

LEDO TEA COMPANY LTD.



ANNUAL REPORT 2012-2013

BOARD OF DIRECTORS	: N. K. Lohia – Chairman-cum-Managing Director S. K. Chatterjee S. K. Dabriwala A. Choudhury Nirmit Lohia
PRESIDENT	: R. K. Hirawat
AUDITORS	: M/s. Das & Prasad 4, Chowringhee Lane 3rd Block, 8th Floor, Room No.: 8F Kolkata - 700 016
BANKERS	: United Bank of India
SOLICITORS	: Choudhury & Co.
REGISTRAR & SHARE TRANSFER AGENT	: Maheshwari Datamatics Pvt. Ltd. 6, Mangoe Lane, 2nd Floor, Kolkata - 700001 Phone : (033) 2243-5029/5809 Fax : (033) 2248-4787 E-mail : mdpl@cal.vsnl.net.in
REGD. OFFICE	: Sir R. N. M. House 3-B, Lal Bazar Street, Kolkata - 700 001 Phone : (033) 2230-6686/6449 Fax : (033) 2248-3078 E-mail : iedotea@vsnl.com
GARDEN	: Ledo Tea Estate P. O. : Ledo, Dist. : Tinsukia, Assam Pin : 786 182 Ph.: (03751) 293574 E-mail : ledote@rediffmail.com

CONTENTS

	Page No.
Notice to the Members	2
Directors' Report	3
Compliance Certificate	6
Auditors' Report	9
Balance Sheet	12
Statement of Profit & Loss	13
Cash Flow Statement	14
Notes to the Financial Statements	15



NOTICE TO THE MEMBERS

Notice is hereby given that the Thirtieth Annual General Meeting of **LEDO TEA COMPANY LIMITED** will be held at Gyan Manch, 11, Pretoria Street, Kolkata - 700 071 on Monday, the 30th September, 2013 at 11.30 A.M. to transact the following business :

1. To receive, consider and adopt the Audited Accounts for the year ended 31st March, 2013 and the Reports of the Directors' and Auditors' thereon.
2. To appoint a Director in place of Mr. Anil Choudhury, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors in place of retiring Auditors from the conclusion of the Thirtieth Annual General Meeting until the conclusion of the Thirty-first Annual General Meeting and to authorize the Board of Directors to fix their remuneration.

SPECIAL BUSINESS

4. To consider and if thought fit, to pass with or without modification(s) the following as an Ordinary Resolution:
"RESOLVED THAT Mr. Nirmal Lohia, who has been appointed as an Additional Director of the Company by Board of Directors under Section 260 of the Companies Act, 1956 and who holds office upto the date of this Annual General Meeting of the Company and in respect of whom the Company has received a notice in writing proposing his candidatures for the office of the Director under Section 257 of the Companies Act, 1956 be and is hereby appointed as Director of the Company liable to retire by rotation."

Registered Office :

Sir R. N. M. House, 3-B, Lal Bazar Street
Kolkata - 700 001
Dated, the 13th August, 2013

By Order of the Board
N. K. LOHIA
Chairman-cum-Managing Director

NOTES :

1. A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote instead of himself/herself and such proxy need not be a member of the Company. Proxies should be received by the Company not less than forty-eight hours before the meeting.
2. The Share Transfer Books and the Registers of Members of the Company shall remain closed from 25th September, 2013 to 30th September, 2013 (both days inclusive) for the purpose of Annual General Meeting.
3. Members are requested to notify immediately change of address, if any, to the Company or to the DPs where the account is maintained.
4. Members desirous of getting any information about the accounts and operations of the Company are requested to address their queries to the Compliance Office of the Company well in advance so that the same are received at least seven days before the date of the meeting to enable the management to keep the information readily available at the meeting.
5. All documents referred to in the above notice are open for inspection at the Registered Office of the Company during office hours.
6. Brief profile of the Director seeking reappointment of the ensuing Annual General Meeting.
Mr. Anil Choudhury, aged 48 years, by profession a leading practitioner in High Court & Supreme Court, is having long and varied experience in the legal matters, became a member of our Board since 29-06-2005
7. EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956 IN RESPECT OF ITEM NO. 4 OF THE NOTICE IS AS UNDER :

ITEM NO. 4

Mr. Nirmal Lohia was appointed as an Additional Director by the Board of Directors of the Company, with effect from 13th August, 2013 in accordance with the provisions of Section 260 of the Companies Act, 1956. He holds office as a director upto the date of ensuing Annual General Meeting. The Company has received a notice in writing under Section 257 of the Companies Act, 1956, from a member proposing his candidature for the office of the Director. The board recommends that he may be appointed as Director liable to retire by rotation.

Mr. Nirmal Lohia, aged 25 years, is MBA from the Kellogg School of Management, Northwestern University, U.S.A. with specialization in Marketing and Finance. He has gained varied experience which will be beneficial to the interest of the Company.

None of the Directors except Mr. Nirmal Kumar Lohia, is, any way, concerned or interested in the resolution.

Registered Office :

Sir R. N. M. House, 3-B, Lal Bazar Street
Kolkata - 700 001
Dated, the 13th August, 2013

By Order of the Board
N. K. LOHIA
Chairman-cum-Managing Director

DIRECTORS' REPORT TO THE MEMBERS

Your Directors have pleasure in presenting Thirtieth Annual Report of the Company along with the Audited Statement of Accounts for the year ended 31st March, 2013.

FINANCIAL RESULTS

	Current Year Rs. in Lacs	Previous Year Rs. in Lacs
Profit/(Loss) before Interest, Depreciation & Taxes	62.68	(18.28)
Deduction : Interest	32.08	30.45
Depreciation	29.00	26.61
	<u>61.08</u>	<u>57.06</u>
Profit/(Loss) before Taxation	1.60	(75.34)
Less : Provision for Taxation (Net)	0.92	(4.62)
Profit/(Loss) after Taxation	0.68	(70.72)
Add : Transferred from General Reserve	—	20.00
Add : Surplus brought from previous year	4.02	54.74
Balance Carried to Balance Sheet	<u>4.70</u>	<u>4.02</u>

PERFORMANCE HIGHLIGHT

Your company produced 9.07 lac kgs. of tea for the year under review as against 7.80 lacs kgs. in the previous year and achieved a net turnover of Rs. 1144.91 lacs by selling 8.93 lac Kgs. of tea as compared to Rs. 772.87 lacs by selling 7.63 lac Kgs. of tea in the previous year. The operation of the Company during the year under review has resulted in a profit of Rs. 62.68 lacs before Interest, Depreciation and Taxes in comparison to loss of Rs. 18.28 lacs in the previous year. Thus your company achieved a net profit of Rs. 0.68 lacs during the year as against loss of Rs. 70.72 lacs in the previous year.

DIVIDEND

Your Directors do not recommend any Dividend for the year ended 31st March, 2013.

MODERNISATION & EXPANSION

The uprooting and replanting programme is being carried out in a phased manner. Your Company has spent Rs. 31.29 lacs on extension & replantation and Rs. 21.28 lacs on building, plant & machineries and Rs. 6.06 lacs on vehicles during the year under review.

