

TEA RESEARCH ASSOCIATION
ACCOUNTS FOR THE YEAR ENDED
31 MARCH 2014

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TEA RESEARCH ASSOCIATION

Report on the Financial Statements

1. We have audited the accompanying financial statements of Tea Research Association (the "Association"), which comprise the Balance Sheet as at 31st March, 2014 and the Income and Expenditure Account for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The Association's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Association in accordance with the Accounting Standards issued by Institute of Chartered Accountants of India and in accordance with generally accepted accounting principles in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgement, 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 controls relevant to the Association's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

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

Basis for Qualified Opinion

- 4.1 Pending registration of deed of conveyance consequent to acquisition of entire activities of Tocklai Division of Cinnamara Tea Estate taken over by the Association from Assam Tea Corporation Limited, no adjustments have been made in the books of the Association as regards fixed assets taken over, depreciation thereon and for transfers / damages of properties. Adjustments have also not been made for purchase consideration payable to Assam Tea Corporation Limited and consequently titles have not been transferred in respect of immovable properties taken over by the Association. The effect on the net assets position and the deficit for the year had the above adjustments been carried out is not ascertainable (Refer Note 1 in Schedule XIX). The report was similarly modified by us in last year.
- 4.2 Sundry creditors (other liabilities) include sum of Rs 733,400 received from the Assam Agricultural University as consideration for sale of certain properties at Borbetta, Jorhat and Rs 85,881 received from Catholic Church as consideration for sale of a bungalow at Jorhat. Deeds of Conveyance for transfer of these properties have not been executed and the amounts are lying unadjusted in the accounts. The effect on the net asset position and the deficit for the year had the above adjustments been carried out has not been ascertained (Refer Note 2 in Schedule XIX). The report was similarly modified by us in last year.
- 4.3 As indicated in Note 5(i) of the Schedule XIX, pending approval from Tea Board, no adjustments for expenditure incurred in excess of the sanctioned amount aggregating Rs 99,033 for recurring expenditure has been considered in these accounts, { previous year Rs 96,099 for non-recurring expenditure}
- Had the impact of this been considered in these accounts, the deficit for the year would have been Rs 55,912,223 instead of Rs 55,813,190 (For previous year ended 31st March, 2013 Rs 60,457,139 instead of Rs 60,361,040) and the debit balance in the general fund Rs 344,426,250 instead of Rs 344,327,217 (As at 31st March, 2013, Rs 288,610,126 instead of Rs 288,514,027) as reported.
- 4.4 All expenses and income has been accounted for on mercantile basis except grant-in-aids, subscription, bonus and royalty, though subscription and grant in aid received during the year in advance are not recognized as income. In the absence of required information, we are unable to determine the additional impact, if any, of the above on the deficit for the year and the debit balance in the general fund. The report was similarly modified by us in last year.



Qualified Opinion

Except for the effects of the matter described in the Basis for Qualified Opinion paragraph, in our opinion and to best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) In the case of the Balance Sheet, of the state of affairs of the Association as at 31st March, 2014, and
- (ii) In the case of the Income and Expenditure Account, of the deficit for the year ended on that date.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm Registration No. 302009E)

A.Bhattacharya
Partner
ship No. 054110)

KOLKATA, 18th September, 2014



BALANCE SHEET AS AT 31ST MARCH 2014

		(Rupees)	
	Schedule	As at 31st March 2014	As at 31st March 2013
SOURCES OF FUND			
(1) (a) General Fund	I	(344,327,217)	(288,514,027)
(b) Special Contribution Fund	II	56,909,863	57,087,353
(c) Capital Reserve	III	21,000	21,000
(d) TRA Centenary Fund	IIIA	187,351,703	197,283,801
(2) Project Grants from Tea Board & others	IV	18,194,534	20,283,381
		<u>(81,850,117)</u>	<u>(13,838,492)</u>
APPLICATION OF FUND			
(1) Fixed Assets	V	155,232,528	155,403,445
(2) Current Assets, Loans and Advances	VI	2,283,723	1,904,654
(a) Inventories	VII	953,620	594,770
(b) Receivables	VIII	61,712,204	122,120,793
(c) Cash & Bank Balances	IX	24,089	14,357
(d) Other Current Assets	X	10,196,857	15,075,312
(e) Advances	XI	362,481	360,781
(f) Deposits		75,532,974	140,070,667
Less: Sundry Creditors	XII	115,397,792	119,593,701
Provisions	XIII	197,217,827	189,718,903
		312,615,619	309,312,604
Net Current Liabilities		<u>(237,082,645)</u>	<u>(169,241,937)</u>
		<u>(81,850,117)</u>	<u>(13,838,492)</u>
Significant Accounting Policies	XVIII		
Notes on Accounts	XIX		

