
**AUDITORS REPORT
TO THE MEMBERS OF
LEDO TEA COMPANY LIMITED**

1. We have audited the attached Balance Sheet of LEDO TEA COMPANY LIMITED as at 31st March, 2010 and the Profit & Loss Account and Cash Flow Statement for the year ended on that date both annexed thereto, which we have signed under reference to this report. 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 the 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 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, as amended by Companies (Auditors' Report) (Amendment) Order, 2004, (together "the Order"), issued by the Central Government of India in terms of sub-section (4A) of Section 227 of "The Companies Act, 1956" of India (The "Act") and on the basis of such checks of the books & records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the annexure a statement on the matters specified in paragraphs 4 & 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 the law have been kept by the Company so far as appears from our examination of those books;



- c.) The Balance Sheet, the Profit & Loss Account and Cash flow Statement dealt with by this report are in agreement with the books of accounts;
- d.) In our opinion, the Balance Sheet, the Profit & Loss Account and Cash Flow statement dealt with by this report comply with the applicable accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act,1956;
- e.) On the basis of the written representations received from the Directors as on 31st March, 2010 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;
- f.) In our opinion and to the best of our information and according to the explanations given to us, the Balance Sheet, the Profit & Loss Account and Cash Flow Statement read together with the Statement of Significant Accounting Policies and Notes as given in Schedule 12 give the information required by the Companies Act,1956 in the prescribed manner so required and also give a true and fair view in conformity with accounting principles generally accepted in India:
- i) in the case of the 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 for the year ended on that date; and
 - iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.



For **DAS AND PRASAD**
Chartered Accountants
FRN Registration No 0303054E

P.K.AGARWAL
Partner
Membership No.056921

4,Chowringhee Lane,
Kolkata
Date: 29th May, 2010

ANNEXURE TO AUDITORS' REPORT

(Referred to in paragraph 3 of the Auditors' Report of even date to the Members of Ledo Tea Company Limited on the Financial Statements for the year ended 31st March, 2010)

- 1.)
 - a.) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b.) The fixed assets of the Company at all its locations were physically verified by the Management at reasonable intervals during the year. As informed, no material discrepancies were noticed on such verification.
 - c.) According to the information and explanations given to us, there were no substantial dispositions of fixed assets during the year.
- 2.)
 - a.) As explained to us, the Management has conducted physical verification of inventory at reasonable intervals. In our opinion the same is adequate in relation to the size of the Company and the nature of its business.
 - b.) In our opinion and according to the information and explanations given to us, the procedure of physical verification of inventory followed by the Management is 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 is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- 3.) In respect of loans granted / obtained by the Company to / from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956 and according to the information and explanations given to us :-
 - a.) The company has not granted any Inter Corporate Loans to any companies, firms and any other parties listed in the register maintained under Section 301 of the Act. Hence, Clause 3 (b), 3(c) & 3(d) of the Order are not applicable to the company.
 - b.) The Company has taken unsecured loan from one company under the same Management. At the year end the outstanding balance of such loan was NIL and maximum amount involved during the year was Rs.19,00,000/-.
 - c.) In our opinion, the rate of interest and other terms and conditions of such loans are prima facie not prejudicial to the interest of the Company.
 - d.) In respect of aforesaid loan the Company is regular in repayment of the principal amount as stipulated and is also regular in payment of interest wherever applicable.



- 4.) 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 the nature of its business for purchase of inventory, fixed assets, and for the sale of goods. During the course of audit, no major weakness has been noticed in the internal control in respect of these areas.
- 5.) In respect of the contracts and arrangements referred to in Section 301 of the Companies Act,1956:
 - a.) In our opinion and according to the explanation given to us the transaction made in pursuance of contracts or arrangements, that needed to be entered in the Register maintained under section 301 of the Companies Act,1956 have been so entered.
 - b.) In our opinion an according to the information given to us there are no transactions in pursuance of contracts or arrangements entered in the Register maintained under section 301 of the Companies Act,1956 aggregating during the year to Rs.5,00,000 (Rs. Five Lakhs only) or more in respect of any party in the said financial year.
- 6.) According to the information and explanations given to us, the Company has not accepted any deposits from the public under section 58A and 58AA of the Companies Act, 1956. Therefore the provisions of Clause (vi) of the Order are not applicable to the Company.
- 7.) In our opinion the Company has an internal audit system commensurate with the size and nature of its business.
- 8.) The Central Government has prescribed maintenance of Cost Records under Section 209 (1) (d) of the Companies Act, 1956 in respect of tea manufacturing activities of the Company. We have broadly reviewed the accounts and records of the Company in this connection and are of the opinion that prima facie the prescribed accounts and reports have been made and maintained. We have, however not carried out detailed examinations of the same.
- 9.) According to the information and explanations given to us in respect of statutory and other dues:
 - a.) Undisputed Statutory dues including Provident Fund, Investor Education & Protection fund, Employees State Insurance, Income Tax, Sales tax, Wealth Tax, Custom Duty, Excise Duty, Cess whichever applicable to the Company has generally been regularly deposited with the appropriate Authorities during the year.

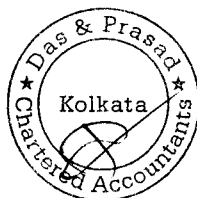


- b.) The following disputed statutory liabilities have not been deposited in view of pending Appeals.

