



## **NOTICE TO THE MEMBERS**

Notice is hereby given that the Thirty first Annual General Meeting of **LEDO TEA COMPANY LIMITED** will be held at Gyan Manch, 11, Pretoria Street, Kolkata – 700 071 on Monday, the 29th September, 2014 at 11.00 A.M. to transact the following business :

1. To receive, consider and adopt the Audited Accounts for the year ended 31st March, 2014 and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. S. K. Dabriwala (DIN : 00044532), who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Nimit Lohia (DIN : 03591937), who by rotation and being eligible, offers himself for re-appointment.
4. To appoint M/s. Das & Prasad, Chartered Accountants (Firm Registration No. 0303054E) Statutory Auditors of the Company and fix their remuneration.

Registered Office :  
Sir R. N. M. House  
3-B, Lal Bazar Street  
Kolkata - 700 001  
Dated, the 12th August, 2014

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 24th September, 2014 to 29th September, 2014 (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. The Company's shares are enlisted with NSDL and CDSL for participation into Electronic Depository System operated by them. Its shares are compulsorily to be traded in Electronic Form and the security bears Code No. INE643B01017.
7. In compliance of provisions of Section 108 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the company is pleased to provide facility to members to exercise their right to vote at the 31st Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services provided by CDSL. The Company has signed an agreement with CDSL for facilitating e-voting to enable the Shareholders to cast their vote electronically. The instructions for members for voting electronically are as under:-

### **e-Voting Procedure**

- i) If you are holding shares in Demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and casted your vote earlier for Electronic Voting Sequence Number (EVSN) of any company, then your existing password is to be used.
- ii) Open your web browser during the voting period and log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- iii) Now click on "Shareholders" to cast your votes.
- iv) Now, select the Electronic Voting Sequence Number (EVSN) alongwith "LEDO TEA COMPANY LIMITED" from the drop down menu and click on "SUBMIT".
- v) Now enter your User ID (For CDSL : 16 digits beneficiary ID, For NSDL : 8 character DP ID followed by 8 Digits Client ID). Members holding shares in physical form should enter Folio Number registered with the Company and then enter the "Captcha Code" as displayed and click on "Login".



vi) Now, fill up the following details in the appropriate boxes :

PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters, eg. if your name is Ram Kumar with sequence number 1, then enter RA00000001 in the PAN field - Sequence number is communicated in the Covering Letter
DOB	Enter the date of birth as recorded in your demat account or in the company's records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the dividend bank details as recorded in your demat account or in the Company records for the said demat account or folio.

vii) After entering these details appropriately, click on "SUBMIT" tab.

viii) Members holding shares in physical form will then reach directly the EVSN selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat shareholders for voting for resolutions of any other company in which they are eligible to vote, provided that company opts for e-voting facility through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

ix) On the voting page, you will see Resolution description and against the same the option "YES/NO" for voting. Enter the number of equity shares (which represents number of votes) under YES/NO or alternatively you may partially enter any number in YES and partially in NO, but the total number in YES and NO taken together should not exceed your total shareholding. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

x) Click on the "Resolution File Link" if you wish to view the entire text of the Resolution being passed.

xi) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

xii) Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

xiii) Corporate/Institutional members (Corporate / FIs / FIIs / Trusts / Mutual Funds / Banks etc.) are required to log onto <https://www.evotingindia.co.in> and register themselves as Corporate. After receiving the login details they have to link the account(s) which they wish to vote on and then cast their vote. They should upload the scanned copy of the relevant board resolution / power of attorney etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote in pdf format in the system for the Scrutinizer to verify the same.

xiv) The voting period will commence on Monday, September 22, 2014 (11.00 A.M. IST) and ends on Wednesday, September 24, 2014 (06.00 P.M. IST). The e-voting module will be disabled by CDSL for voting thereafter. The cutoff date for this is 22/08/2014.

xv) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (FAQs) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

xvi) Mr. B. L. Patni , Practicing Company Secretary, has been appointed as the Scrutinizer to scrutinize the votes casted electronically by the members.

8. Brief profile of the Director seeking reappointment of the ensuing Annual General Meeting.

Mr.S.K. Dabriwala, aged about 62 years, by profession a businessman having long and varied experience in accounts, finance and business strategies became a member of our Board since 25.09.1992.

Mr. Nirmitt 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 experience in accounts, finance and business strategies became a member of our Board since 13.08.2013.

**Registered Office :**

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

Dated, the 12th August, 2014

By Order of the Board

**N. K. LOHIA**

Chairman-cum-Managing Director

**LEDO TEA COMPANY LIMITED**

Regd. Office : SIR RNM HOUSE, 3-B, Lal Bazar Street, Kolkata - 700 001  
 Ph. : 2230-6686, Fax : 22483078  
 Email : ledotea@vsnl.com CIN : L01132WB1983PLC036204

**ATTENDANCE SLIP**

31st Annual General Meeting  
 Monday, the 29th Sept., 2014 at 11.00 A.M.

I hereby record my presence at the 31st ANNUAL GENERAL MEETING of the Company to be held on Monday, the 29th September, 2014 at 11.00 A.M. at Gyan Manch, 11, Pretoria Street, Kolkata – 700 071

.....  
 Name of The Proxy (in a BLOCK LETTERS)

.....  
 Signature of the Shareholder or Proxy Present

Please cut here and bring the Attendance Slip duly signed, to the meeting and hand it over at the entrance. Duplicate slips will not be issued at the venue of the Meeting.

