

The Nonsuch Tea Estates Limited

85th Annual Report and Accounts 2010

THE NONSUCH TEA ESTATES LIMITED

DIRECTORS

**SRIRAM KAPUR
D.H. NANAVATI
S. BURMAN**

AUDITORS

**M/s.V. BALASUNDARAM & ASSOCIATES
DEVI 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, COONOR-643 101

NOTICE

NOTICE is hereby given that the 85th 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 Monday 27th September. 2010, 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 2010, 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 2010.
3. To appoint a Director in place of Mr. S.Burman, who retires by rotation and is eligible for re-appointment.
4. To appoint Auditors to hold office from the conclusion of the Meeting until the conclusion of the next Meeting and fix their remuneration.

By Order of the Board

Mumbai
29th June 2010.

D.H. NANAVATI
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 2010 to 27th September 2010 (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 2010.

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

DIRECTORS REPORT

Your Directors have pleasure in presenting the Eighty Fifth Annual Report on the working and progress of the Company together with the Profit and Loss Account for the year ended 31st March 2010 and the Balance Sheet as at that date together with the Auditors' Report thereon.

Financial Results	2009-2010	2008-2009
	Rs.	Rs.
Profit for the Year after Depreciation	2,15,49,970	1,04,08,624
Deduct: Provision for Tax		
Current Tax	25,50,000	8,25,000
Deferred Tax	9,404	8,26,897
Fringe Benefit tax	-----	70,000
Add: Refund received from Income Tax relating to earlier year	-----	28,817
Profit after Taxation	1,89,90,566	87,15,544
Add: Balance brought forward from Previous year	1,44,82,852	1,25,17,158
Deduct: Interim Dividend @ 100%	25,87,200	-----
Tax on Distribution of Interim Dividend	4,39,695	-----
Final Dividend @ 200%	51,74,400	51,74,400
Tax on Distribution of Final Dividend	7,51,926	6,75,450
Transfer to General Reserve	19,00,000	9,00,000
Balance carried forward	2,26,20,197	1,44,82,852

DIVIDEND: Your Directors recommend a Final Dividend of Rs 20.00 per share (200%) which together with an interim Dividend of Rs.10.00 per share (100%) already paid, amount to Rs.30.00 per share (300%) for the year ended 31st March 2010[(Previous year Rs.20.00 per Share) (200%)]

OPERATIONS:

During the year under review the Company produced a total of 925203 kgs of made tea compared to 837544 kgs last year.

Mechanized harvesting which was introduced on a trial basis 2 years back has proved to be successful. The overall productivity for harvesting has gone up to 80 Kgs per worker per day. Thereby reducing harvesting costs, around 40% of the area is now under this regime.

The Mechanized spraying has proved very beneficial and has resulted in cost reduction. Price realization for the year under review has been very encouraging when compared to the same period last year. The cost of production has also been lower thereby increasing the profitability from Rs.48, 59,802/- (2008-09) to Rs.1, 65, 44,757/- (2009-10)

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. S. Burman, 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, 0000/- 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,
29th June'2010

D.H. Nanavati
Directors

THE NONSUCH TEA ESTATES LIMITED

ANNEXURE TO THE DIRECTORS' REPORT

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

A: CONSERVATION OF ENERGY:

- 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	2009-2010	2008-2009
A: POWER & FUEL CONSUMPTION		
1. a) Electricity purchased (TNEB)		
Units 000's	420	402
Total Amount Rs.000's	2317	2240
Rate/Unit Rs.	5.52	5.57
b) Own Generation through Diesel		
Generating Sets-Units-000's	43	37
Units/Ltr. of Diesel Oil	2.64	2.90
Cost per Unit	15.61	15.61
2. OTHERS:		
Firewood (in Tonnes)	1889	1660
Total cost in Rs.000's	5739	5035
Average Rate per Tonne Rs.	3.04	3.03
B. CONSUMPTION PER UNIT PRODUCTION:		
Product - Tea Kg.	925203	837544
a) Electricity Units	0.45	0.48
Firewood	2.04	1.98

Sriram Kapur

D.H. Nanavati
Directors

Mumbai
29th June 2010

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 2010.

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, 2010	Rs.	3, 82,969
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b) For its previous financial years	Rs.	1, 53, 11,638
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1.5. Dividends declared by the Subsidiary:

a) For its financial year ended 31st March, 2010	Rs.	7, 50,000
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b) For its previous financial years	Rs.	79, 37,500
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1.6. The Annual Report of the Subsidiary for the financial year ended 31st March 2010 is attached hereto.

Sriram Kapur

D.H. Nanavati
Directors

Mumbai
29th June 2010.

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

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

Phone: 0422 –2319343 Cell: 98422-06891
E-mail: akshayasri 23@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 2010. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the company, its officers and agents, I certify that in respect of the aforesaid financial year:

1. The company has kept and maintained all registers as stated in Annexure "A" to this certificate, as per the provisions of the Act and the rules made there under and all entries therein have been duly recorded.
2. The company has duly filed the forms and returns as stated in Annexure "B" to this certificate with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made there under.
3. The company being a public limited company has minimum prescribed paidup capital.
4. The Board of directors duly met 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. 14th May 2009	2. 27th June 2009	3. 30th July 2009
4. 25th August 2009	5. 29th October 2009	6. 25th November 2009
7. 29th January 2010	8. 10th February 2010	9. 25th March 2010

5. The company closed its Register of Members from 11.9.2009 to 25.9.2009 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, 2009 was held on The 25th day of September, 2009 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 there was no unpaid dividend
 - (iii) Duly complied with the requirements of section 217 of the Act.
14. The Board of directors of the company is duly constituted. There was no appointment of additional directors, alternate directors and directors to fill casual vacancy during the financial year.
15. The company has not appointed any Managing Director/Whole-time Director/Manager during the financial year.
16. The company has not appointed any sole-selling agents during the financial year.
17. The company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar and/or such authorities prescribed under the various provisions of the Act.
18. The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.

19. The company has not issued any shares, debentures or other securities during the financial year.
20. The company has not bought back any shares during the financial year.
21. There was no redemption of preference shares or debentures during the financial year.
22. There were no transactions necessitating the company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The company has not invited/accepted any deposits including any unsecured loans falling within the purview of Section 58A during the financial year.
24. The company has not made any borrowings during the financial year ended 31st March, 2010.
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: 29th June 2010

Sd.
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 2010.

Sl. No.	Form No./ Return(s)	Filed under Section	For	Date of Filing	Whether Filed within Prescribed Period Yes/No	If delay in Filing whether Requisite Additional Fee paid Yes/No.
1	Balance Sheet and Profit and Loss Account	220	Balance Sheet As at 31.03.2008	26.11.2008	Yes	N.A
2	Compliance Certificate	383	28.06.2008	26.10.2008	Yes	N.A
3	Schedule V of the Companies Act, 1956	159	Annual Return made upto the Date of AGM 27/09/2008	24-11-2008	Yes	N.A
4	Form – 1	205C(2)	Transfer of unclaimed amount to Investor Education and Provident Fund	23-01-2010 S.R.No. A77055010	Yes	N.A

Place: Mumbai

Date: 29th June 2010

S.R. BAALAJI
PRACTISING COMPANY 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 2010 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 2009, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2010 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 2010;
 - (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.

Coimbatore
29th June 2010

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

**ANNEXURE TO THE AUDITOR'S REPORT FOR THE YEAR ENDED 31st MARCH
2010 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 are not applicable to the company.