The Schedules referred to above form an integral part of the Balance Sheet

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

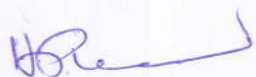
A. Bhattacharya
Partner

Place: Kolkata
Dated:



For Tea Research Association


Joydeep Phukan
Secretary


D.P. Maheshwari
Chairman

**INCOME AND EXPENDITURE ACCOUNT FOR THE
YEAR ENDED 31ST MARCH, 2014**

		(Rupees)	
	Schedule	For the year ended 31st March 2014	For the year ended 31st March 2013
INCOME			
Grant in aid from Tea Board (Refer Note 3 in Schedule XIX)		110,417,493	97,681,593
Subscription	XIV	76,592,703	74,004,758
Other Income	XV	20,276,597	21,241,772
		<u>207,286,793</u>	<u>192,928,123</u>
EXPENDITURE			
Expenses	XVI	253,169,968	235,709,696
Excess of Expenditure over Income On Experimental Estates	XVII	5,753,231	9,282,952
		4,130,918	3,719,661
Depreciation			
Excess expenditure over grants transferred from closed projects (Refer Note 5(ii) in Schedule-XIX)		45,866	4,576,854
		<u>263,099,983</u>	<u>253,289,163</u>
		<u>(55,813,190)</u>	<u>(60,361,040)</u>
(Deficit) carried to Balance Sheet			
Significant Accounting Policies	XVIII		
Notes on Accounts	XIX		

The Schedules referred to above form an integral part of the Income and Expenditure Accounts.

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

A. Bhattacharya
Partner

Place: Kolkata
Dated:

For Tea Research Association


Joydeep Phukan
Secretary


D.P. Maheshwari
Chairman



**SCHEDULES FORMING PART OF THE
BALANCE SHEET**

	(Rupees)	
	As at 31st March 2014	As at 31st March 2013
SCHEDULE-I		
General Fund		
Balance as per last Account	(288,514,027)	(228,152,987)
Add:- (Deficit) for the year	(55,813,190)	(60,361,040)
	<u>(344,327,217)</u>	<u>(288,514,027)</u>
SCHEDULE-II		
Special Contribution Fund		
a) For Research		
Balance as per last account	77,477,357	76,841,985
Add:- Interest on Fixed Deposit	-	635,372
	<u>77,477,357</u>	<u>77,477,357</u>
Less:- Accumulated Expenditure on Special Project	17,080,368	17,080,368
Accumulated Depreciation on Assets acquired	4,484,186	4,463,536
	<u>21,564,554</u>	<u>21,543,904</u>
	<u>55,912,803</u>	<u>55,933,453</u>
b) For Tocklai Complex		
Accumulated Special Contribution for Tocklai Complex	7,220,534	7,220,534
Less:- Accumulated Depreciation on assets acquired for Tocklai Complex	6,223,474	6,066,634
	<u>997,060</u>	<u>1,153,900</u>
	<u>56,909,863</u>	<u>57,087,353</u>
Refer Schedule-V for capital expenditure out of special Contribution Fund.		
SCHEDULE-III		
Capital Reserve		
Assessed value of land acquired by gift	<u>21,000</u>	<u>21,000</u>
SCHEDULE-III A		
TRA CENTENARY FUND		
Balance as per last Account	211,032,225	167,032,225
Received during the year	-	44,000,000
	<u>211,032,225</u>	<u>211,032,225</u>
Less:- Accumulated Expenditure on TRA Centenary Fund	156,001,611	148,305,009
Less: Transferred to Fixed Assets	103,761,960	85,091,138
Less: Transferred to Capital Work-in-Progress	52,239,651	63,213,871
	<u>23,680,522</u>	<u>13,748,424</u>
Less:- Accumulated Depreciation on assets acquired	<u>187,351,703</u>	<u>197,283,801</u>

Refer Schedule-V for capital expenditure out of special centenary grant sanctioned by Ministry of Commerce and Industry, Government of India.



**SCHEDULES FORMING PART OF THE
BALANCE SHEET**

(Rupees)

SCHEDULE- IV**Project Grants from Tea Board and others**

Balance as per last Account

Received during the year

Add: Interest on Savings Bank Account

 Less: Accumulated Expenditure on Assets Acquired
 Accumulated Expenditure on Projects

**As at 31st March
2014**
**As at 31st March
2013**

255,127,636

10,528,021

346,777

266,002,434

123,808,737

123,999,163

247,807,900

18,194,534

235,464,342

19,174,449

488,845

255,127,636

121,863,583

112,980,672

234,844,255

20,283,381

* Refer Schedule IVA for Project wise details.