Nature	Assessment Year	Forum	Amount Involved
Income Tax	2000-01	Income Tax Appellate Tribunal	594,267
Income Tax	2001-02	- do -	242,699
Income Tax	2002-03	- do -	237,564
Income Tax	2003-04	- do -	920

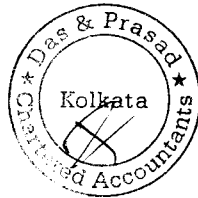
The Tribunal has decided the matter in favour of the Company. However, the effect of the order is yet to be given by the assessing officer.

- 10.) The Company does not have any accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediate preceding financial year.
- 11.) Based on our audit procedures and as per the information and explanations given to us by the management, we are of the opinion that the Company has not defaulted in repayment of dues to bank.
- 12.) In our opinion and according to the information and explanations given to us and based on the information available, no loans and advances have been granted by the Company 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 the 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 guarantee for loans taken by others from the Bank or Financial Institutions.
- 16.) To the best of our knowledge and belief and according to the information and explanations given to us, term loan availed by the Company were prima facie, applied for the purpose for which these loans were obtained.
- 17.) According to the information and explanations given to us and on an overall examination of the Balance Sheet and Cash flow Statement of the Company, we report that no fund raised on short term basis have been used for long term investment.



report that no fund raised on short term basis have been used for long term investment.

- 18.) The Company has not made any preferential allotment of shares to parties or companies covered in the Register maintained under Section 301 of the Companies Act,1956 during the year and hence the question of the price at which shares have been issued is prejudicial to the interest of the Company does not arise.
- 19.) The Company has not raised any debentures during the year and hence question of creating any securities in respect of debentures does not arise.
- 20.) The Company has not raised any money through public issue during the year.
- 21.) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information & explanations given to us, we have neither come across any instances of material fraud on or by the Company, noticed or reported during the year, nor have we being informed of such case by the Management.



For **DAS AND PRASAD**
Chartered Accountants
FRN Registration No. – 0303054E

A handwritten signature in black ink, appearing to read "P.K. Agarwal".

P.K.AGARWAL
Partner
Membership No.056921

4,Chowringhee Lane,
Kolkata
Date: 29th May, 2010

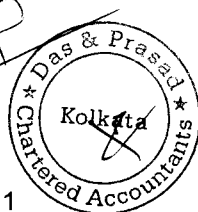
LEDO TEA COMPANY LIMITED
BALANCE SHEET AS AT 31ST, MARCH, 2010

	Schedule	As at 31st March, 2010		As at 31st March, 2009	
		Rs.	Rs.	Rs.	Rs.
SOURCE OF FUNDS					
Shareholders' Funds :					
Share Capital	1	86,35,000		86,35,000	
Reserve & Surplus	2	3,25,85,382	4,12,20,382	3,03,98,125	3,90,33,125
Loan Funds :					
Secured Loans	3		1,45,12,277		1,04,11,590
Unsecured Loans	4		-		47,99,428
TOTAL			5,57,32,659		5,42,44,143
APPLICATION OF FUNDS					
Fixed Assets :					
Gross Block	5	7,80,63,764		7,31,25,769	
Less : Depreciation		2,90,63,538		2,65,62,885	
Net Block			4,90,00,226		4,65,62,884
Capital Work in Progress			16,11,949		2,93,164
Investments	6		71,402		71,402
Current Assets, Loans & Advances					
Inventories	7	1,37,82,002		1,15,63,861	
Sundry Debtors		13,31,652		12,01,683	
Cash & Bank Balances		13,02,910		9,36,019	
Other Current Assets		17,76,176		20,08,753	
Loans, Advances & Deposits		1,05,61,226		49,89,070	
		2,87,53,966		2,06,99,386	
Less : Current Liabilities & Provisions					
Current Liabilities	8	1,35,24,515		82,25,097	
Provisions		1,11,33,111		70,17,095	
		2,46,57,626		1,52,42,192	
Net Current Assets			40,96,340		54,57,194
Deferred Tax Assets			9,52,742		18,59,499
TOTAL			5,57,32,659		5,42,44,143
Notes on Accounts	12				

The Schedules referred to above form an integral part of the Balance Sheet
As per our annexed report of even date.

For **DAS & PRASAD**
Chartered Accountants

P. K. Agarwal
Partner
Membership No. 056921



N.K. Lohia
Chairman-cum-
Managing Director

A. Choudhury
Director

M.P. Thard
Director

S.K. Dabriwala
Director

S.K. Chatterjee
Director

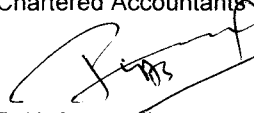
4, Chowringhee Lane
Kolkata, the 29th May, 2010

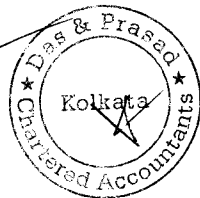
LEDO TEA COMPANY LIMITED
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST, MARCH, 2010