**ELECTRONIC VOTING PARTICULARS**

EVSN (E-voting Sequence Number)	User ID	PAN

Please refer to the AGM Notice for e-voting instructions

**LEDO TEA COMPANY LIMITED**

Regd. Office : SIR RNM HOUSE, 3-B, Lal Bazar Street, Kolkata - 700 001  
 Ph. : 2230-6686, Fax : 22483078  
 Email : ledotea@vsnl.com CIN : L01132WB1983PLC036204

**PROXY FORM**

31st Annual General Meeting  
 Monday, the 29th Sept., 2014 at 11.00 A.M.

I / We, being the member(s), holding \_\_\_\_\_ shares of the above named company, hereby appoint

- Name \_\_\_\_\_ Address \_\_\_\_\_  
 E.mail Id \_\_\_\_\_ Signature : \_\_\_\_\_, or failing him / her
- Name \_\_\_\_\_ Address \_\_\_\_\_  
 E.mail Id \_\_\_\_\_ Signature : \_\_\_\_\_, or failing him / her
- Name \_\_\_\_\_ Address \_\_\_\_\_  
 E.mail Id \_\_\_\_\_ Signature : \_\_\_\_\_

Resolution No.	Resolutions	Optional*	
		For	Against
1.	Adoption of Audited Financial Statements, Reports of the Directors and Auditors for the year ended 31st March, 2014.		
2.	Re-appointment of Sri S. K. Dabriwala who retires by rotation as Director of the Company.		
3.	Re-appointment of Sri Nimit Lohia who retires by rotation as Director of the Company.		
4.	Appointment of Auditors and fixing of their remuneration.		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2014.  
 member's Folio / DP ID-Client ID \_\_\_\_\_ Signature of Shareholder(s) \_\_\_\_\_

Affix  
 Revenue  
 Stamp

Signature of Proxy holder(s) \_\_\_\_\_

- Note :
- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
  - For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 31st Annual General Meeting.
  - It is optional to put a 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your proxy will be entitled to vote in the manner as he / she thinks appropriate.

# Ledo Tea Company Ltd.



ANNUAL REPORT 2013-2014



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

## CONTENTS

	Page No.
Directors' Report	2
Compliance Certificate	5
Auditors' Report	8
Balance Sheet	12
Statement of Profit & Loss	13
Cash Flow Statement	14
Notes to the Financial Statements	15



## DIRECTORS' REPORT TO THE MEMBERS

Your Directors have pleasure in presenting Thirty First Annual Report of the Company along with the Audited Statement of Accounts for the year ended 31st March, 2014.

<b>FINANCIAL RESULTS</b>	<b>Current Year Rs. in Lacs</b>	<b>Previous Year Rs. in Lacs</b>
Profit/(Loss) before Interest, Depreciation & Taxes	<b>35.18</b>	62.68
Deduction : Interest	<b>35.72</b>	32.08
Depreciation	<b>30.70</b>	<u>29.00</u>
	<b>66.42</b>	61.08
Profit/(Loss) before Taxation	<b>(31.24)</b>	1.60
Less/(Add) : Provision for Taxation (Net)	<b>5.29</b>	<u>0.92</u>
Profit/(Loss) after Taxation	<b>(36.53)</b>	0.68
Add : Transferred from General Reserve	<b>35.00</b>	—
Add : Surplus brought from previous year	<b>4.70</b>	<u>4.02</u>
Balance Carried to Balance Sheet	<b>3.17</b>	<u>4.70</u>

### PERFORMANCE HIGHLIGHT

Your company produced 8.45 lac kgs. of tea for the year under review as against 9.07 lacs kgs. in the previous year and achieved a net turnover of Rs. 1073.31 lacs by selling 8.76 lac kgs. of tea as compared to Rs. 1144.91 lacs by selling 8.93 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. 35.18 lacs before Interest, Depreciation and Taxes in comparison to profit of Rs. 62.68 lacs in the previous year. Thus your company incurred a net loss of Rs. 36.53 lacs during the year as against profit of Rs. 0.68 lacs in the previous year.

### DIVIDEND

In view of loss incurred, your Directors do not recommend any Dividend for the year ended 31st March, 2014.

### MODERNISATION & EXPANSION

The uprooting and replanting programme is being carried out in a phased manner. Your Company has spent Rs. 23.14 lacs on extension & replantation and Rs. 2.11 lacs on plant & machineries and Rs. 10.68 lacs on vehicles including Tankers and trailers during the year under review.

### FUTURE PROSPECT

The current season started with extreme dry weather condition causing huge loss of crop in the early part of the season. However, the season augurs well for tea prices particularly for better quality teas. The cost of production is going up with increase in wages & cost of other inputs. So the quality needs to be improved continuously to fetch better prices to compensate the increasing cost of production. Your company is trying its level best to show improved results.

### 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, 2014;



- 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 endeavored 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. S. K. Dabriwala and Mr. Nirmal Lohia retire 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, 2014 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, 2014

By Order of the Board  
**NIRMAL KUMAR LOHIA**  
Chairman-cum-Managing Director  
**NIRMIT LOHIA**  
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)	4,25,689	3,76,963
Total/Amount	(Rs.)	33,76,784	31,02,003
Rate/Unit	(Rs./KWH)	7.93	8.23
b) Own Generation			
Through Diesel Generator Unit	(KWH)	28,474	65,612
Units per Ltr. of Diesel Oil	(KWH)	2.24	2.25
Fuel Cost/Unit	(Rs./KWH)	21.50	20.18
c) Through Gas Generator Unit	(KWH)	2,84,462	2,99,618
2. Other for Tea Processing in Withering & Drying			
Gas			
Quantity	(SCUM)	3,40,943	4,50,999
Total Cost	(Rs.)	38,82,695	45,41,437
Rate/Unit	(Rs./SCUM)	11.39	10.07
(B) CONSUMPTION PER UNIT OF PRODUCTION			
Products - Tea (Gross)	(Kgs.)	8,44,741	9,06,762
Energy Use : Electricity (including own generation)	(KWH/Kg.)	0.87	0.82
Other Fuel for processing of Tea : Gas	(SCUM/Kg.)	0.40	0.50