- vii. In our opinion, the internal audit function carried out during the year by a firm of Chartered Accountants appointed by the management have been commensurate with the size of the company and the nature of its business.
- viii. We have broadly reviewed the books of account and records maintained by the company relating to the manufacture of Tea, pursuant to the order made by the central Government for the maintenance of cost records under Section 209(1) (d) of the Companies Act and are of the opinion that prima facie prescribed accounts and records have been made and maintained. We have, however, not made detailed examination of the records with a view to determining whether they are accurate and complete. To the best of our knowledge and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records for any other products of the company.
- ix. In respect of statutory dues:
 - a) According to the information and explanations given to us, the Company has been regular in depositing undisputed statutory dues, including Provident Fund, Investor Education and Protection Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise duty, Cess and any other material statutory dues with the appropriate authorities during the year.
 - b) According to the information and explanations given to us, there are no due of disputed sales-tax, income-tax, customs duty, wealth-tax, excise duty and cess which have not been deposited as on 31st March 2010 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

Partner

Membership No.19319

Mumbai

Date: 29th June 2010

THE NONSUCH TEA ESTATES LIMITED
BALANCE SHEET AS AT 31ST MARCH 2010

	Schedule	As at 31st March 2010	As at 31st March 2009
	<u>No.</u>	<u>Rs.</u>	<u>Rs.</u>
<u>SOURCES OF FUNDS :</u>			
Shareholder's Funds :			
Share Capital	1	25,87,200	25,87,200
Reserves & Surplus	2	8,71,21,250	7,70,83,905
Secured Loan	3	--	2,68,822
UnSecured Loan	4	--	1,83,770
Dererred Tax Liability		2,15,909	2,06,505
		<u>8,99,24,359</u>	<u>8,03,30,202</u>
<u>APPLICATION OF FUNDS:</u>			
Fixed Assets :			
Gross Block	5	4,42,30,195	4,02,38,036
Less : Depreciation		<u>1,76,15,600</u>	<u>1,58,18,170</u>
		2,66,14,595	2,44,19,866
Investments	6	6,13,25,531	5,46,85,461
Current Assets, Loans & Advances	7	1,70,55,724	1,46,93,311
Less : Current Liabilities & Provisions	8	<u>-1,50,71,491</u>	<u>-1,34,68,436</u>
		19,84,233	12,24,875
TOTAL		<u>8,99,24,359</u>	<u>8,03,30,202</u>

NOTES ON ACCOUNTS

Schedules 1 to 8 and 13 form an integral part of these Accounts.

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

SRIRAM KAPUR

For BALASUNDARAM & ASSOCIATES

Chartered Accountants

(Registration No.011113S)

V. BALASUNDARAM

Proprietor

Membership No.19319

Mumbai : 29th June 2010

D.H.NANAVATI

Directors

Mumbai : 29th June 2010

THE NONSUCH TEA ESTATES LIMITED
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2010

	Schedule	Year ended 31st March 2010 Rs.	Year ended 31st March 2009 Rs.
	No.		
<u>INCOME:</u>			
Sales/Tea		7,61,26,883	5,67,55,951
Less: Excise Duty/Cess		<u>2,77,580</u>	2,58,991
		7,58,49,303	5,64,96,960
Interest (Tax deducted at source;Rs.19470/- (2008-2009 Rs.322755)		1,11,339	14,82,771
Income from Investments		32,43,870	34,04,410
Tea Board Orthodox Subsidy		--	22,14,758
Other Income	9	<u>17,37,504</u>	<u>9,01,643</u>
		<u>8,09,42,016</u>	<u>6,45,00,542</u>
<u>EXPENDITURE :</u>			
(Increase)/Decrease in Value of stock in Trade	10	-13,40,010	15,75,000
Manufacturing and other expenses	11	5,86,03,595	5,05,59,072
Interest on secured loan		59,389	2,92,992
Depreciation		<u>20,69,072</u>	<u>16,64,854</u>
		<u>5,93,92,046</u>	<u>5,40,91,918</u>
Profit before Tax		2,15,49,970	1,04,08,624
Less : Provision for Tax			
Current Tax		25,50,000	8,25,000
Fringe Benefit Tax			70,000
Deferred Tax		<u>9,404</u>	<u>8,26,897</u>
		25,59,404	17,21,897
Refund of Income Tax relating to earlier years		--	28,817
Profit after Tax		1,89,90,566	87,15,544
Balance brought forward from Previous year		1,44,82,852	1,25,17,158
Profit available for appropriation		<u>3,34,73,418</u>	<u>2,12,32,702</u>
<u>APPROPRIATIONS:</u>			
Interim Dividend @ 100%		25,87,200	--
Tax on Distribution of Interim Dividend		4,39,695	--
Proposed Final Dividend @ %		51,74,400	51,74,400
Tax on Distribution of Final Dividend		7,51,926	6,75,450
General Reserve		19,00,000	9,00,000
Balance Carried to Schedule 2		<u>2,26,20,197</u>	<u>1,44,82,852</u>
		<u>3,34,73,418</u>	<u>2,12,32,702</u>
Basic and Diluted earnings Per Share		73.40	33.69

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

(Registration No.011113S)

V. BALASUNDARAM

Proprietor

Membership No.19319

Mumbai : 29th June 2010

D.H. NANAVATI

Directors

Mumbai : 29th June 2010

THE NONSUCH TEA ESTATES LIMITED
SCHEDULES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2010

SCHEDULE 1

SHARE CAPITAL :

Authorised :

	As at 31st March 2010 Rs.	As at 31st March 2009 Rs.
10,00,000 Equity Shares of Rs.10/- each	1,00,00,000	1,00,00,000
20,00,000 Unclassified Shares of Rs.10/- each	<u>2,00,00,000</u>	<u>2,00,00,000</u>
	<u>3,00,00,000</u>	<u>3,00,00,000</u>

Issued & Subscribed :

2,58,720 Equity Shares of Rs.10/- each fully paid	<u>25,87,200</u>	<u>25,87,200</u>
--	------------------	------------------

of the above Shares :

- 40,000 Shares have been allotted as fully paid
up pursuant to a contract without
payments being received in cash
- 85,360 Shares have been allotted as fully
paid up by way of Bonus Shares
through the Capitalisation of Reserves

SCHEDULE 2

RESERVES AND SURPLUS :

A. Capital Reserve :

As per last Balance Sheet	<u>89,56,668</u>	<u>89,56,668</u>
---------------------------	------------------	------------------

B. Revenue Reserve :

GENERAL RESERVE :

As per last Balance Sheet	5,36,38,385	5,27,38,385
Add : Transfer from Profit and Loss Account	<u>19,00,000</u>	<u>9,00,000</u>
	5,55,38,385	5,36,38,385

Debenture Redemption Reserve :

As per last Balance Sheet (Representing Debentures not surrendered for redemption)	6,000	6,000
--	-------	-------

Surplus as shown in Profit & Loss Account	2,26,20,197	1,44,82,852
---	-------------	-------------

TOTAL	<u>8,71,21,250</u>	<u>7,70,83,905</u>
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THE NONSUCH TEA ESTATES LIMITED

As at
31st March 2010

As at
31st March 2009

Rs.

Rs.

