



LEDO TEA COMPANY LIMITED

Annual Report 2016-2017

**CORPORATE INFORMATION**

BOARD OF DIRECTORS	Mr. N. K. Lohia, Chairman-Cum-Managing Director Mr. S. K. Chatterjee, Non Executive Independent Director Mr. S. K. Dabriwala, Non Executive Director Mr. A. Choudhury, Non Executive Independent Director Mr. Nirmitt Lohia, Non Executive Director Mrs. Sarita Lohia, Non Executive Director
EXECUTIVE	Mr. R. K. Hirawat, President Cum Chief Financial Officer
SOLICITORS	M/s. Choudhury & Co.
AUDITORS	M/s. Das & Prasad 4, Chowringhee Lane, 3rd Block, 8th Floor, Room No. 8F Kolkata - 700 016
SECRETARIAL AUDITORS	Mr. B. L. Patni, Practising Company Secretary
REGISTRARS	M/s. Maheshwari Datamatics Pvt. Ltd. 23, R. N. Mukherjee Road, 5th Floor, Kolkata - 700001 Ph. : (033) 2248-2248, 2243-5029, 2231-6839 Fax : (033) 2248-4787, Email : mdpldc@yahoo.com
BANKERS	United Bank of India HDFC Bank
STOCK EXCHANGE WHERE SHARES ARE LISTED	BSE LIMITED
REGISTERED & HEAD OFFICE	Sir R. N. M. House 3-B, Lal Bazar Street, Kolkata - 700 001 Phone : (033) 2230-6686 / 2248-3078 Email : ledotea@vsnl.com
GARDEN	LEDO TEA ESTATE P. O. Ledo, Dist. Tinsukia, Assam Pin : 786 182 Ph. : (03751) 293574 Email : ledote@rediffmail.com

CONTENTS

	PAGE NO.
Notice of Annual General Meeting	02
Directors' Report	05
Auditors' Report	23
Balance Sheet	28
Statement of Profit & Loss	29
Cash Flow Statement	30
Notes to the Financial Statements	31

NOTICE TO THE MEMBERS

Notice is hereby given that the thirty-fourth Annual General Meeting of LEDO TEA COMPANY LIMITED (CIN L01132WB1983PLC036204) will be held at Sitaram Sekseria Auditorium of Bharatiya Bhasha Parishad, 36A Shakespeare Sarani, Kolkata - 700 017 on Wednesday, the 20th September, 2017 at 11.00 a.m. to transact the following business :

1. To receive, consider and adopt the Audited Financial Statements of the company for the year ended 31st March, 2017, together with the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mrs. Sarita Lohia (DIN 00436091), who retires by rotation and being eligible, offers herself for re-appointment.
3. Appointment of Statutory Auditors of the Company
To consider and if thought fit, to pass the following resolution as an Ordinary Resolution.

“RESOLVED that pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time M/s. B. Nath & Company, Chartered Accountants (Firm Registration No. 307057E), be and is hereby appointed as Auditors of the Company in place of the retiring auditors M/s. Das & Prasad, Chartered Accountants (Firm Registration No. 0303054E), to hold office from the conclusion of this Annual General Meeting “AGM”) till the conclusion of the thirty-ninth AGM to be held in the year 2022 (subject to ratification of their appointment at every AGM, if so required under the Act), at such remuneration, as may be mutually agreed between the Board of Directors of the Company and the Auditors.”

Registered Office :

Sir R. N. M. House
3-B, Lal Bazar Street
Kolkata - 700 001
Dated, the 10th August, 2017

By Order of the Board
N. K. LOHIA

Chairman-cum-Managing Director

NOTES :

1. A member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a Proxy to attend and vote instead of himself/herself and a Proxy need not be a Member of the Company. The instrument appointing the proxy, in order to be effective, must be deposited at the Company's Registered Office, duly completed and signed, not less than FORTY-EIGHT hours before the commencement of the AGM. Proxies submitting on behalf of limited companies, societies etc., must be supported by appropriate resolutions/authority, as applicable. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case, a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
2. The Share Transfer Books and the Registers of Members of the Company will remain closed from 14th September, 2017 to 20th September, 2017 (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 their accounts are 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 Officer of the Company well in advance, so as to enable the Management to keep the information ready at the AGM.
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 Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company/Registrar M/s. Maheshwari Datamatics Pvt. Ltd. 23, R. N. Mukherjee Road, 5th Floor, Kolkata - 700 001. Phone : (033) 2248-2248.2243-5029, 2231-6839, Fax : (033) 2248-4787, E-mail : mdpldc@yahoo.com.
7. Members who have not registered their e-mail addresses so far, are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars etc. from the Company electronically.

8. Members, who are still holding shares in physical form are requested to take immediate action to dematerialize their shares to avail easy liquidity and to eliminate all risks associated with physical shares. Members may contact the Company or M/s. Maheshwari Datamatics Pvt. Ltd. for assistance in this regard.
9. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. Members holding shares in physical form may submit the same to M/s. Maheshwari Datamatics Pvt. Ltd. or to the Company. Members holding shares in electronic form may submit the same to their respective depository participant.
10. **Transfer of Unclaimed/Unpaid amounts to the Investor Education and Protection Fund (IEPF)**
Pursuant to Sections 124 and 125, and other applicable provisions, if any, of the Companies Act, 2013, all unclaimed/unpaid dividend remaining unclaimed/unpaid for a period for seven years from the date they became due for payment, is required to be transferred to Investor Education and Protection Fund of the Central Government. Shareholders who have not encashed the Dividend Warrant(s) so far for the financial year 2009-10 are requested to make their claim with the Company, it may be noted that seven years period will come to an end in respect of financial year 2009-10 on 19th September, 2017. It may also be noted that once the unclaimed dividend is transferred to the Investor Education and Protection Fund of Central Government, no claim shall be entertained against the Company for the amount so transferred.
11. In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of the SEBI Listing Regulations, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by CSDL on all the resolution set forth in this Notice. The instructions for members for voting electronically are as under:-

Remote E-Voting Procedure

- i. If you are holding shares in Demat form and had logged on to 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
- iii. Now click on "Shareholders" tab to cast your votes.
- iv. Now, select the Electronic Voting Sequence Number (EVSN) along with "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's 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 remote 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 Sunday, September 17, 2017 (10.00 a.m. IST) and ends on Tuesday, September 19, 2017 (05.00 p.m. IST). The e-voting module will be disabled by CDSL for voting thereafter. The cutoff date for this is 13/09/2017.
- xv. The shareholders shall have one vote per equity share held by them as on the cut-off date (record date) of 13th September, 2017. The facility of remote e-voting would be provided once for every folio / client id, irrespective of the number of joint holders.
- xvi. Any person, who acquires shares of the Company and become member of the Company after despatch of the Notice of Annual General Meeting and holding shares as of the cut-off date, i.e., 13th September, 2017, may obtain the login ID and password by sending a request at helpdesk.evoting@cdslindia.com.
However, if you are already registered with CDSL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details / Password" option available on helpdesk.evoting@cdslindia.com.
- xvii. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting, as well as voting at the Annual General Meeting through polling paper.
- xviii. The Board of Directors have appointed Mr. Babu Lal Patni, Practicing Company Secretary (Membership No. FCS 2304), as the Scrutinizer to scrutinize the remote e-voting process in a fair and transparent manner.
- xix. At the Annual General Meeting, at the end of the discussion of the resolutions on which voting is to be held, the Chairman shall with the assistance of the Scrutinizer order voting for all those members who are present but have not cast their vote electronically using the remote e-voting facility or Ballot Form.
- xx. The Scrutinizer shall immediately after the conclusion of voting at the Annual General Meeting, first count the votes at the Annual General Meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make not later than 48 hours of conclusion of the meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing who will countersign the same.
- xxi. The Chairman or a person authorized by him in writing shall declare the result of voting forthwith.
The results declared along with the Scrutinizer's Report shall be placed on the website of CDSL helpdesk.evoting@cdslindia.com immediately after the result declared by the Chairman or any other person authorized by the Chairman and the same shall be communicated to Mumbai Stock Exchange, where the shares of the Company are listed.
- 12. Brief of the Director seeking reappointment at the ensuing Annual General Meeting.
Mrs. Sarita Lohia (DIN 00436091), aged about 55 years, by profession a business person, having long and varied experience in tea and business strategies became a member of our board since 27/03/2015.

Registered Office :

Sir R. N. M. House
3-B, Lal Bazar Street
Kolkata - 700 001
Dated, the 10th August, 2017

By Order of the Board

N. K. LOHIA
Chairman-cum-Managing Director

DIRECTORS' REPORT TO THE MEMBERS

Your Directors have pleasure in presenting 34th Annual Report of the Company along with the Audited Statement of Accounts for the year ended 31st March, 2017.