FUTURE PROSPECT

The current season started with a droughty condition but at present reasonable rainfall has been received. The prices of tea have been sluggish due to large carryover stock as well lesser export demand. The increase in wage rate and inputs like H.S.D. Oil, pesticides, fuel costs etc. will hit the bottom line. However, your Company will try its level best to offset the increase in cost by better price realization and is hopeful of improved results in the current year.

CORPORATE GOVERNANCE

As the paid-up Share Capital of the Company being less than Rs. 3 Crores, SEBI's Corporate Governance Code is not applicable to your Company. However, adequate steps have been taken for better corporate governance.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- 1) in the preparation of annual accounts, the applicable accounting standards have been followed;
- 2) 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 as at 31st March 2013;



- 3) 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;
- 4) the Directors have prepared the annual accounts of the Company on a going concern basis.

PERSONNEL

The Company greatly values, and has constantly endeavoured to maintain excellent relationship with its employees. None of the employees of the Company received remuneration exceeding the limit pursuant to Section 217(2A) of the Companies Act, 1956 and the rules made thereunder.

SOCIAL OBLIGATION

Your Company has taken up and is constantly in touch with the various socio-economic projects for uplifting standards of living of the people in and around its estate where it operates.

DISCLOSURE OF PARTICULARS WITH REGARD TO CONSERVATION OF ENERGY ETC.

Necessary information required by the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 for conservation of energy, technology absorption and foreign exchange earnings and outgo are enumerated in annexure to this report.

DIRECTORATE

In accordance with the requirements of the Companies Act, 1956, Mr. Anil Choudhury retires by rotation and being eligible, offers himself for re-appointment.

AUDITORS' REPORT

The observations made by the Auditors in their report are self-explanatory and therefore, do not call for any further explanations u/s. 217(3) of the Companies Act, 1956.

AUDITORS

The Auditors M/s. Das & Prasad, Chartered Accountants, retire at this meeting and being eligible, have expressed their willingness to be re-appointed.

SECRETARIAL COMPLIANCE CERTIFICATE

Pursuant to the proviso to Section 383A(1) of the Companies Act, 1956, the Company has obtained Compliance Certificate for the year ended 31st March, 2013 from a Company Secretary in whole time practice. A copy of the said Certificate is annexed with this report.

LISTING ARRANGEMENTS

The Equity Shares of the Company are listed on the Stock Exchange, Mumbai (BSE). The Annual Listing Fees of BSE have been paid upto the date.

Registered Office :

Sir R. N. M. House
3-B, Lal Bazar Street
Kolkata - 700 001
Dated, the 30th May, 2013

By Order of the Board
NIRMAL KUMAR LOHIA
Chairman-cum-Managing Director

**ANNEXURE TO DIRECTORS' REPORT
FORM 'A'**

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

(A) POWER & FUEL CONSUMPTION

		Current Year	Previous Year
1. Electricity -			
a) Unit	(KWH)	3,76,963	3,73,420
Total/Amount	(Rs.)	31,02,003	28,80,025
Rate/Unit	(Rs./KWH)	8.23	7.71
b) Own Generation			
Through Diesel Generator Unit	(KWH)	65,612	44,236
Units per Ltr. of Diesel Oil	(KWH)	2.25	2.23
Fuel Cost/Unit	(Rs./KWH)	20.18	19.53
c) Through Gas Generator Unit	(KWH)	2,99,618	2,73,597
2. Other for Tea Processing in Withering & Drying			
Gas			
Quantity	(SCUM)	4,50,999	3,52,214
Total Cost	(Rs.)	45,41,437	50,27,507
Rate/Unit	(Rs./SCUM)	10.07	14.27

(B) CONSUMPTION PER UNIT OF PRODUCTION

Products - Tea (Gross)	(Kgs.)	9,06,762	7,80,300
Energy Use : Electricity (including own generation)	(KWH/Kg.)	0.82	0.89
Other Fuel for processing of Tea :			
Gas	(SCUM/Kg.)	0.50	0.45

FORM 'B'**ABSORPTION, RESEARCH & DEVELOPMENT****RESEARCH AND DEVELOPMENT (R & D)**

- Specified areas in which R & D carried out by the Company
- Benefits derived as a result of the above R & D
- Future Plan of action
- Expenditure on R & D
 - Capital
 - Recurring
 - Total
 - Total R & D expenditure as a percentage of total turnover

The Company gets regular guidelines from Tea Research Association which is registered under Section 35(1)(ii) of the Income Tax Act, 1961.

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

- Efforts, in brief, made towards technology absorption and innovation
- Benefits derived as a result of the above efforts e.g. Product improvement
Cost reduction, Production development, Import substitution etc.
- In case of imported technology
(imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished
 - Technology Imported
 - Year of Import
 - Has technology been fully absorbed ?
 - If not fully absorbed, areas where this has not taken place, reasons therefore, and future plan of action

Not applicable

FOREIGN EXCHANGE EARNING AND OUTGO

- Activities relating to exports, initiatives taken to increase exports
- Development of new export markets for products and services and export plan.
- Total foreign exchange earned
- Total foreign exchange used

Not applicable

Nil

Nil

Registered Office :

Sir R. N. M. House
3-B, Lal Bazar Street
Kolkata - 700 001

Dated, the 30th May, 2013

By Order of the Board
NIRMAL KUMAR LOHIA
Chairman-cum-Managing Director



BABU LAL PATNI
COMPANY SECRETARY

51, NALINI SETT ROAD
5TH FLOOR, ROOM NO. 19
KOLKATA 700007
TEL. NO : 2259-7715/6

COMPLIANCE CERTIFICATE

Registration No. of the Company : 21-36204
Nominal Capital : Rs. 1,25,00,000/-

To,
The Members,
Ledo Tea Company Limited
3-B, Lai Bazar Street
Kolkata - 700001

I have examined the registers, records, books and papers of **Ledo Tea Company Limited** (the Company) as required to be maintained under the Companies Act, 1956 (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2013 (financial year). 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 thereunder and all the 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 thereunder except as otherwise stated.
3. The Company being a public limited company, comments are not required.
4. The Board of Directors duly met FOUR times respectively on 30.05.12, 14.08.12, 12.11.12 and 14.02.13 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed including the circular resolutions passed in the Minutes Book maintained for the purpose.
5. The Company closed its Register of Members from 24th September, 2012 to 29th September, 2012 and necessary compliance of Section 154 of the Act has been made.
6. The Annual General Meeting for the financial year ended on 31st March, 2012 was held on 29th September, 2012, after giving due notice to the members of the Company and the resolutions passed there at were duly recorded in Minutes Book maintained for the purpose.
7. No Extra-Ordinary General Meeting was held during the financial year.
8. The Company has not advanced any loans to its directors or persons or firms or Companies referred to under Section 295 of the Act.
9. The Company has not entered into any contracts falling within the purview of section 297 of the Act.
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 Company has not issued any duplicate share certificate during the year.
13.
 - i. The Company has delivered all the certificates on lodgement thereof for transfer/transmission or any other purpose in accordance with the provisions of the Act. There was no allotment of securities during the financial year.
 - ii. The Company has not deposited any amount in a separate bank account as no dividend was declared during the financial year.
 - iii. The Company was not required to post warrants to any member of the Company as no dividend was declared during the financial year.
 - iv. The Company was not required to transfer any amount to Investor Education and Protection Fund during the year.
 - v. The Company has duly complied with the requirements of section 217 of the Act.