SCHEDULE 3

SECURED LOAN

LOAN FROM BANKS :

Cash Credit	--	2,68,822
-------------	----	----------

(Secured by hypothecation of Crops, stores
Moveable properties and Book debts)

SCHEDULE 4

UNSECURED LOAN

Financial Lease	--	1,83,770
-----------------	----	----------

(Lessor has a lien on the vehicles acquired
through Financial Leases)

SCHEDULE 5

FIXED ASSETS :

(In Rupees)

DESCRIPTION OF ASSETS	COST OR VALUATION				DEPRECIATION			WRITTEN DOWN VALUE		
	As on			As on	As on	Forthe Year	As on	As on	As on	
	1st Apr '2009	Additions	Deletions	31st Mar 2010	1st Apr '2009	Additions	Deletions	31st Mar 2010	31st Mar 2010	31st Mar '2009
LAND PURCHASE & *										
DEVELOPMENT	1,23,54,283			1,23,54,283					1,23,54,283	1,23,54,283
BUILDINGS	67,74,705	10,60,624		78,35,329	43,31,491	2,84,005		46,15,496	32,19,833	24,43,214
PLANT & MACHINERY	1,61,95,509	19,01,456		1,80,96,965	83,20,986	12,51,587		95,72,573	85,24,392	78,74,523
FURNITURE	5,29,011	1,67,236		6,96,247	4,04,901	33,043		4,37,944	2,58,303	1,24,110
OFFICEEQUIPMENT	73,000	2,31,987		3,04,987	23,400	1,69,333		1,92,733	1,12,254	49,600
VEHICLES ##	43,11,528	9,03,650	2,72,794	49,42,384	27,37,392	3,31,104	2,71,642	27,96,854	21,45,530	15,74,136
Total	4,02,38,036	42,64,953	2,72,794	4,42,30,195	1,58,18,170	20,69,072	2,71,642	1,76,15,600	2,66,14,395	2,44,19,866

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

As at 31st March 2010 Rs.	As at 31st March 2009 Rs.
<u>Rs.</u>	<u>Rs.</u>

SCHEDULE 6

INVESTMENTS

Non-Trade-at Cost :

A. Equity Shares Unquoted : Long Term

60,000 Fully Paid Equity Shares of Rs. 10/- each in Poseidon Investments Company Limited (a subsidiary Company)	2,99,800	2,99,800
2,500 Fully paid units of Rs.10/- each in Nilhat Shipping Company Ltd.	25,000	25,000
50,000 Fully paid units of Rs. 10/- each in Capital Growth UTI Capital Growth Scheme 1992	5,00,000	5,00,000
B. Mutual Funds Unquoted – (Refer note : xix)		
30,40,496 Rein HDFC CMFTreasury Adv Plan Wholesale Daily Div	3,05,00,731	--
20,00,000 HDFC FMP 13M March 2010 Growth	2,00,00,000	--
10,00,000 HDFC 20M Sep 2009 Growth Series XI	1,00,00,000	--
32,53,150 HDFCCMF Sav plus Plan-W5-Daily Div	--	3,26,33,970
11,19,144 HDFC CMF-Sav Plus-Retail-Daily Div	--	1,12,26,691
10,00,000 HDFC FMP 370 D June 2008 W.Sale plan Growth	--	1,00,00,000
	<u>6,13,25,531</u>	<u>5,46,85,461</u>

	As at 31st March 2010 Rs.	As at 31st March 2009 Rs.
<u>SCHEDULE 7</u>		
<u>CURRENT ASSETS, LOANS AND ADVANCES :</u>		
(A) Current Assets :		
Stores & Spares, at Cost	14,86,673	17,55,563
Stock in Trade :		
Tea, at Lower of Cost or Market Value	41,00,010	27,60,000
Sundry Debtors :		
(Unsecured Considered Good) :		
Debts outstanding for a period exceeding six months	24,500	2,11,735
Other debts	<u>26,80,042</u>	<u>18,28,964</u>
	27,04,542	20,40,699
Cash and Stamps on Hand	2,98,130	2,62,459
Balance with Scheduled Banks :		
On Current Accounts	44,59,028	24,69,743
	<u>(A) 1,30,48,383</u>	<u>92,88,464</u>
(B) Loans & Advances :		
(Unsecured Considered Good) :		
Advances recoverable in Cash or in kind or for value to be received	23,27,047	37,29,518
Deposits	11,08,930	11,11,430
Balances with Govt. Authorities	<u>5,71,364</u>	<u>5,63,899</u>
	<u>(B) 40,07,341</u>	<u>54,04,847</u>
Total of (A) and (B)	<u>1,70,55,724</u>	<u>1,46,93,311</u>

As at 31st March 2010 Rs.	As at 31st March 2009 Rs.
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SCHEDULE 8
CURRENT LIABILITIES AND
PROVISIONS

A. Current Liabilities :

Sundry Creditors	85,40,120	79,58,117
Due to Directors	<u>6,82,847</u>	<u>3,28,254</u>
	92,22,967	82,86,371
Unclaimed Dividend	2,05,854	68,864
Capital Reduction Account	<u>11,724</u>	<u>11,724</u>
	<u>94,40,545</u>	<u>83,66,959</u>

B. Provisions

Provision for Taxation	68,82,988	45,85,000
Less : Payments in advance of Assessments	<u>71,78,368</u>	<u>53,33,373</u>
	-2,95,380	-7,48,373
Proposed Final Dividend	25,87,200	51,74,400
Tax on Distribution of Final Dividend	<u>3,12,232</u>	<u>6,75,450</u>
	<u>26,04,052</u>	<u>51,01,477</u>
TOTAL OF (A & B)	<u>1,20,44,597</u>	<u>1,34,68,436</u>

SCHEDULE 9

OTHER INCOME :

Miscellaneous Receipts	5,50,456	7,79,383
Profit on sale of Fixed Assets	1,58,848	1,14,710
Profit on sale of Investments	10,28,200	7,550
	<u>17,37,504</u>	<u>9,01,643</u>

SCHEDULE 10

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

Opening Stock	27,60,000	43,35,000
Closing Stock of Tea	<u>41,00,010</u>	<u>27,60,000</u>
(Increase) Decrease	<u>-13,40,010</u>	<u>15,75,000</u>

SCHEDULE 11

Year Ended
31st March 2010

Year Ended
31st Mar 2009

MANUFACTURING AND OTHER EXPENSES :

Rs.

Rs.

Salaries, Wages And Bonus	2,53,59,977	2,17,17,472
Contribution to Provident , Superannuation Fund & Gratuity Fund	44,44,027	43,05,384
Workman and Staff Welfare Expenses	16,40,224	14,65,731
Consumption of Stores and spare parts	63,96,493	59,22,607
Power & Fuel	88,67,774	80,65,231
Repairs And Maintenance		
Buildings & Roads :		
Stores	14,78,617	9,02,886
Wages	3,91,583	4,24,004
	18,70,200	13,26,890
Machinery :		
Stores	15,00,978	9,66,830
Wages	22,79,649	5,57,642
	37,80,627	15,24,472
Vehicles Maintenance	2,59,604	2,30,385
Rent, Rates & Taxes	3,70,879	4,34,353
Insurance	3,55,500	3,25,325
Directors' Sitting Fees	3,500	4,000
Directors' Commission (Schedule 12)	6,34,802	3,21,806
Auditors' Remuneration :		
For Audit	40,000	40,000
For Tax Audit	15,000	15,000
For Certification & Others	27,000	27,000
Miscellaneous Expenses (Includes Auditors' Travelling Expenses Rs.12500/-)	25,01,603	32,96,068
Bad debts	1,67,311	78,398
Selling Expenses :		
Transport, Handling And Warehousing Charges	10,80,728	9,45,779
Brokerage	7,85,462	5,11,093
Service charges	2,884	2,078
	5,86,03,595	5,05,59,072

