364</u>
	(B)	<u>2910669</u>	<u>4007341</u>
Total of (A) and (B)		<u>16823411</u>	<u>17055724</u>

	As at 31st March 2011 Rs.	As at 31st March 2010 Rs.
<u>SCHEDULE 6</u>		
-		
<u>CURRENT LIABILITIES AND PROVISIONS</u>		
-		
A. Current Liabilities :		
Sundry Creditors	6421292	8540120
Due to Directors	<u>260666</u>	<u>682847</u>
	6681958	9222967
Unclaimed Dividend	234114	205854
Capital Reduction Account	<u>11724</u>	<u>11724</u>
	<u>6927796</u>	<u>9440545</u>
B. Provisions		
Provision for Taxation	7532988	6882988
Less : Payments in advance of Assessments	<u>7557059</u>	<u>7178368</u>
	-24071	-295380
Proposed Final Dividend	3880800	5174400
Tax on Distribution of Final Dividend	<u>507895</u>	<u>751926</u>
	<u>4364624</u>	<u>5630946</u>
TOTAL OF (A & B)	<u>11292420</u>	<u>15071491</u>

SCHEDULE 7

OTHER INCOME :

Miscellaneous Receipts	885053	550456
Profit on sale of Fixed Assets	54826	158848
Profit on sale of Investments		1028200
	<u>939879</u>	<u>1737504</u>

SCHEDULE 8

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

Opening Stock	4100010	2760000
Closing Stock of Tea	<u>5499855</u>	<u>4100010</u>
(Increase) Decrease	<u>-1399845</u>	<u>-1340010</u>

SCHEDULE 9

	Year Ended 31st March 2011	Year Ended 31st Mar 2010
	Rs.	Rs.
<u>MANUFACTURING AND OTHER EXPENSES :</u>		
Salaries, Wages And Bonus	24944536	25359977
Contribution to Provident , Superannuation Fund & Gratuity Fund	1874495	4444027
Workman and Staff Welfare Expenses	1440051	1640224
Consumption of Stores and spare parts	4815659	6396493
Power & Fuel	7824350	8867774
Repairs And Maintenance		
Buildings & Roads :		
Stores	587823	1478617
Wages	219409	391583
	807232	1870200
Machinery :		
Stores	1100443	1500978
Wages	765068	2279649
	1865511	3780627
Vehicles Maintenance	315867	259604
Rent, Rates & Taxes	474859	370879
Transport, Handling Charges in the Estate	417290	370661
Insurance	339831	355500
Directors' Sitting Fees	4500	3500
Directors' Commission (Schedule 10)	228196	634802
Auditors' Remuneration :		
For Audit	40000	40000
For Tax Audit	15000	15000
For Certification & Others	27000	27000
Miscellaneous Expenses (Includes Auditors' Travelling Expenses Rs.12500/-)	1853861	2501603
Bad debts		167311
Selling Expenses :		
Transport, Handling And Warehousing Charges	835803	710067
Brokerage	497672	785462
Service charges	2269	2884
	48623979	58603595

SCHEDULE 10

		Year Ended 31st March 2011	Year Ended 31st March 2010
<u>DIRECTOR'S COMMISSION :</u>		Rs.	Rs.
Profit As Per Profit & Loss Account Before Tax		7373851	21549970
Add : Director's Commission	228196		634802
Sitting Fees	<u>4500</u>		3500
		<u>232696</u>	
		7606547	22188272
Less: Profit on Sale of Investments			<u>1028200</u>
Profit for the purpose of calculation of Commission		<u>7606547</u>	<u>21160072</u>
Commission thereon @ 3%		<u>228196</u>	<u>634802</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 2011 and Profit and Loss Account of the year ended 31st March 2011

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 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 un-certainties as to the measurability or reliability 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. Assets acquired under Financial Lease agreement are capitalized.
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 capitalized.

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 01/04/2010	Charges for the Liability (Asset)	Others	Balance as on 31/03/2011
Deferred Tax Liability Depreciation	2,15,909	(-) 28,304	NIL	1,87,605
43 B Disallowance Gratuity	NIL	NIL	NIL	NIL
Total	2,15,909	(-) 28,304	NIL	1,87,605

		As at 31 st March 2011 Rs.	As at 31 st March 2010 Rs.
ii) Claim against the Company not acknowledged As debts.		1,29,281	1,29,281
iii) Bank Balances includes:			
Unclaimed Dividend		2,34,114	2,05,854
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 33AB of Income-tax Act of 1961		11,05,030	11,05,030
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	Kg.		
Green Leaf from own Estate		35,73,501	41,46,490
Bought Leaf		Nil	Nil
vi) Quantitative Particulars of Made Tea:			
a) Opening Stock - Tea Quantity	Kg.	66,073	30,568
b) Production of Tea	Kg.	7,86,157	9,25,203
c) Turnover	Kg	7,81,856	8,89,698
d) Closing Stock - Tea	Kg	70,374	66,073
vii) Value of Imports			
Capital Goods		--	--
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		95,12,616 (100%)	93,76,088 (100%)
x) Amount remitted in Foreign Currencies on Account of dividends		Nil Nil	Nil Nil

xi) Earnings in Foreign Exchange

Export of goods calculated on FOB Basis	Nil	Nil
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. Poseidon 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 31.03.2011	Outstanding as at 31.03.2010
Commission			2,28,196	2,28,196	6,34,802
Equity Participation	2,99,800			2,99,800	2,99,800
Tea Sales		1,00,034		22,100	22,173
(2010)	(2,99,800)	(1,24,788)	(6,34,802)		

xiv) As per information available with the Company there are no Micro, Small and Medium enterprises in respect of which the Companies dues are outstanding for more than 45 days at the date of Balance Sheet