14. The Board of the Directors of the Company is duly constituted. There was no appointment of directors, additional directors, alternate directors and directors to fill casual vacancy made during the financial year.
15. The Company has not appointed any Managing Director / Whole time Director / Manager during the 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 of companies and/ or such authorities prescribed under the various provisions of the Act.
18. The Directors have disclosed their interest in the other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
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. The Company has not issued any Preference Shares or Debentures.
22. There were no transactions necessitating the Company to keep in abeyance any 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 amount borrowed by the Company from directors, members, public, financial institutions, Banks or other during the financial year ended 31st March, 2013 are within the limits prescribed under Section 293(1)(d) of the Act.
25. The Company has made loans and investments, or given guarantees or provided securities to other bodies corporate in compliance with the provisions of the Act and has made necessary entries in the register kept for the purpose.
26. The Company has not altered the provisions of the Memorandum with respect of 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 financial 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 during the year under scrutiny.
30. The Company has not altered its Articles of Association during the financial year.
31. There was 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 Company has generally regularly deposited both employees' and employer's contribution to Provident Fund with prescribed authorities pursuant to section 418 of the Act.

PLACE : KOLKATA
DATED : 30th May, 2013

BABU LAL PATNI
Company Secretary
C. P. No : 1321

LED0 TEA COMPANY LIMITED

ANNEXURE ' A '

LIST OF REGISTERS MAINTAINED BY THE COMPANY

S.N.	PARTICULARS	UNDER SECTION
01.	Register of Charges	143
02.	Register of Members	150
03	Index of Members	151
04	Directors' Minute Book	193
05	Shareholders' Minute Book	193
06.	Register of Contracts (Part I)	301
07	Register of Contracts (Part II)	301
08.	Register of Directors	303
09.	Register of Directors Shareholdings	307
10.	Register of Loans and Investments	372A
11.	Register of Transfer.	

ANNEXURE 'B'

Forms and Returns as filed by the Company with Registrar of Companies Regional Director, Central Government or other authorities during the financial year ended 31st March, 2013

S.N.	Form No. /Return	Filed Under Section	For	Date of filing	Whether filed within prescribed Time YES/NO	If delay in filing whether requisite additional fee paid YES/NO
01.	Form No 23AC (XBRL)	220	Balance Sheet as at 31st. March, 2012	09.01.13	YES	N.A.
02.	Form No 20B	159	Annual Return made up to 29.09.2012	30.10.12	YES	N.A.
03.	Form No 66	Proviso to Section 383A(1)	Compliance Certificate	09.10.12	YES	N.A.
04.	Form No 8 dated 30.01.13	125	Charges Registration	14.02.13	YES	N.A.

AUDITORS' REPORT TO THE MEMBERS OF LEDO TEA COMPANY LIMITED

We have audited the accompanying financial statements of LEDO TEA COMPANY LIMITED, which comprise the Balance Sheet as at 31st March, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year ended, and a summary of significant accounting policies and other explanatory information.

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act 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, 2013;
 - b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
 - c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.
1. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
 2. As required by section 227(3) of the Act, 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 account as required by law have been kept by the Company so far as appears from our examination of those books
 - c) the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of accounts.
 - d) in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in subsection(3C) of section 211 of the Companies Act, 1956; except for Accounting Standard 15 (Revised 2005) in respect of non provision of part of gratuity liability amounting to Rs. 27.76 lacs indicated in note no. 24 under notes on accounts.
 - e) on the basis of written representations received from the directors as on 31st March, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

4, Chowringhee Lane,
Kolkata
30th May, 2013

For **DAS & PRASAD**
Chartered Accountants
Firm Registration No. 0303054E
P. K. AGARWAL
Partner
Membership No.056921

ANNEXURE TO AUDITORS' REPORT

The Annexure referred to in Our Report of even date to the members of Ledo Tea Company Limited on the Financial Statements of the company for the year ended 31st March, 2013.

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

1. (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
(b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
(c) In our opinion and according to the information and explanations given to us, no fixed asset has been disposed during the year and therefore does not affect the going concern assumption.
2. (a) As explained to us, inventories have been 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 are reasonable and adequate in relation to the size of the company and the nature of its business.
(c) In our opinion and on the basis of our examination of the records, the Company is generally maintaining proper records of its inventories. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.
3. (a) According to the information and explanations given to us and on the basis of our examination of the books of accounts, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Consequently, the provisions of clauses iil (b), iii(c) and iii (d) of the order are not applicable to the Company.
(b) According to the information and explanations given to us and on the basis of our examination of the books of accounts, the Company has not taken loans from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Thus sub clauses (f)&(g) are not applicable to the company.
4. In our opinion and according to the information and explanations given to us, there is generally an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventories & fixed assets and payment for expenses & for sale of goods. During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.
5. a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.
b) As per information & explanations given to us and in our opinion, the transaction entered into by the company with parties covered u/s 301 of the Act does not exceed rupees five lacs in a financial year therefore requirement of reasonableness of transactions does not arise.
6. The Company has not accepted any deposit from the public covered under section 58A and 58AA of the Companies Act, 1956.
7. As per information & explanations given by the management, the Company has an internal audit system commensurate with its size and the nature of its business.
8. As per information & explanations given by the management, maintenance of cost records has been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Act and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have, however not carried out detailed examinations of the same.

9. (a) According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31st of March, 2013 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there is no amount payable in respect of income tax, wealth tax, service tax, sales tax, customs duty and excise duty which have not been deposited on account of any disputes.

Nature	Assessment Year	Forum	Amount Involved
Income Tax	2000-2001	Income Tax Appellate Tribunal	5,94,267/-
Income Tax	2001-2002	- do -	2,42,699/-
Income Tax	2002-2003	- do -	2,37,564/-
Sales Tax	2007-2008	Joint commissioner of Taxes, Assam	4,27,165/-
Sales Tax	2008-2009	- do -	4,66,173/-

10. The Company does not have any accumulated losses and has not incurred cash loss during the financial year covered by our audit. However, the Company has incurred cash losses in the immediately preceding financial year.
11. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
12. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion the Company is not a chit fund or nidhi/mutual benefit fund/societies. Therefore, the provisions of Clause 4(xiii) of the Order are not applicable to the Company.
14. According to information and explanations given to us, the Company is not dealing / trading in shares and securities, debentures and other investments. Therefore, the provisions of Clause 4 (xiv) of the Order are not applicable to the Company. However, the share and other securities kept as long term investment have been held by the Company in its own name.
15. According to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from a bank or financial institution.
16. Based on our audit procedures and on the information given by the management, we report that the company has not raised any term loan during the year.
17. Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company as at 31st March, 2013, we report that no funds raised on short-term basis have been used for long-term investment by the Company.
18. Based on the audit procedures performed and the information and explanations given to us by the management, we report that the Company has not made any preferential allotment of shares during the year.
19. The Company has no outstanding debentures during the period under audit.
20. The Company has not raised any money by public issue during the year.
21. Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.