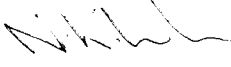
	Schedule	For the year ended 31st March, 2010		For the year ended 31st March, 2009	
		Rs.	Rs.	Rs.	Rs.
INCOME					
Sales of Tea		9,79,93,958		8,30,24,626	
Less : Excise Duty		3,09,409	9,76,84,549	2,97,656	8,27,26,970
Other Income			15,59,960		4,18,030
Closing Stock of Tea	9		84,58,457		73,38,527
			10,77,02,966		9,04,83,527
EXPENDITURE					
Opening Stock of Tea		73,38,527		26,54,473	
Expenses	10	9,20,54,963		8,40,88,900	
Depreciation		28,38,397		24,56,020	
Provision for Diminution in Value of Investments / Written back		-	10,22,31,887	(77,983)	8,91,21,410
Profit Before Taxation			54,71,079		13,62,117
Add / (Less) :- Provision for Taxation	11		(1,269,989)		5,72,476
Profit after Taxation			42,01,090		19,34,593
Balance Brought Forward from Previous Year			98,79,591		79,44,998
BALANCE AVAILABLE FOR APPROPRIATION			1,40,80,681		98,79,591
APPROPRIATION					
Transfer to General Reserve			40,00,000		-
Proposed Dividend			17,27,000		-
Provision for Tax on Proposed Dividend			2,86,833		-
Balance Carried to Balance Sheet			80,66,848		98,79,591
			1,40,80,681		98,79,591
Basic & Diluted Earning Per Share (Rs.)			4.87		2.24
Notes on Accounts	12				

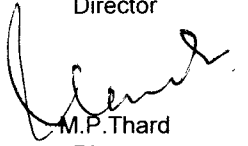
The Schedules referred to above form an integral part of the Profit & Loss Account.
As per our annexed report of even date.

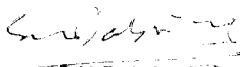
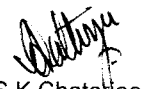
For **DAS & PRASAD**
Chartered Accountants


P. K. Agarwal
Partner
Membership No. 056921
4, Chowringhee Lane
Kolkata, the 29th May, 2010




N.K. Lohia
Chairman-cum-
Managing Director

A.Choudhury
Director

M.P. Thard
Director



S.K. Dabriwala
Director

S.K. Chatejee
Director

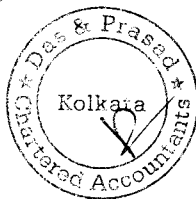
CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET FOR THE YEAR ENDED 31ST MARCH, 2010

	For the year ended 31st March, 2010		For the year ended 31st March, 2009	
	Rs	Rs	Rs	Rs
A Cash Flow from Operating Activities				
Net Profit before Tax & Extra Ordinary Items		5471079		1362117
Add :				
Depreciation	2838397		2456020	
Loss(Profit) on Sale of Fixed Assets	(39999)		(89805)	
Loss on sale of investment	-		43574	
Provision for dimunition in value of investment	-		(77983)	
Interest debited to Profit & Loss Account	1646664	4445062	1663818	3995624
		9916141		5357741
Less :				
Interest Income	507328	507328		43727
Operating Profit before Working Capital Changes		9408813		5314014
Adjusted for :				
Trade & Other Receivables	(5002481)		(1122140)	
Inventories	(2218141)		(5117136)	
Trade Payables	6680927	(539695)	2469793	(3769483)
		8869118		1544531
Less : Taxation		(93326)		113306
Net Cash inflow from Operating Activities		<u>8775792</u>		<u>1431225</u>
B. Cash Flow from Investing Activities				
Outflow :				
Acquisition of Fixed Assets (Including Capital-Work-in-Progress)		(6594525)		(1063069)
Inflow :				
Sale of Fixed Assets	40000		113500	
Interest Received	491029		34246	
subsidy Received	-		189,150	
Sale of Investment	-	531029	34,410.00	371306
Net Cash inflow/(outflow) from Investing Activities		<u>(6063496)</u>		<u>(691763)</u>
C Cash Flow from Financing Activities				
Borrowings	(698741)		874880	
Interest Paid	(1646664)	(2345405)	(1663818)	(788938)
Net Cash inflow/(outflow) from Financing Activities		<u>(2345405)</u>		<u>(788938)</u>
Net increase/(decrease)/in Cash equivalents (A+B+C)		366891		(49476)
Opening Cash Balance & Cash Equivalents		936019		985495
Closing Cash Balance & Cash Equivalents		1302910		936019

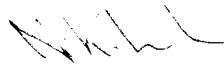
As per our annexed report of even date.

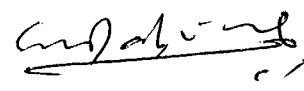
For **DAS & PRASAD**
Chartered Accountants