SCHEDULES FORMING PART OF THE BALANCE SHEET

SCHEDULE E-IVA		(Rupees)				
SUMMARY OF EXTERNALLY FUNDED PROJECTS AS ON 31.03.2014		Grant received till 31st March 2013 (including Interest)	Grant Received during the Year 13-14	Accumulated Recurring Expenses	Accumulated Non-Recurring Expenses	Closing Balance as on 31st March, 2014
Project Title						
RUNNING PROJECTS						
TEA BOARD PROJECTS						
TEA MUSEUM		510,621	949,436	7,317	510,279	(6,295)
CFC-TB PROJECT		5,638,072	-	6,340,001	876,149	(819,850)
NTRF PROJECTS:						
NTRF-STANDARDISATION & OPTIMIZATION-CLONG TEA		2,314,227	650,000	1,336,270	1,195,289	448,767
NTRF-STUDIES ON RED RUST AND FUSARIUM DIE BACK		993,291	-	1,095,867	12,000	(89,771)
NTRF-SELECTION & EVALUATION OF NEW PLANTING MATERIALS		575,470	-	390,884	122,040	85,534
NTRF-STATUS AND RESPONSE OF MICRONUTRIENTS TEXTURA		341,987	404,231	525,589	-	226,644
NTRF-STUDIES ON MUNICIPAL SOLID WASTE COMPOST (MSWC)		1,953,907	340,239	416,944	13,685	1,867,635
DBT PROJECTS:						
DBT-IDENTIFICATION & CHARACTERISATION OF SEQUENCE		2,530,722	1,228,050	2,086,051	201,970	1,503,739
DBT-EVALUATION OF INDIGENOUS STRAIN OF FUNGAL.....		362,006	-	114,928	157,695	29,377
DBT - CONTROL OF TEA MOSQUITO BUG.....		-	1,009,400	134,096	250,000	625,304
OTHER PROJECTS:						
GIT-TEA BIO INFORMATICS		4,674,174	1,514,431	3,912,915	1,584,928	697,724
CDAC-DEVELOPING TOOLS FOR WIRELESS		2,491,031	1,260,000	2,608,889	1,562,738	(1,034)
CDAC-ANWARD OF INSPIRED FELLOWSHIP		543,301	-	539,500	-	6,773
CDAC-INWARD LEAF INSPECTION BY ELECTRONIC		1,803,460	51,460	1,476,236	148,380	230,324
DRL - CREATION OF DATA BANK ON AFLATXIC.....		593,100	444,800	649,845	-	389,017
FAO ICG- GLOBAL RING TEST PROJECT		-	100,000	199,000	-	(99,000)
UNLIVER PROCESS CONTROL IN BLACK TEA		-	815,483	531,317	-	825,649
TOTAL RUNNING PROJECTS (A):		23,632,375	8,714,140	22,374,839	6,863,192	5,993,697
CLOSED PROJECTS						
TEA AUTOMATION PROJECT		17,976,920	-	-	18,532,704	(555,884)
NTRF-TEA GERMPLASM		353,525	-	395,983	-	(42,458)
NTRF-VAM SYMBIOSIS		505,305	-	349,557	184,344	(28,986)
CSIR-NMITLI		4,946,366	-	3,665,480	1,200,000	60,886
NTRF-GREEN TEA		23,985	-	8,166	-	1,719
DBT BIOTECH TOOLS		5,637,833	-	3,628,944	2,526,708	(817,225)
CHAIN QUALITY		9,622,373	-	2,248,120	8,374,253	416,703
DIVERSIFICATION		12,514,765	-	2,968,001	9,500,000	58,734
NTRF-GRATED DRAINAGE		6,823,621	-	3,560,016	2,638,774	708,831
NET WORKING		12,092,411	-	4,063,494	6,092,546	1,998,368
STG		6,428,394	-	6,483,984	-	-
NTRF-TERMITE PROJECT		587,088	-	587,803	-	(715)
NTRF-CONTROL OF TERMITE PESTS-II		3,500,000	-	1,883,130	1,367,970	(58,870)
SOIL ORGANIC		229,838	-	116,714	-	248,900
NTRF-TEA MOSQUITO BUG		1,241,632	-	1,029,827	-	113,124
NTRF-PHASE-II		1,990,000	-	3,938,676	483,052	(271,247)
LAN		7,550,872	-	2,677,541	1,559,650	430,350
NEEM PROJECT		5,686,968	-	3,938,676	2,485,628	1,116,368
CSIR-NMITLI - DPS		1,613,219	-	831,138	1,852,227	1,039,140
NTRF-SEPTU		469,000	-	334,700	903,240	(121,159)
NTRF-BIOCHEMICAL INVESTIGATION		2,842,446	238,999	2,285,614	650,776	245,089
DBT TIC(I) WATER LOGGING		15,313,416	1,316,000	7,733,024	7,932,460	993,632
DBT TIC II (EST)		2,962,025	269,000	3,509,960	776,004	(735,739)
DBT TIC MAS (III)		2,862,492	-	2,401,002	314,211	(132,721)
DBT IV		2,536,095	(84,051)	1,548,833	785,625	201,837
DBT TIC V		168,343	-	88,953	-	4,339
DBT - HAPLOID		4,008,575	-	3,465,480	522,000	51,095
DBT - PHASE II (NEW MOLECULAR MARKER		1,719,003	-	1,157,372	587,190	(25,959)
DBT - INM PACKAGE		1,312,927	-	590,177	126,750	126,750
DBT-HOCAFENATED TEA		519,656	-	487,901	596,000	21,755
DBT-POST DOCTORAL PROGRAMME		409,169	-	359,617	-	44,240
NTRF-WEED CONTROL		564,310	-	501,192	5,312	(67,466)
NTRF-SOIL SUTABILITY		643,124	-	487,861	150,614	10,533
NTRF-FERMENTATION OF CTC		4,717,555	-	1,910,000	2,748,455	59,422
11TH PLAN-HEAVY METAL		17,786,000	-	2,400,000	15,066,999	(814,999)
11TH PLAN-PESTICIDE RESIDUE		5,231,484	-	3,368,769	2,500,000	725,909
11TH PLAN-MOLECULAR STRESS		6,676,248	-	3,781,562	2,220,445	1,674,897
11TH PLAN-ABiotic & biotic stress		7,146,630	-	2,338,365	4,200,000	604,473
11TH PLAN-CHAIN QUALITY		6,302,753	-	2,965,613	3,150,000	590,642
11TH PLAN-EXTRACTION OF FOOD GRADES		6,837,441	-	2,838,000	2,988,455	(480,853)
11TH PLAN-BLISTER BLIGHT		7,727,957	-	2,822,729	3,133,487	1,772,778
11TH PLAN-SOIL PRODUCTIVITY		5,038,595	-	759,552	3,404,478	885,859
11TH PLAN-DRAUGHT IN TEA AREAS		6,009,491	-	886,215	4,694,965	431,971
11TH PLAN-CCTC & GREEN TEA		4,033,009	-	1,922,446	1,150,000	967,856
11TH PLAN-CURRENT PEST PROBLEM(NB)		735,851	-	708,626	-	29,775
NTRF-BIOTYPES OF HELOPELTIS		428,400	-	465,848	-	(34,448)
DRL ISOLATION IDENTIFICATION & MOLECULAR		5,736,610	(1,963,746)	3,517,291	125,000	159,766
ICAR NET WORKING PROJECT		820,226	-	692,709	86,523	(54,562)
NTRF-DEV. PACKAGE OF PRACTICE OF COMPACT TEA		1,044,360	-	410,640	731,628	(66,292)
NTRF-BIO-INCENTIVE INTEGRATED MAG OF LOOPER		2,928,658	270,000	1,001,291	1,551,750	884,302
DBT-ESTABLISHMENT OF INSTITUTIONAL BIOTECH HUBS		2,223,067	21,271	2,817,107	750,504	64,386
DBT-MOLECULAR DOCUMENTATION OF DARJEELING TEA		1,449,405	351,010	1,581,958	275,000	(44,734)
VALIDATION OF TEA DESCRIPTOR FOR DEV. DUS		-	-	756,556	-	9,506
CSIR POST DOCTORAL PROJECT		226,426,361	1,813,861	107,654,504	117,145,565	12,614,447
TOTAL CLOSED PROJECTS (B):		10,538,921	1,813,861	123,999,183	12,614,447	18,194,534
Grand Total (A+B):		34,171,316	10,527,981	34,774,022	29,478,639	24,188,231
Previous Year Total:		23,464,342	13,174,449	112,860,672	121,883,883	20,283,381