4, Chowringhee Lane,
Kolkata
30th May, 2013

For **DAS & PRASAD**
Chartered Accountants
Firm Registration No. 0303054E
P. K. AGARWAL
Partner
Membership No.056921



BALANCE SHEET AS AT 31ST MARCH, 2013

(Rs. In lacs)

Particulars	Note No.	As at 31st March, 2013		As at 31st March, 2012	
I. EQUITY AND LIABILITIES					
1) Shareholders' Funds					
a) Share Capital	3	86.35		86.35	
b) Reserves & Surplus	4	<u>229.89</u>	316.24	<u>229.21</u>	315.56
2) Share application money pending allotment					
—					
3) Non-Current Liabilities					
a) Long-term borrowings	5	25.33		33.35	
b) Deferred tax liabilities (net)	6	<u>(13.60)</u>	11.73	<u>(13.69)</u>	19.66
4) Current Liabilities					
a) Short-term borrowings	8	215.82		190.63	
b) Trade payables	9	93.93		92.03	
c) Current Maturities of Long term borrowings	5	12.81		17.82	
d) Other current liabilities	10	87.00		80.28	
e) Short-term provisions	7	87.01	496.57	84.80	465.56
Total			<u>824.54</u>		<u>800.78</u>
II. ASSETS					
1) Non-current assets					
a) Fixed assets					
i) Tangible assets	11	567.70		538.33	
ii) Intangible assets	11	0.43		—	
iii) Capital work-in-progress	11	0.33		—	
iv) Intangible assets under development	11	—		—	
b) Non-current investments	12	0.71		0.71	
c) Long term loans and advances	13	38.30		29.81	
d) Other non-current Assets	14	—	607.47	—	568.85
2) Current Assets					
a) Trade receivables	15	6.78		6.54	
b) Inventories	16	126.99		127.50	
c) Cash and Cash equivalents	17	4.38		6.90	
d) Short-term loans and advances	13	55.90		74.74	
e) Other current assets	14	23.02	217.07	16.25	231.93
Total			<u>824.54</u>		<u>800.78</u>

See accompanying notes forming part of the financial statements

As per our annexed report of even date.

For **DAS & PRASAD**

Chartered Accountants

Firm Registration No. 0303054E

P. K. AGARWAL

Partner

Membership No.056921

4, Chowringhee Lane

Kolkata, the 30th May, 2013

N. K. LOHIA
Chairman-cum-
Managing Director

S. K. CHATTERJEE
A. CHOUDHURY
S. K. DABRIWALA

Directors

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

(Rs. In lacs)

<u>Particulars</u>	<u>Note No.</u>	<u>For the year ended 31st March, 2013</u>		<u>For the year ended 31st March, 2012</u>	
I. Revenue from Operations					
Sales of Tea		1,149.47		776.62	
Less : Excise Duty		4.56	1,144.91	3.75	772.87
II. Other Income	18		15.04		18.84
III. Total Revenue	(I + II)		<u>1,159.95</u>		<u>791.71</u>
IV. Expenses					
Cost of materials consumed	19		243.16		51.48
Purchase of Stock-in-Trade			—		—
Changes in inventories of finished goods, work-in progress and Stock-in-Trade	20		(9.91)		(8.61)
Employee benefit expense	21		486.14		459.66
Financial cost	22		32.08		30.45
Depreciation and amortization expense	11		29.00		26.61
Other expenses	23		381.83		307.46
Total Expenses			<u>1,162.30</u>		<u>867.05</u>
V. Profit/(Loss) before exceptional and extraordinary items and tax	(III - IV)		(2.35)		(75.34)
VI. Exceptional Items - Provision of Value in Diminution of Investments written back			3.95		—
VII. Profit/(Loss) before extraordinary items and tax (V-VI)			1.60		(75.34)
VIII. Extraordinary Items			—		—
IX. Profit/(Loss) before tax	(VII - VIII)		1.60		(75.34)
X. Tax Expense:					
1) Current Tax			0.32		—
2) Deferred Tax			0.09		(5.12)
3) Tax of earlier years			0.51		0.50
XI. Profit/(Loss) for the year	(IX - X)		0.68		(70.72)
XII. Earning per equity share in (Normal Value Rs. 10/- each) Basic & diluted in (Rs.)			0.08		(8.19)

See accompanying notes forming part of the financial statements

As per our annexed report of even date.

For **DAS & PRASAD**
Chartered Accountants
Firm Registration No. 0303054E

P. K. AGARWAL
Partner
Membership No.056921
4, Chowringhee Lane
Kolkata, the 30th May, 2013

N. K. LOHIA
Chairman-cum-
Managing Director

S. K. CHATTERJEE
A. CHOUDHURY
S. K. DABRIWALA

Directors



CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET FOR THE YEAR ENDED 31ST MARCH, 2013

(Rs. In lacs)

Particulars	For the year ended 31st March, 2013	For the year ended 31st March, 2012
A. Cash Flow from Operating Activities		
Net Profit before Tax & Extra Ordinary Items	1.60	(75.34)
Add :		
Depreciation	29.00	26.61
Loss / (Profit) on Sale of Fixed Assets	0.02	0.42
Loss on Sale of Share	3.83	—
Interest debited to Profit & Loss Account	32.08	30.45
	<u>64.93</u>	<u>57.48</u>
	66.53	(17.86)
Less :		
Interest Income	5.11	11.08
Provision for Diminution of Investments	3.95	—
Operating Profit before Working Capital Changes	<u>9.06</u>	<u>11.08</u>
	57.47	(28.94)
Adjusted for :		
Trade & Other Receivables	3.01	26.53
Inventories	0.51	(20.46)
Trade Payables	10.84	74.75
	<u>14.36</u>	<u>80.82</u>
	71.83	51.88
Less : Taxation	0.51	1.38
Net Cash inflow from Operating Activities	<u>71.32</u>	<u>50.50</u>
B. Cash Flow from Investing Activities		
Outflow :		
Acquisition of Fixed Assets (Including Capital Work-In-Progress)	(59.94)	(72.38)
Inflow :		
Sale of Fixed Assets	0.80	2.00
Sale of Investment	0.12	—
Interest Received	5.11	11.08
Subsidy Received	—	0.46
	<u>6.03</u>	<u>13.54</u>
Net Cash inflow / (outflow) from Investing Activities	<u>(53.91)</u>	<u>(58.84)</u>
C. Cash Flow from Financing Activities		
Borrowings	12.15	20.97
Interest Paid	(32.08)	(30.45)
	<u>(19.93)</u>	<u>(9.48)</u>
Net Cash inflow / (outflow) from Financing Activities	<u>(19.93)</u>	<u>(9.48)</u>
Net increase / (decrease) in Cash equivalents (A+B+C)	(2.52)	(17.82)
Opening Cash Balance & Cash Equivalents	6.90	24.72
Closing Cash Balance & Cash Equivalents	4.38	6.90

As per our annexed report of even date.