P. K. Agarwal
Partner
Membership No. 056921



4, Chowringhee Lane
Kolkata, the 29th May, 2010


N.K. Lohia
Chairman-cum-
Managing Director

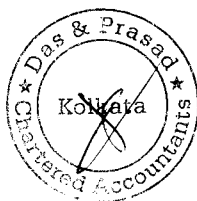

A.Choudhury S.K.Dabriwala
Director Director


W.P. Thard S.K.Chatterjee
Director Director

LEDO TEA COMPANY LIMITED

SCHEDULES ATTACHED TO AND FORMING PART OF THE COMPANY'S BALANCE SHEET AS AT 31ST MARCH, 2010

	As at 31st March, 2010		As at 31st March, 2009	
	Rs.	Rs.	Rs.	Rs.
SCHEDULE - 1				
SHARE CAPITAL				
Authorised : 12,50,000 Equity Shares of Rs. 10/- each		1,25,00,000		1,25,00,000
Issued, Subscribed & Paid up : 8,63,500 Equity Shares of Rs. 10/- each Paid up		86,35,000		86,35,000
Note : Out of the above 1,00,110 Equity Shares were allotted as Bonus Shares by Capitalisation of General Reserve in FY1985-86				
SCHEDULE - 2				
RESERVE & SURPLUS				
RESERVE				
General Reserve				
As per last account	1,91,12,284		1,91,12,284	
Add: Transferred from Profit & Loss Account	40,00,000	2,31,12,284	-	1,91,12,284
Share Premium				
As per last account		14,06,250		14,06,250
SURPLUS				
Profit & Loss Account Balance		80,66,848		98,79,591
		3,25,85,382		1,12,85,841
SCHEDULE - 3				
LOAN FUNDS				
SECURED				
From United Bank of India				
Cash Credit				
Secured against Hypothecation of Tea and Tea Crops		1,11,15,365		63,83,144
Stock of Stores & Spare Parts, Plant & Machinery, other Fixed Assets and Book Debts and personal Guarantee of the Directors of the Company		38,329		-
Interest Accrued & Due on above				
Term Loan				
Secured against extension of Mortgage charge (Repayable within one year Rs.11,00,000/-, Previous year Rs. 21,56,756/-)		19,50,000		34,91,756
From Tea Board				
Special Tea Term Loan				
Secured by Equitable Mortgage Second Charge or pari passu charges on the Fixed Assets(i.e. immovable properties including machinery) (Repayable within one year Rs.NIL)		11,72,193		-
Vehicle Loan				
Secured against hypothecation of Vehicle ICICI Bank		2,36,390		5,36,690
Secured against hypothecation of Vehicle (Repayable within one year Rs.2,36,390/- : Previous Year Rs. 3,00,300/-)				
		1,45,12,277		1,04,11,590
SCHEDULE - 4				
Unsecured Loans				
From Company under the same management		-		19,65,721
From Body Corporates		-		28,33,707
		-		47,99,428



LEDO TEA COMPANY LIMITED

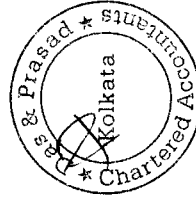
SCHEDULES ATTACHED TO AND FORMING PART OF THE COMPANY'S BALANCE SHEET AS AT 31ST MARCH, 2010

SCHEDULE - 5

FIXED ASSETS

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Cost as at 01-04-2009	Additions during the year	Cost of Assets Sold/Discarded Adjusted during the year	Total Cost As at 31-03-2010	Upto 31-03-2009	For the year	Adjustment	Total upto 31-03-2010	As at 31-03-2010	As at 31-03-2009
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Leasehold Land	7,02,000	-	-	7,02,000	-	-	-	-	7,02,000	7,02,000
Tea Plantations	1,86,24,347	1,60,362	-	1,87,84,709	-	-	-	-	1,87,84,709	1,86,24,347
Buildings	1,26,91,535	-	-	1,26,91,535	43,43,256	2,54,187	-	45,97,443	80,94,092	83,48,279
Roads & Bridges	3,12,553	-	-	3,12,553	65,563	5,095	-	70,658	2,41,895	2,46,990
Plant & Machineries	2,77,95,226	39,71,249	-	3,17,66,475	1,45,15,540	17,61,224	-	1,62,76,764	1,54,89,711	1,32,79,686
Garden Electrification	35,62,605	-	-	35,62,605	14,18,643	1,64,415	-	15,83,058	19,79,547	21,43,962
Water, Oil Tank & Water Pumps	1,56,734	-	-	1,56,734	1,26,949	4,935	-	1,31,884	24,850	29,785
Furniture, Fitting & Office Equipments	33,85,117	64,218	-	34,49,335	28,22,947	1,00,267	-	29,23,214	5,26,121	5,62,170
Vehicles	58,95,652	10,79,911	3,37,745	66,37,818	32,69,987	5,48,274	337,744	34,80,517	31,57,301	26,25,665
TOTAL	7,31,25,769	52,75,740	3,37,745	7,80,63,764	2,65,62,885	28,38,397	337,744	2,90,63,538	4,90,00,226	4,65,62,884
As at '31-03-2009	7,38,32,197	7,69,905	14,76,333	7,31,25,769	2,53,70,353	24,56,020	12,63,488	2,65,62,885	4,65,62,884	

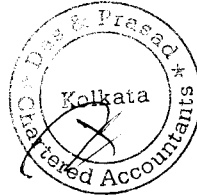
Notes : Leasehold Land includes Rs. 4,02,000/- for amount paid and expenses incurred (As certified by the Management) in connection with land, the title of which is in dispute.



LEDO TEA COMPANY LIMITED

SCHEDULES ATTACHED TO AND FORMING PART OF THE COMPANY'S BALANCE SHEET AS AT 31ST MARCH, 2010

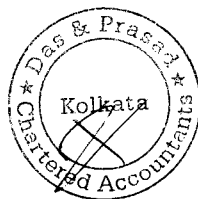
	As at 31st March, 2010		As at 31st March, 2009	
	Rs.	Rs.	Rs.	Rs.
SCHEDULE - 6				
INVESTMENTS (Other than Trade)				
LONG TERM INVESTMENT (At Cost)				
QUOTED				
12,059 (12,059) Malanpur Steels Ltd.		2,73,296		2,73,296
UNQUOTED				
Equity Shares of Rs. 10/- each fully paid up		1,22,060		1,22,060
9,000 (9,000) KHSL Industries Ltd,		3,95,356		3,95,356
Less : Provision for dimunition in the Value of investments		3,95,354		3,95,354
		2		2
OTHERS				
Times Shares of Sterling Holiday Resorts (India) Ltd.,	68,400		68,400	
7 years National Savings Certificate (Deposited with various Government Authorities)	3,000	71,400	3,000	71,400
		71,402		71,402
Aggregate Market Value of Quoted Investments		1		1