FORM 'B'

ABSORPTION, RESEARCH & DEVELOPMENT

RESEARCH AND DEVELOPMENT (R & D)

1. Specified areas in which R & D carried out by the Company
2. Benefits derived as a result of the above R & D
3. Future Plan of action
4. Expenditure on R & D
  - a) Capital
  - b) Recurring
  - c) Total
  - d) Total R & D expenditure as a percentage of total turnover

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

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

FOREIGN EXCHANGE EARNING AND OUTGO

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

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

Not applicable

Nil  
Nil

Registered Office :  
Sir R. N. M. House  
3-B, Lal Bazar Street  
Kolkata - 700 001  
Dated, the 30th May, 2014

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





**BABU LAL PATNI**  
COMPANY SECRETARY

51, NALINI SETT ROAD  
5TH FLOOR, ROOM NO. 19  
KOLKATA - 700 007  
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, Lal Bazar Street  
Kolkata - 700 001

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, 2014 (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 30.05.13, 13.08.13, 12.11.13 and 14.02.14 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 25th September, 2013 to 30th September, 2013 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, 2013 was held on 30th September, 2013, 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 and the appointment of directors, additional directors, alternate directors and directors to fill casual vacancy have been duly made.
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, 2014 are within the limits prescribed under Section 293(1)(d) of the Act / Section 180(1)(C) of the Companies Act, 2013.
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, 2014

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

## LEDO TEA COMPANY LIMITED

## ANNEXURE 'A'

LIST OF REGISTERS MAINTAINED BY THE COMPANY

<u>S.N.</u>	<u>PARTICULARS</u>	<u>UNDER SECTION</u>
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, 2014.

<u>S.N.</u>	<u>Form No. /Return</u>	<u>Filed Under Section</u>	<u>For</u>	<u>Date of filing</u>	<u>Whether filed within prescribed Time YES/NO</u>	<u>If delay in filing whether requisite additional fee paid YES/NO</u>
01.	Form No. 23AC (XBRL)	220	Balance Sheet as at 31st. March, 2013	25.10.13	YES	N.A.
02.	Form No. 20B	159	Annual Return made up to 30.09.2013	14.11.13	YES	N.A.
03.	Form No. 66	Proviso to Section 383A(1)	Compliance Certificate	03.10.13	YES	N.A.
04.	Form No. 23C dated 30.01.13	233	Appointment of Cost Auditor	02.09.13	NO	YES
05.	Form No. 32 dated 13.08.13	303	Appointment of Additional Director	01.09.13	YES	N.A.
06.	Form No. 32 dated 30.09.13	303	Regular Appointment of Director at AGM	03.10.13	YES	N.A.
07.	Form INV V	205C	Details of Unpaid Dividend	22.11.13	YES	N.A.



## **INDEPENDENT AUDITORS' REPORT**

### **TO THE MEMBERS OF LEDO TEA COMPANY LIMITED**

#### **Report on the Financial Statements**

We have audited the accompanying financial statements of LEDO TEA COMPANY LIMITED ("the Company"), which comprise the Balance Sheet as at 31 March 2014 and the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

#### **Management's Responsibility for the Financial Statements**

The 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 Section 211(3C) of the Companies Act, 1956 ('the Act') read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. 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.

#### **Auditors' Responsibility**

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 the 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the 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.

#### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 2014;
- (b) in the case of the statement of profit and loss, of the loss of the Company for the year ended on that date; and
- (c) in the case of the cash flow statement, on the cash flows for the year ended on that date.

#### **Report on Other Legal and Regulatory Requirements**

As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

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 purposes of our audit;
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;



- (c) The balance sheet and the statement of profit and loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the balance sheet, statement of profit and loss and cash flow statements comply with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013; except for Accounting Standard 15 (Revised 2005) in respect of non provision of part of gratuity liability amounting to Rs. 29.10 lacs (P.Y. Rs. 27.76 lacs) indicated in note no. 24 under notes on accounts;
- (e) On the basis of the written representations received from the directors as on 31st March, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014 from being appointed as a director in terms of Section 274(1)(g) 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.

Place : Kolkata  
Dated : 30th day of May 2014

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

## ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date addressed to the members of LEDO TEA COMPANY LTD. ('the company'). We report that :

- I.
  - a) The company has maintained proper records showing full particulars including quantitative details and situations 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.
- II.
  - a) As explained to us, inventories have been physically verified during the year by the management at reasonable intervals.
  - b) In our opinions 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.
- III.
  - a) According to the information and explanations given to us and on the basis of our examination of the books of account, 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 iii (b), iii(c) and iii (d) of the order are not applicable to the Company.
  - e) According to the information and explanations given to us and on the basis of our examination of the books of account, 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.
- IV. 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, payment for expenses and for sale of goods. During the course of audit, no major instance of continuing failure to correct any weakness in the internal controls has been noticed.
- V. In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us :
  - a) The particulars of contracts or arrangements referred to Section 301 that needed to be entered in the Register maintained under the said Section have been so entered.
  - b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding the value of Rupees five lacs have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- VI. The Company has not accepted any deposit from the public covered under Section 58A and 58AA of the Companies Act, 1956.
- VII. As per information and explanation given by the management, the Company has an internal audit system commensurate with its size and the nature of its business.
- VIII. As per information & explanation given by the management, maintenance of cost records has been prescribed by the Central Government under section 209(1) (d) 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.
- IX.
  - a) According to the information and explanation given to us, no undisputed amount payable in respect of Provident fund, Employee's State Insurance, Investor Education and Protection Fund, Income tax, Sales tax, Wealth tax, Service tax, Customs duty, Excise duty, cess and other material statutory dues were outstanding, as on the Balance Sheet date for a period of more than six months from the date they become payable.