(xv) **Employee's benefits**

As at 31 st March 2011	As at 31 st March 2010
Gratuity [Funded]	Gratuity [Funded]

(a) Defined Benefit Plans

A. Expense recognized during year ended 31.03.2011

1. Current Service cost	6.97	7.42
2. Interest Cost	8.85	6.88
3. Expected return on plan assets	(8.85)	(8.52)
4. Actuarial Losses/ (Gains) during the year	(8.44)	19.69
5.Total Expense	1.47	25.47

B. Actual return on plan assets

1. Expected return on plan assets	8.86	8.52
2. Actuarial (loss) / Gain on Plan assets	(0.84)	(1.84)
3. Actual return on plan assets	8.02	6.68

C.Net Asset/(Liability) recognized in the Balance Sheet

1. Present value of the obligation as on 31.03.2011	110.17	117.78
2. Fair value of plan assets as on 31.03.2011	111.64	117.78
3.Funded status surplus / (deficit)	1.47	--
4. Un recognized past service cost	--	--
5. Net Asset /(Liability) recognized in the Balance Sheet	1.36	--

D. Change in present value of the Obligation during the year ended March 31, 2011

1. Present value of the obligations as at April 1, 2010	117.78	102.01
2. Current service cost	6.97	7.42
3. Interest cost	8.86	6.88
4. Benefits paid	(14.16)	(16.38)
5. Actuarial gain / (loss) on obligation	(9.28)	17.85
6. Present value of obligation as at March 31, 2011	110.17	117.78

E. Change in Assets during the year ended March 31, 2011

1. Fair value of plan assets as at April 1, 2010	117.78	102.01
2. Excepted return plan assets	8.86	8.52
3. Contributions made		25.47
4. Benefits paid	(14.16)	(16.38)
5. Actuarial gain/ (loss) on plan assets	(0.84)	(1.84)
6. Fair value of plan assets as at March 31, 2011	111.64	117.78

F. Major categories of plan assets as a percentage of total plan

Special Deposit Schemes	52.98%	52.98%
Bank Balances and recoverable	47.02%	47.02%
Total	100.00%	100.00%

G. Actuarial Assumptions

1. Discount rate	8.00%	7.50%
2. Salary escalation	4.00%	4.00%
3. Expected rate of return on plan assets	8.00%	8.00%
4. Attrition rate	10.00%	10.00%
	LIC (1994-96)	LIC (1994-96)
5. Mortality rate	Ultimate	Ultimate

Note: The salary escalation considered in actuarial valuation takes account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

xvi) Tea Purchase and Sales	Quantity	Value
Purchase of Tea	571 Kg	161872.00
Sale of Tea	566 Kg	184250.00
Balance Stock	5 Kg	18200.00

	As at 31 st	
xvii) Earnings per Share	March 2011	As at 31st March 2010
Profit as per Profit and Loss account	67,52,155	1,89,90,566
Number of Equity Shares	2,58,720	2,58,720
Basic and Diluted Earnings per share	26.10	73.40
(Nominal value of equity share Rs.10/-)		

(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.7, 50,000/- and Rs.1, 27,463/- respectively.

(xix)	Investments - Mutual Fund		
	Description	Purchases Cost	Sales
		Reinvested	
		Nos Rupees	Nos Rupees
(a)	HDFC Cash Management Fund Treasury Advantage Plan Wholesale Daily Dividend Reinvestment	24,72,212 2,48,00,000.00 (Purchase)	28,58,994 2,86,80,000.00
(b)	HDFC Cash Management Fund Treasury Advantage Plan Wholesale Daily Dividend Reinvestment	92,022.121 9,23,120.00 (Reinvested)	-----
©	HDFC FMP 90 D June 2010 – Dividend Series XIII	20,00,000.00 2,00,00,000.00 (Purchase)	20,00,000.00 2,00,00,000.00
(d)	HDFC Fixed Maturity Plan 100 D September 2010 Dividend Series XIV	23,00,000.00 2,30,00,000.00 (Purchase)	23,00,000.00 2,30,00,000.00

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

Signature to Schedules 1 to 11

For **V. BALASUNDARAM & ASSOCIATES**

Chartered Accountants
(Registration No. 011113S)

V. BALASUNDARAM

Proprietor

Membership No.19319

Mumbai: 30th May 2011

Sriram Kapur

D.R. Khatau

Directors

Mumbai: 30th May 2011

THE NONSUCH TEA ESTATES LTD

BALANCE SHEET ABSTRACT AND THE COMPANY'S GENERAL PROFILE

I. Registration No 3966 State Code 18

Balance sheet date 31/03/2011

ii. Capital raised during the year (amount in Thousands)

Public issue	Nil	Rights issue	Nil
Bonus Share	Nil	Private placement	Nil

iii. Position of Mobilization and Deployment of Funds (amount in Rs. Thousands):

Total Liabilities	92260	Total Assets	92260
-------------------	-------	--------------	-------

Source of funds:

Paid up Capital	2587	Reserves and Surplus	89485
Secured Loans	--	Deferred tax Liability	188

Application of funds:

Net Fixed Assets	28360	Investments	58369
Net Current Assets	5531	Deferred tax asset	--

iv. Performance of the company (amount in Rs. Thousands)

Turnover	58310	Total Expenditure	50936
Profit before Tax	7374	Profit after Tax	6752
Earnings Per Share	26.10	Dividend Rate	150%

v. Generic Name of three Principal Products / Services of the Company (as per monetary terms):

Item Code (ITC Code)	09.0230	Product Description	Black Tea
----------------------	---------	---------------------	-----------

For **V. BALASUNDARAM & ASSOCIATES**

Chartered Accountants
(Registration No. 011113S)