Tea Research Association									
SCHEDULE FORMING PART OF THE BALANCE SHEET									
SCHEDULE V									
Fixed Assets									
PARTICULARS	COST			DEPRECIATION			NET BLOCK		
	Balance as on 01.04.13	Addition during the year	Disposal during the year	Balance as on 31.03.14	For the year	Disposal during the year	Balance as on 31.03.14	Balance as on 31.03.13	
Land (Note 1)	618,897	-	-	618,897	-	-	-	618,897	
Building (Free Hold) (Note 2)	123,359,965	13,595,660	-	136,955,625	8,258,716	-	62,627,185	74,328,440	68,991,496
Equipment and Machinery	42,654,276	2,436,986	-	45,091,262	1,681,799	-	38,364,068	6,727,194	5,972,007
Electric Water and Telephone	24,703,444	4,061,120	-	28,764,564	2,382,750	-	19,233,563	9,531,001	7,852,631
Furniture and Fittings	10,454,153	3,407,338	-	13,861,491	823,677	-	6,448,401	7,413,090	4,829,429
Vehicle (Note 3)	13,972,694	1,612,544	839,361	14,745,877	1,093,564	769,522	10,371,622	4,374,255	3,925,114
Total (A)	215,763,429	25,113,648	839,361	240,037,716	14,240,506	769,522	137,044,839	102,992,877	92,189,574
Previous Year	171,858,148	43,905,781	500	215,763,429	12,639,765	-	123,573,855	92,189,574	60,924,058
Capital Work in Progress(B)	63,213,871	-	-	-	-	-	-	52,239,651	63,213,871
							Grand Total (A) + (B)	155,232,528	155,403,445

