

TEA RESEARCH ASSOCIATION
ACCOUNTS FOR THE YEAR ENDED
31 MARCH 2015

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, 2015 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 Association'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 4(i) of the Schedule XIX, pending approval from Tea Board, no adjustments for expenditure incurred in excess of the sanctioned amount aggregating Rs 194,162 (i.e. Rs 5,399 for non-recurring expenditure and Rs 188,763 for recurring expenditure) has been considered in these accounts (previous year Rs 99,033 for recurring expenditure).

Had the impact of this been considered in these accounts, the deficit for the year would have been Rs 37,150,931 instead of Rs 36,956,769 (For previous year ended 31st March, 2014 Rs 55,912,223 instead of Rs 55,813,190) and the debit balance in the general fund Rs 381,478,148 instead of Rs 381,283,986 (As at 31st March, 2014, Rs 344,426,250 instead of Rs 344,327,217) as reported.

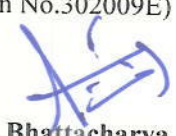
4.4 All expenses and income has been accounted for on mercantile basis except grant-in-aids, subscription and royalty income, though subscription and grant in aid received during the year in advance are not recognized as income. In the absence of required information, we are unable to determine the additional 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, 2015, 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's Registration No.302009E)


A. Bhattacharya
Partner

(Firm's Registration No.302009E)

KOLKATA, 24 September, 2015

Tea Research Association

BALANCE SHEET AS AT 31ST MARCH 2015

		(Rupees)	
	Schedule	As at 31st March 2015	As at 31st March 2014
SOURCES OF FUND			
(1) (a) General Fund	I	(381,283,986)	(344,327,217)
(b) Special Contribution Fund	II	56,751,890	56,909,863
(c) Capital Reserve	III	21,000	21,000
(d) TRA Centenary Fund	IIIA	172,941,208	187,351,703
(2) Project Grants from Tea Board & others	IV	14,293,541	18,194,534
		<u>(137,276,347)</u>	<u>(81,850,117)</u>
APPLICATION OF FUND			
(1) Fixed Assets	V	139,394,076	155,232,528
(2) Current Assets, Loans and Advances			
(a) Inventories	VI	2,270,895	2,283,723
(b) Receivables	VII	1,918,630	953,620
(c) Cash & Bank Balances	VIII	53,330,199	61,712,204
(d) Other Current Assets	IX	8,148	24,089
(e) Advances	X	8,454,521	10,196,857
(f) Deposits	XI	375,911	362,481
		66,358,304	75,532,974
Less: Sundry Creditors	XII	133,572,090	115,397,792
Provisions	XIII	209,456,637	197,217,827
		343,028,727	312,615,619
Net Current Liabilities		<u>(276,670,423)</u>	<u>(237,082,645)</u>
		<u>(137,276,347)</u>	<u>(81,850,117)</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

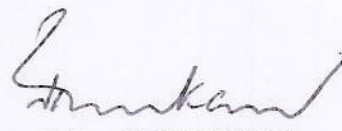
For Deloitte Haskins & Sells
Chartered Accountants

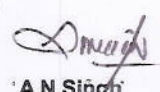
A. Bhattacharya
Partner

Place: Kolkata
Dated: 24.09.2015



For Tea Research Association


Joydeep Phukan
 Secretary


A.N. Singh
 Chairman



Tea Research Association

**INCOME AND EXPENDITURE ACCOUNT FOR THE
YEAR ENDED 31ST MARCH, 2015**

(Rupees)			
	Schedule	For the year ended 31st March 2015	For the year ended 31st March 2014
INCOME			
Grant in aid from Tea Board (Refer Note 3 in Schedule XIX)		137,395,289	110,417,493
Subscription	XIV	93,036,252	76,592,703
Other Income	XV	<u>32,237,356</u>	<u>20,276,597</u>
		<u>262,668,897</u>	<u>207,286,793</u>
EXPENDITURE			
Expenses	XVI	288,746,681	253,169,968
Excess of Expenditure over Income On Experimental Estates	XVII	7,075,107	5,753,231
Depreciation		3,755,498	4,130,918
Excess expenditure over grants transferred from closed projects(Refer Note 4(ii) in Schedule-XIX)		48,380	45,866
		<u>299,625,666</u>	<u>263,099,983</u>
(Deficit) carried to Balance Sheet		<u>(36,956,769)</u>	<u>(55,813,190)</u>
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