SCHEDULE 12

		Year Ended 31st March 2010	Year Ended 31st March 2009
<u>DIRECTOR'S COMMISSION :</u>		<u>Rs.</u>	<u>Rs.</u>
Profit As Per Profit & Loss Account Before Tax		2,15,49,970	1,04,08,624
Add : Director's Commission	6,34,802		3,21,806
Sitting Fees	3,500		4,000
		<u>6,38,302</u>	
		2,21,88,272	1,07,34,430
Less:			
Profit on Sale of Investments		<u>10,28,200</u>	<u>7,550</u>
Profit for the purpose of calculation of Commission		<u>2,11,60,072</u>	<u>1,07,26,880</u>
Commission thereon @ 3%		<u>6,34,802</u>	<u>3,21,806</u>

SCHEDULE 13**ACCOUNTING POLICIES AND NOTES ON ACCOUNTS**

Significant Accounting policies and Notes Annexed to and forming part of the Balance Sheet as at 31st March 2010 and Profit and Loss Account of the year ended 31st March 2010

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 01/04/2009	Charges for the Liability (Asset)	Others	Balance as on 31/03/2010
Deferred Tax Liability Depreciation	2,06,505	9,404	NIL	2,15,909
43 B Disallowance Gratuity	NIL	NIL	NIL	NIL
Total	2,06,505	9,404	NIL	2,15,909

		As at 31 st March 2010 Rs.	As at 31 st March 2009 Rs.
ii) Claim against the Company not acknowledged As debts.		1,29,281	1,29,281
iii) Bank Balances includes:			
Unclaimed Dividend		2,05,864	68,864
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		41,46,490	37,91,599
Bought Leaf		Nil	Nil
vi) Quantitative Particulars of Made Tea :			
a) Opening Stock - Tea Quantity	Kg.	30,568	69,731
b) Production of Tea	Kg.	9,25,203	8,37,544
c) Turnover	Kg	8,89,698	8,76,707
d) Closing Stock - Tea	Kg	66,073	30,568
vii) Value of Imports			
Capital Goods		--	29,61,428
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		93,76,088 (100%)	77,92,323 (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 31.03.2010	Outstanding as at 31.03.2009
Commission			6,34,802	6,34,802	3,21,806
Equity Participation	2,99,800			2,99,800	2,99,800
Tea Sales		1,24,788		22,173	NIL
(2009)	(2,99,800)	(60,046)	(3,21,806)		

xiv) As per information available with the Company there are no Micro, Small and Medium enterprises in respect of whom 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 2010	As at 31 st March 2009
<u>(a) Defined Benefit Plans</u>	Gratuity [Funded]	Gratuity [Funded]
A. Expense recognized during year ended 31.03.2010		
1. Current Service cost	7.42	6.36
2. Interest Cost	6.88	6.26
3. Expected return on plan assets	(8.52)	(7.29)
4. Actuarial Losses/ (Gains) during the year	19.69	20.39
5.Total Expense	25.47	25.72
B. Actual return on plan assets		
1. Expected return on plan assets	8.52	7.29
2. Actuarial (loss) / Gain on Plan assets	(1.84)	(2.56)
3. Actual return on plan assets	6.68	4.73

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

1. Present value of the obligation as on 31.03.2010	117.78	102.01
2. Fair value of plan assets as on 31.03.2010	117.78	102.01
3. Funded status surplus / (deficit)	--	--
4. Un recognised past service cost	--	--
5. Net Asset /(Liability) recognized in the Balance Sheet	--	--

D. Change in present value of the Obligation during the year ended March 31, 2010

1. Present value of the obligations as at April 1, 2009	102.01	85.07
2. Current service cost	7.42	6.36
3. Interest cost	6.88	6.26
4. Benefits paid	(16.38)	(13.51)
5. Actuarial gain / (loss) on obligation	17.85	17.83
6. Present value of obligation as at March 31, 2010	117.78	102.01

E. Change in Assets during the year ended March 31, 2010

1. Fair value of plan assets as at April 1, 2009	102.01	85.07
2. Excepted return plan assets	8.52	7.29
3. Contributions made	25.47	25.72
4. Benefits paid	(16.38)	(13.51)
5. Actuarial gain/ (loss) on plan assets	(1.84)	(2.56)
6. Fair value of plan assets as at March 31, 2010	117.78	102.01

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

Special Deposit Schemes	99.98%	99.98%
Bank Balances and recoverables	0.02%	0.02%

Total	100.00%	100.00%
--------------	---------	---------

G. Actuarial Assumptions

1. Discount rate	7.50%	7.34%
2. Salary escalation	4%	4%
3. Expected rate of return on plan assets	8%	8%
4. Attrition rate	10%	10%
	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.

	As at 31 st March 2010	As at 31 st March 2009
xvi) Earnings per Share		
Profit as per Profit and Loss account	1,89,90,566	87,15,544
Number of Equity Shares	2,58,720	2,58,720
Basic and Diluted Earnings per share (Nominal value of equity share Rs.10/-)	73.40	33.69

xvii) Financial Lease

Availed for part financing purchase of vehicles.

Amount Payable:

One Year	--	76,370
One Year to Five Years	--	1,07,400
Beyond Five Years	Nil	Nil
Included above, Unmatured Finance charges on financial Lease	--	52,440

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.127463/- respectively

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

Signature to Schedules 1 to 13

For **V. BALASUNDARAM & ASSOCIATES**

Chartered Accountants

(Registration No. 011113S)

V. BALASUNDARAM

Proprietor

Membership No.19319

Mumbai: 29th June 2010

SRIRAM KAPUR

D.H. NANAVATI

Directors

Mumbai: 29th June 2010

THE NONSUCH TEA ESTATES LTD

BALANCE SHEET ABSTRACT AND THE COMPANY'S GENERAL PROFILE

i. Registration No 3966 State Code 181

Balance sheet date 31/03/2010

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

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

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

Total Liabilities	89924	Total Assets	89924
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Source of funds:

Paid up Capital	2587	Reserves and Surplus	87121
Secured Loans	--	Unsecured Loans	--
		Deferred tax Liability	216

Application of funds:

Net Fixed Assets	26615	Investments	61325
Net Current Assets	1984	Deferred tax asset	--

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

Turnover	80942	Total Expenditure	59392
Profit before Tax	21550	Profit after Tax	18900
Earnings Per Share	73.40	Dividend Rate	300 %

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

Item Code(ITC Code)	090.23000	Product Description	Black Tea
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For **V. BALASUNDARAM & ASSOCIATES**

Chartered Accountants

(Registration No. 011113S)