Note

- Land includes 16.44 acres acquired by the Association by way of gift. The value of such land is assessed by the Association at Rs. 21,000/-.
- (A) Freehold Building include property of Rs. 20,47,302/- (Previous year Rs.2,047,302/-) on leasehold land.
- (B) The deed of conveyance for premises of super built area of 2,641 sq. ft. and parking space at 6, Dover Road, Kolkata, for Rs.32,01,765 taken over by the Association has been conveyed in favour of the Association. However, mutation and other formalities for deed of conveyance are still pending.
- (C) The deed of conveyance for premises of the Association and one parking space at 113 Park Street, Kolkata, has been executed. However, mutation and other formalities are pending.

- Vehicles include taken on loan.

(a) Gross Book value Rs.53,66,937/- (Previous year Rs.43,69,388/-) (Outstanding loan amount Rs. 9,95,719/- previous year Rs.10,96,530/-)

(b) Net Block value Rs.29,17,390/- (Previous Year Rs.25,26,900/-)

4. Gross Book value includes value of assets acquired out of Special Contribution Fund

31.03.2014 31.03.2013

	(Rs)	(Rs)
Building (Free Hold)	10,364,469	10,364,469
Equipment and Machinery	4,378,483	4,378,483
Furniture and Fittings	90,431	90,431
Vehicle	34,352	34,352
Total	14,867,735	14,867,735

5. Gross Book value includes value of assets acquired out of Centenary Fund

31.03.2014 31.03.2013

	(Rs)	(Rs)
Building (Free Hold)	85,485,167	72,787,276
Electric Water and Telephone	9,026,931	6,215,199
Furniture and Fittings	6,298,064	3,919,617
Equipment and Machinery	2,951,798	2,169,046
Total	103,761,960	85,091,138

6. Depreciation Details

31.03.2014 31.03.2013

	(Rs)	(Rs)
Depreciation	14,240,506	12,639,765
Less: Transferred to Funds		
Special Contribution Fund (Schedule II)		
- For Research	20,650	25,402
- For Toolkit	156,840	174,266
TRA Centenary (Schedule IIIA)	9,932,098	8,720,436
Depreciation as per income & Expenditure Account	4,130,918	3,719,661



**SCHEDULES FORMING PART OF THE
BALANCE SHEET**

		As at 31st March 2014	(Rupees)	As at 31st March 2013
SCHEDULE-VI				
Inventories				
(at lower of cost and net realizable value)				
Publication		2,071,259		1,635,650
Foodstuff		45,927		20,874
Others (including Cement, Diesel and Coal)		166,537		248,130
		<u>2,283,723</u>		<u>1,904,654</u>
SCHEDULE-VII				
Receivables				
(Unsecured)				
Considered good	953,620		594,770	
Considered doubtful	<u>14,363,175</u>		<u>14,377,403</u>	
	15,316,795		14,972,173	
Less:- Provision for doubtful receivables	<u>14,363,175</u>	953,620	<u>14,377,403</u>	594,770
		<u>953,620</u>		<u>594,770</u>
SCHEDULE-VIII				
Cash and Bank Balances				
Cash in Hand		176,004		158,571
Remittance in Transit		3,259,699		-
Cash at Bank				57,948,867
- on Current Account (Note 1 and 2)		36,024,157		6,427,771
- on Savings Account		10,536,048		57,585,584
- on Fixed Deposit Account		<u>11,716,296</u>		<u>122,120,793</u>
		<u>61,712,204</u>		

Note 1: Includes Rs 2,68,967 /- (Previous year Rs.72,68,967/-) which can be utilised only after obtaining approval from Tea Board
 Note 2: Includes Rs 14,41,693 /- (Previous year Rs 36,92,450/-) in respect of projects closed.