- b) According to the records of the Company, the dues outstanding of sales-tax on account of any dispute, are as follows :

Nature	Assessment Year	Forum	Amount Involved
Sales Tax	2007-08	Joint Commissioner of Taxes, Assam	427,165/-
Sales Tax	2008-09	- do -	466,173/-
Sales Tax	2010-11	- do -	351,155/-

- X. The Company does not have any accumulated losses at the end of financial year and has not incurred any cash losses in the immediate preceding financial. However, the Company has incurred cash losses in the current financial year covered by our audit.
- XI. As per based on our audit procedures and as per the information and explanations given by the management, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- XII. According to information and explanation 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.
- XIII. The Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of this clause of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- XIV. In our opinion, the Company is not dealing in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the order are not applicable.
- XV. 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.
- XVI. In our opinion and according to the information and explanations given to us, we report that the company has not raised any term loans during the year.
- XVII. 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, 2014, we report that no funds raised on short term basis have been used for long term investment by the company.
- XVIII. 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 to parties and Companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
- XIX. The Company does not have any outstanding debentures during the period under audit.
- XX. The Company has not raised any money through public issue during the year.
- XXI. 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.

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

Place : Kolkata  
Dated : 30th day of May 2014



## BALANCE SHEET AS AT 31ST MARCH, 2014

(Rs. In lacs)

Particulars	Note No.	As at 31st March, 2014		As at 31st March, 2013	
<b>I. EQUITY AND LIABILITIES</b>					
<b>1) Shareholders' Funds</b>					
a) Share Capital	3	86.35		86.35	
b) Reserves & Surplus	4	193.36	279.71	229.89	316.24
<b>2) Non-Current Liabilities</b>					
a) Long-term borrowings	5	18.50	18.50	25.33	25.33
<b>3) Current Liabilities</b>					
a) Short-term borrowings	7	291.12		215.82	
b) Trade payables	8	58.79		93.93	
c) Other current liabilities	9	72.02		99.81	
d) Short-term provisions	6	88.23	510.16	87.01	496.57
Total			808.37		838.14
<b>II. ASSETS</b>					
<b>1) Non-current assets</b>					
a) Fixed assets	10				
i) Tangible assets		574.41		567.70	
ii) Intangible assets		0.30		0.43	
iii) Capital work-in-progress		—		0.33	
b) Non-current investments	11	0.71		0.71	
c) Deferred tax Assets (net)	12	11.18		13.60	
d) Long term loans and advances	13	38.98		38.30	
			625.58		621.07
<b>2) Current Assets</b>					
a) Trade receivables	15	7.35		6.78	
b) Inventories	16	90.61		126.99	
c) Cash and Cash equivalents	17	8.82		4.38	
d) Short-term loans and advances	13	45.83		55.90	
e) Other current assets	14	30.18	182.79	23.02	217.07
Total			808.37		838.14

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, 2014

**N. K. LOHIA**  
Chairman-cum-  
Managing Director

**S. K. CHATTERJEE**  
**A. CHOUDHURY**  
**S. K. DABRIWALA**  
**NIRMIT LOHIA**

Directors



## STATEMENT OF PROFIT &amp; LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

(Rs. In lacs)

<u>Particulars</u>	<u>Note No.</u>	<u>For the year ended 31st March, 2014</u>		<u>For the year ended 31st March, 2013</u>	
<b>I. Revenue from Operations</b>					
Sales of Tea		1077.57		1149.47	
Less : Excise Duty		4.26	1073.31	4.56	1144.91
II. Other Income	18		20.23		15.04
III. Total Revenue (I + II)			<u>1093.54</u>		<u>1159.95</u>
<b>IV. Expenses</b>					
Cost of materials consumed	19		157.48		243.16
Changes in inventories of finished goods, work-in progress and Stock-in-Trade	20		49.87		(9.91)
Employee benefit expense	21		507.85		486.14
Financial cost	22		35.72		32.08
Depreciation and amortization expense	10		30.70		29.00
Other expenses	23		343.16		381.83
<b>Total Expenses</b>			<u>1124.78</u>		<u>1162.30</u>
V. Profit/(Loss) before exceptional and extraordinary items and tax	(III - IV)		(31.24)		(2.35)
VI. Exceptional Items - Provision of Value in Diminution of Investments written back			—		3.95
VII. Profit/(Loss) before extraordinary items and tax (V-VI)			(31.24)		1.60
VIII. Extraordinary Items			—		—
IX. Profit/(Loss) before tax	(VII - VIII)		(31.24)		1.60
X. Tax Expense :					
1) Current Tax			—		0.32
2) Deferred Tax			2.42		0.09
3) Tax of earlier years			2.87		0.51
XI. Profit/(Loss) for the year	(IX - X)		(36.53)		0.68
XII. Earning per equity share in (Normal Value Rs. 10/- each) Basic & diluted in (Rs.)			(4.23)		0.08