For **DAS & PRASAD**
Chartered Accountants
Firm Registration No. 0303054E

P. K. AGARWAL

Partner

Membership No.056921

4, Chowringhee Lane

Kolkata, the 30th May, 2013

N. K. LOHIA
Chairman-cum-
Managing Director

S. K. CHATTERJEE
A. CHOUDHURY
S. K. DABRIWALA

Directors

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1. Corporate information

Ledo Tea Company Limited is a public limited company domiciled in India and incorporated in 1983 under the Provisions of the Companies Act, 1956. Its shares are listed with Bombay Stock Exchange of India.

It is engaged in the business of manufacturing of tea and having its tea estate in Tinsukia district of Assam. The estate has a processing factory capable of producing CTC tea with an installed capacity of 1,100 tonnes.

2. Significant accounting policies

a) Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention.

b) Use of Estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialised

c) Inventories

Stock of Tea is valued at the lower of cost and the net realisable value. However, Stock of Tea Waste is valued at estimated realisable value. Cost is comprised of Materials, Labour and total Garden Overheads.

Stock of Stores and Spare parts are valued at cost on FIFO basis.

As per practice followed by the Company value of green leaves in stock as at the close of the year are not taken into accounts..

d) Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash in hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

e) Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

f) Depreciation and amortisation

Depreciation has been provided on the straight-line method in accordance with Section 205(2)(b) of the Companies Act, 1956 and the rates prescribed in Schedule XIV to the Companies Act, 1956.

No provision has been made in respect of amortisation of Leasehold Land and Plantations.

g) Revenue recognition

Sale of goods

Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales exclude excise duty and sales tax.

Income from services

Company follows the mercantile system of accounting and recognizes its income and expenditure on accrual basis.

h) Tangible fixed assets

Fixed assets are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets includes purchase price and any directly attributable cost of bringing the assets to working condition for the intended use.

Assets acquired under hire purchase scheme are treated as fixed assets on delivery, pending transfer of title subsequently as per the terms of hire purchase agreement.

All Expenditure incurred on Extension Planting are capitalized.

i) Intangible assets

Expenses incurred on research are expended as and when incurred and development expenses which satisfy the assets criteria are amortised over a period of 10 years.

j) Government grants, subsidies and export incentives

Revenue grants including subsidy / rebates are credited to statement of Profit and Loss under "Other Income" or deducted from the related expenses. Grants relating to fixed assets are credited to Capital Reserves Account or adjusted in the cost of such assets as the case may be, as and when the ultimate realisability of such grants are established.

k) Investments

Long-term investments are carried at cost. Provision for diminution in the value of such investment is made to recognize a decline other than temporary. Gain / losses on disposal of investment are recognized as income / expenditure. Dividends are accounted for when received.

l) Employee benefits

The Company contributes to Provident Fund which are administered by duly constituted and approved authorities of Government.

Gratuity are paid in accordance with the Payment of Gratuity Act, 1972 and accounted for, as and when paid/payable.

Leave Encashment benefits are accounted for on accrual basis.

m) Borrowing costs

Borrowing Costs that are directly attributable to the acquisition, construction or production of qualifying assets are being capitalised as part of the cost of that assets and other borrowing cost is recognised as expenses in the year in which they are incurred.

n) Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year.

o) Taxes on income

Deferred Tax is calculated at current statutory income tax rate and is recognised on timing difference between income and accounting income that originates in one period and are capable of being reversal in one or subsequent period. Deferred tax assets subject to consideration of prudence, are recognised and carried forward only to the extent that there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets/liabilities are reviewed at each Balance Sheet date based on development during the year and available case laws to reassess realization / liabilities.

p) Impairment of assets

The Company assesses at each Balance Sheet whether there is any indication that an asset may be impaired, if any such indication exist, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or recoverable amount of the Cash Generating Unit to which the asset belongs, is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Profit and Loss Account. If at the Balance Sheet date, there is any indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

As on the Balance Sheet date the carrying amount of the assets net of accumulated depreciation is not less than the recoverable amount of those assets. Hence, there is no impairment loss on the assets of the company.

q) Provisions

Provision is made for Income Tax under the Tax Payable method, based on Tax Liability as computed after taking credit for allowances, expenses and carry forward losses. In case of matters under appeal due to disallowance or otherwise, full provision is made when the said liabilities are accepted.

r) Contingent Liabilities

Contingent Liabilities are generally not provided for in the accounts and are separately shown in the Notes to the accounts.

s) Insurance claims

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that there is no uncertainty in receiving the claims.

3. SHARE CAPITAL

(Rs in Lacs)

Particulars	As at 31-03-2013	As at 31-03-2012
Authorised shares		
12,50,000 (Previous Year : 12,50,000) equity shares of Rs. 10/- each	125.00	125.00
Issued, Subscribed & Fully Paid up		
8,63,500 (Previous Year : 8,63,500) equity shares of Rs. 10/- each	86.35	86.35
Note : Out of the above 1,00,110 Equity Shares were allotted as Bonus Shares by Capitalisation of General Reserve in FY1985-86		
(a) There is no movement in share capital as compared to previous year		
(b) Terms/rights attached to equity shares		
(i) The company has only one class of equity shares having par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividend in Indian Rupees.		
(ii) In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the number of equity shares held by the shareholders.		
(c) Details of Shareholders holding more than 5% equity shares in the Company;		

NAME OF THE SHAREHOLDER	As at 31st March, 2013		As at 31st March, 2012	
	Numbers	% Holding	Numbers	% Holding
Nirmal Kr. Lohia	1,39,230	16.12%	1,39,230	16.12%
Sarita Lohia	91,923	10.64%	77,137	8.93%
Nirmit Lohia	88,596	10.26%	77,338	8.96%
Nikhil Lohia	93,483	10.82%	76,513	8.86%

(d) The reconciliation of the number of shares outstanding are below :

(Rs. In Lacs)

Particulars	As at 31-03-2013	As at 31-03-2012
Number of Shares at the beginning	86.35	86.35
Add : Issue of Equity Shares during the year	—	—
	86.35	86.35

4. RESERVES & SURPLUS

(Rs. In Lacs)

Particulars	As at 31-03-2013	As at 31-03-2012
Share Premium Account (a)	14.06	14.06
General Reserve		
Balance as per the last financial statements	211.13	231.13
Less : Transferred to Surplus Account	—	20.00
Closing Balance (b)	211.13	211.13
Surplus in the statement of Profit and Loss		
Balance as per the last financial statements	4.02	54.74
Profit/Loss for the year	0.68	(70.72)
Add: Amount transferred from General Reserve	—	20.00
Closing Balance (c)	4.70	4.02
Total Reserve and Surplus (a to c)	229.89	229.21

5. Long Term Borrowings

(Rs. In Lacs)

Particulars	Non Current Position		Current Maturities	
	As at 31-03-2013	As at 31-03-2012	As at 31-03-2013	As at 31-03-2012
(A) Secured				
Indian rupee loan from banks				
Term Loan				7.00
Special Tea Term Loan	11.72	11.72		
Vehicle Loan	13.61	21.63	12.81	10.82
(A)	25.33	33.35	12.81	17.82
(B) Unsecured				
(B)				
Total (A+B)	25.33	33.35	12.81	17.82

a) Nature of securities and terms of repayment of each loan

(Rs. In Lacs)