LEDO TEA COMPANY LIMITED

SCHEDULES ATTACHED TO AND FORMING PART OF THE COMPANY'S BALANCE SHEET AS AT 31ST MARCH, 2010

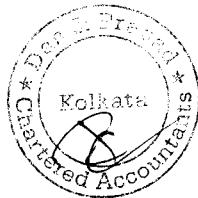
	As at 31st March, 2010		As at 31st March, 2009	
	Rs.	Rs.	Rs.	Rs.
SCHEDULE - 7				
CURRENT ASSETS, LOANS & ADVANCES				
Inventories (As taken, valued and certified by the Management)				
Stores & Spare Parts including in Transit (At cost)	53,23,545		42,25,334	
Stock of Tea (At lower of cost or estimated realisable value)	84,58,457	1,37,82,002	73,38,527	1,15,63,861
Sundry Debtors (Unsecured considered Good)				
Debts outstanding for a period exceeding six months	16,900		37,797	
Other Debts	13,14,752	13,31,652	11,63,886	12,01,683
Cash & Bank Balances				
Cash & Stamps in hand as per Cash Book (As certified)	10,21,541		1,67,690	
Balance with Scheduled Bank in				
Current Accounts	2,81,369		7,51,411	
Unpaid Dividend Accounts	-	13,02,910	16,918	9,36,019
Other Current Assets				
Interest Receivable	49,907		33,608	
Income Tax Refundable	6,51,383		6,51,383	
Tea Board Planting Subsidy Receivable	3,51,658		-	
Insurance Claim Receivable	6,845		18,992	
Interest Subsidy Receivable	7,16,383	17,76,176	13,04,770	20,08,753
Loans, Advances & Deposits (Unsecured considered Good)				
Loans	54,15,171		-	
Advances (Recoverable in Cash or in kind or for value to be received or pending adjustment)	9,97,666		13,52,590	
Income Tax Advance including TDS Receivable	5,79,955		5,08,105	
MAT Credit receivable	4,56,894		77,976	
Prepaid Expenses	3,82,189		3,99,275	
Deferred Interest	8,366		45,060	
Balance with Central Excise Department	4,282		5,944	
Deposit with 'NABARD'	4,300		4,300	
Other Deposits	27,12,403	1,05,61,226	25,95,820	49,89,070
		<u>2,87,53,966</u>		<u>2,06,99,386</u>



LEDO TEA COMPANY LIMITED

SCHEDULES ATTACHED TO AND FORMING PART OF THE COMPANY'S BALANCE SHEET AS AT 31ST MARCH, 2010

	As at 31st March, 2010		As at 31st March, 2009	
	Rs.	Rs.	Rs.	Rs.
SCHEDULE - 8				
CURRENT LIABILITIES & PROVISIONS				
Current Liabilities				
Sundry Creditors :				
Small Scale Industries	3,93,727		1,68,156	
Others	49,87,875	53,81,602	44,77,357	46,45,513
Other Liabilities		28,41,106		26,18,251
Trade Advances		53,01,807		9,44,415
Unclaimed Dividend Accounts		-		16,918
		1,35,24,515		82,25,097
Provisions				
For Taxation	12,30,174		5,09,500	
For Proposed Dividend	17,27,000		-	
For Tax on Proposed Dividend	2,86,833		-	
For Bonus	17,99,454		16,70,432	
For Leave Encashment	8,33,638		8,14,810	
For Gratuity	52,56,012	1,11,33,111	40,22,353	70,17,095
		2,46,57,626		1,52,42,192
SCHEDULE - 9				
OTHER INCOME				
Miscellaneous Income	3,221		7,232	
Interest (Gross) Tax deducted at source Rs. 46,130/- (Previous year Rs. 9,715/-)	5,07,328		43,727	
Interest Subsidy	2,17,783		2,13,100	
Profit on Sale of fixed Assets	39,999		89,805	
Tea Board Plantation Subsidy	5,86,096		-	
Claim Received	2,05,533		64,166	
		15,59,960		4,18,030