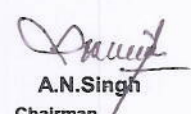

A. Bhattacharya
Partner

Place: Kolkata

Dated: 24.09.2015

For Tea Research Association


Joydeep Phukan
Secretary


A.N. Singh
Chairman



Tea Research Association

SCHEDULES FORMING PART OF THE BALANCE SHEET

	(Rupees)	
	As at 31st March 2015	As at 31st March 2014
SCHEDULE-I		
General Fund		
Balance as per last account	(344,327,217)	(288,514,027)
Add:- (Deficit) for the year	(36,956,769)	(55,813,190)
	(381,283,986)	(344,327,217)

SCHEDULE-II Special Contribution Fund

Balance as per last account	56,909,863	57,087,353
Less:- Accumulated Depreciation on assets acquired for research	16,817	20,650
Accumulated Depreciation on assets acquired for Tocklai Complex	141,156	156,840
	157,973	177,490
	56,751,890	56,909,863

Refer Schedule-V for capital expenditure out of special Contribution Fund.

SCHEDULE-III Capital Reserve

Assessed value of land acquired by gift	21,000	21,000
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SCHEDULE-IIIA TRA CENTENARY FUND

Balance as per last account	211,032,225	211,032,225
	211,032,225	211,032,225
Less:- Accumulated Expenditure on TRA Centenary Fund	156,198,431	156,001,611
Less: Transferred to Fixed Assets	136,498,679	103,761,960
Less: Transferred to Capital Work-in-Progress	19,699,752	52,239,651
Less:- Accumulated Depreciation on assets acquired	38,091,017	23,680,522
	172,941,208	187,351,703

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
As at 31st March 2015 As at 31st March 2014
Project Grants from Tea Board and others

Balance as per last Account

Received during the year

Add: Interest on Savings Bank Account

266,002,434
8,753,621
251,910

255,127,636
10,528,021
346,777

275,007,965

266,002,434

Less: Accumulated Expenditure on Assets Acquired
Accumulated Expenditure on Projects

127,264,863
133,449,561

123,808,737
123,999,163

260,714,424

247,807,900

14,293,541

18,194,534

* Refer Schedule IVA for Project wise details.



SCHEDULES FORMING PART OF THE BALANCE SHEET

SCHEDULE- IVA

SUMMARY OF EXTERNALLY FUNDED PROJECTS AS ON 31.03.2015

		(Rupees)				
Project Title	Grant received till 31st March 2014 (including Interest)	Grant Received during the Year 14-15	Interest Earned during the Year 14-15	Accumulated Recurring Expenses	Accumulated Non-Recurring Expenses	Closing Balance as on 31st March, 2015
RUNNING PROJECTS						
TEA BOARD PROJECTS						
TEA MUSEUM	511,301	-	707	7,317	546,884	(42,193)
NTRF PROJECTS :						
NTRF-SELECTION & EVALUATION OF NEW PLANTING MATERIALS	588,758	386,903	7,438	709,441	246,715	26,943
NTRF-STATUS AND RESPONSE OF MICRONUTRIENTS TEXTURA	752,233	199,952	8,041	888,508	-	71,718
NTRF-STUDIES ON MUNICIPAL SOLID WASTE COMPOST(MSWC)	2,298,264	236,890	528	626,048	1,899,772	9,862
DBT PROJECTS :						
DBT-IDENTIFICATION & CHARACTERISATION OF SEQUENCE	3,793,760	-	45,640	3,041,223	638,999	159,178
DBT-EVALUATION OF INDIGENOUS STRAIN OF FUNGAL PATHOGEN	302,000	-	-	260,199	157,895	(115,894)
DBT - CONTROL OF TEA MOSQUITO BUG USING SEMIO CHEMICALS	1,009,400	295,000	-	460,691	673,650	170,059
DBT-ESTABLISHMENT OF INSTITUTIONAL BIOTECH HUBS	3,237,344	434,000	22,239	1,373,461	1,851,000	469,121
DBT AAU- IDENTIFICATION OF STEM CELL MACHINERY	-	244,500	777	51,422	-	193,855
OTHER PROJECTS :						
DST-AWARD OF INSPIRED FELLOWSHIP	546,273	231,200	161	612,300	-	165,334
FAO IGG- GLOBAL RING TEST PROJECT	100,000	-	-	271,000	-	(171,000)
UNILIVER PROCESS CONTROL IN BLACK TEA	836,816	806,400	24,049	1,187,881	-	479,384
AGRINOS GREEN TECHNOLOGY	-	460,000	11,090	187,363	-	283,727
DST UKIERI	-	1,562,400	25,419	1,458,355	-	129,464
INDO SOUTH AFRICA PROJECT	-	1,077,240	-	909,472	-	167,768
IPFT NIKAE	-	950,000	-	166,069	88,587	695,344
TOTAL RUNNING PROJECTS (A) :-	13,976,149	6,884,485	146,089	12,210,750	6,103,302	2,592,670
CLOSED PROJECTS						
TOTAL CLOSED PROJECTS (B) :-	252,026,285	1,869,136	105,821	121,238,811	121,161,561	11,600,871
Grand Total (A+B) :-	266,002,434	8,753,621	251,910	133,449,561	127,264,863	14,293,541
Previous Year Total :-	255,127,636	10,528,021	346,777	123,999,163	123,808,737	18,194,534