Name of the Bank	Terms of Repayment	Nature of Securities	Interest Rate	Loan Amount as at	
				31-03-2013	31-03-2012
Term Loan					
United Bank of India	Final Installment of Rs. 7 lac was due on 31-3-2012 (debited by bank on 20-4-2012)	see (i) below	BR + 2.75%		7.00
Special Tea Term Loan					
Tea Board	16 half-yearly installment starting from the last date of 66th month from the disbursement i.e, from 30-9-2014 to 31-3-2022	see (ii) below	9.50%	11.72	11.72
Vehicle Loan					
Axis Bank Ltd.	36 equal monthly installments of Rs.1,12,361/- starting from 15-01-2012 to 15-12-2014	see (iii) below	9.65%	21.61	32.45
HDFC Bank Ltd.	60 equal monthly installments of Rs.10,745/- starting from 05-01-2013 to 05-12-2017	see (iii) below	10.44%	4.81	

(i) Term Loans are secured by extension of Mortgage charge

(ii) Term Loans are secured by Equitable Mortgage Second charge or Pari passu charges on the Fixed assets (i.e, immovable properties including machinery)

(iii) Vehicle Loan are secured against hypothecation of Vehicles purchased against such loan.

6. Deferred tax liabilities (net)

(Rs. In Lacs)

Particulars	As at 31-03-2013	As at 31-03-2012
Deferred Tax Liabilities		
Timing Difference in depreciable Assets	24.98	23.76
(A)	24.98	23.76
Deferred Tax Assets		
Timing Difference u/s 43B	27.76	27.20
	10.82	10.25
Brought Forward Loss	(B) 38.58	37.45
Net Deferred Tax Liabilities	(A-B) (13.60)	(13.69)

7. Provisions

(Rs. In Lacs)

Particulars	Non Current Position (long term)		Current Maturities (short term)	
	As at	As at	As at	As at
	31-03-2013	31-03-2012	31-03-2013	31-03-2012
Provision for employee benefits:				
Gratuity	—	—	73.69	73.69
Leave Encashment	—	—	13.32	11.11
TOTAL	—	—	87.01	84.80

8. Short Term Borrowings

(Rs. In Lacs)

Particulars	As at	As at
	31-03-2013	31-03-2012
A) Secured Loan		
Cash Credit from bank	215.82	190.63
	(A)	215.82
B) Unsecured Loan		
	(B)	—
	(A+B)	215.82

a) Nature of securities and terms of repayment of each loan

(Rs. In Lacs)

Name of the Bank	Terms of Repayment	Nature of Securities	Interest Rate	Loan Amount as at	
				31-03-2013	31-03-2012
United Bank of India	Repayable on demand	Refer below	BR + 2.75%	215.82	190.63

Cash Credit facilities are Secured against Hypothecation of Tea and Tea Crops, Stock of Stores & Spare Parts, Plant & Machinery, other Fixed Assets and Book Debts and personal guarantee by the Directors of the Company

9. Trade Payable

(Rs. In Lacs)

Particulars	Current Position	
	As at	As at
	31-03-2013	31-03-2012
Micro & Small Enterprises	—	2.47
Creditors for goods, services etc	93.93	89.56
	93.93	92.03

10. Other Current Liabilities

(Rs. In Lacs)

Particulars	As at	As at
	31-03-2013	31-03-2012
Unclaimed Dividends	0.80	0.80
Statutory Dues	15.27	10.63
Advance from Customers	24.19	22.75
Other liabilities	46.74	46.10
TOTAL	87.00	80.28

11. FIXED ASSETS

(Rs. In Lacs)

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Cost As at 01-04-2012	Additions during the year	Cost of Assets Sold/Discarded/ Adjusted/Subsidy received during the year	Total Cost As at 31-03-2013	Upto 31-03-2012	For the Year	Adjustment	Total Upto 31-03-2013	As at 31-03-2013	As at 31-03-2012
TANGIBLE ASSETS										
Leasehold Land	7.02	—	—	7.02	—	—	—	—	7.02	7.02
Tea Plantations	221.08	31.29	—	252.37	—	—	—	—	252.37	221.08
Buildings	126.92	16.11	—	143.03	51.08	2.59	—	53.67	89.36	75.84
Roads & Bridges	3.13	—	—	3.13	0.81	0.05	—	0.86	2.27	2.32
Plant & Machineries	343.78	0.95	—	344.73	193.80	15.81	—	209.61	135.12	149.98
Garden Electrification	35.63	0.38	—	36.01	18.91	1.41	—	20.32	15.69	16.72
Water, Oil Tank & Water Pumps	1.57	3.84	—	5.41	1.42	0.05	—	1.47	3.94	0.15
Furniture, Fitting & Office Equipments	35.87	0.50	—	36.37	31.33	1.06	—	32.39	3.98	4.54
Vehicles	101.46	6.06	3.60	103.92	40.78	7.98	2.79	45.97	57.95	60.68
LEASED ASSETS										
NIL										
INTANGIBLE ASSETS										
Computer Software	—	0.48	—	0.48	—	0.05	—	0.05	0.43	—
Capital Work in Progress	—	0.33	—	0.33	—	—	—	—	0.33	—
TOTAL	876.46	59.94	3.60	932.80	338.13	29.00	2.79	364.34	568.46	538.33
As at 31-03-2012	811.23	72.38	7.15	876.46	315.79	26.61	4.27	338.13	538.33	—

Notes : Leasehold Land includes Rs. 4,02,000/- for amount paid and expenses incurred (As certified by the Management) in connection with land, the title of which is in dispute.

12. Non-current Investments

(Rs. In Lacs)

Particulars	As at 31-03-2013	As at 31-03-2012
A. Non-Trade Investments (valued at cost unless stated otherwise)		
Unquoted Equity Shares		
Nil (Previous year Rs. 9000) equity shares of Rs. 10 each fully paid up in KHSL Industries Limited	—	1.22
Quoted Equity Shares		
Nil (Previous year Rs. 12059) equity shares of Rs. 10 each fully paid up in Malanpur Steels Ltd.	—	2.73
(A)	—	3.95
B. Other Investments (valued at cost unless stated otherwise)		
(a) Times Shares of Sterling Holiday Resorts (India) Ltd.,	0.68	0.68
(b) 7 years National Savings Certificate	0.03	0.03
(Deposited with various Government Authorities)	(B)	0.71
(A+B)	0.71	4.66
Less : Provision for diminution in the Value of investments	—	3.95
TOTAL	0.71	0.71
Aggregate Market Value of Quoted Investments	0.00	0.00

13. Loans and advances (Unsecured, considered good unless stated otherwise)

(Rs. In Lacs)