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, 2014

**N. K. LOHIA**  
Chairman-cum-  
Managing Director

**S. K. CHATTERJEE**  
**A. CHOUDHURY**  
**S. K. DABRIWALA**  
**NIRMIT LOHIA**

Directors



## CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET FOR THE YEAR ENDED 31ST MARCH, 2014 (Rs. In lacs)

Particulars	For the year ended 31st March, 2014		For the year ended 31st March, 2013	
<b>A. Cash Flow from Operating Activities</b>				
Net Profit before Tax & Extra Ordinary Items		(31.24)		1.60
<b>Add :</b>				
Depreciation	30.70		29.00	
Loss / (Profit) on Sale of Fixed Assets	-		0.02	
Loss on Sale of Shares	-		3.83	
Interest debited to Profit & Loss Account	35.72	66.42	32.08	64.93
		<u>35.18</u>		<u>66.53</u>
<b>Less :</b>				
Interest Income	5.37		5.11	
Provision for Diminution of Investments	-	5.37	3.95	9.06
Operating Profit before Working Capital Changes		<u>29.81</u>		<u>57.47</u>
<b>Adjusted for :</b>				
Trade & Other Receivables	0.22		3.01	
Inventories	36.38		0.51	
Trade Payables	(62.07)	(25.47)	10.84	14.36
		<u>4.34</u>		<u>71.83</u>
<b>Less : Taxation</b>		<u>1.43</u>		<u>0.51</u>
<b>Net Cash inflow from Operating Activities</b>		<u>2.91</u>		<u>71.32</u>
<b>B. Cash Flow from Investing Activities</b>				
<b>Outflow :</b>				
Acquisition of Fixed Assets (Including Capital Work-In-Progress)		(36.95)		(59.94)
<b>Inflow :</b>				
Sale of Fixed Assets	-		0.80	
Sale of Investments	-		0.12	
Interest Received	5.37		5.11	
Subsidy Received	-	5.37	-	6.03
<b>Net Cash inflow / (outflow) from Investing Activities</b>		<u>(31.58)</u>		<u>(53.91)</u>
<b>C. Cash Flow from Financing Activities</b>				
Borrowings	68.83		12.15	
Interest Paid	(35.72)	33.11	(32.08)	(19.93)
<b>Net Cash inflow / (outflow) from Financing Activities</b>		<u>33.11</u>		<u>(19.93)</u>
<b>Net increase / (decrease) in Cash equivalents (A+B+C)</b>		<u>4.44</u>		<u>(2.52)</u>
Opening Cash Balance & Cash Equivalents		4.38		6.90
Closing Cash Balance & Cash Equivalents		8.82		4.38

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, 2014

**N. K. LOHIA**  
Chairman-cum-  
Managing Director

**S. K. CHATTERJEE**  
**A. CHOUDHURY**  
**S. K. DABRIWALA**  
**NIRMIT LOHIA**

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 mercantiles system of accounting and recognize 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 expensed 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 31-03-2014	As at 31-03-2013
<b>Authorised shares</b>		
12,50,000 (Previous Year : 12,50,000) equity shares of Rs. 10/- each	125.00	125.00
<b>Issued, Subscribed &amp; Fully Paid up</b>		
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, 2014		As at 31st March, 2013	
	Numbers	% Holding	Numbers	% Holding
Nirmal Kr. Lohia	1,39,230	16.12%	1,39,230	16.12%
Sarita Lohia	1,00,343	11.62%	91,923	10.64%
Nirmit Lohia	97,589	11.30%	88,956	10.26%
Nikhil Lohia	99,125	11.48%	93,483	10.82%

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

Particulars	As at 31-03-2014	As at 31-03-2013
Number of Shares at the beginning	86.35	86.35
Add : Issue of Equity Shares during the year	-	-
	<b>86.35</b>	<b>86.35</b>

## 4. RESERVES &amp; SURPLUS (Rs. In Lacs)

Particulars	As at 31-03-2014	As at 31-03-2013
<b>Share Premium Account (a)</b>	<b>14.06</b>	14.06
<b>General Reserve</b>		
Balance as per the Last financial statements	211.13	211.13
Less : Transferred to Surplus Account	35.00	-
<b>Closing Balance (b)</b>	<b>176.13</b>	211.13
<b>Surplus in the statement of Profit and loss</b>		
Balance as per the Last financial statements	4.70	4.02
Profit/Loss for the year	(36.53)	0.68
Add : Amount transferred from General Reserve	35.00	-
<b>Closing Balance (c)</b>	<b>3.17</b>	4.70
<b>Total Reserve and surplus (a to c)</b>	<b>193.36</b>	229.89

**5. Long Term Borrowings**

(Rs. In Lacs)

Particulars	Non Current Position		Current Maturities	
	As at 31-03-2014	As at 31-03-2013	As at 31-03-2014	As at 31-03-2013
Secured				
Indian rupee loan from banks				
- Special Tea term Loan	(A) 10.26	11.72	1.46	-
- Vehicle Loan	(B) 8.24	13.61	11.71	12.81
Total (A+B)	18.50	25.33	13.17	12.81
Amount disclosed under the head 'other current liabilities' Note No. 9				
	-	-	(13.17)	(12.81)
	18.50	25.33	0.00	0.00

- (i) Special tea Term loans from Tea Board carry interest @ 9.50% and are secured by Equitable Mortgage Second charge or Pari passu charges on the Fixed Assets (i.e. immovable properties including machinery)  
Special Tea Term Loan From Tea Board

**Payment terms**
**16 Half Yearly Installments starting from  
30.9.2014 to 31.3.2022**

Installments Due	Number of Installments	Amount (Rs. in lacs)
Within One Year	2.00	1.46
One year to Three year	4.00	2.93
Three Year to Five Year	4.00	2.93
More than 5 year	6.00	4.40
Total	16.00	11.72

- (ii) Vehicle Loan from banks carry interest between 9.65% to 10.25% and are secured against hypothecation of Vehicle purchased against such loan

**Vehicle Loans**

Installments Due	Number of Installments	Amount (Rs. in lacs)
Within One Year	33.00	11.71
One year to Three year	48.00	4.64
Three Year to Five Year	30.00	3.60
Total	111.00	19.95

**6. Provisions**

(Rs. In Lacs)