**SCHEDULES FORMING PART OF THE
BALANCE SHEET**

	As at 31st March 2014	(Rupees) As at 31st March 2013
SCHEDULE-IX		
Other Current Assets		
Considered Good		
Interest Accrued		
On Fixed Deposits	24,089	14,357
	<u>24,089</u>	<u>14,357</u>
SCHEDULE-X		
Advances		
Considered Good		
Advances recoverable in cash or in kind or for value to be received	7,382,948	12,023,405
Tax Deducted at source-recoverable	2,813,909	3,051,907
	<u>10,196,857</u>	<u>15,075,312</u>
SCHEDULE-XI		
Deposits		
Deposits (Considered good)	362,481	360,781
	<u>362,481</u>	<u>360,781</u>
SCHEDULE-XII		
Sundry Creditors		
For Expenses *	31,086,865	46,028,259
Advance against Subscription, Testing fees, Green leaf etc.	9,614,182	9,882,067
Grant from Tea Board received in advance	31,842,261	32,450,000
Temporary bank overdraft	5,720,788	247,892
Other Liabilities	37,133,696	30,985,483
	<u>115,397,792</u>	<u>119,593,701</u>
* Includes		
(a) Car loan secured by hypothecation of vehicles Rs.9,95,719/- (Previous year Rs.10,96,530/-)		
(b) 6th Pay commission arrear liability of Rs. 70,53,113/- (Previous year Rs. 1,04,86,016/-)		
SCHEDULE-XIII		
Provisions		
Provision for Gratuity*	125,780,654	122,672,077
Provision for Leave Encashment#	71,437,173	67,046,826
	<u>197,217,827</u>	<u>189,718,903</u>

* Includes provision for gratuity for garden workers at the two experimental estates amounting to Rs.1,14,63,637 /- (Previous year Rs. 1,09,93,885/-).

Includes provision for leave encashment for garden workers at the two experimental estates amounting to Rs.380,817 /- (Previous year Rs. 390,451/-).



**SCHEDULES FORMING PART OF THE
INCOME AND EXPENDITURE ACCOUNT**

		For the year ended 31st March 2014	(Rupees)	For the year ended 31st March 2013
SCHEDULE-XIV				
Subscription				
Ordinary Membership				
- Current Year	64,054,994		64,127,955	
- Previous Years	<u>10,587,709</u>	74,642,703	<u>8,240,803</u>	72,368,758
Associate Membership		1,950,000		1,636,000
		<u>76,592,703</u>		<u>74,004,758</u>
SCHEDULE-XV				
Other Income				
		2,328,813		2,112,892
Sale of Green leaf from Experimental Plots (Other than Tocklai)				
Sale of Plants		72,329		345,099
Sale of Clones		475,304		140,368
Sale of Seeds		34,250		114,600
Sale of Publication		291,980		328,075
Advisory Service fees		19,600		29,700
Testing Fees (Net of expenditure Rs. 33,50,218/-, P.Y Rs. Nil)		4,709,670		6,068,757
Training Fees (Net of expenditure Rs. 35,16,769/-, P.Y Rs. 24,31,251/-)		3,491,416		1,806,467
House Rent		242,814		229,758
Profit on sale of Assets		91,660		-
Sundry Receipts		1,508,343		801,139
Guest House Receipt (Net)		479,780		193,448
Royalty		778,060		233,810
Interest on House Building & Scooter Loan, etc.		34,580		38,529
Sundry credit balance written back		1,056,225		246,173
Provision for Doubtful Debt no longer required written back (Net of provision Rs. 39,304/-, P.Y Rs. Nil)		14,228		-
Interest on Fixed Deposits (Gross)		4,036,395		7,612,341
Interest on Savings Account (Gross)		<u>611,150</u>		<u>940,616</u>
		<u>20,276,597</u>		<u>21,241,772</u>



**SCHEDULES FORMING PART OF THE
INCOME AND EXPENDITURE ACCOUNT**

	(Rupees)	
	For the year ended 31st March 2014	For the year ended 31st March 2013
SCHEDULE-XVI		
Expenses		
Salary, wages and bonus	165,578,980	146,802,547
Contribution to Provident and other funds	10,545,844	8,841,039
Pension	23,147	17,360
Gratuity (Note 1)	14,488,063	19,125,089
Leave Encashment (Note 2)	12,856,104	11,819,163
Welfare and training expenses	1,147,754	730,268
Medical expenses	7,910,327	6,815,880
Consumption of stores & chemicals	2,474,633	2,152,312
Power and fuel	9,677,485	9,718,058
Repairs and renewals	5,735,702	3,176,677
General maintenance	2,282,319	1,687,474
Printing, Stationery and Publication	1,764,199	1,815,476
Postage, Telegram, Telex and Telephone	1,828,277	4,820,675
Travelling and Conveyance	5,596,240	6,136,915
Professional Charges	7,081,134	5,797,169
Audit fees and Expenses	492,646	684,265
Insurance	816,974	658,059
ASC Seminar etc	470,513	544,066
Patent fees and Expenses	69,575	31,771
Council of Management meeting expenses	527,058	276,133
Rent, Rates and Taxes	694,523	422,771
Books and Periodicals	217,321	737,593
Interest on Car loan	97,102	376,490
Provision for Doubtful Debts	-	385,369
Miscellaneous Expenses	794,048	2,137,077
	<u>253,169,968</u>	<u>235,709,696</u>