Sriram Kapur

D.R. Khatau
Directors

V. BALASUNDARAM

Proprietor
Membership No.19319

Mumbai: 30th May 2011

Mumbai: 30th May 2011

	Year Ended 31st March '2011	Year Ended 31st March '2010
<u>Cash Flow Statement for the year ended 31st March 2011</u>	<u>Rs.</u>	<u>Rs.</u>
A. Cash Flow from Operating Activities :		
Net Profit Before Tax & Extraordinary Items	7373851	21549970
Adjustment for :		
Depreciation	2288679	2069072
Profit on sale of fixed Assets	(54826)	(158848)
Profit on sale of Investments		(1028200)
Interest/Dividend	(2341091)	(3355209)
Interest Paid	23026	59389
Operating Profit before working Capital charges	7289639	19136174
Adjustment for :		
Trade & Other Receivables	1457433	733663
Inventories	(1183258)	(1071120)
Trade payable	(2541009)	936596
Cash generated from Operations	5022805	19735313
Direct taxes (Net)	(1130617)	(3212152)
Cash flow before extra ordinary Items	3892188	16523161
Net cash from operating activities "A"	3892188	16523161
B. Cash Flow from Investing Activities :		
Purchase of fixed assets	(4036909)	(4264953)
Proceeds from Sale of fixed Assests	57778	160000
Purchase of Investments	(25723120)	(58091148)
Sale of Investments	28680000	52479278
Interest received	34571	111339
Dividend Received	2306520	3243870
Net Cash used in Investing Activities "B"	1318840	(6361614)

C. Cash Flow from Financing Activities :

Dividend paid	(5146140)	(7624610)
Interest Paid	(23026)	(59389)
Cash Credit hypothecation-UBI		(268822)
Unsecured Loans		(183770)
Net Cash used in financing Activities "C"	<u>(5169166)</u>	<u>(8136591)</u>
Net Increase in Cash & Cash equivalents "A+B+C"	<u>41862</u>	<u>2024956</u>
Cash and Cash equivalents (Opening Balance)	<u>4757158</u>	<u>2732202</u>
Cash and Cash equivalents (Closing Balance)	<u>4799020</u>	<u>4757158</u>
As per our Report of even date		SRIRAM KAPUR

For V. Balasundaram & Associates
Chartered Accountants

D.R. KHATAU
Directors

V.BALASUNDARAM
Proprietor
Membership No.19319
Mumbai : 30th May,2011

Mumbai: 30th May 2011

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.

AUDITOR’S REPORT TO THE BOARD OF DIRECTORS OF THE NONSUCH TEA ESTATES LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS OF THE NONSUCH TEA ESTATES LIMITED AND IT’S 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 2011 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 framework 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. 1,63,84,520/- as at 31.03.2011 and total revenue of Rs. 10,49,875/- 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 2011: 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
(Registration No. 011113S)

V. BALASUNDARAM

Proprietor

Mumbai: 30th May 2011

Membership No.19319

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2011

	Schedule	As at	As at
	No.	31st March 2011	31st March 2010
		Rs.	Rs.
<u>SOURCES OF FUNDS :</u>			
Shareholder's Funds :			
Share Capital	1	2587200	2587200
Reserves & Surplus	2	105569430	103116057
Deferred Tax Liability		187605	215909
		<u>108344235</u>	<u>105919166</u>
<u>APPLICATION OF FUNDS:</u>			
Fixed Assets :			
Gross Block	3	49266412	45457425
Less : Depreciation		<u>19679309</u>	<u>17615600</u>
		29587103	27841825
Investments		74551114	77439481
Current Assets, Loans & Advances	4	16876013	17100940
Less : Current Liabilities & Provisions	5	<u>12669995</u>	16463080
		4206018	637860
		<u>108344235</u>	<u>105919166</u>
	TOTAL		
NOTES ON ACCOUNTS	9		

Schedules 1 to 5 and 9 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
30th May,2011

SRIRAM KAPUR
D.R. KHATAU
Directors

Mumbai
30th May,2011

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2011

	Schedule No.	Year ended 31st March 2011 Rs.	Year ended 31st March 2010 Rs.
<u>INCOME:</u>			
Sales/ Tea		53828958	76126883
Less: Excess Duty/Cess		<u>240816</u>	<u>277580</u>
		53588142	75849303
Interest (Tax deducted at source Rs.17464 (2009-2010 Rs.19470)		34571	111339
Income from Investments		3316405	4337446
Profit on sale of Tea (Purchase/Sold)		40578	-----
Other Income	6	979869	2057214
(Increase)/Decrease in Value of stock in Trade	7	<u>1399845</u>	<u>1340010</u>
		<u>59359410</u>	<u>83695312</u>
<u>EXPENDITURE :</u>			
Manufacturing and other expenses	8	48712272	58725449
Interest on secured loan		23026	59389
Depreciation		<u>2288679</u>	<u>2069072</u>
		<u>51023977</u>	<u>60853910</u>
Profit before Tax		8335433	22841402
Less : Provision for Tax			
Current Tax		650000	2581000
Deferred Tax		<u>-28304</u>	<u>9404</u>
		621696	2590404
Profit after tax		7713737	20250998
Balance brought forward from previous year		<u>27448804</u>	<u>19054490</u>
Profit available for appropriation		35162541	39305488
<u>APPROPRIATIONS:</u>			
Proposed Dividend		4630800	5924400
Corporate Tax on Proposed Dividend (Refer Note : xviii)		629564	879389
Interim dividend @ 100%		-----	2587200
Corporate Tax on Interim Dividend		-----	439695
Transfer to General Reserve		776000	2026000
Balance Carried to Schedule 2		<u>29126177</u>	<u>27448804</u>
		<u>35162541</u>	<u>39305488</u>
Basic and Diluted Earnings Per Share		29.82	78.27