Particulars	Non Current Provisions (long term)		Current Provisions (short term)	
	As at 31-03-2014	As at 31-03-2013	As at 31-03-2014	As at 31-03-2013
<b>Provision for employee benefits :</b>				
Gratuity	—	—	73.69	73.69
Leave Encashment	—	—	14.54	13.32
<b>TOTAL</b>	<b>—</b>	<b>—</b>	<b>88.23</b>	<b>87.01</b>

**7. Short term borrowings**

(Rs. In Lacs)

Particulars	As at	As at
	31-03-2014	31-03-2013
<b>Secured Loan</b>		
Cash Credit from Bank*	291.12	215.82
	<u>291.12</u>	<u>215.82</u>

\* Cash Credit facilities from United Bank of India carry interest at base rate plus 2.75%. Such facility is 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

**8. Trade Payable**

(Rs. In Lacs)

Particulars	Current Position	
	As at 31-03-2014	As at 31-03-2013
Micro & Small Enterprises	-	-
Creditors for goods, services etc.	58.79	93.93
	<u>58.79</u>	<u>93.93</u>

**9. Other Current Liabilities**

(Rs. In Lacs)

Particulars	As at	As at
	31-03-2014	31-03-2013
Interest Accrued and Not Due on Borrowings	2.56	-
Current Maturities of Long term borrowings (As per Note No. 5)	13.17	12.81
Unclaimed Dividends	0.79	0.80
Statutory Dues	11.24	15.27
Advance from Customers	0.99	24.19
Other liabilities	42.46	46.74
Book Overdraft	0.81	-
<b>TOTAL</b>	<b><u>72.02</u></b>	<b><u>99.81</u></b>

(Rs. In Lacs)

**10. FIXED ASSETS**

DESCRIPTION	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	Cost As at 01-04-2013	Additions during the year	Cost of Assets Sold/Discarded/Adjusted/Subsidy received during the year	Total Cost As at 31-03-2014	Upto 31-03-2013	For the Year	Adjustment	Total Upto 31-03-2014	As at 31-03-2014	As at 31-03-2013
<b>TANGIBLE ASSETS</b>										
Leasehold Land	7.02	—	—	7.02	—	—	—	—	7.02	7.02
Tea Plantations	252.37	23.14	—	275.51	—	—	—	—	275.51	252.37
Buildings	143.03	—	—	143.03	53.67	2.92	—	56.59	86.44	89.36
Roads & Bridges	3.13	—	—	3.13	0.86	0.05	—	0.91	2.22	2.27
Plant & Machineries	344.73	2.11	—	346.84	209.61	16.68	—	226.29	120.55	135.12
Garden Electrification	36.01	—	—	36.01	20.32	1.41	—	21.73	14.28	15.69
Water, Oil Tank & Water Pumps	5.41	1.32	—	6.73	1.47	0.29	—	1.76	4.97	3.94
Furniture, Fitting & Office Equipments	36.37	1.35	—	37.72	32.39	1.09	—	33.48	4.24	3.98
Vehicles	103.92	9.36	—	113.28	45.97	8.13	—	54.10	59.18	57.95
<b>LEASED ASSETS</b>										
<b>NIL</b>										
<b>INTANGIBLE ASSETS</b>										
Computer Software	0.48	—	—	0.48	0.05	0.13	—	0.18	0.30	0.43
Capital Work In Progress										
<b>TOTAL</b>	932.47	37.28	—	969.75	364.34	30.70	—	395.04	574.71	568.46
As at 31-03-2013	876.46	59.94	3.60	932.80	338.13	29.00	2.79	364.34	568.46	—

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.



**11. Non-current Investments**

(Rs. In Lacs)

Particulars	As at	As at
	31-03-2014	31-03-2013
<b>Other Investments</b> (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 (Deposited with various Government Authorities)	0.03	0.03
	<u>0.71</u>	<u>0.71</u>

**12. Deferred Tax Assets (net)**

(Rs. In Lacs)

Particulars	As at	As at
	31-03-2014	31-03-2013
Deferred tax liabilities		
Timing Difference in depreciable Assets	24.97	24.98
	(A) <u>24.97</u>	<u>24.98</u>
Deferred Tax Assets		
Timing Difference u/s 43B	27.95	27.76
Bought Forward Loss	8.20	10.82
	(B) <u>36.15</u>	<u>38.58</u>
<b>Net Deferred Tax Assets</b>	(B-A) <u>11.18</u>	<u>13.60</u>

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

(Rs. In Lacs)

Particulars	Non Current		Current	
	As at 31-03-2014	As at 31-03-2013	As at 31-03-2014	As at 31-03-2013
(A) Advance recoverable in cash or in kind				
Considered good - To Others	—	—	0.23	2.75
- To Employees	—	—	19.87	18.44
	—	—	<u>20.10</u>	<u>21.19</u>
(B) Loans to :				
Body Corporates	—	—	15.18	25.10
(C) Security Deposits	34.41	33.73	—	—
(D) Others				
Balances with government authorities	—	—	6.33	4.88
Prepaid Expenses	—	—	3.35	2.19
MAT Credit receivable	4.57	4.57	—	—
Advance Income Tax (net of provisions)	—	—	0.87	2.54
	<u>4.57</u>	<u>4.57</u>	<u>10.55</u>	<u>9.61</u>
<b>TOTAL (A to D)</b>	<u>38.98</u>	<u>38.30</u>	<u>45.83</u>	<u>55.90</u>



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

Particulars	Non Current		Current	
	As at 31-03-2014	As at 31-03-2013	As at 31-03-2014	As at 31-03-2013
Interest Receivable	—	—	1.98	1.70
Interest Subsidy Receivable	—	—	27.30	20.16
Insurance Claims Receivable	—	—	0.90	1.16
	—	—	30.18	23.02