V. BALASUNDARAM

Proprietor

Membership No.19319

Mumbai: 29th June 2010

SRIRAM KAPUR

D.H. NANAVATI

Directors

Mumbai: 29th June 2010

	Year Ended 31st March '2010 Rs.	Year Ended 31st March '2009 Rs.
Cash Flow Statement for the year ended 31st March 2010		
A. Cash Flow from Operating Activities :		
Net Profit Before Tax & Extraordinary Items	21549970	10408624
Adjustment for :		
Depreciation	2069072	1664854
Profit on sale of fixed Assets	(158848)	(114710)
Profit on sale of Investments	(1028200)	(7550)
Interest/Dividend	(3355209)	(4887181)
Interest Paid	59389	292992
Operating Profit before working Capital charges	19136174	7357029
Adjustment for :		
Trade & Other Receivables	733663	5300148
Inventories	(1071120)	789062
Trade payable	936596	(219575)
Cash generated from Operations	19735313	13226664
Direct taxes (Net)	(3212152)	(1717507)
Cash flow before extra ordinary Items	16523161	11509157
Net cash from operating activities "A"	16523161	11509157
B. Cash Flow from Investing Activities :		
Purchase of fixed assets	(4264953)	(5433954)
Proceeds from Sale of fixed Assets	160000	182944
Purchase of Investments	(58091148)	(50975570)
Sale of Investments	52479278	30189160
Loans/Inter-corporate deposits	--	15000000
Interest received	111339	1482771
Dividend Received	3243870	3404410
Net Cash used in Investing Activities "B"	(6361614)	(6150239)
C. Cash Flow from Financing Activities :		
Dividend paid	(7624610)	(2560782)
Interest Paid	(59389)	(292992)
Cash Credit hypothecation-UBI	(268822)	(644726)
Unsecured Loans	(183770)	(141700)
Net Cash used in financing Activities "C"	(8136591)	(3640200)
Net Increase in Cash & Cash equivalents "A+B+C"	2024956	1718718
Cash and Cash equivalents (Opening Balance)	2732202	1013484
Cash and Cash equivalents (Closing Balance)	4757158	2732202

As per our Report of even date

For **V. BALASUNDARAM & ASSOCIATES**

Chartered Accountants

(Registration No. 011113S)

V. BALASUNDARAM

Proprietor

Membership No.19319

Mumbai: 29th June 2010

SRIRAM KAPUR

D.H. NANAVATI

Directors

Mumbai: 29th June 2010

V.BALASUNDARAM & ASSOCIATES

Chartered Accountants

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“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 2010 and the Consolidated Profit and Loss account for the year ended annexed thereto and the consolidated cash flow statement for the period ended on that date. These financial statements are the responsibility of the company’s management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

We did not audit the financial statements of the subsidiary, whose financial statements reflect total asset of Rs. 1,62,94,607/- as at 31.03.2010 and total revenue of Rs. 14,13,286/- 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 2010: 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: 29th June 2010

Membership No.19319

THE NONSUCH TEA ESTATES LIMITED AND ITS SUBSIDIARY
CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2010

	Schedule	As at	As at
	No.	31st March 2010	31st March 2009
		Rs.	Rs.
<u>SOURCES OF FUNDS :</u>			
Shareholder's Funds :			
Share Capital	1	25,87,200	25,87,200
Reserves & Surplus	2	10,31,16,057	9,26,95,743
Secured Loan	3	--	2,68,822
Unsecured Loan	4	--	1,83,770
Deferred Tax Liability		2,15,909	2,06,505
		<u>10,59,19,166</u>	<u>9,59,42,040</u>
<u>APPLICATION OF FUNDS:</u>			
Fixed Assets :			
Gross Block	5	4,54,57,425	4,14,65,266
Less : Depreciation		<u>1,76,15,600</u>	<u>1,58,18,170</u>
		2,78,41,825	2,56,47,096
Investments		7,74,39,481	7,08,36,146
Deferred Tax Asset			
Current Assets, Loans & Advances	6	1,71,00,940	1,47,69,910
Less : Current Liabilities & Provisions	7	<u>1,64,63,080</u>	<u>1,53,11,112</u>
		6,37,860	-5,41,202
TOTAL		<u>10,59,19,166</u>	<u>9,59,42,040</u>

NOTES ON ACCOUNTS 11

Schedules 1 to 6 and 11 form an integral part of these Accounts.

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

For V. Balasundaram & Associates

Chartered Accountants

(Registration No. 011113S)

V. Balasundaram

Proprietor

Membership No.19319

Mumbai

29th June,2010

SRIRAM KAPUR

D.H. NANAVATI

Directors

Mumbai

29th June, 2010

SCHEDULE 5**FIXED ASSETS :**

(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 '2009	Additions	Deletions	31st Mar 2010	1st Apr '2009	Additions	Deletions	31st Mar 2010	31st Mar 2010	31st Mar '2009
LAND PURCHASE & * DEVELOPMENT	1,23,54,283			1,23,54,283					1,23,54,283	1,23,54,283
BUILDINGS	80,01,935	10,60,624		90,62,559	43,31,491	2,84,005		46,15,496	44,47,063	36,70,444
PLANT & MACHINERY	1,61,95,509	19,01,456		1,80,96,965	83,20,986	12,51,587		95,72,573	85,24,392	78,74,523
FURNITURE	5,29,011	1,67,236		6,96,247	4,04,901	33,043		4,37,944	2,58,303	1,24,110
OFFICE EQUIPMENT	73,000	2,31,987		3,04,987	23,400	1,69,333		1,92,733	1,12,254	49,600
VEHICLES	43,11,528	9,03,650	2,72,794	49,42,384	27,37,392	3,31,104	2,71,642	27,96,854	21,45,530	15,74,136
Total	4,14,65,266	42,64,953	2,72,794	4,54,57,425	1,58,18,170	20,69,072	2,71,642	1,76,15,600	2,78,41,825	2,56,47,096

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

As at
31st March 2010
Rs.

As at
31st March 2009
Rs.

SCHEDULE 8**OTHER INCOME :**

Miscellaneous Receipts	5,50,456	7,79,383
Profit on sale of Fixed Assets	1,58,848	1,14,710
Profit on sale of Investments	13,47,910	15,578
	20,57,214	9,09,671

SCHEDULE 9**(Increase) Decrease in Value of Stock in Trade (TEA)**

Opening Stock of Tea	27,60,000	43,35,000
Closing Stock of Tea	41,00,010	27,60,000
(Increase)/ Decrease	-13,40,010	15,75,000

SCHEDULE 10

	Year Ended 31st Mar 2010	Year Ended 31st Mar 2009
<u>MANUFACTURING AND OTHER EXPENSES :</u>	<u>Rs.</u>	<u>Rs.</u>
Salaries, Wages And Bonus	2,53,59,977	2,17,17,472
Contribution to Provident & Superannuation Fund	44,44,027	43,05,384
Workman and Staff Welfare Expenses	16,40,224	14,65,731
Consumption of Stores and spare parts	63,96,493	59,22,607
Power & Fuel	88,67,774	80,65,231
Repairs And Maintenance		
Buildings & Roads :		
Stores	14,78,617	
Wages	<u>3,91,583</u>	18,70,200
		13,26,890
Machinery :		
Stores	15,00,978	
Wages	<u>22,79,649</u>	37,80,627
		15,24,472
Vehicles Maintenance	2,59,604	2,30,385
Rent, Rates & Taxes	3,70,879	4,34,353
Insurance	3,55,500	3,25,325
Directors' Sitting Fees	10,500	10,000
Directors' Commission	6,34,802	3,21,806
Auditors' Remuneration :		
For Audit	42,000	42,000
For Tax Work	15,000	15,000
For Certification & Others	27,000	27,000
Investments/Bad debts written off	1,67,311	78,398
Miscellaneous Expenses (Includes Auditors' Travelling Expenses)	26,14,457	33,75,732
Selling Expenses :		
Transport, Handling And Warehousing Charges	10,80,728	9,45,779
Brokerage	7,85,462	5,11,093
Service charges	<u>2,884</u>	<u>2,078</u>
	<u>5,87,25,449</u>	<u>5,06,46,736</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 2010 and Profit and Loss Account of the year ended 31st March 2010

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 01/04/2009	Charges for the Liability (Asset)	Others	Balance as on 31/03/2010
Deferred Tax Liability Depreciation	2,06,505	9,404	NIL	2,15,909
43 B Disallowance Gratuity	NIL	NIL	NIL	NIL
Total	2,06,505	9,404	NIL	2,15,909

As at 31st March 2010 As at 31st March 2009
Rs. Rs.

ii) Claim against the Company not acknowledged
As debts.