Schedules 1 to 9 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

V. Balasundaram

Proprietor

Membership No.19319

Mumbai 30th May,2011

SRIRAM KAPUR

D.R.KHATAU

Directors

Mumbai 30th May,2011

SCHEDULES TO ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2011

-

SCHEDULE 1

-

SHARE CAPITAL :

Authorised :

1000000 Equity Shares of Rs.10/- each

2000000 Unclassified Shares of Rs.10/- each

Issued & Subscribed :

258720 Equity Shares of Rs.10/- each
fully paid

of the above Shares :

40000 Shares have been allotted as fully paid
up pursuant to a contract without
payments being received in cash

SCHEDULE 2

RESERVES AND SURPLUS :

A. Capital Reserve :

As per last Balance Sheet

B. Revenue Reserve :

GENERAL RESERVE :

As per last Balance Sheet

Add: Transfer from profit & Loss Account

Debenture Redemption Reserve :

As per last Balance Sheet

(Representing Debentures not surrendered
for redemption)

Surplus in Profit & Loss Account

TOTAL OF (A + B)

	As at 31st March 2011 Rs.	As at 31st March 2010 Rs.
	10000000	10000000
	20000000	20000000
	30000000	30000000
	2587200	2587200
	9256868	9256868
	66404385	64378385
	776000	2026000
	67180385	66404385
	6000	6000
	29126177	27448804
	105569430	103116057

(In Rupees)

DESCRIPTION OF ASSETS	COST OR VALUATION			DEPRECIATION				WRITTEN DOWN VALUE		
	As on		As on	As on	For the Year		As on	As on	As on	
	1st Apr '2010	Additions	Deletions	31st Mar 2011	1st Apr '2010	Additions	Deletions	31st Mar 2011	31st Mar 2011	31st Mar '2010
LAND PURCHASE & * DEVELOPMENT	12354283			12354283					12354283	12354283
BUILDINGS	9062559	582717		9645276	4615496	360448		4975944	4669332	4447063
ROAD	-----	1128799		1128799	-----	68212		68212	1060587	---
PLANT & MACHINERY	17984953	1636677		19621630	9572573	1353316		10925889	8695741	8412380
FURNITURE	696247	185711	23390	858568	437944	40038	23390	454592	403976	258303
OFFICE EQUIPMENT	416999	35150		452149	192733	86797		279530	172619	224266
VEHICLES	4942384	467855	204532	5205707	2796854	379868	201580	2975142	2230565	2145530
Total	45457425	4036909	227922	49266412	17615600	2288679	224970	19679309	29587103	27841825

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

		As at 31st March 2011 Rs.	As at 31st March 2010 Rs.
<u>SCHEDULE 4</u>			
<u>CURRENT ASSETS, LOANS AND ADVANCES :</u>			
(A) Current Assets :			
Stores & Spares, at Cost		1251886	1486673
Stock in Trade :			
Tea, at Lower of Cost or Market Value		5518055	4100010
Sundry Debtors :			
(Unsecured considered good)			
Debts outstanding for period exceeding six months	183562		24500
Other debts	2160219		2680042
		2343781	2704542
Cash and Stamps on Hand		412143	298130
Balance with Scheduled Banks :			
On Current Accounts		4439479	4504244
	(A)	13965344	13093599
(B) Loans & Advances :			
(Unsecured Considered Good) :			
Advances recoverable in Cash or in kind			
or for value to be received		1172010	2327047
Deposits		1148930	1108930
Balances with Govt. Authorities		589729	571364
	(B)	2910669	4007341
Total of (A) and (B)		16876013	17100940

	As at 31st March 2011 Rs.	As at 31st March 2010 Rs.
<u>SCHEDULE 5</u>		
-		
<u>CURRENT LIABILITIES AND PROVISIONS</u>		
-		
A. Current Liabilities :		
Sundry Creditors	6956098	9045756
Due to Directors	<u>260666</u>	<u>682847</u>
	7216764	9728603
Unclaimed Dividend	234114	205854
Capital Reduction Account	<u>11724</u>	<u>11724</u>
	<u>7462602</u>	<u>9946181</u>
B. Provisions		
Provision for Taxation	7532988	6882988
Less : Payments in advance of Assessments	<u>7585959</u>	<u>7169878</u>
	-52971	-286890
Proposed Dividend	4630800	5924400
Tax on distribution of Dividend	<u>629564</u>	<u>879389</u>
	<u>5207393</u>	<u>6516899</u>
TOTAL OF (A & B)	<u>12669995</u>	<u>16463080</u>

	As at 31st March 2011 Rs.	As at 31st March 2010 Rs.
--	---------------------------------	---------------------------------

SCHEDULE 6

OTHER INCOME :

Miscellaneous Receipts	885053	550456
Profit on sale of Fixed Assets	54826	158848
Profit on sale of Investments	<u>39990</u>	<u>1347910</u>
	<u>979869</u>	<u>2057214</u>

SCHEDULE 7

(Increase) Decrease in Value of Stock in Trade (TEA)

Opening Stock of Tea	4100010	2760000
Closing Stock of Tea	<u>5499855</u>	<u>4100010</u>
(Increase)/ Decrease	<u>-1399845</u>	<u>-1340010</u>