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

Particulars	Non Current		Current	
	As at 31-03-2014	As at 31-03-2013	As at 31-03-2014	As at 31-03-2013
<b>Outstanding for a period exceeding six months from the date they are due for payment</b>				
Considered good	—	—	0.91	3.63
Other receivables (considered good)	—	—	6.44	3.15
Total	—	—	7.35	6.78

**16. Inventories** (Rs. In Lacs)

Particulars	As at 31-03-2014	As at 31-03-2013
Stores, Spares & Consumables [ includes stores in transit Rs. 0.64 Lacs ] (Previous Year Rs. 0.64 Lacs) (at cost )	80.30	66.81
Finished Goods (At lower of cost or estimated realisable value)	10.31	60.18
TOTAL	90.61	126.99
Details of Inventory		
Finished Goods		
Tea	10.31	60.18

**17. Cash and Cash equivalents** (Rs. In Lacs)

Particulars	Non Current		Current	
	As at 31-03-2014	As at 31-03-2013	As at 31-03-2014	As at 31-03-2013
Cash and cash Equivalents				
Balance with banks :				
In Fixed Deposit with UBI*	—	—	2.25	—
In current accounts	—	—	2.36	1.98
In unpaid dividend accounts	—	—	0.82	0.82
Cash in hand	—	—	3.39	1.58
Total	—	—	8.82	4.38

\*This fixed deposit is given as lien to bank for securing bank guarantee given to sales tax department.

<b>18. Other Non-operating Income</b> (Rs. In Lacs)		
<b>Particulars</b>	As at 31-03-2014	As at 31-03-2013
Interest (Gross) Tax deducted at source Rs. 0.48 Lacs (Previous year Rs. 0.51 Lacs)	5.37	5.11
Interest Subsidy	7.13	5.96
Insurance Claims	0.20	1.28
Miscellaneous Income	0.28	0.02
Sundry balances Written Off / bad Debts (Net)	7.25	2.67
	<b>20.23</b>	<b>15.04</b>
<b>19. Cost of materials consumed</b> (Rs. In Lacs)		
<b>Particulars</b>	As at 31-03-2014	As at 31-03-2013
Purchase of Green Leaf	146.47	232.49
Assam Cess Duty	11.01	10.67
	<b>157.48</b>	<b>243.16</b>
<b>20. (Increase)/Decrease in Inventories</b> (Rs. In Lacs)		
<b>Particulars</b>	As at 31-03-2014	As at 31-03-2013
Opening Stock of Tea	60.18	50.27
Closing Stock of Tea	10.31	60.18
	<b>49.87</b>	<b>(9.91)</b>
<b>21. Employee benefit expense</b> (Rs. In Lacs)		
<b>Particulars</b>	As at 31-03-2014	As at 31-03-2013
Salaries, Wages, Bonus and Gratuity {including for Gratuity of Rs. 6.79 Lacs; (P.Y. Rs. 6.19 Lacs)}	445.04	425.61
Contribution to Provident & Other Funds	27.72	25.78
Workers & Staff Welfare expenses (including loss on Food Stuff)	35.09	34.75
	<b>507.85</b>	<b>486.14</b>
<b>22. Financial costs</b> (Rs. In Lacs)		
<b>Particulars</b>	As at 31-03-2014	As at 31-03-2013
<u>Interest -</u>		
To Bank	32.31	26.69
To Others	3.41	3.90
Other Borrowing Cost	—	1.49
	<b>35.72</b>	<b>32.08</b>

**23. Other Expenses**

(Rs. In Lacs)

Particulars	As at 31-03-2014	As at 31-03-2013
Consumption of stores and spares parts	122.92	146.64
Power & Fuel	98.98	108.99
Repairs to Buildings & Roads & Bridges	5.62	3.77
Repairs to Plant & Machinery	12.01	7.28
Garden Transport	6.70	9.31
Land Rent & Revenue	1.55	1.57
Insurance	3.94	5.83
Rates & Taxes	2.38	2.88
Travelling & Conveyance	9.21	7.14
Miscellaneous Expenses	23.98	20.44
Brokerage, Commission & Service Charges	17.19	16.12
Freight	24.59	29.89
Other Expenses	12.21	17.23
Prior Period Expense	0.70	–
Loss on Sale of Fixed Assets	–	0.02
Loss on Sale of Shares	–	3.83
Auditors' Remuneration		
– As Auditor	0.45	0.45
– For Tax Audit	0.15	0.10
– For Limited Review	0.12	0.12
– For Other Service	0.12	0.04
– For Reimbursement of expenses.	0.30	0.15
Directors Meeting Fees	0.04	0.03
<b>Total</b>	<b>343.16</b>	<b>381.83</b>

## 24. Employee Benefits

As on 31st March 2014 provision amounting to Rs. 29.10 Lacs (P.Y. 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, 2014 is Rs. 102.79 Lacs (Previous Year Rs. 101.45 Lacs).