	Current Year Rs. in Lacs		Previous Year Rs. in Lacs	
1. SUMMARISED FINANCIAL RESULTS				
Profit/(loss) before Interest, Depreciation & Taxes		(38.30)		68.20
Deduction : Interest	56.94		37.42	
Depreciation	24.44	81.38	24.63	62.05
Profit /(loss)before exceptional items and Tax		(119.68)		6.15
Exceptional Items		-		(81.20)
Profit /(loss)before Tax		(119.68)		(75.05)
Less/(Add) : Provision for Taxation (Net)		(20.20)		(12.53)
Profit/(loss) after Taxation		(99.48)		(62.52)
Add : Profit /(Loss) brought from previous year		(30.25)		32.27
Balance Carried to Balance Sheet		(129.73)		(30.25)

2. PERFORMANCE HIGHLIGHT

Your company produced 9.42 lacs kgs. of tea for the year under review as against 10.34 lacs kgs. in the previous year and achieved a net turnover of Rs. 1220.17 lacs by selling 9.70 lacs Kgs. of tea as compared to Rs. 1257.39 lacs by selling 9.73 lacs Kgs. of tea in the previous year. The operation of the Company during the year under review has resulted in a Loss of Rs. 38.30 lacs before Interest, Depreciation, Taxes and Exceptional items in comparison to Profit of Rs.68.20 lacs in the previous year. However, your company incurred a net loss of Rs. 99.48 lacs as against net loss of Rs. 62.52 lacs in the previous year.

3. DIVIDEND

In absence of operational profit, Your Directors do not recommend any Dividend for the year ended 31st March, 2017.

4. MODERNIZATION & EXPANSION

The uprooting and replanting programme is being carried out in a phased manner. Your Company has spent Rs.53.96 lacs on extension & re-plantation and Rs.19.37 lacs on plant & machineries and Rs.2.55 lacs on vehicles during the year under review.

5. FUTURE PROSPECT

The current season has started with extremely dry weather and subsequently continuous heavy rain disturbed the working and productivity of the estate adversely. There has been demand for premium quality tea but the overall demand scenario is not very remunerative due to lesser demand in domestic market. Costs are increasing every year due to increase of salary, wages, electricity and other input cost. In spite of all odds, your company is trying its level best to keep the cost under control to overcome this difficult period.

6. SHARES
6.a. BUY BACK OF SECURITIES

The Company has not bought back any of its securities during the year under review.

6.b. SWEAT EQUITY

The Company has not issued any Sweat Equity Shares during the year under review.

6.c. BONUS SHARES

No Bonus Shares were issued during the year under review.

6.d. EMPLOYEES STOCK OPTION PLAN

The Company has not provided any Stock Option Scheme to the employees.

6.e. SHARES WITH DIFFERENTIAL RIGHTS

No equity shares with differential rights were issued during the year under review.

7. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTORS EDUCATION AND PROTECTION FUND

During the year under review the Company was not required to transfer any amount to Investors Education and Protection Fund under Section 125(2) of the Companies Act, 2013.

8. CORPORATE GOVERNANCE

As the paid-up Share Capital of the Company is less than Rs. 10 Crores and its Reserves are less than Rs.25 Crores, provisions of the Corporate Governance is not applicable to your Company. However, adequate steps have been taken for better corporate governance.

9. CORPORATE SOCIAL RESPONSIBILITY

The Company is not required to adopt Corporate Social Responsibility policy and to incur expenditure on it.

10. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

The Company has not entered into any contract or arrangement with related parties referred in the Section(1) of section 188 of the companies Act 2013 during the year under review

11. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013

The Company has not made any loans or investments or given guarantees under Section 186 of the Companies Act , 2013 during the year under review and hence the said provisions is not applicable. Details of investments are given in the Notes forming part of financial statements.

12. EXTRACT OF THE ANNUAL RETURN

The extract of the Annual Return in Form No. MGT – 9 is furnished in Annexure –1 and is attached to this Report.

13. DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance with the provisions of the Act and the Articles of Associations of the company Mrs. Sarita Lohia (DIN 00436091) retires by rotation at the ensuing Annual General Meeting and being eligible offers herself for reappointment.

The company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independent directors as prescribed under the Act.

14. BOARD EVALUATION:

Pursuant to the provisions of Companies Act, 2013 and Listing Agreements, the Board has carried out an evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit Committee and Nomination and Remuneration Committee.

During the year, the Board adopted a formal mechanism for evaluating its performance and as well as that of its Committees and individual Directors. The exercise was carried out through a structured evaluation process covering various aspects of the Board's functioning such as composition of the Board & Committees, experience & competencies, performance of specific duties & obligations, attendance at the meetings, governance issues etc. Separate exercise was carried out to evaluate the performance of individual Directors who were evaluated on parameters such as attendance, contribution at the meetings and otherwise, independent judgment, safeguarding of minority shareholders' interest etc.

The evaluation of the Independent Directors was carried out by the entire Board and that of the Non-Independent Directors were carried out by the Independent Directors.

The Directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committees with the Company.

15. NOMINATION AND REMUNERATION POLICY:

The Board has on the recommendation of the Nomination and Remuneration committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The company is having a Nomination and Remuneration committee comprising of following directors ;

Name	Category	Status
Mr. S. K. Chatterjee	Non Executive Independent Director	Chairman
Mr. A. Choudhury	Non Executive Independent Director	Member
Mr. Nirmal Lohia	Non Executive Director	Member

16. AUDIT COMMITTEE:

The company is having an Audit Committee comprising of following directors;

Name	Category	Status
Mr. S. K. Chatterjee	Non Executive Independent Director	Chairman
Mr. A. Choudhury	Non Executive Independent Director	Member
Mr. Nirmil Lohia	Non Executive Director	Member

17. MEETINGS:

The details of the Board Meeting and General Meeting are given in Annexure '2'.

18. DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.

The required details are provided in Annexure '3' annexed to this Report.

19. DISCLOSURE UNDER RULE 5(2) AND 5(3) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

There is no employee drawing remuneration in excess of the limits prescribed under Rule 5(2) of The Companies (Appointment) Rules, 2014.

20. DIRECTORS RESPONSIBILITY STATEMENT

In terms of Section 134(5) of the Companies Act 2013, with respect to Directors Responsibility Statement, it is hereby confirmed that:

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- the directors had prepared the annual accounts on a going concern basis; and
- the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

21. CODE OF CONDUCT:

The Company has a Code of Conduct which is applicable to directors and management personnel of the Company. The Company believes in conducting business in accordance with the highest standard of business ethics and complying with applicable laws, rules and regulations.

The Code lays down the standard procedure of business conduct which is expected to be followed by the directors and management personnel in their business dealings and in particular on matters relating integrity in the work place, in business practices and complying with applicable laws etc.

All the directors and management personnel have submitted declaration confirming compliance with the code.

22. RISK MANAGEMENT POLICY:

Pursuant to Section 134(3) (n) of the Companies Act, 2013, the Board of directors of the Company has adopted a Risk Management Policy of the Company. The Company manages, monitors and reports on the principal risks and uncertainties that can impact its ability to achieve its strategic objectives.

The Company has introduced several improvements to Integrated Enterprise Risk Management, Internal Controls Management and Assurance Frameworks and processes to drive a common integrated view of risks, optimal risk mitigation responses and efficient management of internal controls and assurance activities. This integration is enabled by all three being fully aligned across Group wide Risk Management, Internal Controls and Internal Audit methodologies and processes.

23. VIGIL MECHANISM/WHISTLE BLOWER POLICY:

The Company promotes ethical behaviour in all its business activities and has put in place a mechanism for reporting illegal or unethical behaviour. The Company has a Vigil mechanism and Whistle blower policy under which the employees are free to report violations of applicable laws and regulations and the Code of Conduct. The reportable matters may be disclosed to the Ethics and Compliance Task Force which operates under the supervision of the Audit Committee. Employees may also report to the Chairman of the Audit Committee. During the year under review, no employee was denied access to the Audit Committee.

24. PREVENTION OF INSIDER TRADING:

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. All the Board of Directors and designated employees have confirmed compliance with the Code.

25. INTERNAL FINANCIAL CONTROLS:

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation was observed.

During the year the company appointed M/s Sanjeev Agarwal & Associates, Chartered Accountants, Kolkata, as an Internal Auditor. The firm is authorized to by the Audit Committee to access the adequacy and compliance of internal control process, statutory requirements etc. The Audit Committee met regularly to review reports submitted by the Internal Auditor. The Audit Committee upon discussion with Internal Auditor set up applicable control measures for the Company.

26. SIGNIFICANT AND MATERIAL ORDERS BY REGULATORS

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

27. MATERIAL CHANGES

There are no material changes and commitments affecting the financial position of the company have accrued between the date of financial year of the Company and date of the report. There is no change in the nature of business of the Company.

28. STATUTORY AUDITORS

M/s. Das & Prasad, Chartered Accountants, (Firm Registration No. 0303054E) Statutory Auditors of the Company, hold office till the conclusion of the 34th Annual General Meeting of the Company. The Board has recommended the appointment of M/s. B. Nath & Company, Chartered Accountants, (Firm Registration No. 307057E) as the Statutory Auditors of the Company in their place for term of five consecutive years, from the conclusion of 34th Annual General meeting of the company scheduled to be held in the year 2017 till the conclusion of 39th Annual General meeting to be held in the year 2022 (subject to ratification of their appointment at every AGM if so required under the Act), for approval of shareholders of the Company, based on the recommendation of the Audit Committee. The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

29. SUBSIDIARY, ASSOCIATE AND JOINT VENTURE COMPANY

The Company has no Subsidiary. Associate or Joint Venture Company.