SCHEDULE 8

	Year Ended		Year Ended
	31st Mar 2011		31st Mar 2010
<u>MANUFACTURING AND OTHER EXPENSES :</u>	<u>Rs.</u>		<u>Rs.</u>
Salaries, Wages And Bonus	24944536		25359977
Contribution to Provident & Superannuation Fund	1874495		4444027
Workman and Staff Welfare Expenses	1440051		1640224
Consumption of Stores and spare parts	4815659		6396493
Power & Fuel	7824350		8867774
Repairs And Maintenance			
Buildings & Roads :			
Stores	587823		
Wages	<u>219409</u>	807232	1870200
Machinery :			
Stores	1100443		
Wages	<u>765068</u>	1865511	3780627
Vehicles Maintenance	315867		259604
Rent, Rates & Taxes	474859		370879
Transport, Handling Charges in the Estate	417290		370661
Insurance	339831		355500
Directors' Sitting Fees	13500		10500
Directors' Commission	228196		634802
Auditors' Remuneration :			
For Audit	42000		42000
For Tax Work	15000		15000
For Certification & Others	27000		27000
Investments/Bad debts written off			167311
Miscellaneous Expenses (Includes Auditors' Travelling Expenses)	1931154		2614457
Selling Expenses :			
Transport, Handling And Warehousing Charges	835803		710067
Brokerage	497672		785462
Service charges	<u>2269</u>		<u>2884</u>
	<u>48712272</u>		<u>58725449</u>

Schedule 9

ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

Significant Accounting policies and Notes Annexed to and forming part of the Balance Sheet as at 31st March 2011 and Profit and Loss Account of the year ended 31st March 2011

II. SIGNIFICANT ACCOUNTING POLICIES

1. All Income and Expenditure are accounted on accrual basis, except replanting subsidy, which is accounted for when received.
2. 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 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. Assets acquired under Financial Lease agreement are capitalized.
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 capitalized.

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 01/04/2010	Charges for the Liability (Asset)	Others	Balance as on 31/03/2011
Deferred Tax Liability Depreciation	2,15,909	(-) 28304	NIL	1,87,605
43 B Disallowance Gratuity	NIL	NIL	NIL	NIL
Total	2,15,909	(-) 28304	NIL	1,87,605

	As at 31 st March 2011 Rs.	As at 31 st March 2010 Rs.
ii) Claim against the Company not acknowledged As debts.	1,29,281	1,29,281
iii) Bank Balances includes:		
Unclaimed Dividend	2,34,114	2,05,854
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 And 33AB of Income-tax Act of 1961		11,05,030	11,05,030
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	Kg.		
Green Leaf from own Estate		35,73,501	41,46,490
Bought Leaf		Nil	Nil
vi) Quantitative Particulars of Made Tea:			
a) Opening Stock - Tea Quantity	Kg.	66,073	30,568
b) Production of Tea	Kg.	7,86,157	9,25,203
c) Turnover	Kg	7,81,856	8,89,698
d) Closing Stock - Tea	Kg	70,374	66,073
vii) Value of Imports			
Capital Goods		----	----
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		95,12,616 (100%)	93,76,088 (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		Nil	Nil
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. Poseidon 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 31.03.2011	Outstanding as at 31.03.2010
Commission			2,28,196	2,28,196	6,34,802
Equity Participation	2,99,800			2,99,800	2,99,800
Tea Sales		1,00,034		22,100	22,173
(2010)	(2,99,800)	(1,24,788)	(6,34,802)		

xiv) As per information available with the Company there are no Micro, Small and Medium enterprises in respect of which the Companies dues are outstanding for more than 45 days at the date of Balance Sheet

(xv) **Employee's benefits**

As at 31 st March 2011 Gratuity [Funded]	As at 31 st March 2010 Gratuity [Funded]
--	--

(a) Defined Benefit Plans

A. Expense recognized during year ended 31.03.2011

1. Current Service cost	6.97	7.42
2. Interest Cost	8.85	6.88
3. Expected return on plan assets	(8.85)	(8.52)
4. Actuarial Losses/ (Gains) during the year	(8.44)	19.69
5.Total Expense	1.47	25.47

B. Actual return on plan assets

1. Expected return on plan assets	8.86	8.52
2. Actuarial (loss) / Gain on Plan assets	(0.84)	(1.84)
3. Actual return on plan assets	8.02	6.68

C.Net Asset/(Liability) recognized in the Balance Sheet

1. Present value of the obligation as on 31.03.2011	110.17	117.78
2. Fair value of plan assets as on 31.03.2011	111.64	117.78
3.Funded status surplus / (deficit)	1.47	--
4. Un recognized past service cost	--	--
5. Net Asset /(Liability) recognized in the Balance Sheet	1.36	--

D. Change in present value of the Obligation during the year ended March 31, 2011

1. Present value of the obligations as at April 1, 2010	117.78	102.01
2. Current service cost	6.97	7.42
3. Interest cost	8.86	6.88
4. Benefits paid	(14.16)	(16.38)
5. Actuarial gain / (loss) on obligation	(9.28)	17.85
6. Present value of obligation as at March 31, 2011	110.17	117.78

E. Change in Assets during the year ended March 31, 2011

1. Fair value of plan assets as at April 1, 2010	117.78	102.01
2. Excepted return plan assets	8.86	8.52
3. Contributions made		25.47
4. Benefits paid	(14.16)	(16.38)
5. Actuarial gain/ (loss) on plan assets	(0.84)	(1.84)
6. Fair value of plan assets as at March 31, 2011	111.64	117.78

F. Major categories of plan assets as a percentage of total plan

Special Deposit Schemes	52.98%	52.98%
Bank Balances and recoverable	47.02%	47.02%
Total	100.00%	100.00%

G. Actuarial Assumptions

1. Discount rate	8.00%	7.50%
2. Salary escalation	4.00%	4.00%
3. Expected rate of return on plan assets	8.00%	8.00%
4. Attrition rate	10.00%	10.00%
	LIC (1994-96)	LIC (1994-96)
5. Mortality rate	Ultimate	Ultimate

Note: The salary escalation considered in actuarial valuation takes account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

xvi) Tea Purchase and Sales	Quantity	Value
Purchase of Tea	571 Kg	1,61,872.00
Sale of Tea	566 Kg	1,84,250.00
Balance Stock	5 Kg	18,200.00

	As at 31 st	As at 31 st
xvii) Earnings per Share	March 2011	March 2010
Profit as per Profit and Loss account	77,13,737	2,02,50,998
Number of Equity Shares	2,58,720	2,58,720
Basic and Diluted Earnings per share	29.82	78.27
(Nominal value of equity share Rs.10/-)		

(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.7, 50,000/- and Rs.1, 21,669/- respectively.