Particulars	Non Current		Current	
	As at 31-03-2013	As at 31-03-2012	As at 31-03-2013	As at 31-03-2012
(A) Loans and advances to employees Unsecured, considered good	—	—	18.44	10.92
	—	—	18.44	10.92
(B) Security Deposits	33.73	25.24	—	—
	33.73	25.24	—	—
(C) MAT Credit receivable	4.57	4.57	—	—
	4.57	4.57	—	—
(D) Balances with government authorities Unsecured, considered good				
(i) Cenvat Credit Receivable	—	—	—	0.37
(ii) Excise Credit Receivable	—	—	0.04	0.04
(iii) Income Tax Refundable	—	—	4.84	6.51
	—	—	4.88	6.92
(E) Prepaid Expenses	—	—	2.19	2.74
	—	—	2.19	2.74
(F) Other loans and advances				
Advances to Others	—	—	2.75	2.34
Loan to Strategic Infracon Pvt Ltd	—	—	—	50.62
Loan to Ideal Real Estate Pvt. Ltd.	—	—	25.10	—
Advance Income Tax (net of provisions)	—	—	2.54	1.20
	—	—	30.39	54.16
TOTAL (A to F)	38.30	29.81	55.90	74.74

14. Other Current Assets (Unsecured, considered good unless stated otherwise) (Rs. In Lacs)

Particulars	Non Current		Current	
	As at 31-03-2013	As at 31-03-2012	As at 31-03-2013	As at 31-03-2012
Interest Receivable	—	—	1.70	1.57
Interest Subsidy Receivable	—	—	20.16	14.19
Insurance Claims Receivable	—	—	1.16	0.49
	—	—	23.02	16.25

15. Trade Receivables (Unsecured) (Rs. In Lacs)

Particulars	Non Current		Current	
	As at 31-03-2013	As at 31-03-2012	As at 31-03-2013	As at 31-03-2012
Outstanding for a period exceeding six months from the date they are due for payment				
Considered good	—	—	3.63	3.12
Other receivables (considered good)	—	—	3.15	3.42
Total	—	—	6.78	6.54

16. Inventories (Rs. In Lacs)

Particulars	As at 31-03-2013	As at 31-03-2012
Stores, Spares & Consumables [includes stores in transit Rs. 0.64 Lacs]	66.81	77.23
Previous year Rs. 5.31 Lacs (at cost)		
Finished Goods	60.18	50.27
(At lower of cost or estimated realisable value)		
TOTAL	126.99	127.50

Details of Inventory (Rs. In Lacs)

Finished Goods		
Tea	60.18	50.27

17. Cash and Bank Balances (Rs. In Lacs)

Particulars	Non Current		Current	
	As at 31-03-2013	As at 31-03-2012	As at 31-03-2013	As at 31-03-2012
Cash and Cash Equivalents				
Balance with banks:				
In current accounts	—	—	1.98	2.01
In unpaid dividend account	—	—	0.82	0.83
Cash in hand	—	—	1.58	4.06
Total	—	—	4.38	6.90

18. Other Non-operating Income		(Rs. In Lacs)	
Particulars	As at 31-03-2013	As at 31-03-2012	
Interest (Gross) Tax deducted at source Rs. 0.51 Lacs (Previous year Rs. 1.10 Lacs)	5.11	11.08	
Interest Subsidy	5.96	5.79	
Insurance Claims	1.28	0.84	
Miscellaneous Income	0.02	0.06	
Sundry Balances Written Off / bad Debts (Net)	2.67	1.07	
	15.04	18.84	
19. Cost of materials consumed		(Rs. In Lacs)	
Particulars	As at 31-03-2013	As at 31-03-2012	
Purchase of Green Leaf	232.49	40.35	
Assam Cess Duty	10.67	11.13	
	243.16	51.48	
20. (Increase)/Decrease in Inventories		(Rs. In Lacs)	
Particulars	As at 31-03-2013	As at 31-03-2012	
Opening Stock of Tea	50.27	41.66	
Closing Stock of Tea	60.18	50.27	
	(9.91)	(8.61)	
21. Employee benefit expense		(Rs. In Lacs)	
Particulars	As at 31-03-2013	As at 31-03-2012	
Salaries, Wages, Bonus and Gratuity (including for Gratuity of Rs. 6,18,708 /-)	425.61	403.02	
Contribution to Provident & Other Funds	25.78	22.44	
Workers & Staff Welfare expenses (including loss on Food Stuff)	34.75	34.20	
	486.14	459.66	
22. Financial costs		(Rs. In Lacs)	
Particulars	As at 31-03-2013	As at 31-03-2012	
<u>Interest -</u>			
To Bank	26.69	27.03	
To Others	3.90	1.94	
Other Borrowing Cost	1.49	1.48	
	32.08	30.45	

23. Expenses

(Rs. In Lacs)

Particulars	As at 31-03-2013	As at 31-03-2012
Manufacturing & Cultivation Expenses		
Consumption of stores and spares parts	146.64	118.14
Power & Fuel	108.99	87.71
(A)	255.63	205.85
Repairs & Maintainance		
Repairs to Buildings, Roads & Bridges	3.77	3.84
Repairs to Plant & Machinery	7.28	11.29
Garden Transport	9.31	10.98
(B)	20.36	26.11
Other Expenses		
Land Rent & Revenue	1.57	1.68
Insurance	5.83	4.21
Rates & Taxes	2.88	1.47
Travelling & Conveyance	7.14	6.11
Miscellaneous Expenses	20.47	18.85
(C)	37.89	32.32
Tea Selling Expenses		
Brokerage, Commission & Service Charges	16.12	10.47
Freight	29.89	21.31
Other Expenses	17.23	9.88
(D)	63.24	41.66
(E)	0.02	0.42
(F)	3.83	—
Auditors' Remuneration		
As Auditor	0.45	0.45
For Tax Audit	0.10	0.10
For Limited Review	0.12	0.12
For Other Service	0.04	0.09
For Reimbursement of expenses	0.15	0.29
(G)	0.86	1.05
(H)	—	0.05
(A to H)	381.83	307.46

24. Employee Benefits

During the year part provision amounting to Rs. 27.76 lacs has not been made in respect of present liabilities for future payment of gratuity to the staff and workers, which will be charged to accounts as and when paid. According to actuarial valuation under Revised AS-15, the liability for gratuity obligation to staff and workers as on 31st March, 2013 is Rs. 101.45 lacs (Previous Year Rs. 73.69 lacs)

(Rs. In Lacs)

Defined Benefit Plan	Gratuity (Funded) 31.03.2013	Gratuity (Funded) 31.03.2012
a) Reconciliation of opening and closing balances of Defined Benefit obligation		
Defined Benefit obligation at the beginning of the year	129.25	111.06
Current Service Cost	6.19	5.38
Interest Cost	10.39	8.92
Actuarial (gain) / loss	21.75	4.99
Benefits Paid	(21.21)	(1.10)
Defined Benefit obligation at the year end	146.37	129.25
b) Reconciliation of opening and closing balances of fair value of plan assets		
Fair value of plan assets at beginning of the year	55.56	47.05
Expected return on plan assets	4.38	4.23
Actuarial gain / (loss)	—	—
Employer's contribution	6.19	5.38
Benefits paid	(21.21)	(1.10)
Fair value of plan assets at the year end	44.92	55.56
c) Reconciliation of fair value of assets and obligation		
Present value of obligation as at 31st March,2013	146.37	129.25
Fair value of plan assets as at 31st March,2013	(44.92)	(55.56)
Amount recognised in Balance Sheet (excluding Rs. 27.76 Lacs not recognised in Balance sheet during the year)	101.45	73.69
d) Expenses recognised during the year		
Current Service Cost	6.19	5.38
Interest Cost	10.39	8.92
Expected return on plan assets	(4.38)	(4.23)
Actuarial gain / loss	21.75	4.99
Expenses recognised in the Profit & Loss Account (excluding Rs. 27.76 Lacs not recognised in Profit & Loss Account during the year)	33.95	15.06
e) Actuarial assumption		
Discount rate (per annum)	8.00%	8.00%
Rate of escalation in salary (per annum)	5.00%	5.00%
f) The provision of Rs. 3.05 Lacs (Previous Year Rs.2.51 lacs) for leave encashment has been made by the company during the year on the basis of encashable leave available to each employee at the end of the year.		
g) The amounts provided for the defined contribution plan is as follows :		(Rs.in Lacs)
Provident Fund & Family Pension Scheme	2012-13	2011-12
Employer's Contribution	23.13	20.10
Employee's Contribution	23.13	20.10