30. SECRETARIAL AUDIT

The Company has appointed Mr. Babu Lal Patni (FCS 2304), a Practising Company Secretary to conduct secretarial audit pursuant to Section 204 of the Companies Act, 2013. His report in form MR3 is attached to this report as annexure '4'

As regards his observation made in the secretarial Audit we are to state that the necessary steps are being taken to comply with the requirements.

31. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The information pertaining to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and outgo as required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished in Annexure '5' and is attached to this report.

32. DEPOSITS

During the year under review, your Company did not accept any deposits within the meaning of Section 73 of the Companies Act, 2013, read with the Companies (Acceptance of Deposits) Rules, 2014.

**33. SOCIAL OBLIGATION**

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

34. LISTING ARRANGEMENTS

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

35. GENERAL

Your Director further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

36. ACKNOWLEDGEMENTS

Your Directors place on record their sincere thanks to bankers, business associates, consultants, and various Government Authorities for their continued support extended to your Company's activities during the year under review. Your Directors also acknowledge gratefully the shareholders for their support and confidence reposed on your Company

Registered Office :
Sir R. N. M. House
3-B, Lal Bazar Street
Kolkata - 700 001
Dated : the 30th May, 2017

By Order of the Board

N. K. LOHIA
Chairman-Cum-Managing Director

Form No. MGT - 9
EXTRACT OF ANNUAL RETURN
As on financial year ended on 31.03.2017

 Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company
(Management & Administration) Rules, 2014

I. REGISTRATION & OTHER DETAILS:

1	CIN	L01132WB1983PLC036204
2	Registration Date	29/04/1983
3	Name of the Company	Ledo Tea Company Limited
4	Category/Sub-category of the Company	Public Company : Limited by Shares
5	Address of the Registered office & contact details	Sir R.N.M. House - 3rd Floor 3-B, Lal Bazar Street, Kolkata - 700001. Ph. No. (033) 2230-6686/2248-3078
6	Whether listed company	Yes
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Maheshwari Datamatics Pvt. Ltd. 23, R. N. Mukherjee Road, 5th Floor, Kolkata - 700001 Phone : (033) 2248-2248, 2243-5029, 2231-6839 FAX : (033) 2248-4787 E-mail : mdpldc@yahoo.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Tea	0100	97.30%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and address of the company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1	NIL				

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)
i) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year (As on 1st April, 2016)				No. of Shares held at the end of the year (As on 31st March, 2017)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	504021	-	504021	58.37%	504021	-	504021	58.37%	-
b) Central Govt	-	-	-	-			-		-
c) State Govt(s)			-	-			-		-
d) Bodies Corp.	84680		84680	9.81%	84680	-	84680	9.81%	-
e) Banks / FI	-	-	-	-			-		-
f) Any Other....	-	-	-	-			-		-
Sub-total (A) (1):-	588701	-	588701	68.18%	588701	-	588701	68.18%	-
(2) Foreign									
a) NRIs – Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	-	-	-	-	-	-	-	-	-
TOTAL (A)	588701	-	588701	68.18%	588701	-	588701	68.18%	-

Category of Shareholders	No. of Shares held at the beginning of the year (As on 1st April, 2016)				No. of Shares held at the end of the year (As on 31st March, 2017)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (Specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2. Non- Institutions									
a) Bodies Corp.									
i) Indian	6182	-	6182	0.71%	13286	-	13286	1.54%	0.83%
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	173075	87034	260109	30.12%	167153	85817	252970	29.29%	-0.83%
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)									
i) Individual-HUFs/AOPs	7476	-	7476	0.87%	7460	-	7,460	0.86%	-0.01%
ii) NRI-Non-Repatriable	702	-	702	0.08%	320	-	320	0.04%	-0.04%
NRI-Repatriable	-	-	-	-	381	-	381	0.04%	0.04%
iii) Overseas Corporate Bodies									
iv) Foreign Nationals	-	-	-	-	-	-	-	-	-
v) Clearing Members	-	-	-	-	52	-	52	0.01%	0.01%
vi) Trusts	330	-	330	0.04%	330	-	330	0.04%	0.00%
vii) Foreign Bodies - D R			-	-			-	-	-
Sub-total (B)(2):-	187765	87034	274799	31.82%	188982	85817	274799	31.82%	-
Total Public Shareholding (B)	187765	87034	274799	31.82%	188982	85817	274799	31.82%	-
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	776466	87034	863500	100.00%	777683	85817	863500	100.00%	-

(ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year (01-04-2016)			Shareholding at the end of the year (31-03-2017)			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	N. K. Lohia	139230	16.12%	Nil	139230	16.12%	Nil	-
2	Sarita Lohia	115465	13.38%	Nil	115465	13.38%	Nil	-
3	Nikhil Lohia	112669	13.05%	Nil	112669	13.05%	Nil	-
4	Nirmit Lohia	111657	12.93%	Nil	111657	12.93%	Nil	-
5	Ledo Financial Services Limited	42700	4.94%	Nil	42700	4.94%	Nil	-
6	Goodfaith Holdings Pvt. Ltd	41980	4.86%	Nil	41980	4.86%	Nil	-
7	Nirmal Kumar Lohia HUF	25000	2.90%	Nil	25000	2.90%	Nil	-
	Total	588701	68.18%	NIL	588701	68.18%	NIL	-

(iii) Shareholding Pattern of top ten Shareholders

(Other than Directors, Promoters and Holders of GDRs and ADRs):

SN	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year (01-04-2016)		Cumulative Shareholding during the year (31-03-2017)	
				No. of shares	% of total shares	No. of shares	% of total shares
1	Nileshkumar Hasmukhlal Saraiya						
	At the beginning of the year			13262	1.54%	..	1.54%
	Changes during the year			Nil	-	..	-
	At the end of the year			13262	1.54%	..	1.54%
2	Lalita Kanoi						
	At the beginning of the year			10483	1.21%		1.21%
	Changes during the year			Nil	-		-
	At the end of the year			10483	1.21%		1.21%
3	Shitalben Nileshchandra Saraiya						
	At the beginning of the year			8600	0.99%		0.99%
	Changes during the year			Nil	-		-
	At the end of the year			8600	0.99%		0.99%
4	Sikaria Securities Ltd						
	At the beginning of the year			2511	0.29%		0.29%
	Changes during the year	28/06/2016	Transfer	1817		4328	0.50%
		30/08/2016	Transfer	1480		5808	0.67%
		28/09/2016	Transfer	1293		7101	0.82%
		24/12/2016	Transfer	803		7904	0.92%
		29/03/2017	Transfer	(2)		7902	0.92%
	At the end of the year					7902	0.92%
5	Patel Vipul Nathbhai						
	At the beginning of the year			4318	0.50%		0.50%
	Changes during the year			Nil	-		-
	At the end of the year			4318	0.50%		0.50%

SN	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year (01-04-2016)		Cumulative Shareholding during the year (31-03-2017)	
				No. of shares	% of total shares	No. of shares	% of total shares
6	Kaushalya Devi Sikaria						
	At the beginning of the year			3963	0.46%		0.46%
	Changes during the year			Nil	–		–
	At the end of the year			3963	0.46%		0.46%
7	Patel Raxa V						
	At the beginning of the year			3721	0.43%		0.43%
	Changes during the year			Nil	–		–
	At the end of the year			3721	0.43%		0.43%
8	Mulkh Raj Taneja HUF						
	At the beginning of the year			1037	0.12%		0.12%
		28/06/2016	Transfer	796		1833	0.21%
		26/09/2016	Transfer	50		1883	0.22%
		24/12/2016	Transfer	164		2047	0.24%
		16/02/2017	Transfer	224		2271	0.26%
	At the end of the year					2271	0.26%
9	Hiteshkumar Naranbhai Patel						
	At the beginning of the year			2218	0.26%		0.26%
	Changes during the year			Nil	–		–
	At the end of the year			2218	0.26%		0.26%
10	Veena Shantilal Gandhi Jh- 1 Shantilal Nanabhai Gandhi						
	At the beginning of the year			1971	0.23%		0.23%
	Changes during the year			Nil	–		–
	At the end of the year			1971	0.23%		0.23%

(iv) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year (01-04-2016)		Cumulative Shareholding during the year (31-03-2017)	
				No. of shares	% of total shares	No. of shares	% of total shares
1	N. K. Lohia, Chairman-cum-Managing Director						
	At the beginning of the year			139230	16.12%		16.12%
	Changes during the year			Nil	–		–
	At the end of the year			139230	16.12%		16.12%
2	Nirmit Lohia, Non-Executive Director						
	At the beginning of the year			111657	12.93%		12.93%
	Changes during the year			Nil	–		–
	At the end of the year			111657	12.93%		12.93%
3	Sarita Lohia, Non-Executive Director						
	At the beginning of the year			115465	13.38%		13.38%
	Changes during the year			Nil	–		–
	At the end of the year			115465	13.38%		13.38%