1,29,281 1,29,281

iii) Bank Balances includes:

Unclaimed Dividend	2,05,864	68,864
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		41,46,490	37,91,599
Bought Leaf		Nil	Nil
vi) Quantitative Particulars of Made Tea :			
a) Opening Stock - Tea Quantity	Kg.	30,568	69,731
b) Production of Tea	Kg.	9,25,203	8,37,544
c) Turnover	Kg	8,89,698	8,76,707
d) Closing Stock - Tea	Kg	66,073	30,568
vii) Value of Imports			
Capital Goods			29,61,428
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		93,76,088	77,92,323
		(100%)	(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 31.03.2010	Outstanding as at 31.03.2009
Commission			6,34,802	6,34,802	3,21,806
Equity Participation	2,99,800			2,99,800	2,99,800
Tea Sales		1,24,788		22,173	NIL
(2009)	(2,99,800)	(60,046)	(3,21,806)		

xiv) As per information available with the Company there are no Micro, Small and Medium enterprises in respect of whom 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 2010 Gratuity [Funded]	As at 31 st March 2009 Gratuity [Funded]
<u>(a) Defined Benefit Plans</u>		
A. Expense recognized during year ended 31.03.2010		
1. Current Service cost	7.42	6.36
2. Interest Cost	6.88	6.26
3. Expected return on plan assets	(8.52)	(7.29)
4. Actuarial Losses/ (Gains) during the year	19.69	20.39
5.Total Expense	25.47	25.72
B. Actual return on plan assets		
1. Expected return on plan assets	8.52	7.29
2. Actuarial (loss) / Gain on Plan assets	(1.84)	(2.56)
3. Actual return on plan assets	6.68	4.73
C.Net Asset/(Liability) recognized in the Balance Sheet		
1. Present value of the obligation as on 31.03.2010	117.78	102.01
2. Fair value of plan assets as on 31.03.2010	117.78	102.01
3.Funded status surplus / (deficit)	--	--
4. Un recognised past service cost	--	--
5. Net Asset /(Liability) recognized in the Balance Sheet	--	--
D. Change in present value of the Obligation during the year ended March 31, 2010		
1. Present value of the obligations as at April 1, 2009	102.01	85.07
2. Current service cost	7.42	6.36
3. Interest cost	6.88	6.26
4. Benefits paid	(16.38)	(13.51)
5. Actuarial gain / (loss) on obligation	17.85	17.83
6. Present value of obligation as at March 31, 2010	117.78	102.01

E. Change in Assets during the year ended March 31, 2010

1. Fair value of plan assets as at April 1, 2009	102.01	85.07
2. Excepted return plan assets	8.52	7.29
3. Contributions made	25.47	25.72
4. Benefits paid	(16.38)	(13.51)
5. Actuarial gain/ (loss) on plan assets	(1.84)	(2.56)
6. Fair value of plan assets as at March 31, 2010	117.78	102.01

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

Special Deposit Schemes	99.98%	99.98%
Bank Balances and recoverables	0.02%	0.02%

Total	100.00%	100.00%
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G. Actuarial Assumptions

1. Discount rate	7.50%	7.34%
2. Salary escalation	4%	4%
3. Expected rate of return on plan assets	8%	8%
4. Attrition rate	10%	10%
	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.

	As at 31 st March 2010	As at 31 st March 2009
xvi) Earnings per Share		
Profit as per Profit and Loss account	20250998	9534466
Number of Equity Shares	258720	258720
Basic and Diluted Earnings per share (Nominal value of equity share Rs.10/-)	78.27	36.85

xvii) Financial Lease

Availed for part financing purchase of vehicles.

Amount Payable:

One Year		76370
One Year to Five Years		107400
Beyond Five Years	Nil	Nil
Included above, Unmatured Finance charges on financial Lease		52440

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.127463/- respectively

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

Signatures to Schedules 1 to 11

For **V. BALASUNDARAM & ASSOCIATES**

Chartered Accountants

(Registration No. 011113S)

V. BALASUNDARAM

Proprietor

Membership No.19319

Mumbai: 29th June 2010

SRIRAM KAPUR

D.H. NANAVATI

Directors

Mumbai: 29th June 2010

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 2010 and Profit and Loss Account of the year ended 31st March 2010

III. SIGNIFICANT ACCOUNTING POLICIES

10. All Income and Expenditure are accounted on accrual basis, except replanting subsidy, which is accounted for when received.
11. 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.
12. Depreciation on Fixed Assets has been provided on Written down Value method at the rates prescribed by Income Tax Rules and amendments thereto.
13. 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.
14. Investments are stated at cost less provision for permanent diminution of value where applicable.
15. Stock in Trade is valued at the lower of cost and net realizable price. Stores and Spares are valued at average cost.
16. 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.

17. 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.

18. 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:**j) DEFERRED TAXATION**

Particulars	Balance as on 01/04/2009	Charges for the Liability (Asset)	Others	Balance as on 31/03/2010
Deferred Tax Liability Depreciation	206505	9404	NIL	215909
43 B Disallowance Gratuity	NIL	NIL	NIL	NIL
Total	206505	9404	NIL	215909

	As at 31 st March 2010	As at 31 st March 2009
	Rs.	Rs.
ii) Claim against the Company not acknowledged As debts.	129281	129281

iii) Bank Balances includes:

Unclaimed Dividend	205864	68864
Unclaimed Capital reduction	11724	11724

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	1105030	1105030
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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		1050000	1050000
c) Raw Materials consumed	Kg.		
Green Leaf from own Estate		4146490	3791599
Bought Leaf		Nil	Nil

vi) Quantitative Particulars of Made Tea :

a) Opening Stock - Tea Quantity	Kg.	30568	69731
b) Production of Tea	Kg.	925203	837544
c) Turnover	Kg	889698	876707
d) Closing Stock - Tea	Kg	66073	30568

As at 31st March 2010 As at 31st March 2009

vii) Value of Imports
Capital Goods 2961428

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 9376088 7792323
(100%) (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 31.03.2010	Outstanding as at 31.03.2009
Commission			634802	634802	321806
Equity Participation	299800			299800	299800
Tea Sales		124788		22173	NIL
(2009)	(299800)	(60046)	(321806)		

xiv) As per information available with the Company there are no Micro, Small and Medium enterprises in respect of whom 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 2010 Gratuity [Funded]	As at 31 st March 2009 Gratuity [Funded]
<u>(a) Defined Benefit Plans</u>		
A. Expense recognized during year ended 31.03.2010		
1. Current Service cost	7.42	6.36
2. Interest Cost	6.88	6.26
3. Expected return on plan assets	(8.52)	(7.29)
4. Actuarial Losses/ (Gains) during the year	19.69	20.39
5.Total Expense	25.47	25.72
B. Actual return on plan assets		
1. Expected return on plan assets	8.52	7.29
2. Actuarial (loss) / Gain on Plan assets	(1.84)	(2.56)
3. Actual return on plan assets	6.68	4.73
C.Net Asset/(Liability) recognized in the Balance Sheet		
1. Present value of the obligation as on 31.03.2010	117.78	102.01
2. Fair value of plan assets as on 31.03.2010	117.78	102.01
3.Funded status surplus / (deficit)	0	0
4. Un recognised past service cost	0	0
5. Net Asset /(Liability) recognized in the Balance Sheet	0	0
D. Change in present value of the Obligation during the year ended March 31, 2010		
1. Present value of the obligations as at April 1, 2009	102.01	85.07
2. Current service cost	7.42	6.36
3. Interest cost	6.88	6.26
4. Benefits paid	(16.38)	(13.51)
5. Actuarial gain / (loss) on obligation	17.85	17.83
6. Present value of obligation as at March 31, 2010	117.78	102.01
E. Change in Assets during the year ended March 31, 2010		
1. Fair value of plan assets as at April 1, 2009	102.01	85.07
2. Excepted return plan assets	8.52	7.29
3. Contributions made	25.47	25.72
4. Benefits paid	(16.38)	(13.51)
5. Actuarial gain/ (loss) on plan assets	(1.84)	(2.56)
6. Fair value of plan assets as at March 31, 2010	117.78	102.01
F. Major categories of plan assets as a percentage of total plan		
Special Deposit Schemes	99.98%	99.98%
Bank Balances and recoverables	0.02%	0.02%
Total	100.00%	100.00%