Note 1 Includes provision for Gratuity of Rs.74,93,325/- (Previous year Rs.1,34,30,679/-)

Note 2 Includes provision for Leave Encashment of Rs.1,27,14,876/- (Previous year Rs.1,15,34,647/-)



**SCHEDULES FORMING PART OF THE
INCOME AND EXPENDITURE ACCOUNT**

(Rupees)

**For the year
ended 31st
March
2014**
**For the year
ended 31st March
2013**
SCHEDULE-XVII**Expenses on Experimental Estates**

Salary, Wages and Bonus	14,135,706	12,818,319
Contribution to Provident and other funds	1,498,907	1,421,171
Gratuity (Note 1)	1,054,685	2,213,843
Leave Encashment (Note 2)	-	66,739
Welfare and training expenses	1,126,329	1,306,238
Medical Expenses	191,027	137,139
Consumption of stores and Chemicals	1,928,605	91,639
Power and Fuel	244,039	253,140
Repairs and Renewals	165,918	26,119
General Maintenance	14,391	137,212
Printing, Stationery and Publication	10,794	5,049
Postage, Telegram, Telex and Telephone	5,253	4,272
Insurance	3,891	53
Rent, Rates and Taxes	166,690	211,656
Miscellaneous	13,483	900
	<u>20,559,718</u>	<u>18,693,489</u>

Income from Experimental Estates

Sale of green leaf (At Tocklai)	14,782,715	9,400,317
Miscellaneous Receipts (Note 3)	23,772	10,220
	<u>14,806,487</u>	<u>9,410,537</u>
Excess of Expenditure over Income on experimental estates.	<u>5,753,231</u>	<u>9,282,952</u>

Note 1 Includes provision for Gratuity of Rs.4,69,752/- (Previous year Rs. 17,84,702/-)

Note 2 Represents provision for Leave Encashment of Rs.NIL (previous year Rs.66,739/-)

Note 3 Includes excess provision for Leave Encashment no longer required w/back Rs.9,634/- (Previous year Rs. Nil)



SCHEDULE - XVIII**SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31st MARCH 2014****1. Basis of Accounting**

The financial statements have been prepared in accordance with the historical cost convention. All expenses and income have been accounted for on mercantile basis except grants-in-aid, subscription, bonus and royalty. However, subscriptions are recognized as income only in the year of receipt unless it pertains to subsequent period, when the same is treated as advance received.

2. Fixed Assets**Own Assets**

Fixed assets are carried at cost less depreciation. Cost includes inward freight, duties and taxes and expenses incidental to acquisition and installation of fixed assets.

Project Assets

The assets as referred in Schedule-IV acquired out of grants from other agencies, the ownership of which do not vest with the Association are not capitalized.

3. Depreciation

Depreciation on own fixed assets is provided on written down value method at the rates mentioned below. Full year's depreciation is provided on additions to fixed assets during the year. No depreciation is provided on fixed assets sold during the year. No depreciation is provided on freehold land.

Freehold Building	: 10%
Equipment and Machinery	: 20%
Electric, Water and Telephone	: 20%
Furniture and Fittings	: 10%
Transport	: 20%

4. Inventories

Inventories are valued at the lower of cost and net realizable value, where costs are ascertained on FIFO basis.

Slow moving, obsolete and damaged stocks are identified at the time of physical verification of stocks and if necessary, provision is made for such stocks.

5. Government Grants

Grants in the nature of contribution received towards specific purposes, and no repayment of which is ordinarily expected, are treated as specific reserves. Grants that relate to capital expenditure are recognised as income in the respective Fund Account, over the period and the proportion of depreciation on related assets is charged from grants. Other grants are credited to Income and Expenditure Account.



6. Sales

Sales are recognized on passing of property in goods, i.e. delivery as per terms of sale.

Service income is recognized as revenue after the service is rendered and invoiced to the customers.

7. Interest Income

Income from interest is accounted for on accrual basis.

8. Foreign Currency Transactions

Transactions in foreign currency are recorded at the rate of exchange prevailing at the date of transactions. Exchange differences arising on the settlement of transactions are recognized as income or as expense in the period in which they arise.

Monetary current assets and monetary current liabilities denominated in foreign currency are translated at the exchange rate prevalent at the date of the Balance Sheet. The resulting difference is also recorded in the Income and Expenditure Account. Non monetary items at the Balance Sheet date are stated at historical cost.

9. Retirement benefits**(a) Defined Contribution Plan**

The Association contributes to Provident Funds which are administered by duly constituted and approved independent Trust / Fund managed by Regional Provident Fund Commissioner and such contributions are accounted for in Income and Expenditure Account every year.

(b) Defined Benefit Plans

Gratuity liability including liability for garden workers at the two experimental estates of the Association which are unfunded are actuarially determined at the year end and provided for in the accounts.