SN	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year (01-04-2016)		Cumulative Shareholding during the year (31-03-2017)	
				No. of shares	% of total shares	No. of shares	% of total shares
4	S. K. Dabriwala, Non Executive Director						
	At the beginning of the year			-	-	-	-
	Changes during the year			-	-	-	-
	At the end of the year			-	-	-	-
5	S. K. Chatterjee, Independent Director						
	At the beginning of the year			-	-	-	-
	Changes during the year			-	-	-	-
	At the end of the year			-	-	-	-
6	A. Choudhury, Independent Director						
	At the beginning of the year			-	-	-	-
	Changes during the year			-	-	-	-
	At the end of the year			-	-	-	-
7	R. K. Hirawat, President-Cum- Chief Financial Officer						
	At the beginning of the year			8213	0.95%		0.95%
	Changes during the year			-	-		
	At the end of the year			8213	0.95%		0.95%

V. INDEBTEDNESS
Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(Rs. in lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	323.39	-		323.39
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	323.39	-	-	323.39
Change in Indebtedness during the financial year				
* Addition	1,466.94	188.75		1,655.69
* Reduction	1,403.39	22.85		1,426.24
Net Change	63.55	165.90	-	229.45
Indebtedness at the end of the financial year				
i) Principal Amount	386.94	162.00		548.94
ii) Interest due but not paid	-	3.90	-	3.90
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	386.94	165.90	-	552.84

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Rs. in lacs)

SN.	Particulars of Remuneration	Name of MD/WT/ Manager	Total Amount
1	Mr. N. K. Lohia		
	Chairman cum- Managing Director		
1	Gross salary	6.35	6.35
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission	-	-
	- as % of profit	-	-
	- others, specify	-	-
5	Others, please specify	-	-
	Total (A)	6.35	6.35
	Ceiling as per the Act		

B. Remuneration to other directors:

Sl. no.	Name of the Directors	Particulars of Remuneration	Others	Amount (Rs. in Lac)
	Non Executive Director			
1	Mr. Nirmal Lohia	Fee for attending Board / committee meetings		0.04
2	Mr. S. K. Dabhiwala	DO		0.04
3	Mrs. Sarita Lohia	DO		0.04
	Independent Director			
4	Mr. S. K. Chatterjee	DO		0.04
5	Mr. A. Choudhury	DO		0.02
	Total			0.18

C. Remuneration to Key Managerial Personnel other than MD/Manager/WT/

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount (Rs. in Lac)
	Mr. R. K. Hirawat	CFO	CFO	CS	
	President cum Chief Financial Officer				
1.	Gross Salary	0	11.03	0	11.03
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	-			-
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-		-	-
2.	Stock Option	-		-	-
3.	Sweat Equity	-		-	-
4.	Commission				-
	- as % of profit	-		-	-
	- others, specify	-		-	-
5.	Others, please specify	-		-	-
	Total	-	11.03	-	11.03

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES :

Type		Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/NCLT/COURT)	Appeal made, if any (give details)
A. Company						
	Penalty	NIL				
	Punishment					
	Compounding					
B. Directors						
	Penalty	NIL				
	Punishment					
	Compounding					
C. Other Officers In Default						
	Penalty	NIL				
	Punishment					
	Compounding					

Annexure 2 to the Directors' Report

Four board meetings were held in 2016-17 ie 30/05/2016,12/08/2016,11/11/2016 and 10/02/2017

PARTICULARS OF BOARD MEETING HELD DURING 2016-17

Sl. No.	Name of The directors	Category of Director	No. of Board Meeting Held	Attendance at last AGM held on 27-09-2016
1	Mr. N. K. Lohia	Chairman-cum-Managing Director	4	Yes
2	Mr. Nirmal Lohia	Non-Executive	4	Yes
3	Mrs. Sarita Lohia	Non-Executive	4	No
4	Mr. S. K. Dabhiwala	Non-Executive	4	Yes
5	Mr. A. Choudhury	Non-Executive Independent	2	No
6	Mr. S. K. Chatterjee	Non-Executive Independent	4	Yes

PARTICULARS OF GENERAL MEETING HELD DURING THE LAST THREE FINANCIAL YEARS

Sl. No.	FINANCIAL YEAR	EXTRA ORDINARY GENERAL MEETING	ANNUAL GENERAL MEETING
1	2015-16	No EGM was held	27-09-2016
2	2014-15	No EGM was held	30-09-2015
3	2013-14	No EGM was held	29-09-2014

Annexure 3 to the Directors' Report

INFORMATION PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

(1) Ratio of the remuneration of each Director/KMP to the median remuneration of all the employees of the Company for the financial year.

Median remuneration of all the employees of the Company For the financial year 2016-2017	Rs. 0.41 Lacs
The percentage increase in the median remuneration of employees in the financial year	4.71
The number of permanent employees on the rolls of company as on 31 March, 2017	710

Name of Director	Ratio of remuneration to median remuneration of all employees	% increase in remuneration in the financial year 2016-2017
Non-Executive Directors		
Mr. Nirmitt Lohia	0.10	0.00
Mrs. Sarita Lohia	0.10	0.00
Mr. S. K. Dabriwala	0.10	0.00
Independent Directors		
Mr. A. Choudhury	0.05	(0.50)
Mr. S. K. Chatterjee	0.10	0.00
Executive Director		
Mr. N. K. Lohia	15.46	10.43

Notes:

1) The ratio of remuneration to median remuneration is based on remuneration paid during the period 1st April 2016 to 31st March 2017.

(2) Relationship between average increase in remuneration and Company performance

The average increase in remuneration during the financial year 2016-2017 was 7.75 % as compared with the previous financial year. Sales during the financial year is Rs. 1224.80 lacs compared to Rs. 1262.41 lacs in the previous financial year. The loss after tax for the financial year increased by 59.12% whereas the increase in the median remuneration was 4.71%. The average increase in median remuneration was in line with the increase of salary in the industry

(3) Comparison of the remuneration of the KMP against the performance of the company

Particulars	Rs. in Lacs
Aggregate remuneration of KMP in financial year 2016-2017	17.38
Revenue	1224.80
Remuneration of KMPs (as % of revenue)	1.42
Profit before tax (PBT)	(119.68)
Remuneration of KMP (as % of PBT)	NA

(4) Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase or decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:

Sl. No.	Description	Rs. in Lacs
1	Market Cap variation	
	Mcap at 31st March, 2017	682.17
	Mcap at 31st March, 2016	738.29
	Variation in Mcap in FY 2017 (%)	(7.60)
2	Price –to-Earning Ratio	
	PE as at 31st March, 2017 (Mkt Price/EPS)	NA*
	PE as at 31st March, 2016 (Mkt Price/EPS)	NA*
	Variation in PE in FY 2017 (%)	NA*
3	% Increase/Decrease from last public offer	
	IPO price per share as at 31st March, 1987	12.50
	Market price as at 31st March, 2017	79.00
	%Increase from last IPO	532%

*There is no profit in 2015-16. and 2016-17

- (5) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

Average percentile made in the salaries of employees other than the Key managerial personnel in the last financial year i.e 2016-17 was 8.06% whereas the increase made in the Key managerial remuneration for the same financial year was 1.76%.

- (6) **The Key parametres for any variable component of remuneration availed by the directors:**

There are no variable component of remuneration availed by the directors. Remuneration to non executive directors involve sitting fees for attending meetings.

- (7) **The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year:**

Mr. R. K. Hirawat President-cum-CFO receives remuneration in excess of the remuneration of Mr. N. K. Lohia, Chairman cum Managing Director

The ratio of remuneration of Managing Director to that of the remuneration of President-cum-CFO is 57.57%

- (8) **Remuneration is as per the remuneration policy of the Company.**

FORM No MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017
[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Ledo Tea Co Ltd
3B, Lal Bazar Street, 3rd Floor
Kolkata-700001

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Ledo Tea Co Ltd (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Ledo Tea Co Ltd's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2017 generally complied with the statutory provisions listed hereunder and also the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Ledo Tea Co Ltd ("the company") for the financial year ended on 31st March, 2017 according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings. (Not applicable to the Company during the Audit Period).
- v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not applicable to the Company during the Audit Period).
 - d) The Securities and Exchange Board of India (Share Based Employee Benefits Regulations, 2014; (Not applicable to the Company during the Audit Period).
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the Audit Period).
 - f) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the Audit Period).
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998: (Not applicable to the Company during the Audit Period).

vi) The other laws that are applicable and complied by the company are:

- i) The Tea Act, 1953
- ii) Assam Tea Plantations Labour Act, 1931
- iii) The Assam Tea Plantations Provident Fund Scheme Act, 1955
- iv) Food Safety Standard Act, 2006.

I have also examined compliance with the applicable clauses of the following:

- i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii) The Listing Agreement entered into by the Company with the BSE Ltd.
- iii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except in some cases subject to the following observations:

- 1. The Company has not appointed Company Secretary as required under section 203 of the Companies Act, 2013.**
- 2. In some cases, necessary e-forms have not been filed with the Registrar of Companies.**

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There was no change in composition of the Board of Directors during the year.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

I further report that there are adequate systems and process in the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the Audit period there was no specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc., referred to above.