LEDO TEA COMPANY LIMITED

SCHEDULES ATTACHED TO AND FORMING PART OF THE COMPANY'S PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

	For the year ended 31st March, 2010		For the year ended 31st March, 2009	
	Rs.	Rs.	Rs.	Rs.
SCHEDULE - 10				
EXPENSES				
Payments to and Provisions for Employees				
Salaries, Wages, Bonus and Gratuity (including for Gratuity of Rs.16,86,694/-)	3,29,46,004		2,94,53,858	
Workers & Staff Welfare expenses (including loss on Food Stuff)	35,01,010		28,76,092	
Contribution to Provident & Other Funds (including administrative charges)	19,65,168	3,84,12,182	18,12,926	3,41,42,876
Manufacturing & Cultivation Expenses				
Tea Chests, Manures, Stores & Spare Parts Consumed	1,22,84,848		83,52,399	
Purchase of Green Leaf	1,53,15,223		1,74,97,060	
Power & Fuel	83,09,920		73,18,600	
Assam Cess Duty	11,03,617	3,70,13,608	9,32,467	3,41,00,526
Repairs & Maintenance				
Plant & Machineries	28,62,499		21,19,381	
Buildings & Roiaads & Bridges	13,83,050		7,25,892	
Garden Transport	14,88,173		12,76,049	
Others	5,435	57,39,157	13,730	41,35,052
Other Expenses				
Electricity Charges	12,318		11,781	
Land Rent & Revenue	1,72,589		5,66,807	
Rates & Taxes	4,51,607		1,47,124	
Insurance	4,70,920		4,14,646	
Subscription	2,15,980		2,22,163	
Telephone & Postage	2,07,942		2,07,157	
Travelling & Conveyance	6,62,458		5,46,059	
Sundry balance Written Off / bad Debts (Net)	6,939		92,1077	
Miscellaneous Expenses	13,43,682	35,44,435	12,24,997	42,61,811
Loss on Sale of Investment				43,574
Auditors' Remuneration				
As Statutory Audit	45,000		45,000	
For Tax Audit	10,000		10,000	
For Certificates	11,000		9,000	
For Limited Review	12,000		12,000	
For Travelling	9,120		13,218	
For Service Tax	5,828	92,948	8,406	97,624
Directors' Meeting Fee		4,000		3,000
Interest				
To Bank	13,21,743		13,55,144	
To Others	3,24,921	16,46,664	3,08,674	16,63,818
Tea Selling Expenses				
Brokerage, Commission & Service Charges	18,74,581		17,87,771	
Freight	27,68,374		31,28,983	
Other Expenses	9,59,014	56,01,969	7,23,865	56,40,619
		9,20,54,963		8,40,88,900



SCHEDULES ATTACHED TO AND FORMING PART OF THE COMPANY'S PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

	For the year ended 31st March, 2010		For the year ended 31st March, 2009	
	Rs.	Rs.	Rs.	Rs.
SCHEDULE : 11				
PROVISION FOR TAXATION				
Income Tax :				
Current Tax	(3,78,918)		(56,500)	
Agricultural Income Tax	(3,63,756)		-	
Deferred Tax	(9,06,757)		7,01,497	
MAT Credit Entitlement	3,78,918		56,500	
Fringe Benefit Tax	-	(1,270,513)	(1,30,000)	5,71,497
Add:- Provision for Taxation no longer required		524		979
		(1,269,989)		572,476



SCHEDULES TO THE ACCOUNTS

SCHEDULE : 12

NOTES ON ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES

The Financial Statements have been prepared in accordance with the generally accepted accounting principles and a summary of significant accounting policies which have been applied consistently is set out below:

01. Accounting Convention

The Financial Statements have been prepared in accordance with the historical cost convention.

02. Revenue Recognition

The Company follows the mercantile system of accounting and recognized income and expenditure on accrual basis.

03. Use of Estimates

The preparation of Financial Statements require Management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosures relating to the contingent liabilities and assets as at the Balance Sheet date and the reported amount of income and expenses during the year.

04. Sales

Sales are exclusive of Sales Tax and Excise duty.

05. Fixed Assets

Fixed Assets are stated at cost less accumulated depreciation.

Cost 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.

06. Depreciation & Amortisation

Depreciation on Fixed Assets has been charged on straight line method in accordance with Section 205(2) (b) of the Companies Act, 1956 and the rates of depreciation has been taken as prescribed in Schedule XIV to the Companies Act, 1956 , No provision has been made in respect of amortisation of Leasehold Land and Plantations.

07. Contingent Liabilities

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

08. Inventories

Stock of Tea is valued at lower of cost or net realisable value and 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.

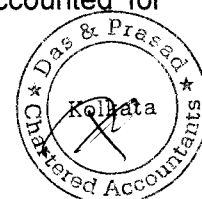
As per practice followed by the Company value of green leaves in stock as at the close of the year, are not taken into accounts.

09. Investments

Long term Investments are stated at cost. Provision for diminution of 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.

10. Insurance Claim

Insurance claim is accounted for on acceptance / settlement.



11. Excise Duty and Cess on Tea production & Cenvat

Excise duty and Cess on Tea Manufactured is accounted for at the time of clearance. However, provision for Excise duty and Cess is made at the year end on finished goods lying in stock.

12. Employees Benefits

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

Liability in respect of Gratuity (being administered by a Trust) is a defined benefit obligation and is determined based on actuarial valuation made by an independent actuary as at the balance sheet date. The actuarial gains or losses are recognised immediately in the profit and loss account.

Leave Encashment benefits are accounted for on accrual basis.

13. Income Tax & Deferred Tax

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.

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.

14. Government Grants

Revenue grants including subsidy / rebates are credited to Profit and Loss Account 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.

15. 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.

16. 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 year.

17. 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.



B. OTHER NOTES

01. Contingent Liability not provided for :

	2009-2010 Rs.	2008-2009 Rs.
Excise B2 Bond executed in favour of Central Excise Authority	60,000	60,000
Claims not acknowledged as debts	----	2,27,181
Disputed Income Tax Demand under Appeals **	10,75,450	10,75,450

(**The Tribunal has decided the matter in favour of the Company. However, the effect of the order is yet to be given by the assessing officer.)

02. Stock of tea includes 61,217 Kgs. valuing Rs. 47,56,062 lying with other parties (Previous year 40,200 Kgs. amounting to Rs. 29, 67,564/-)

03. In the opinion of the Board of Directors of the Company the current assets, advances and deposits are approximately of the value stated in the accounts, if realised, in the ordinary course of business unless otherwise stated. The provisions for all known liabilities are adequate and not in excess of the amount reasonably necessary.