(xix)	Investments - Mutual Fund		
	Description	Purchases Cost	Sales
		Reinvested	
		Nos Rupees	Nos Rupees
(a)	HDFC Cash Management Fund Treasury Advantage Plan Wholesale Daily Dividend Reinvestment	24,72,212 2,48,00,000.00	28,58,994 2,86,80,000.00
		(Purchase)	
(b)	HDFC Cash Management Fund Treasury Advantage Plan Wholesale Daily Dividend Reinvestment	92,022.121 9,23,120.00	-----
		(Reinvested)	
©	HDFC FMP 90 D June 2010 – Dividend Series XIII	20,00,000.00 2,00,00,000.00	20,00,000.00 2,00,00,000.00
		(Purchase)	
(d)	HDFC Fixed Maturity Plan 100 D September 2010 Dividend Series XIV	23,00,000.00 2,30,00,000.00	23,00,000.00 2,30,00,000.00
		(Purchase)	

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

Signature to Schedules 1 to 9

For **V. BALASUNDARAM & ASSOCIATES**

Chartered Accountants

(Registration No. 011113S)

V. BALASUNDARAM

Proprietor

Membership No.19319

Mumbai: 30th May 2011

Sriram Kapur

D.R. Khatau

Directors

Mumbai: 30th May 2011

Cash Flow Statement for the year ended 31st March 2011

	Year Ended 31st March'2011 Rs.	Year Ended 31st March '2010 Rs.
A. Cash Flow from Operating Activities :		
Net Profit Before Tax & Extraordinary Items	8335433	22841402
Adjustment for :		
Depreciation	2288679	2069072
Profit on sale of fixed assets	(54826)	(158848)
Profit on sale of Investments	(39990)	(1347910)
Interest/Dividend	(3350976)	(4448785)
Interest Paid	23026	59389
Operating Profit before working Capital Charges	7201346	19014320
Adjustment for :		
Trade & Other Receivables	1457433	735163
Inventories	(1183258)	(1071120)
Trade payable	(2511839)	980986
Cash generated from Operations	4963682	19659349
Direct taxes paid	(1295470)	(3226172)
Cash flow before extra ordinary Items	3668212	16433177
Extra Ordinary Items		
Net cash from operating activities "A"	<u>3668212</u>	<u>16433177</u>
B. Cash Flow from Investing Activities :		
Purchase of fixed assets	(4036909)	(4264953)
Sale of Assets	57778	160000
Purchase of Investments	(26731643)	(60807024)
Sale of Investments	29620010	54912179
Interest received	34571	111339
Dividend Received	3356395	4337446
Net Cash used in Investing Activities "B"	<u>2300202</u>	<u>(5551013)</u>
C. Cash Flow from Financing Activities :		
Dividend paid	(5896140)	(8374610)
Interest paid	(23026)	(59389)
Cash Credit Hypothecation - UBI		(268822)
Unsecured Loans		(183770)
Net Cash used in financing Activities "C"	<u>(5919166)</u>	<u>(8886591)</u>
Net Increase in Cash & Cash equivalents "A+B+C"	<u>49248</u>	<u>1995573</u>

Cash and Cash equivalents (Opening Balance)	4802374	2806801
Cash and Cash equivalents (Closing Balance)	<u>4851622</u>	<u>4802374</u>

As per our report of even date

For V. Balasundaram & Associates
Chartered Accountants
(Registration No.011113S)

SRIRAM KAPUR
D.R. KHATAU
Directors

V. Balasundaram
Proprietor
Membeship No.19319
Mumbai
30th May,2011

Mumbai
30th May,2011

POSEIDON INVESTMENTS COMPANY LIMITED

28th Annual Report and Accounts for the year ended 31st March 2011

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

Notice

NOTICE IS HEREBY GIVEN THAT the TWENTY-EIGHTH 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 Friday the 22nd July, 2011 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, 2011 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 remuneration.

By order of the Board of Directors

Mumbai,
28 May, 2011.
Registered Office :
199 Churchgate Reclamation
Mumbai - 400 020.

S.Kapur
Director

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-EIGHTH Annual Report and the Audited Accounts for the year ended 31st March, 2011.

Financial Results	Current Year Rupees	Previous Year Rupees
Profit for the year	961,582	1,291,432
Less : Provision for Taxation	-	31,000
	961,582	1,260,432
Balance brought forward from previous year	4,828,607	4,571,638
Balance available for Appropriation	5,790,189	5,832,070
Appropriations:		
Proposed Dividend	750,000	750,000
Corporate tax on proposed dividend	121,669	127,463
General Reserve	96,000	126,000
Balance Carried to Balance Sheet	4,822,520	4,828,607
	5,790,189	5,832,070

The Directors recommend the payment of a dividend of Rs.12.50 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, 2011 and the profit 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

S. Kapur

D.R. Khatau

Mumbai,
28 May, 2011.

Directors

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, 2011 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 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:-
 - 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, 2011 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 & fair view :

i. In the case of Balance Sheet, of the State of affairs of the Company as at 31st March, 2011 and

In the case of the Profit and Loss Account, of the Profit of the Company for the year ended on that date.

ii.