For **BABU LAL PATNI**
Practicing Company Secretary
Sd/-
FCS No. : 2304
CP No. : 1321

Place : Kolkata
Dated : 26th May, 2017

Note : This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

'Annexure A'

To,
The Members,
Ledo Tea Co Ltd
3B, Lal Bazar Street, 3rd Floor
Kolkata-700001

My report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis of my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules, and regulations and happenings of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For **BABU LAL PATNI**
Practicing Company Secretary
Sd/-

FCS No. : 2304
CP No. : 1321

Place : Kolkata
Dated : 26th May, 2017

**Annexure 5 to the Directors' Report****Conservation of Energy Technology Absorption and Foreign Exchange Earnings and Outgo**

The information under Section 134(3)(m) of the Companies Act 2013 read with Rule 8(3) of the Companies (Accounts) Rules 2014 for the year ended March 31, 2017 is given here below and forms part of the Directors' Report.

A. Conservation of Energy :**I. The steps taken or impact on Conservation of Energy :**

- Replacement of inefficient motors with energy efficient motors.
- Upgradation of Machineries and installation of new machineries based on fuel or power efficiency.
- Maintenance and overhauls of generators to achieve a high unit per ltr. delivery
- Monitoring the maximum demand and power load factor on daily basis.
- Installation of adequate power capacitors for efficient utilization of available power.
- Optimum power factor is being maintained to avoid surcharge on power factor as well as to get maximum rebate on electricity consumption bills.
- Condensed Bulbs are gradually replaced with CFL/LED Bulbs in the factory and bungalows to reduce the energy consumption.

B. Technology Absorption

- I. Managerial staff are encouraged to attend seminars and training programmes for agricultural practices in the field and manufacturing process in the factories.
- II. The benefits derived like increase in productivity and cost reduction in tea estate.
- III. Garden has used pruning machines to save on manpower and utilize the saved manpower to other development works.
- IV. The Plucking Machine harvester is done successfully in some of the areas and it would be taken up in larger area during the Season 2017
- V. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) – NOT APPLICABLE.
- VI. Expenditure on R&D – Research & Development activities are being carried out as part of the Company's normal business activities. The Company has incurred an expenditure of Rs. 1.70 lacs being amount paid to TRA

C. Foreign Exchange Earnings And Outgo

Foreign exchange earnings Rs. NIL

Foreign exchange outgo Rs. NIL

Registered Office :
Sir R. N. M. House
3-B, Lal Bazar Street
Kolkata - 700 001
Dated : the 30th May, 2017

By Order of the Board

N. K. LOHIA
Chairman-Cum-Managing Director

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF
"LEDO TEA COMPANY LIMITED"

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Ledo Tea Company Limited ('the Company'), which comprise the Balance Sheet as at 31st March, 2017, 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 Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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 standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 auditors' 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 financial controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, of the state of affairs of the Company as at 31st March, 2017, and its loss and its cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to note no 25 of the financial statement, that the Company has not made provision for part of gratuity liability as per actuarial valuation as per Accounting Standard 15-Employee Benefits.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditors' Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.

As required by Section 143 (3) of the Act, we report that:

- a. we have sought and 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 accounts 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, the statement of profit and loss, and the cash flow Statement dealt with by this Report are in agreement with the books of accounts;
- d. in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e. the matter described in Emphasis of Matters paragraph above, in our opinion, may not have an adverse effect on the functioning of the Company.
- f. on the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act;
- g. with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in “Annexure B”; and
- h. with respect to the other matters to be included in the Auditors’ Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements as stated in Note no 28 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. The Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note no 31 to the financial statements.

For **Das & Prasad**
Chartered Accountants
(Firm’s Registration No. 303054E)

P. K. Agarwal
(Partner)
Membership No. 056921

Place : Kolkata
Date : 30th May, 2017

Annexure - A to the Auditors’ Report

The Annexure referred to Independent Auditors’ Report to the members of the Company on the standalone financial statements for the year ended 31st March 2017, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.;
- (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on the such verification;
- (c) As per information and explanation given to us by the management, and the records verified by us and based on the examination of the registered sale deed provided to us, we report that all the immovable properties including land are held

in the name of the Company as at the balance sheet date except certain portion of the leasehold land which is pending for title clearance.

- (ii) In our opinion the inventories were physically verified during the year by the Management at reasonable intervals and as explained to us, no material discrepancies were noticed on physical verification.
- (iii) According to the information and explanations given to us and on the basis of our examination of the books of accounts, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Consequently, the provisions of paragraph iii (a), iii (b) and (iii) (c) of the Order are not applicable to the Company and hence, not commented upon.
- (iv) According to the information and explanations given to us and the records of the Company examined by us, the Company has not made any investment, advanced any loan, given any guarantee or provided any securities to others.
- (v) The Company has not accepted any deposit from the public covered under Section 73 to 76 of the Companies Act, 2013. Therefore, the provisions of paragraph 3(v) of the Order is not applicable to the Company.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Act. We have broadly reviewed the cost records maintained by the company pursuant to the Companies (Cost Records and Audit) Rules, 2014 prescribed by the central Government under Section 148(1)(d) of the Act and are of opinion that, Prima facie, the prescribed – cost records have been maintained. We have, however, not made a detailed examination of cost records with a view to determine whether they are accurate or not.
- (vii) a) According to the records of the Company, undisputed statutory dues including Provident Fund, Income Tax, Sales Tax, Service Tax, Value Added Tax, Cess or other material statutory dues have been generally regularly deposited during the year by the Company with appropriate authorities except Agricultural Income Tax. According to the information and explanations given to us no undisputed statutory dues including Provident Fund, Income Tax, Service Tax, Value Added Tax, Cess or other material statutory dues were in arrears as at 31st March 2017 for a period of more than six months from the date they become payable except in following cases:

Nature	Assessment Year	Forum	Amount
Agricultural Income Tax	1989-90	Agricultural Income Tax Officer, Assam	6,492
Agricultural Income Tax	1998-99	Agricultural Income Tax Officer, Assam	14,660
Agricultural Income Tax	1999-00	Agricultural Income Tax Officer, Assam	420
Agricultural Income Tax	2000-01	Agricultural Income Tax Officer, Assam	1,11,581

- b) According to the information and explanations given to us, the following dues of sales-tax have not been deposited by the company on account of dispute as at 31st March 2017:

Nature	Assessment Year	Forum	Amount involved
Sales Tax	2010-11	Joint Commissioner of Taxes, Assam	3,51,155

- (viii) In our opinion and according to the information given to us, the Company has not defaulted in repayment of dues to banks. There were no debentures outstanding during the year.
- (ix) In our opinion and according to the information and explanations given to us, term loans have been applied for the purpose for which the loans were obtained. The Company has not raised moneys by way of initial public offer or further public offer.
- (x) 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.
- (xi) According to information and explanations given to us, the Company has paid or provided managerial remuneration in accordance with the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company and hence the paragraph 3(xii) is not applicable.
- (xiii) In our opinion and on the basis of information and explanations given to us by the management, all the transactions with the

related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.

- (xiv) According to information and explanations given to us the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- (xv) According to information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the paragraph 3(xv) is not applicable to the Company;
- (xvi) In our opinion and on the basis of information and explanations given to us by the management, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **Das & Prasad**
Chartered Accountants
(Firm's Registration No. 303054E)

Place : Kolkata
Date : 30th May, 2017

P. K. Agarwal
(Partner)
Membership No. 056921

Annexure - B to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Ledo Tea Company Limited ("the Company") as on 31st March 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the

reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial controls over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Das & Prasad**
Chartered Accountants
(Firm's Registration No. 303054E)

P. K. Agarwal
(Partner)
Membership No. 056921

Place : Kolkata
Date : 30th May, 2017

BALANCE SHEET AS AT 31ST MARCH, 2017

(Rs. in lacs)

Particulars	Note No.	As at 31st March, 2017		As at 31st March, 2016	
I. EQUITY AND LIABILITIES					
(1) Shareholders Funds					
(a) Share Capital	3	86.35		86.35	
(b) Reserves and Surplus	4	60.46	146.81	159.94	246.29
(2) Non-Current Liabilities					
(a) Long-term borrowings	5	14.91	14.91	22.45	22.45
(3) Current Liabilities					
(a) Short-term borrowings	6	526.49		293.71	
(b) Trade payables	7	134.24		173.62	
(c) Other current liabilities	8	101.90		102.83	
(d) Short-term provisions	9	162.04	924.67	171.94	742.10
Total			1,086.39		1,010.84
II. Assets					
(1) Non-current assets					
(a) Fixed assets	10				
(i) Tangible assets		721.49		664.68	
(ii) Intangible assets		0.01		0.01	
(iii) Capital Work in Progress		-		1.86	
(b) Non-current investments	11	0.71		0.71	
(c) Deferred tax Assets (net)	12	74.93		54.39	
(d) Long term loans and advances	13	48.99	846.13	38.92	760.57
(2) Current assets					
(a) Inventories	14	99.53		153.83	
(b) Trade receivables	15	52.60		17.80	
(c) Cash and cash equivalents	16	8.15		7.75	
(d) Short-term loans and advances	13	25.68		28.87	
(e) Other current assets	17	54.30	240.26	42.02	250.27
Total			1,086.39		1,010.84

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

Place : Kolkata

Date : 30th May, 2017

N. K. Lohia
Chairman-cum-
Managing Director

S. K. Chatterjee
Nirmit Lohia
S. K. Dabriwala

R. K. Hirawat
Director
President-cum-Chief
Financial Officer

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

(Rs. in lacs)