04. Bonus & Entry Tax includes Rs. 81,257/-(Previous year Rs.24,387/-) & Rs. 5,459/-(Previous Year Rs. Nil) respectively related to earlier years.

05. a)Particulars of small scale industries have been furnished to the extent such parties have been identified on the basis of information available with the Company.

The Parties to whom the Company owes any sum which is outstanding as on 31-03-2010 for more than 30 days are:

Harinder Mechanical Works
C.M. HO & Co.
Bhowel Electricals
Bordubi Engineering Works

b) The Company has not received any information from its suppliers regarding registration under "The Micro, Small and Medium Enterprises Development Act, 2006". Hence, the information required to be given in accordance with Section 22 of the said Act, is not ascertainable. Hence, not disclosed.

06. There is no amount due and outstanding to be credited to Investor Education and Protection Fund.

07. In accordance with Accounting Standard 22 "Accounting for taxes on income " issued by the ICAI the Company has reviewed the statement of deferred tax as at 31st March, 2010 and net deferred tax assets of Rs. (9,06,757 /-) has been recognised in the Profit and Loss account in view of certainty of profit in the coming years.

	Upto 31.03.09	Current Year	As on 31.03.10
Timing Difference in depreciable assets	11,01,367	1,76,925	12,78,292
Timing Difference U/S 43B	(18,09,867)	(2,42,080)	(20,51,947)
Brought Forward Business Loss	(11,50,999)	9,71,912	(1,79,087)
Net Deferred Tax Liability/(Assets)	(18,59,499)	9,06,757	(9,52,742)



08. As per the provision of Section 115JAA, MAT Credit receivable has been recognized on the basis of return of income filed for the previous years. MAT credit is recognised as an asset to the extent there is convincing evidence that the Company will pay normal Income Tax during the specified period. MAT credit is recognised as an asset in accordance with the recommendation contained in guidance note issued by the Institute of Chartered Accountants of India. The said assets is created by the way of credit to the Profit and Loss account and shown as MAT Credit Entitlement. The company will review the same at each balance sheet date and write down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the company will pay normal Income Tax during the specified period.

09. The disclosures required under Accounting Standard 15 (Revised 2005) "Employee benefits" notified in the Companies (Accounting Standards) Rules, 2006, are given below :

Defined Contribution Plan

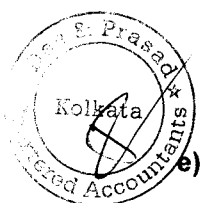
Employer's Contribution to Provident Fund & Family Pension Fund	17,43,994/-
Employees' Contribution to Provident Fund & Family Pension Fund	17,43,994/-

Defined Benefit Plan

The employees' gratuity fund scheme managed by Life Insurance Corporation of India is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to built up the final obligation.

Defined Benefit Plan

	Gratuity (Funded) 31.03.2010	Gratuity (Funded) 31.03.2009
a) Reconciliation of opening and closing balances of Defined Benefit obligation		
Defined Benefit obligation at the beginning of the year	89,46,325	86,45,614
Current Service Cost	4,56,719	4,38,521
Interest Cost	12,43,396	2,03,047
Actuarial (gain) / loss	4,21,713	2,19,206
Benefits Paid	(10,88,157)	(5,60,063)
Defined Benefit obligation at the year end	99,79,996	89,46,325
b) Reconciliation of opening balances of fair value of plan assets and closing		
Fair value of plan assets at beginning of the year	49,23,972	46,23,726
Expected return on plan assets	4,35,134	4,21,788
Actuarial gain / (loss)	--	--
Employer's contribution	4,53,035	4,38,521
Benefits paid	(10,88,157)	(5,60,063)
Fair value of plan assets at the year end	47,23,984	49,23,972
c) Reconciliation of fair value of assets and obligation		
Present value of obligation as at 31st March,2010	99,79,996	89,46,325
Fair value of plan assets as at 31st March,2010	(47,23,984)	(49,23,972)
Amount recognised in Balance Sheet	52,56,012	40,22,353
d) Expenses recognised during the year		
Current Service Cost	4,56,719	4,38,521
Interest Cost	12,43,396	2,03,047
Expected return on plan assets	(4,35,134)	(4,21,788)
Actuarial (gain) / loss	4,21,713	2,19,206
Expenses recognised in the Profit & Loss Account	16,86,694	4,38,986
e) Actuarial assumption		
Discount rate (per annum)	8.00%	8.00%
Rate of escalation in salary (per annum)	5.0%	4.5%



The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

- f) The provision of Rs.1,78,804/- (Previous Year Rs.2,89,328/-)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.
10. Further to Para A(17) 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.
11. The operation of the Company related only in one business segment viz. Tea and have its production facilities and all other assets located in India.
12. Remuneration to Chairman-cum-Managing Director

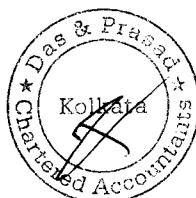
	2009-2010 Rs.	2008-2009 Rs.
i) Salary	4,20,000	4,20,000
ii) Contribution to P.F.	50,400	50,400
iii) Perquisites etc.	42,349	52,495