G. Actuarial Assumptions

1. Discount rate	7.50%	7.34%
2. Salary escalation	4%	4%
3. Expected rate of return on plan assets	8%	8%
4. Attrition rate	10%	10%
	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.

	As at 31 st March 2010	As at 31 st March 2009
xvi) Earnings per Share		
Profit as per Profit and Loss account	20250998	9534466
Number of Equity Shares	258720	258720
Basic and Diluted Earnings per share (Nominal value of equity share Rs.10/-)	78.27	36.85

xvii) Financial Lease

Availed for part financing purchase of vehicles.

Amount Payable:

One Year		76370
One Year to Five Years		107400
Beyond Five Years	Nil	Nil
Included above, Unmatured Finance charges on financial Lease		52440

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.127463/- respectively

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

Signatures to Schedules 1 to 11

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

V. BALASUNDARAM
Proprietor
Membership No.19319
Mumbai: 29th June 2010

SRIRAM KAPUR
D.H. NANAVATI
Directors

Mumbai: 29th June 2010

Cash Flow Statement for the year ended 31st March 2010

	Year Ended 31st March '2010 Rs.	Year Ended 31st March '2009 Rs.
A. Cash Flow from Operating Activities :		
Net Profit Before Tax & Extraordinary Items	2,28,41,402	1,12,27,546
Adjustment for :		
Depreciation	20,69,072	16,64,854
Profit on sale of fixed assets	(1,58,848)	(1,14,710)
Profit on sale of Investments	(13,47,910)	(15,578)
Interest/Dividend	(44,48,785)	(57,85,739)
Interest Paid	59,389	2,92,992
Operating Profit before working Capital Charges	1,90,14,320	72,69,365
Adjustment for :		
Trade & Other Receivables	7,35,163	53,27,588
Inventories	(10,71,120)	7,89,062
Trade payable	9,80,986	(1,69,058)
Cash generated from Operations	1,96,59,349	1,32,16,957
Direct taxes paid	(32,26,172)	(19,21,447)
Cash flow before extra ordinary Items	1,64,33,177	1,12,95,510
Extra Ordinary Items		
Net cash from operating activities "A"	1,64,33,177	1,12,95,510
B. Cash Flow from Investing Activities :		
Purchase of fixed assets	(42,64,953)	(54,33,954)
Sale of Assets	1,60,000	1,82,944
Purchase of Investments	(6,08,07,024)	(5,54,04,247)
Sale of Investments	5,49,12,179	3,51,81,560
Loans/Inter-corporate deposits	--	1,50,00,000
Interest received	1,11,339	14,82,771
Dividend Received	43,37,446	43,02,968
Net Cash used in Investing Activities "B"	(55,51,013)	(46,87,958)

C. Cash Flow from Financing Activities :

Dividend paid	(8,37,46,10)	(37,60,782)
Interest paid	(59,389)	(2,92,992)
Cash Credit Hypothecation - UBI	(2,68,822)	(6,44,726)
Unsecured Loans	(1,83,770)	(1,41,700)
Net Cash used in financing Activities "C"	(88,86,591)	(48,40,200)
Net Increase in Cash & Cash equivalents "A+B+C"	1995573	1767352
Cash and Cash equivalents (Opening Balance)	2806801	1039449
Cash and Cash equivalents (Closing Balance)	4802374	2806801

As per our report of even date

SRIRAM KAPUR

For V. Balasundaram & Associates

Chartered Accountants

(Registration No.011113S)

D.H.NANAVATI

Directors

V. Balasundaram

Proprietor

Membership No.19319

Mumbai

29th June, 2010

Mumbai

29th June, 2010

POSEIDON INVESTMENTS COMPANY LIMITED

27th Annual Report and Accounts 2010

POSEIDON INVESTMENTS COMPANY LIMITED

27th Annual Report and Accounts
for the year ended 31st March 2010

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-Seventh 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 Tuesday the 24th July 2010 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, 2010 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. S. Kapur 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,
24 June 2010.
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-SEVENTH Annual Report and the Audited Accounts for the year ended 31st March, 2010.

Financial Results	Current Year Rupees	Previous Year Rupees
Profit for the year	1,291,432	818,922
Less : Provision for Taxation	31,000	---
	1,260,432	818,922

Balance brought forward from previous year	4,571,638	5,238,656
Balance available for Appropriation	5,832,070	6,876,500
Appropriations:		
Proposed Dividend	750,000	1,200,000
Corporate tax on proposed dividend	127,463	203,940
General Reserve	126,000	82,000
Balance Carried to Balance Sheet	4,828,607	5,390,560
	5,832,070	6,876,500

The Directors recommend the payment of a dividend of Rs.12.50 per share on 60,000 equity shares.

Mr. S. Kapur 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, 2010 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
Directors

Mumbai,
24 June 2010.

POSEIDON INVESTMENTS COMPANY LIMITED

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, 2010 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 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, 2010 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, 2010 and
 - ii. In the case of the Profit and Loss Account, of the Profit of the Company for the year ended on that date.

For M.S. Sankaran & Co.
Chartered Accountants

M.S. Sankaran
Partner.

Mumbai
24 June 2010.

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 2010.**

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
24 June 2010.

POSEIDON INVESTMENTS COMPANY LIMITED

BALANCE SHEET AS AT 31 MARCH, 2010

	Schedule	As at 31st March 2010 Rupees	As at 31st March 2009 Rupees
SOURCES OF FUNDS:			
SHAREHOLDERS' FUNDS :			
Share Capital	A	6,00,000	6,00,000
Reserves And Surplus	B	15,694,607	15,311,638
Total:		<u>16,294,607</u>	<u>15,911,638</u>

APPLICATION OF FUNDS:

Fixed Assets	C	1,227,230	1,227,230
Investments	D	16,413,750	16,450,485
Current Assets, Loans & Advances	E	36,726	99,109
Less: Current Liabilities & Provisions	F	<u>1,383,099</u>	<u>1,865,186</u>
Net Current Assets		<u>(1,346,373)</u>	<u>(1,766,077)</u>
		<u>16,294,607</u>	<u>15,911,638</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

M.S. Sankaran

Partner
Mumbai
24 June 2010

On behalf of the Board of
Directors

S. KAPUR

D.R. KHATAU
Directors
Mumbai
24 June 2010

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH,2010.