For M.S. Sankaran & Co.
Chartered Accountants

M.S. Sankaran
Partner.

Mumbai
28 May, 2011.

POSEIDON INVESTMENTS COMPANY LIMITED

**ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE ON THE ACCOUNTS
OF POSEIDON INVESTMETNS COMPANY LTD. FOR THE YEAR ENDED ON 31ST MARCH 2011.**

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. We have been informed that no material discrepancies were noticed on such physical verification. Substantial part of fixed assets have not been disposed of during the year which will effect its status as going concern.
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 preceeding 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),(viii),(xi),(xii),(xiii),(xiv),(xv),(xvi),(xvii),(xviii),(xix) and (xx) of paragraph 4 &5 of the Companies (Auditor's Report) Order, 2003 ae not applicable to the Company.

For M.S. Sankaran & Co.
Chartered Accountants

M.S. Sankaran
Partner.

Mumbai
28 May, 2011.

POSEIDON INVESTMENTS COMPANY LIMITED

BALANCE SHEET AS AT 31 MARCH, 2011

		As at 31st March 2011 Rupees	As at 31st March 2010 Rupees
Schedule			
SOURCES OF FUNDS:			
SHAREHOLDERS' FUNDS :			
Share Capital	A	600,000	600,000
Reserves And Surplus	B	15,784,520	15,694,607
		<hr/>	<hr/>
Total:		<u>16,384,520</u>	<u>16,294,607</u>

APPLICATION OF FUNDS:

Fixed Assets	C	1,227,230	1,227,230
Investments	D	16,482,263	16,413,750
Current Assets, Loans & Advances	E	81,502	36,726
Less: Current Liabilities & Provisions	F	<u>1,406,475</u>	<u>1,383,099</u>
		<hr/>	<hr/>
Net Current Assets		<u>(1,324,973)</u>	<u>(1,346,373)</u>
		<hr/>	<hr/>
		<u>16,384,520</u>	<u>16,294,607</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

S. Kapur

M.S. Sankaran

D.R. Khatau

Partner
Mumbai
28 May, 2011.

Directors
Mumbai
28 May, 2011.

POSEIDON INVESTMENTS COMPANY LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

	Schedule	Current Year Rupees	Previous Year Rupees
A. EARNINGS:			
Dividend		1,009,885	1,093,576
Profit on Sale of Investments		<u>39,990</u>	<u>319,710</u>
TOTAL 'A' :		<u><u>1,049,875</u></u>	<u><u>1,413,286</u></u>
B. OUTGOINGS :			
Administrative & Other Expenses		<u>88,293</u>	<u>121,854</u>
TOTAL 'B' :		<u><u>88,293</u></u>	<u><u>121,854</u></u>
PROFIT FOR THE YEAR (A-B)		961,582	1,291,432
Less : Provision for Taxation		<u>-</u>	<u>31,000</u>
		961,582	1,260,432
Add: Profit Brought Forward from previous year		<u>4,828,607</u>	<u>4,571,638</u>
Profit available for appropriation		<u><u>5,790,189</u></u>	<u><u>5,832,070</u></u>
Appropriations:			
Proposed Dividend		750,000	750,000
Corporate Tax on Proposed Dividend		121,669	127,463
Transfer to General Reserve		96,000	126,000
Balance carried to Balance Sheet		<u>4,822,520</u>	<u>4,828,607</u>
		<u><u>5,790,189</u></u>	<u><u>5,832,070</u></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 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

S. Kapur

M.S. Sankaran

D.R. Khatau

Partner
 Mumbai
 28 May, 2011.

Directors
 Mumbai
 28 May, 2011.

POSEIDON INVESTMENTS COMPANY LIMITED

As at	As at
31st March 2011	31st March 2010
Rupees	Rupees

SHARE CAPITAL :

Schedule A

Authorised :

2,00,000 Equity Shares of
Rs.10/- each

2,000,000	2,000,000
-----------	-----------

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)

600,000	600,000
---------	---------

RESERVES & SURPLUS :

Schedule B

General Reserve:

Balance at the beginning of the year

10,866,000	10,740,000
------------	------------

Add : Amount transferred from Profit & Loss Account

96,000	126,000
--------	---------

10,962,000	10,866,000
------------	------------

Profit & Loss Account - Surplus

4,822,520	4,828,607
-----------	-----------

TOTAL :

15,784,520	15,694,607
------------	------------

FIXED ASSETS

Schedule C

Building (at cost)
(See Note below)

1,227,230	1,227,230
-----------	-----------

TOTAL :

1,227,230	1,227,230
-----------	-----------

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) :