Particulars	Note No.	For the year ended 31st March, 2017	For the year ended 31st March, 2016
I. Revenue from operations			
Sales of Tea		1224.80	1262.41
Less : Excise Duty		4.63	5.02
II. Other Income	18	33.92	13.82
III. Total Revenue (I +II)		1254.09	1271.21
IV. Expenses:			
Cost of materials consumed	19	200.17	213.07
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	20	47.95	(68.23)
Employee benefit expense	21	680.55	645.13
Financial costs	22	56.94	37.42
Depreciation and amortization expense	10	24.44	24.63
Other expenses	23	363.72	413.04
Total Expenses		1373.77	1265.06
V. Profit/(Loss) before exceptional and extraordinary items and tax (III - IV)		(119.68)	6.15
VI. Exceptional Items	24	-	(81.20)
VII. Profit/(Loss) before tax (V)+ VI)		(119.68)	(75.05)
VIII. Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		(20.54)	(12.53)
(3) Tax of earlier years		0.34	-
IX. Profit/(Loss) for the year (VII-VIII)		(99.48)	(62.52)
X. Earning per equity share in (Normal Value Rs 10/- each)			
Basic and diluted in (Rs.)		(11.52)	(7.24)

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
Place : Kolkata
Date : 30th May, 2017

N. K. Lohia
Chairman-cum-
Managing Director

S. K. Chatterjee
Nirmal Lohia
S. K. Dabirwala

Director

R. K. Hirawat
President-cum-Chief
Financial Officer

CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET FOR THE YEAR ENDED 31ST MARCH, 2017

		(Rs. In Lacs)	
Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016	
A Cash Flow from Operating Activities			
Net Profit before Tax	(119.68)	(75.05)	
Add :			
Depreciation	24.44	24.63	
Loss (Profit) on Sale of Fixed Assets	(1.29)	-	
Interest debited to Profit & Loss Account	56.94	80.09	37.42
	(39.59)	62.05	
		(13.00)	
Less :			
Interest Income	1.81	1.81	0.77
Operating Profit before Working Capital Changes	(41.40)	0.77	
Adjusted for :			
Trade & Other Receivables	(53.99)	(20.96)	
Inventories	54.29	(68.42)	
Trade Payables	(50.53)	(50.23)	186.72
	(91.63)	97.34	
		83.57	
Less : Taxation	0.31	(0.49)	
Net Cash inflow from Operating Activities	(91.94)	84.06	
B. Cash Flow from Investing Activities			
Outflow :			
Acquisition of Fixed Assets (Including Capital-Work-in-Progress)	(79.76)	(105.32)	
Inflow :			
Sale of Fixed Assets	1.68	-	
Interest Received	1.81	0.77	
Subsidy Received	-	3.49	-
	(76.27)	0.77	
Net Cash inflow/(outflow) from Investing Activities		(104.55)	
C Cash Flow from Financing Activities			
Borrowings	225.55	58.35	
Interest Paid	(56.94)	168.61	(37.42)
		20.93	
Net Cash inflow/(outflow) from Financing Activities	168.61	20.93	
Net increase/(decrease)/in Cash equivalents (A+B+C)	0.40	0.44	
Opening Cash Balance & Cash Equivalents	7.75	7.31	
Closing Cash Balance & Cash Equivalents	8.15	7.75	

As per our annexed report of even date.

For **DAS & PRASAD**

Chartered Accountants

Firm Registration No. 0303054E

P. K. Agarwal

Partner

Membership No. 056921

Place : Kolkata

Date : 30th May, 2017

N. K. Lohia
Chairman-cum-
Managing Director

S. K. Chatterjee
Nirmit Lohia
S. K. Dabriwala

Director

R. K. Hirawat
President-cum-Chief
Financial Officer

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 BSE Limited.

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 installed capacity of 1,100 tones.

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). The Company has prepared these financial statements to comply in all material respects with the Accounting Standards as prescribed under the Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of Companies Act, 2013, to the extent notified. The financial statements have been prepared under the cost convention on accrual basis. The accounting policies applied by the Company are consistent with those used in the previous year.

(b) Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make judgements, estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported revenue 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) 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.

(g) Intangible assets

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

(h) Depreciation and amortisation

i. Depreciation on fixed assets is provided under Straight line method at the rates determined based on the useful lives of the respective assets and the residual values in accordance with the Schedule II of the Companies Act, 2013.

ii. Depreciation on fixed assets added/disposed off during the year is provided on pro-rata basis with reference to the date of addition/disposal.

(i) Revenue recognition

Sale of goods

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

Income from services

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

Insurance Claims

Insurance and others claims are accounted for as and when accepted.

Interest Income

Interest Income is recognised on time proportionate basis, taking into account the amount outstanding and rate applicable.

(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

- i) The Company contributes to Provident Fund which are administered by duly constituted and approved authorities of Government.
- ii) The employees' gratuity fund scheme managed by Life Insurance Corporation of India is a defined benefit plan. For Defined Benefit Plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognized in full in the Statement of Profit and Loss for the period in which they occur. Past service cost is recognized immediately to the extent that the benefits are already vested, and otherwise is amortized on straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognized in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost, and as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to the present value of any economic benefit available in the form of refunds from the plan or reductions in future contributions to the plan.
- iii) 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

Tax expenses comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. Deferred income taxes reflect the impact of current year timing differences between taxable income for the year and reversal of timing differences of earlier years.

The deferred tax for timing differences between the book and tax profits for the year is accounted for using the tax rates and laws that have been substantively enacted as of the Balance Sheet date. Deferred tax asset and deferred tax liabilities are offset, if a legally enforceable right exist to setoff current tax asset against current tax liabilities and the deferred tax asset and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax asset are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax asset can be realised. If the company has carry forward unabsorbed depreciation and tax losses deferred tax asset are recognised only to the extent there is virtual certainty supported by convincing evidence that sufficient taxable income will be available against which such deferred tax asset can be realised.

The carrying amount of deferred tax asset are reviewed at each Balance Sheet date. The company writes down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that becomes reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available. Minimum alternate tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the Minimum alternate Tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendation contained in guidance note issued by the institute of Chartered Accountants of India, the said asset is created by way of a credit to a statement of Profit and Loss and shown as MAT credit entitlement. The company reviews the carrying amount of MAT at each Balance Sheet date and writes down MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the company will pay normal income tax during specified period.

(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

A contingent liability is a possible obligation that arises from past events whose existence would be confirmed with the occurrence or the non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability, but discloses its existence in the financial statements.

3. SHARE CAPITAL

(Rs. In Lacs)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Authorised shares		
12,50,000 (Previous year : 12,50,000) equity shares of Rs. 10/- each	125.00	125.00
Issued, Subscribed & Fully Paid up		
8,63,500 (Previous year : 8,63,500) equity shares of Rs. 10/- each	86.35	86.35
Note : Out of the above 1,00,110 Equity Shares were allotted as Bonus Shares by Capitalization of General Reserve in FY 1985-86		

(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, 2017		As at 31st March, 2016	
	Numbers	% holding	Numbers	% holding
Mr. N. K. Lohia	1,39,230	16.12%	1,39,230	16.12%
Mrs. Sarita Lohia	1,15,465	13.37%	1,15,465	13.37%
Mr. Nirmal Lohia	1,11,657	12.93%	1,11,657	12.93%
Mr. Nikhil Lohia	1,12,669	13.05%	1,12,669	13.05%

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

Particulars	As at 31st March, 2017	As at 31st March, 2016
Number of Shares at the beginning	8,63,500	8,63,500
Add : Issue of Equity Shares during the year	-	-
	8,63,500	8,63,500

4. RESERVES & SURPLUS

(Rs. In Lacs)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Share Premium Account (a)	14.06	14.06
General Reserve		
Balance as per the Last financial statements	176.13	176.13
Less : Transferred to Surplus Account	-	-
Closing Balance (b)	176.13	176.13
Surplus in the statement of Profit and loss		
Balance as per the Last financial statements	(30.25)	32.27
Profit/ (Loss) for the year	(99.48)	(62.52)
Closing Balance (c)	(129.73)	(30.25)
Total Reserve and surplus (a to c)	60.46	159.94

5. LONG TERM BORROWINGS

(Rs. In Lacs)

Particulars	Non Current Position		Current Maturities	
	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2017	As at 31st March, 2016
Secured				
Indian rupee loan from banks				
- Special Tea term Loan A	6.58	8.05	1.47	1.47
- Vehicle Loan B	8.33	14.40	6.07	5.76
Total (A+B)	14.91	22.45	7.54	7.23
Amount disclosed under the head 'other current liabilities'	-	-	(7.54)	(7.23)
Note no. 8				
	14.91	22.45	-	-

(i) Special Tea Term loans from Tea Board carry interest @8.91% (Previous year @10.46%) and are secured by Equitable Mortgage Second charge or Pari passu charges on the Fixed assets (i.e,immovable properties including machinery). The repayment terms of the said loan are as under:

Special Tea Term Loan From Tea Board				
Payment Terms	As at 31st March, 2017		As at 31st March, 2016	
	11 Half Yearly Installments starting from 01.04.2017 to 31.3.2022		13 Half Yearly Installments starting from 01.04.2016 to 31.3.2022	
	Number of Installments	Amount (Rs. In lacs)	Number of Installments	Amount (Rs. In lacs)
Installments Due				
Within One Year	2	1.47	2	1.47
One year to Three year	4	2.93	4	2.93
Three Year to Five Year	4	2.93	4	2.93
More than 5 year	1	0.72	3	2.19
Total	11	8.05	13	9.52

(ii) Vehicle Loan from banks carry interest between 9.65% to 10.25% and are secured against hypothecation of Vehicles purchased against such loan. Following is the repayment schedule of such loans:

(Rs. In Lacs)

Installments Due	Vehicle Loans			
	As at 31st March, 2017		As at 31st March, 2016	
	Number of Installments	Amount (Rs. In lacs)	Number of Installments	Amount (Rs. In lacs)
Within One Year	45	6.07	48	5.76
One year to Three year	50	8.33	78	11.34
Three Year to Five Year	0	0.00	17	3.06
Total	95	14.40	143	20.16

6. SHORT TERM BORROWINGS

(Rs. In Lacs)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Secured Loan		
Cash Credit from Bank*	364.49	293.71
Unsecured Loan, repayable on demand		
Loan from others - Directors**	162.00	-
	526.49	293.71

*Cash Credit facilities from United Bank of India carry interest at MCLR plus 2.00% (Previous Year Base rate plus 2.00%) 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 of Managing Director of the Company.