	Schedule	Current Year Rupees	Previous Year Rupees
A. EARNINGS:			
Dividend		1,093,576	898,558
Profit on Sale of Investments		<u>319,710</u>	<u>8,028</u>
TOTAL 'A' :		<u><u>1,413,286</u></u>	<u><u>906,586</u></u>
B. OUTGOINGS :			
Administrative & Other Expenses		<u>121,854</u>	<u>87,664</u>
TOTAL 'B' :		<u><u>121,854</u></u>	<u><u>87,664</u></u>
PROFIT FOR THE YEAR (A-B)		1,291,432	818,922
Less : Provision for Taxation		<u>31,000</u>	---
		1,260,432	818,922
Add: Profit Brought Forward from previous year		<u>4,571,638</u>	<u>5,238,656</u>
Profit available for appropriation		<u><u>5,832,070</u></u>	<u><u>6,057,578</u></u>
Appropriations:			
Proposed Dividend		750,000	1,200,000
Corporate Tax on Proposed Dividend		127,463	203,940
Transfer to General Reserve		126,000	82,000
Balance carried to Balance Sheet		<u>4,828,607</u>	<u>4,571,638</u>
		<u><u>5,832,070</u></u>	<u><u>6,057,578</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.

On behalf of the Board of Directors

Chartered Accountants

S. KAPUR

M.S. Sankaran

D.R. KHATAU

Partner

Directors

Mumbai

Mumbai

24 June, 2010

24 June, 2010

POSEIDON INVESTMENTS COMPANY LIMITED

As at	As at
31st March 2010	31st March 2009
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

10,740,000

10,658,000

Add : Amount transferred from Profit & Loss Account

126,000

82,000

10,866,000

10,740,000

Profit & Loss Account - Surplus

4,828,607

4,571,638

TOTAL :

15,694,607

15,311,638

FIXED ASSETS

Schedule C

Building (at cost)

1,227,230

1,227,230

(See Note below)

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, 2010 Number	Cost Rs.	31st March, 2009 Number	Cost Rs.
A. Equity Shares (Quoted):						
1 Asian Hotels Ltd.	\$	10	----	----	140	2,610
2 Asian Hotels (North) Ltd.		10	70	870	----	----
3 Asian Hotels (West) Ltd.		10	70	870	----	----
4 Asian Hotels (East) Ltd.		10	70	870	----	----
5 Benares Hotels Ltd.		10	550	13,929	550	13,929
6 Blue Star Ltd.		2	3750	12,916	3750	12,916
7 Blue Star Infotech Ltd.		10	250	904	250	904
8 CHL Limited		10	100	1,010	100	1,010
9 Eveready Industries India Ltd.		5	112	1,501	112	1,501
10 Graviss Hospitality Ltd.		2	500	2,272	500	2,272
11 Hindustan Lever Ltd.		1	7500	64,000	7500	64,000
12 ITC Ltd.		1	9600	7,035	9600	7,035
13 Mc Leod Russel (I) Ltd.		5	112	1,502	112	1,502
14 Oriental Hotels Ltd.		10	1746	41,068	1746	41,068
15 Orkay Silk Mills Ltd.		10	250	-	250	-
Procter & Gamble Hygiene & Health						
16 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	348	9,334
19 Warren Tea Ltd.		10	120	4,010	120	4,010
B. Mutual Funds (Unquoted):						
1 Birla Monthly Income Plan-Dividend Reinvestment		10	453,191	4,943,770	427,555	4,657,777
2 HDFC Monthly Income Plan-Long Term Monthly Dividend		10	480,215	5,156,141	454,545	4,843,802
3 HDFC Cash Management Fund Treasury Advantage Plan-Retail Daily Dividend Reinvestment		10	66,175	663,836	8,647	86,747
4 HDFC Fixed Maturity Plan 24M May07 Growth		10	----	----	150000	1,500,000
5 Templeton India Monthly Income Plan - Monthly Dividend Reinvestment		10	444,507	5,244,525	419,128	4,956,681
6 UTI Equity Fund		10	5000	50,000	5000	50,000
C. Secured Debentures (Unquoted): **						
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>16,413,750</u>	<u>16,450,485</u>	
Cost of Quoted Investments				355,478	355,478	
Market Value of Quoted Investments				9,341,846	5,959,655	
Cost of Units (Unquoted)				16,058,272	16,095,007	
NAV of Units				17,180,588	15,474,327	
**Cost of Unquoted Debentures				-	-	

Notes:

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

2. \$ During the year, under scheme of arrangement & demerger the equity shares have been split

POSEIDON INVESTMENTS COMPANY LIMITED

	As at	As at
	31st March 2010	31st March 2009
	Rupees	Rupees

CURRENT ASSETS, LOANS & ADVANCES :

Schedule E

A. Current Assets:

Balance with Scheduled Banks:

On Current Account	45,216	74,599
--------------------	--------	--------

B. Loans and Advances:

Advances Recoverable in cash or in kind or for value to be received

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

Advance Tax & Tax deducted at source
(Net of Provision)

(8,490)	22,510
---------	--------

TOTAL :

<u>36,726</u>	<u>99,109</u>
---------------	---------------

CURRENT LIABILITIES & PROVISIONS :

Schedule F

I. Current Liabilities :

Trade Creditors And Accrued Liabilities

<u>505,636</u>	<u>461,246</u>
----------------	----------------

SUB-TOTAL :

<u>505,636</u>	<u>461,246</u>
----------------	----------------

II. Provisions :

i) For Proposed Equity Dividend

750,000	1,200,000
---------	-----------

ii) For Tax on distributed profit

127,463	203,940
---------	---------

SUB-TOTAL :

<u>877,463</u>	1403940
----------------	---------

TOTAL :

<u>1,383,099</u>	<u>1,865,186</u>
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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.7000 (previous year Rs.6000), payment to Auditors for Statutory Audit Rs.2,000 (previous year Rs.2000) & for other services Rs.3,000 (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	1,200,000
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.
9. Investments : During the year redemption proceeds was receivable from Hindustan Engineering & Industries Ltd., formerly Hindustan Development Corporation Ltd. The same has been shown under 'Other Income' in the Profit & Loss A/c

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

Description	Purchases		Sales	
	Nos.	Cost Rupees	Nos.	Rupees
(a) Units in Schemes of various funds	258,821	2,713,265	274,607	3,069,710
(b) Redeemable Bonds	---	---	---	---
(c) Equity Shares	---	---	---	---

POSEIDON INVESTMENTS COMPANY LIMITED

SIGNIFICANT ACCOUNTING POLICIES

Schedule H

1. SYSTEM OF ACCOUNTING

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

2. INVESTMENTS

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

3. INCOME-TAX

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

Schedules A to H annexed hereto form part of the Accounts

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

For M.S. Sankaran & Co.
Chartered Accountants

On behalf of the Board of Directors

M.S. Sankaran

S. KAPUR

Partner

Mumbai

24 June 2010

D.R. KHATAU

Directors

Mumbai

24 June 2010

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 31-03-2010

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

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

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

Sources of Funds	Total Liabilities	16295	Total Assets	16295
	Paid-up Capital	600	Reserve & Surplus	15695
	Secured Loans	Nil	Unsecured Loans	Nil
Application of Funds	Net Fixed Assets	1227	Investments	16414
	Net Current Assets (1346)		Misc. Expenditure	Nil
	Accumulated Losses			

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

Turnover(Gross Revenue)	1413	Total Expenditure	122
+/- Profit Loss before tax	+1291	+/- Profit Loss after tax	1291
Earnings per share in Rs.	21.52	Dividend rate %	125%

V. Generic Name of Three Principal Product/Services of Company

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

On behalf of the Board of Directors

S. KAPUR

D.R. KHATAU
Directors