13. Related Party Disclosures

Name of the Party	Nature of Relation	Description of Transaction	Transactions during year ended 31st March		Outstanding ended 31st March	
			2010	2009	2010	2009
			Rs.	Rs.	Rs.	Rs.
Mr. N.K. Lohia	Chairman - cum- Managing Director	Remuneration & Perquisites	5,12,749	5,22,895	Nil	Nil
Goodfaith Holdings Private Limited	Associate Company	Loan Taken*	Nil	4,00,000/-	Nil	Nil
- do -	- do -	Interest paid	Nil	12,537/-	Nil	Nil
Rose Residency Pvt. Ltd.	- do -	Loan Taken**	Nil	29,00,000/-	Nil	19,00,000/-
Rose Residency Pvt. Ltd	- do -	Interest paid	58,269	1,08,773/-	Nil	65,721/-

* The maximum outstanding at any point of time during the year was Rs. NIL /- (Previous year Rs. 4,00,000/-)

** The maximum outstanding at any point of time during the year was Rs.19,00,000/- (Previous year Rs. 19,65,721)



14. Earning Per Share

	<u>2009-2010</u>	<u>2008-2009</u>
(a) Total no. of Equity Shares outstanding at the beginning and end of the year	8,63,500	8,63,500
(b) Net Profit after Tax available for Equity Shareholders	42,01,090	19,34,593
(c) Basic and Diluted Earning per Share	4.87	2.24

15. Additional information pursuant to the Provision of Paragraphs 3.4C and 4D of Part II of Schedule VI of the Companies Act, 1956

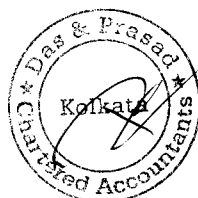
	<u>2009-10</u>		<u>2008-09</u>	
A. Capacity, Production, Sales & Stocks				
i) Licenced capacity	Not applicable		Not applicable	
	Kgs.	Rs.	Kgs.	Rs.
ii) Installed capacity (certified by the Management)	11,00,000	--	11,00,000	--
iii) Actual production (Excluding Tea issued for Sampling, Complimentary and Damaged Tea 15,950 kgs. (previous year 7,298 kgs.))	10,12,626	--	9,78,482	--
iv) Opening Stock	99,377	73,38,527	43,144	26,54,473
v) Closing Stock	129096	84,58,457	99,377	73,38,527
vi) Sales	9,82,907	9,79,93,958	9,22,249	8,30,24,626
B. Particulars of Raw Materials Consumed (All Indigenous)				
Green Leaf Harvested *	34,48,802	N.A	29,13,956	N.A.
Green Leaf Purchased	9,60,239	1,53,15,223	12,59,926	1,74,97,060

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

C. Value of Stores & Spare Parts Consumed and Percentage there of	<u>2009-10</u>		<u>2008-09</u>	
	Rs.	%	Rs .	%
All Indigenous	1,22,84,848	100	83,52,399	100

16. Previous year figures have been regrouped / rearranged wherever considered necessary.

17. Cash Flow Statement is prepared in accordance with the format prescribed by Securities & Exchange Board of India and as per Accounting Standard – 3 prescribed by the Institute of Chartered Accountants of India on Indirect Method.



18. Abstract of the Balance Sheet as at 31-3-2010 and Company's General Business profile as per Part IV of Schedule VI (amended) to the Companies Act, 1956

I. Registration Details

Registration No.

3	6	2	0	4
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 State Code

2	1
---	---

Balance Sheet Date

3	1	0	3	2	0	1	0
---	---	---	---	---	---	---	---

Date Month Year

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

Public Issue

N	I	L
---	---	---

 Right Issue

N	I	L
---	---	---

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

Total Liabilities

5	5	7	3	2
---	---	---	---	---

 Total Assets

5	5	7	3	2
---	---	---	---	---

Sources of Funds

Paid-up Capital

8	6	3	5
---	---	---	---

 Reserve & Surplus

3	2	5	8	5
---	---	---	---	---

Secured Loan

1	4	5	1	2
---	---	---	---	---

 Unsecured Loan

N	I	L
---	---	---

Application of Funds

Net Fixed Assets

5	0	6	1	2
---	---	---	---	---

 Investments

7	1
---	---

Net Current Assets

4	0	9	6
---	---	---	---

 Misc. Expenditure

N	I	L
---	---	---

Accumulated Losses

N	I	L
---	---	---

 Deferred Tax Assets

9	5	3
---	---	---

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

Turnover

1	0	7	7	0	3
---	---	---	---	---	---

 Total Expenditure

1	0	2	2	3	2
---	---	---	---	---	---

Profit Before Taxation

5	4	7	1
---	---	---	---

 Profit After Taxation

4	2	0	1
---	---	---	---

Earning Per Share in Rs.

4	.	8	7
---	---	---	---

 Dividend Rate (%)

2	0
---	---

V. Generic Names of Principal Products of the Company (as per monetary terms)

Item Code No.

0	9	.	0	2
---	---	---	---	---

 Product Description


T	E	A
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The ITC Code of Products are as per the Publication " Indian Trade Classification" based on harmonized commodity description and coding system by Ministry of Commerce, Directorate General of Commercial intelligence and Statistics.

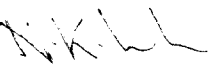


SIGNATURE TO SCHEDULES 1 TO 12
As per our annexed report of even date

For **DAS & PRASAD**
Chartered Accountants

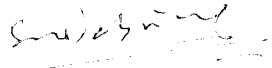

P. K. Agarwal
Partner
Membership No. 056921

4, Chowringhee Lane
Kolkata, the 29th May, 2010


N.K. Lohia
Chairman-cum-
Managing Director

A.Choudhury
Director


M.P. Thard
Director


S.K. Dabriwala
Director


S.K. Chaterjee
Director