** Loan from directors is bearing interest @ 11% p.a

7. TRADE PAYABLE

(Rs. In Lacs)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Micro & Small Enterprises	-	-
Creditors for goods, services etc	134.24	173.62
	134.24	173.62

8. OTHER CURRENT LIABILITIES

(Rs. In Lacs)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Current Maturities of Long term borrowings (As per Note No 5)	7.54	7.23
Interest accrued and due on borrowings	3.90	-
Unclaimed Dividends	0.78	0.78
Statutory Dues	10.89	16.24
Advance from Customers	20.14	11.07
Employee related Liabilities	57.53	65.01
Other liabilities	1.12	2.50
Total	101.90	102.83

9. SHORT TERM PROVISIONS

Particulars	As at 31st March, 2017	As at 31st March, 2016
Provision for employee benefits:		
Gratuity	154.88	154.88
Leave Encashment	7.16	17.06
Total	162.04	171.94

10. FIXED ASSETS	(Rs. In Lacs)									
	GROSS BLOCK					DEPRECIATION			NET BLOCK	
DESCRIPTION	Cost as at 01-04-2016	Additions during the year	Cost of Assets Sold/Discarded Adjusted/Subsidy received during the year	Total Cost As at 31-03-2017	Upto 31-03-2016	For the year	Adjustment	Total upto 31-03-2017	As at 31-03-2017	As at 31-03-2016
TANGIBLE ASSETS										
Leasehold Land	6.81	-	-	6.81	-	-	-	-	6.81	6.81
Tea Plantations	352.54	53.96	-	406.50	-	-	-	-	406.50	352.54
Buildings	146.35	5.38	-	151.73	61.61	2.59	-	64.20	87.53	84.74
Roads & Bridges	3.13	-	-	3.13	1.55	0.23	-	1.78	1.35	1.58
Plant & Machineries	390.58	19.37	-	409.95	242.87	7.69	-	250.56	159.39	147.71
Garden Electrification	36.01	-	-	36.01	34.12	0.04	-	34.16	1.85	1.89
Water, Oil Tank & Water Pumps	7.30	-	-	7.30	3.17	0.73	-	3.90	3.40	4.13
Furniture, Fitting & Office Equipments	40.78	0.36	-	41.14	35.86	0.73	-	36.59	4.55	4.92
Vehicles	136.48	2.55	7.59	131.44	76.12	12.43	7.22	81.33	50.11	60.36
Intangible Assets										
Computer Software	0.48	-	-	0.48	0.47	-	-	0.47	0.01	0.01
TOTAL	1,120.46	81.62	7.59	1,194.49	455.77	24.44	7.22	472.99	721.50	664.69
As at 31-03-2016	1,017.00	105.32	-	1,122.32	431.14	24.63	-	455.77	666.55	

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

Capital Work in Progress - Tangible Assets

Particulars	As at 31-03-2017	As at 31-03-2016
Opening Balance	1.86	-
Add: Addition	-	1.86
Less: Capitalised during the year	1.86	-
Closing Balance	-	1.86

11. NON-CURRENT INVESTMENTS

(Rs. In Lacs)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Other Investments (valued at cost unless stated otherwise)		
(a) Times Shares of Sterling Holiday Resorts (India) Ltd.,	0.68	0.68
(b) 7 years National Savings Certificate (Deposited with Government Authorities)	0.03	0.03
	0.71	0.71

12. DEFERRED TAX ASSETS (NET)

(Rs. In Lacs)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Deferred tax liabilities		
Timing Difference in depreciable Assets	26.49	24.04
(A)	26.49	24.04
Deferred Tax Assets		
Timing Difference u/s 43B	64.02	54.21
Bought Forward Loss	37.40	24.22
(B)	101.42	78.43
Net Deferred Tax Assets (B - A)	74.93	54.39

13. LOANS AND ADVANCES (Unsecured, Considered Good Unless Stated otherwise)

(Rs. In Lacs)

Particulars	Non Current		Current	
	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2017	As at 31st March, 2016
(A) Advance Recoverable in cash or in kind				
Considered good - To Others	-	-	4.92	4.86
- To Employees	-	-	13.74	17.40
	-	-	18.66	22.26
(B) Security Deposits	44.64	34.35	-	-
(C) Others				
Balances with government authorities	-	-	1.91	1.90
Prepaid Expenses	-	-	4.65	4.25
MAT Credit receivable	4.35	4.57	-	-
Advance Income Tax (net of provisions)	-	-	0.46	0.46
	4.35	4.57	7.02	6.61
TOTAL (A to C)	48.99	38.92	25.68	28.87

14. INVENTORIES

Particulars	As at 31st March, 2017	As at 31st March, 2016
Stores, Spares & Consumables #	36.59	42.94
Finished Goods (Stock of Tea) ##	62.94	110.89
Total	99.53	153.83

includes Stores in transit Rs.0.68 Lacs (Previous Year Rs.NIL)

At lower of cost or estimated realisable value

15. TRADE RECEIVABLES

(Rs. In Lacs)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Unsecured, considered good unless stated otherwise	3.26	3.13
Outstanding for a period exceeding six months from the date they are due for payment	49.34	14.67
Total	52.60	17.80

16. CASH AND BANK BALANCES

(Rs. In Lacs)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Cash and cash Equivalents		
Balance with banks:		
In Fixed Deposit with UBI*	-	2.25
In current accounts	6.30	3.15
In unpaid dividend accounts	0.80	0.80
Cash in hand	1.05	1.55
Total	8.15	7.75

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

17. OTHER CURRENT ASSETS (Unsecured, considered good unless stated otherwise)

(Rs. In Lacs)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Interest Receivable		
- Fixed Deposit	0.57	0.35
- Others	0.28	1.05
Interest Subsidy Receivable	50.78	39.28
Insurance Claims Receivable	2.67	1.34
Total	54.30	42.02

18. OTHER INCOMES

(Rs. In Lacs)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Interest Income		
- Fixed deposit	0.10	0.20
- Others	1.71	0.57
Interest Subsidy	11.50	7.85
Profit on sale of Fixed assets	1.29	-
Insurance Claims	9.93	2.46
Miscellaneous Income	0.21	0.32
Sundry balance Written back	9.18	2.42
Total	33.92	13.82

19. COST OF MATERIALS CONSUMED

(Rs. In Lacs)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Purchase of Green Leaf	200.17	213.07
Total	200.17	213.07

20. (INCREASE)/DECREASE IN INVENTORIES

(Rs. In Lacs)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Stock at beginning of the year		
Finishing Goods-Tea	110.89	42.66
(A)	110.89	42.66
Stock at end of the year		
Finishing Goods-Tea	62.94	110.89
(B)	62.94	110.89
Net (Increased)/Decreased in Stock	47.95	(68.23)
(A+B)		

21. EMPLOYEE BENEFIT EXPENSE

(Rs. In Lacs)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Salaries, Wages, Bonus and Gratuity	572.35	556.79
Contribution to Provident & Other Funds	39.29	37.07
Workers & Staff Welfare expenses	68.91	51.27
Total	680.55	645.13

22. FINANCIAL COSTS

(Rs. In Lacs)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Interest -		
To Bank	43.91	33.94
To Others	9.60	3.48
Other Borrowing Cost	3.43	-
	56.94	37.42

23. OTHER EXPENSES

(Rs. In Lacs)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Consumption of stores and spares parts	102.95	117.94
Power & Fuel	114.88	139.83
Repairs to Buildings & Roads & Bridges	7.73	8.01
Repairs to Plant & Machinery	11.89	13.82
Garden Transport	5.31	2.17
Land Rent & Revenue	2.36	1.93
Insurance	6.67	5.78
Assam Cess Duty	11.26	12.23
Rates & Taxes	3.13	2.72
Travelling & Conveyance	6.60	9.92
Directors Sitting Fees	0.18	0.20
Brokerage, Commission & Service Charges	19.16	23.23
Freight	29.53	31.69
Other Selling Expenses	15.89	13.67
Sundry balances written off	0.19	0.59
Miscellaneous Expenses	25.00	27.68
Auditors' Remuneration		
-As Auditor	0.45	0.45
-For Tax Audit	0.15	0.15
-For Limited Review	0.12	0.12
-For Other Service	0.06	0.28
-For Reimbursement of expenses.	0.21	0.63
Total	363.72	413.04

24. Exceptional Items

As required by Accounting Standard 15 -"Employee benefits", during the previous year 2015-16 the company has made a provision of Rs. 81.20 lacs on account of gratuity liability based on the Actuarial Valuation Report which is treated as an exceptional item.