25. Related party Disclosures
(a) Name of the related party :

Mr. N. K. Lohia : Chairman-cum-Managing Director

(b) Transactions relating to Related Party :

(Rs. In Lacs)

Remuneration to Chairman-cum-Managing Director	2012-13	2011-12
i) Salary	5.40	5.40
ii) Contribution to P. F.	0.65	0.65
iii) Perquisites etc.	0.15	0.45
	6.20	6.50

26. Basis for calculation of Basic and Diluted Earning per share is as follows:

(Rs. In Lacs)

Particulars	2012-13	2011-12
(a) Total No. of Equity Shares outstanding at the end of the year	8,63,500	8,63,500
(b) Net Profit after Tax available for Equity Shareholders	0.68	(70.72)
(c) Basic and diluted Earning Per Share	0.08	(8.19)

27. Contingent Liabilities not provided for in respect of :

(Rs. In Lacs)

Particulars	2012-13	2011-12
Excise B2 Bond executed in favour of Central Excise Authority	0.60	0.60
Disputed Income Tax Demand (The order of the Tribunal vide order dated 23.04.2010 received in favour of Company. However, effect is still awaited)	10.66	10.75
Disputed Sales tax demand (Bank gurantee of Rs 2,25,000/- has been furnished on 14.05.2013 in against of filing appeal)	8.93	—

28. Additional information pursuant to the Provisions of Paragraphs 3,4C,4D of Part II of Schedule VI of the Companies Act, 1956.

A. Capacity, Production, Sales & Stocks :	(Kg. in Lacs)		(Rs. In Lacs)	
	2012-13		2011-12	
	Kgs.	Rs.	Kgs.	Rs.
i) Licenced Capacity	Not Applicable		Not Applicable	
ii) Installed Capacity (certified by the Management)	11.00	—	11.00	—
iii) Actual Production [Excluding Tea issued for Sampling, Complimentary and Damaged Tea 0.12 Kgs. (Previous Year 0.09 Kgs.)]	8.95	—	7.71	—
iv) Opening Stock	0.53	50.27	0.45	41.66
v) Closing Stock	0.55	60.18	0.53	50.27
vi) Sales	8.93	1149.47	7.63	776.62

B. Break-up of consumption of raw materials (all Indigenous)

Particulars	(Kg in Lacs)		(Rs. In Lacs)	
	2012-13		2011-12	
	Kgs.	Rs.	Kgs.	Rs.
Green Leaf Harvested*	26.66	—	27.81	—
Green Leaf Purchased	11.64	232.49	3.27	40.35

* Harvested from Company's own garden and utilized in the activity of manufacture of tea and the value at the intermediate stage is not ascertainable.

C. Break-up of consumption of stores & spare parts

Particulars	2012-13		2011-12	
	Rs.	%	Rs.	%
Indigenous	146.64	100	118.14	100

29. Further to 2(p) above, the Company has assessed recoverable value of cash generating unit based on value in use method which has been worked out to be much higher than corresponding book value of net assets thereby not warranting further exercise of arriving at their net selling price.

This further confirmed absence of exigency of making any provision against impairment loss.

30. Previous year's figures

The Revised Schedule VI has become effective from April 1, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification / disclosure.

As per our annexed report of even date.

For **DAS & PRASAD**

Chartered Accountants

Firm Registration No. 0303054E

P. K. AGARWAL

Partner

Membership No.056921

4, Chowringhee Lane
Kolkata, the 30th May, 2013

N. K. LOHIA
Chairman-cum-
Managing Director

S. K. CHATTERJEE
A. CHOUDHURY
S. K. DABRIWALA

Directors

FINANCIAL HIGHLIGHTS

(Rs. in '000)

YEAR	2013	2012	2011	2010	2009	2008
Sales	114947	77662	80403	97994	83025	77672
Profit Before Depreciation & Tax	3060	(4873)	17	8309	3818	(445)
Depreciation	2900	2661	2514	2838	2456	2576
Profit Before Taxation	160	(7534)	(2497)	5471	1362	(3021)
Provision for Taxation (Net)	92	462	(96)	(1270)	572	435
Profit After Taxation	68	(7072)	(2593)	4201	1934	(2586)
Earning per Share (Rs.)	0.08	(8.19)	(3.00)	4.87	2.24	(2.99)
Net Fixed Assets	56846	53833	49543	50612	46856	48462
Share Capital	8635	8635	8635	8635	8635	8635
Reserves & Surplus	22989	22921	29993	32585	30398	28464
Borrowings	25396	24180	22082	14512	15211	14336



LEDO TEA COMPANY LIMITED

Registered Office : Sir R.N.M. House, 3-B, Lal Bazar Street, Kolkata - 700 001

PROXY FORM

Share Ledger Folio No.
Shares held
DP ID No
Client ID No.

I/We.....
of..... in the district of
being a member / members of the above named Company hereby appoint.....
of..... in the district of
or failing him.....
of..... in the district of
as my/our proxy to vote for me/us on my/our behalf at the 30th Annual General Meeting of **Ledo Tea Company Limited** to be held on the Monday, the 30th September, 2013 at 11.30 A.M. and at any adjournment thereof.

Signed this..... day of 2013

Signature.....

Affix
Revenue
Stamp

----- **TEAR HERE** -----

ADMISSION SLIP

PLEASE COMPLETE THIS ADMISSION SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

LEDO TEA COMPANY LIMITED

Registered Office : Sir R.N.M. House, 3B, Lal Bazar Street, Kolkata - 700 001

I hereby record my presence at the 30th Annual General Meeting of the Company held at Gyan Manch, 11, Pretoria Street, Kolkata - 700 071 on Monday, the 30th September, 2013 at 11.30 A.M. and at any adjournment thereof.

Share Ledger Folio No.
Shares held
DP ID No
Client ID No.

MEMBER'S NAME (in block letters)

Member's/Proxy's Signature.....

Shareholders are requested to bring their copy of the Annual Report with them.

BOOK-POST

If undelivered, please return to :

LEDO TEA COMPANY LIMITED

Sir R. N. M. House
3-B, Lal Bazar Street
Kolkata - 700 001