(c) Other Employee Benefits

Accrued liability towards leave encashment benefits payable to employees are actuarially determined at the end of the year and provided for in the accounts.

10. Provisions & Contingent Liabilities

The Company recognises a provision when there is a present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. Contingent liabilities are disclosed when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or present obligation such that the likelihood of outflow of resources is remote, no provision or disclosure is made.



SCHEDULE - XIX**NOTES ON ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2014**

1. In terms of the agreement entered into on 3rd May 1976 with Assam Tea Corporation Limited, the entire activities of Tocklai Division of Cinnamara Tea Estate including all its assets and liabilities have been taken over by the Association with retrospective effect from 1st January 1976. Adjustments have not been made in the books of the Association as regards fixed assets taken over, depreciation thereon and for transfer/damage of properties as registration of deed of conveyance is pending. Adjustments have also not been made for purchase consideration payable to Assam Tea Corporation Limited and consequently titles have not yet been transferred in respect of immovable properties taken over by the Association.
2. Sundry Creditors (other liabilities) include the sum of Rs. 733,400 (Rs. 667,000 received during the year 1979-80 and Rs. 66,400 in 1995-96) from Assam Agricultural University as consideration for sale of certain property at Borbhetta, Jorhat, Assam and a sum of Rs. 85,881 received in the year 1981-82 from Catholic Church as consideration for the sale of a bungalow at Jorhat, in respect of which the deed of conveyance has not been executed.

3. Break up of Tea Board Grant received is as follows –

Description	2013-2014 (Rs.)	2012-2013 (Rs.)
Grant-in-Aid	110,417,493	42,822,972
Special Fund(AED)		54,858,621
Total	110,417,493	97,681,593

4. (i) Centenary Grant received in earlier years by the Association from the Ministry of Commerce, Government of India, included a sum of Rs. 6,00,00,000/- earmarked for expenditure towards Centenary Chairs. The Association, however, has utilized the same towards its general purpose during the year. In the opinion of the management, such sum would be replenished upon receipt of Grant in Aid from Tea Board of India.
5. (i) The various Research projects undertaken by the Association are on the basis of grants received from the sponsoring agencies where the total outlays (recurring and non-recurring) over the tenure of such grants are further segregated into its year wise break-up. In respect of non-recurring expenditure (capital), wherever it exceeded the sanctioned amount and in respect of recurring expenditure (revenue), whenever it exceeded the annual sanction amount for the same, the Association used to absorb such expenditure incurred in excess as its own Revenue expenditure. The Association had, in the year 2005-06, applied to the Tea Board to allow it to determine such excess expenditure, both recurring and non-recurring only at the end of the project period. Pending approval from the Tea Board, the Association has not recognized excess expenditure in respect of non-recurring items amounting to Rs. NIL (Previous Year Rs. 96,099/-) and recurring expenditure amounting to Rs. 99,033 (Previous Year Rs. NIL) so that the same may be adjusted at the end of the project period.
- (ii) In the current year, the Association has absorbed Rs 45,866 /- (Rs. 27,045 /- in respect of recurring expenditure and Rs. 18,821 /- in respect of non-recurring expenditure) {Previous Year 4,576,854 /-, (Rs. 3,425,233/- in respect of recurring expenditure and Rs. 1,151,621/- in respect of non-recurring expenditure)} being expenditure incurred in excess of the sanctioned amount on the



projects concluded on or before year end and charged to its Income and Expenditure Account.

6. Necessary disclosures required under The Micro, Small & Medium Enterprises Development Act, 2006, can only be considered once relevant information to identify the supplier who are covered under the said Act are received from such parties. No such information has been received till date.
7. The Association, being an approved scientific research association within the meaning of Section-35(1)(ii) of the Income-tax Act, 1961 enjoys exemption granted under Section 10(21) of the Act from payment of any Income Tax.
8. Principal actuarial assumptions as per actuarial valuation as on 31st March, 2014 in respect of Defined Employee Benefit Schemes -

Description	Gratuity		Leave Encashment	
	2013-14	2012-13	2013-14	2012-13
Financial assumptions:				
Discounting rate (per annum)	9%	8%	9%	8%
Future salary increase	5%	5%	5%	5%
Demographic assumption:				
Mortality rates	IALM 2006-08 ultimate	Rates prior to retirement were taken from LIC (1994-96) ultimate	IALM 2006-08 ultimate	Rates prior to retirement were taken from LIC (1994-96) ultimate

The estimates of future salary increases, considered in actuarial valuations, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

9. Certain information relating to Accounting Standards issued by The Institute of Chartered Accountants of India are not disclosed by the Association pursuant to exemptions/ relaxations announced by the said Institute.
10. Figures for the previous year have been rearranged/ regrouped wherever necessary.



For Tea Research Association

Joydeep Phukan
Secretary

D.P. Maheshwari
Chairman