25. EMPLOYEE BENEFITS
(i) Defined Benefit Plan

As on 31st March 2017 provision amounting to Rs. 26.35 Lacs (P.Y. Nil) 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, 2017 is Rs. 181.23 Lacs (Previous Year Rs. 154.88 lacs).

(Rs. In Lacs)

Particulars	Gratuity (Funded) 31.03.2017	Gratuity (Funded) 31.03.2016
a) Reconciliation of opening and closing balances of Defined Benefit obligation		
Defined Benefit obligation at the beginning of the year	193.44	164.70
Current Service Cost	8.75	7.36
Interest Cost	15.65	12.59
Actuarial (gain) / loss	13.22	39.93
Benefits Paid	(19.98)	(31.14)
Defined Benefit obligation at the year end	211.08	193.44
b) Reconciliation of opening and closing balances of fair value of plan assets		
Fair value of plan assets at beginning of the year	38.56	50.95
Expected return on plan assets	2.89	3.92
Actuarial gain / (loss)	-	-
Employer's contribution	8.38	14.83
Benefits paid	(19.98)	(31.14)
Fair value of plan assets at the year end	29.85	38.56
c) Reconciliation of fair value of assets and obligation		
Present value of obligation as at 31st March, 2017	211.08	193.44
Fair value of plan assets as at 31st March, 2017	(29.85)	(38.56)
Amount recognised in Balance Sheet (excluding Rs. 26.35 Lacs not recognised in Balance Sheet during the year)	181.23	154.88
d) Expenses recognised during the year		
Current Service Cost	8.75	7.36
Interest Cost	15.65	12.59
Expected return on plan assets	(2.89)	(3.92)
Actuarial (gain) / loss	13.22	39.93
Amount of earlier years recognised in current year (Rs. 26.35 Lacs not recognised in statement of profit & Loss during the year)	0.37	40.06
Expenses recognised in the Profit & Loss Account	35.10	96.02
e) Actuarial assumption		
Discount rate (per annum)	8.00%	8.00%
Rate of escalation in salary (per annum)	5.50%	5.50%
(ii) The amounts provided for the defined contribution plan is as follows :		
Provident Fund & Family Pension Scheme	2016-17	2015-16
Employer's Contribution	35.10	33.23
Employee's Contribution	35.10	33.23

26 Related party Disclosures
(a) Name of the related parties:

Key Management Personnel

Mr. N. K. Lohia (Chairman cum- Managing Director)

Mr. R. K. Hirawat (President cum Chief Financial Officer)

Relative of Key Management Personnel

Mr. Nimit Lohia (Non-Executive Director)

Mrs. Sarita Lohia (Non- Executive Director)

Aggregated Related Party Disclosure as at and for the Year ended 31st March 2017

Sl No.	Type of Transaction	Type of Relation	Key Management Personnel		Relative of Key Management Personnel	
			2016-17	2015-16	2016-17	2015-16
1	Remuneration Paid#					
	Mr. N. K. Lohia	KMP	6.35	5.75	-	-
	Mr. R. K. Hirawat	KMP	11.03	11.32	-	-
2	Sitting Fess					
	Mr. Nimit Lohia	Relative of KMP	-	-	0.04	0.04
	Mrs. Sarita Lohia	Relative of KMP	-	-	0.04	0.04
3	Loan Taken					
	Mrs. Sarita Lohia	Relative of KMP	-	-	120.00	-
	Mr. Nimit Lohia	Relative of KMP	-	-	62.00	-
	Loan Repaid					
	Mrs. Sarita Lohia	Relative of KMP	-	-	20.00	-
4	Interest on Loan					
	Mrs. Sarita Lohia	Relative of KMP	-	-	6.56	-
	Mr. Nimit Lohia	Relative of KMP	-	-	0.19	-
5	Advance given					
	Mr. R. K. Hirawat	KMP	4.97	7.91	-	-
6	Balances on account of					
	Loan Taken					
	Mrs. Sarita Lohia	Relative of KMP	-	-	100.00	-
	Mr. Nimit Lohia	Relative of KMP	-	-	62.00	-
	Interest					
	Mrs. Sarita Lohia	Relative of KMP	-	-	3.90	-
	Bonus/ Leave Salary Payable					
	Mr. R. K. Hirawat	KMP	1.47	10.84	-	-

Details of Remuneration paid to Key Management Personnel

Particulars	Mr. N. K. Lohia		Mr. R. K. Hirawat	
	2016-17	2015-16	2016-17	2015-16
i) Salary	6.35	5.75	10.29	10.21
iii) Perquisites etc	-	-	0.74	1.11
	6.35	5.75	11.03	11.32

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

(Rs. In Lacs)

Particulars	2016-17	2015-16
(a) Total No. of Equity Shares outstanding at the end of the year	863500	863500
(b) Net Profit after Tax available for Equity Shareholders	(99.48)	(62.52)
(c) Basic and diluted Earning Per Share	(11.52)	(7.24)

28 Contingent Liabilities not Provided for in respect of:

(Rs. In Lacs)

Particulars	2016-17	2015-16
i) Excise B2 Bond executed in favour of Central Excise Authority	0.60	0.60
ii) Disputed Sales tax demand (*)	3.51	3.51

(*) Amount of Rs.0.88 Lacs paid as 25% of demand for assessment Year 2010-11.

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

(Kg in Lacs)

(Rs. In Lacs)

A Particulars	2016-17		2015-16	
	Kgs.	Rs.	Kgs.	Rs.
Green Leaf Harvested*	28.16	-	30.58	-
Green Leaf Purchased	13.11	200.17	13.83	213.07

* 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

(Rs. In Lacs)

Particulars	2016-17		2015-16	
	Rs.	%	Rs.	%
Indigenous	102.95	100	117.94	100

30 Segment Reporting

The Company has only one segment i.e an integrated process of growing, harvesting and sale of tea and as a result of this the reporting requirement under AS - 17 "Segment Reporting" is not required.

31 Disclosure on Specified Bank Notes:

During the year, the Company had specified bank notes or other denomination notes as defined in MCA notification G.S.R.308(E) dated March 30, 2017 on the details of specified Bank Notes (SBN) held and transacted during the period from November 8, 2016, the denomination wise SBNs and other notes as per the notification is given below:

Particulars	SBNs*	Other denomination
Closing cash in hand as on November 08, 2016	545,000	166,763
(+) Permitted receipts	-	6,091,729
(-) Permitted Payments	-	5,274,315
(-) Amount Deposited in to Bank	545,000	150
Closing cash in hand as on December 30, 2016	-	984,027



- 32 Deferred tax assets amounting to Rs 74.93 lacs has been recognized as at 31st March 2017 based on future profitability projection. The management is of the view that future taxable income will be available to realise/adjust such deferred tax assets.
- 33 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.
- 34 The Company has not received the required information from creditors regarding their status under The Micro, Small and Medium Enterprises Development Act. 2006. Hence disclosure, if any, relating to amounts unpaid as at the year end together with interest paid/payable as required under the said Act have not been made.
- 35 Previous year's figures have been re-grouped and/or re-arranged wherever necessary, to confirm the current year classification.

As per our annexed report of even date.

For **DAS & PRASAD**

Chartered Accountants

Firm Registration No. 0303054E

P. K. Agarwal

Partner

Membership No. 056921

Place : Kolkata

Date : 30th May, 2017

N. K. Lohia

*Chairman-cum-
Managing Director*

S. K. Chatterjee

Nirmit Lohia
S. K. Dabriwala

Director

R. K. Hirawat

*President-cum-Chief
Financial Officer*

FINANCIAL HIGHLIGHTS

(Rs in '000')

YEAR	2017	2016	2015	2014	2013	2012
Sales	122480	126241	98011	107757	114947	77662
Profit Before Tax , Extraordinary & Exceptional Items	(9524)	3078	(14442)	(54)	2665	(4873)
Extraordinary & Exceptional Items	-	(8120)	18346	-	395	-
Depreciation	2444	2463	3586	3070	2900	2661
Profit Before Taxation	(11968)	(7505)	318	(3124)	160	(7534)
Provision for Taxation (Net)	(2020)	(1253)	(3067)	529	92	462
Profit After Taxation	(9948)	(6252)	3385	(3653)	68	(7072)
Earning per Shares(Rs)	(11.52)	(7.24)	3.92	(4.23)	0.08	(8.19)
Net Fixed Assets	72150	66655	58586	57471	56846	53833
Share Capital	8635	8635	8635	8635	8635	8635
Reserve & Surplus	6046	15994	22246	19336	22989	22921
Borrowings	55284	32339	26504	32279	25396	24180



LEDO TEA COMPANY LIMITED

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