Schedule D

LONG TERM

Name of Company		Face Value Rs.	31st March, 2011 Number	Cost Rs.	31st March, 2010 Number	Cost Rs.
A. <u>Equity Shares (Quoted):</u>						
1	Asian Hotels (North) Ltd.	10	70	870	70	870
2	Asian Hotels (West) Ltd.	10	70	870	70	870
3	Asian Hotels (East) Ltd.	10	70	870	70	870
4	Benares Hotels Ltd.	10	550	13,929	550	13,929
5	Blue Star Ltd.	2	3750	12,916	3750	12,916
6	Blue Star Infotech Ltd.	10	250	904	250	904
7	CHL Limited	10	100	1,010	100	1,010
8	Eveready Industries India Ltd.	5	112	1,501	112	1,501
9	Graviss Hospitality Ltd.	2	500	2,272	500	2,272
10	Hindustan Unilever Ltd.	1	7500	64,000	7500	64,000
11	ITC Ltd. #	1	19200	7,035	9600	7,035
12	Mc Leod Russel (I) Ltd.	5	112	1,502	112	1,502
13	Oriental Hotels Ltd. ^	10	-	-	1746	41,068
14	Oriental Hotels Ltd.	1	17460	41,068	-	-
15	Orkay Silk Mills Ltd.	10	250	-	250	-
16	Procter & Gamble Hygiene & Health Care Ltd.	10	873	34,827	873	34,827
17	State Bank Of India	10	334	158,560	334	158,560
18	Tata Tea Ltd. \$	10	-	-	348	9,334
19	Tata Global Beverages Limited	1	3480	9,334	-	-
20	Warren Tea Ltd.	10	120	4,010	120	4,010
B. <u>Mutual Funds (Unquoted):</u>						
1	Birla Monthly Income Plan-Dividend Reinvestment	10	476,594	5,209,293	453,191	4,943,770
2	HDFC Monthly Income Plan-Long Term Monthly Dividend	10	488,931	5,308,277	480,215	5,156,141
3	HDFC Cash Management Fund Treasury Advantage Plan-Retail Daily Dividend Reinvestment	10	13,696	137,388	66,175	663,836
5	Templeton India Monthly Income Plan - Monthly Dividend Reinvestment	10	459,929	5,421,828	444,507	5,244,525
6	UTI Equity Fund	10	5000	50,000	5000	50,000
C. <u>Secured Debentures (Unquoted):</u> **						
1	Hindustan Development Corp. Ltd.					
(a)	12.5% Non-Convertible Series VII Part A	20	100	-	100	-
(b)	12.5% Non-Convertible Series VIII Part A	40	127	-	127	-
(c)	14% Non-Convertible Series IX Part C	40	133	-	133	-
TOTAL :				<u>16,482,263</u>		<u>16,413,750</u>
Cost of Quoted Investments				355,478	355,478	
Market Value of Quoted Investments				10,807,935	9,341,846	
Cost of Units (Unquoted)				16,126,785	16,058,272	
NAV of Units				17,445,238	17,180,588	
**Cost of Unquoted Debentures				-	-	

Notes:

1. All the above investments are fully paid-up.

2. \$ During the year, the equity shares have been subdivided into equity shares of Re.1 each and the name of the Company has been changed to Tata Global Beverages Limited.

3. # During the year Bonus shares have been allotted in the ratio of 1:1

4 ^ During the year the equity shares of Rs.10 each have been subdivided into equity shares of Re.1 each

POSEIDON INVESTMENTS COMPANY LIMITED

As at	As at
31st March 2011	31st March 2010
Rupees	Rupees

CURRENT ASSETS, LOANS & ADVANCES :

Schedule E

A. Current Assets:		
Balance with Scheduled Banks:		
On Current Account	52,602	45,216
B. Loans and Advances:		
Advance Tax & Tax deducted at source (Net of Provision)	28,900	(8,490)
TOTAL :	<u>81,502</u>	<u>36,726</u>

CURRENT LIABILITIES & PROVISIONS :

Schedule F

I. Current Liabilities :		
Trade Creditors And Accrued Liabilities	<u>534,806</u>	<u>505,636</u>
SUB-TOTAL :	<u>534,806</u>	<u>505,636</u>
II. Provisions :		
i) For Proposed Equity Dividend	750,000	750,000
ii) For Tax on distributed profit	121,669	127,463
SUB-TOTAL :	<u>871,669</u>	<u>877,463</u>
TOTAL :	<u>1,406,475</u>	<u>1,383,099</u>

POSEIDON INVESTMENTS COMPANY LIMITED

NOTES ON ACCOUNTS :

Schedule G

1. Figures have been rounded off to the nearest rupee.
2. Figures for the previous year have been regrouped wherever necessary in order to conform to this year's presentation.
3. There are no amounts payable to Small Scale Industrial undertaking.
4. Administrative & Other expenses include Directors' sitting fees Rs.9000 (previous year Rs.7000), payment to Auditors for Statutory Audit Rs.2000 (previous year Rs.2000) & for other services Rs.3000 (previous year Rs.3000), Rates & Taxes Rs.NIL (previous year nil)
5. Depreciation has not been provided on Buildings as the same is not used.
6. Related party disclosures as required by Accounting Standard 18 :
 - (i) Holding Company : The Nonsuch Tea Estates Limited.
 - (ii) The nature of transactions of the Company during the year is as follows :

Particulars	Holding Company (Rs.)
Dividend Paid	750,000
Interim Dividend	NIL

7. 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.
8. 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

Purchase and Sale/Redemption of Investments during the year are :

Description	Purchases		Sales	
	Nos.	Cost Rupees	Nos.	Rupees
Units in Schemes of various funds	76,891	878,524	81,831	850,000

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

S. Kapur

M.S. Sankaran

D.R. Khatau

Partner

Directors

Mumbai

Mumbai

28 May, 2011.

28 May, 2011.

POSEIDON INVESTMENTS COMPANY LIMITED

Balance Sheet Abstract and Company's General Business Profile

I. Registration Details

Registration No. 30475 State Code 11

Balance Sheet Date 31-03-2011

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

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

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

		Total Liabilities	Total Assets
Sources of Funds	Paid-up Capital	16385	16385
	Reserves & Surplus	600	15785
	Secured Loans	Unsecured Loans	
		Nil	Nil
Application of Funds	Net Fixed Assets	Investments	
		1227	16482
	Net Current Assets	Misc.Expenditure	
		(1325)	Nil
	Accumulated Losses		

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

Turnover (Gross Revenue)		Total Expenditure	
		1050	88
+/- Profit/Loss before Tax		+/- Profit/Loss after Tax	
		962	962
Earnings per Share in Rs.		Dividend rate %	
		16.03	125%

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

S. Kapur

D.R. Khatau

Directors

Mumbai

28 May, 2011.