(Rs. In Lacs)

<b>Defined Benefit Plan</b>	<b>Gratuity (Funded) 31.03.2014</b>	<b>Gratuity (Funded) 31.03.2013</b>
<b>a) Reconciliation of opening and closing balances of Defined Benefit obligation</b>		
Defined Benefit obligation at the beginning of the year	146.37	129.25
Current Service Cost	6.79	6.19
Interest Cost	11.76	10.39
Actuarial ( gain ) / loss	(6.49)	21.75
Benefits Paid	-	(21.21)
<b>Defined Benefit obligation at the year end</b>	<b>158.43</b>	<b>146.37</b>
<b>b) Reconciliation of opening and closing balances of fair value of plan assets</b>		
Fair value of plan assets at beginning of the year	44.92	55.56
Expected return on plan assets	3.93	4.38
Actuarial gain / (loss)	-	-
Employer's contribution	6.79	6.19
Benefits paid	-	(21.21)
<b>Fair value of plan assets at the year end</b>	<b>55.64</b>	<b>44.92</b>
<b>c) Reconciliation of fair value of assets and obligation</b>		
Present value of obligation as at 31st March, 2014	158.43	146.37
Fair value of plan assets as at 31st March, 2014	(55.64)	(44.92)
<b>Amount recognised in Balance Sheet (excluding Rs. 29.10 Lacs (P.Y. Rs. 27.76 Lacs) not recognised in Balance Sheet during the year)</b>	<b>102.79</b>	<b>101.45</b>
<b>d) Expenses recognised during the year</b>		
Current Service Cost	6.79	6.19
Interest Cost	11.76	10.39
Expected return on plan assets	(3.93)	(4.38)
Actuarial ( gain ) / loss	(6.49)	21.75
<b>Expenses recognised in the Profit &amp; Loss Account (excluding Rs. 1.34 Lacs (P.Y. Rs. 27.76 Lacs) not recognised in Profit &amp; Loss Account during the year)</b>	<b>8.13</b>	<b>33.95</b>
<b>e) Actuarial assumption</b>		
Discount rate ( per annum )	8.00%	8.00%
Rate of escalation in salary ( per annum )	5.00%	5.00%
<b>f) The provision of Rs. 2.05 Lacs ( Previous Year Rs. 3.05 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.</b>		
<b>g) The amounts provided for the defined contribution plan is as follows :</b>		
	(Rs. in Lacs)	
<b>Provident Fund &amp; Family Pension Scheme</b>	<b>2013-14</b>	<b>2012-13</b>
Employer's Contribution	<b>24.83</b>	23.13
Employee's Contribution	<b>24.83</b>	23.13

**25. Related party Disclosures**
**(a) Name of the related parties and related party relationship :**

Key Management Personnel : Sri Nirmal Kumar Lohia (Chairman cum-Managing Director)  
 Relative of Key Management Personnel : Sri Nimit Lohia (Director)

**(b) Transactions relating to Related Party :**

(Rs. In Lacs)

<b>Remuneration to Chairman-cum-Managing Director</b>	<b>2013-14</b>	<b>2012-13</b>
i) Salary	<b>5.40</b>	5.40
ii) Contribution to P.F	<b>0.65</b>	0.65
iii) Perquisites etc	<b>0.17</b>	0.15
	<b>6.22</b>	6.20

<b>Director sitting fees to Additional Director</b>	<b>2013-14</b>	<b>2012-13</b>
i) Director Sitting Fees	<b>0.01</b>	–
	<b>0.01</b>	–

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

(Rs. In Lacs)

<b>Particulars</b>	<b>2013-14</b>	<b>2012-13</b>
(a) Total No. of Equity Shares outstanding at the end of the year	<b>8,63,500</b>	8,63,500
(b) Net Profit after Tax available for Equity Shareholders	<b>(36.53)</b>	0.68
(c) Basic and diluted Earning Per Share	<b>(4.23)</b>	0.08

**27. Contingent Liabilities not provided for in respect of :**

(Rs. In Lacs)

<b>Particulars</b>	<b>2013-14</b>	<b>2012-13</b>
i) Excise B2 Bond executed in favour of Central Excise Authority	<b>0.60</b>	0.60
ii) 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
iii) Disputed Sales tax demand (*)	<b>12.44</b>	8.93

- (\*) (a) Bank guarantee of Rs. 2,25,000 has been furnished on 14.05.2013 for filling appeal.  
 (b) Amount of Rs. 0.88 Lacs paid as 25% of demand for assessment Year 2010-11.

**28. A. Break-up of consumption of raw materials (all Indigenous)**

Particulars	(Kg. in Lacs)		(Rs. In Lacs)	
	2013-14 Kgs.	Rs.	2012-13 Kgs.	Rs.
Green Leaf Harvested*	27.52	—	26.66	—
Green Leaf Purchased	8.63	146.47	11.64	232.49

\* 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.

**B. Break-up of consumption of stores & spare parts**

Particulars	2013-14		2012-13	
	Rs.	%	Rs.	%
Indigenous	122.92	100	146.64	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, 2014

**N. K. LOHIA**  
Chairman-cum-  
Managing Director

**S. K. CHATTERJEE**  
**A. CHOUDHURY**  
**S. K. DABRIWALA**  
**NIRMIT LOHIA**

Directors

**FINANCIAL HIGHLIGHTS**

Rs. in '000'

YEAR	2014	2013	2012	2011	2010	2009
Sales	107757	114947	77662	80403	97994	83025
Profit Before Depreciation & Tax	(54)	3060	(4873)	17	8309	3818
Depreciation	3070	2900	2661	2514	2838	2456
Profit Before Taxation	(3124)	160	(7534)	(2497)	5471	1362
Provision for Taxation (Net)	529	92	462	(96)	(1270)	572
Profit After Taxation	(3653)	68	(7072)	(2593)	4201	1934
Earning per Share (Rs.)	(4.23)	0.08	(8.19)	(3.00)	4.87	2.24
Net Fixed Assets	57471	56846	53833	49543	50612	46856
Share Capital	8635	8635	8635	8635	8635	8635
Reserves & Surplus	19336	22989	22921	29993	32585	30398
Borrowings	32279	25396	24180	22082	14512	15211



**BOOK POST**



*If undelivered, please return to :*  
**LEDO TEA COMPANY LIMITED**  
Sir, R. N. M. House  
3-B, Lal Bazar Street  
Kolkata - 700 001