SCHEDULE FORMING PART OF THE BALANCE SHEET									
Tea Research Association									
SCHEDULE V									
Fixed Assets									
(Figures in Rupees)									
PARTICULARS	COST			DEPRECIATION				NET BLOCK	
	Balance as on 01.04.14	Addition during the year	Adjustment during the year	Disposal during the year	Balance as on 31.03.15	For the year	On adjustment during the year	Disposal during the year	Balance as on 31.03.15
Land (Note 1)	618,897	-	-	-	618,897	-	-	-	618,897
Building (Free Hold) (Note 2)	135,955,625	9,715,586	-	-	145,671,211	8,404,403	-	-	71,031,588
Equipment and Machinery	45,091,282	21,351,716	-	-	66,442,978	5,615,782	-	-	43,979,850
Electric, Water and Telephone	28,764,564	3,868,526	-	-	32,633,090	2,679,905	-	-	22,463,128
Furniture and Fittings	13,861,491	102,011	-	-	13,963,502	6,448,401	-	-	10,719,622
Vehicle (Note 3)	14,745,877	-	-	645,289	14,100,588	872,366	-	632,863	10,611,125
Total (A)	240,037,716	35,037,839	-	645,289	274,430,266	137,044,839	13,323,986	632,863	154,736,942
Previous Year	215,793,429	25,113,648	-	839,361	240,037,716	123,573,855	14,240,506	769,522	137,044,840
Capital Work in Progress (B)	52,239,651	-	-	-	-	-	-	-	19,699,752
									52,239,651
									139,394,076
									155,232,528
									Grand Total (A) + (B)

Note
1. 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/-.

2. (A) Freehold Building include property of Rs. 20,47,302/- (Previous year Rs. 2,047,302/-) on leasehold land.

2. (B) The deed of conveyance for premises of super built area of 2.641 sqft. 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.

2. (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.

2. (D) Also refer to note 1 and 2 of Schedule XIX.

3. Vehicles include taken on loan.

(a) Gross Book value Rs. 53,66,937/- (Previous year Rs. 43,69,388/-) (Outstanding loan amount Rs. 6,82,347/- previous year Rs. 9,95,719/-)

(b) Net Block value Rs. 23,33,912/- (Previous Year Rs. 29,17,390/-)

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

	31.03.2015	31.03.2014
Building (Free Hold)	(Rs) 10,364,469	(Rs) 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 fixed assets acquired out of Centenary Fund

	31.03.2015	31.03.2014
Building (Free Hold)	(Rs) 94,381,045	(Rs) 85,485,167
Electric, Water and Telephone	12,392,887	9,026,931
Furniture and Fittings	6,298,064	6,298,064
Equipment and Machinery	23,426,683	2,951,798
Total	136,498,679	103,761,960

6. Depreciation Details

	31.03.2015	31.03.2014
Depreciation	(Rs) 18,323,966	(Rs) 14,240,506
Less: Transferred to Funds		
Special Contribution Fund (Schedule II)		
- For Research	16,817	20,650
- For Toolkit	141,156	156,840
TRA Centenary (Schedule IIIA)	14,410,495	9,932,098
Depreciation as per Income & Expenditure Account	3,755,498	4,130,918



**SCHEDULES FORMING PART OF THE
BALANCE SHEET**

(Rupees)

As at 31st March
2015As at 31st March
2014**SCHEDULE-VI****Inventories**

(at lower of cost and net realisable value)

Publication

1,933,609

2,071,259

Foodstuff

27,390

45,927

Others (including Cement, Diesel and Coal)

309,896

166,537

2,270,8952,283,723**SCHEDULE-VII****Receivables**

(Unsecured)

Considered good

1,918,630

953,620

Considered doubtful

14,370,47514,363,175

16,289,105

15,316,795

Less:- Provision for doubtful receivables

14,370,475

1,918,630

14,363,175

953,620

1,918,630953,620**SCHEDULE-VIII****Cash and Bank Balances**

Cash in Hand

111,746

176,004

Cash at Bank

- on Current Account (Note 1 and 2)

48,195,295

39,283,856

- on Savings Account

4,957,638

10,536,048

- on Fixed Deposit Account

65,520

11,716,296

53,330,19961,712,204

Note 1: Includes Rs 77,241 /-(Previous year Rs.2,68,967/-) which can be utilised only after obtaining approval from Tea Board

Note 2: Includes Rs 2,29,898/- (Previous year Rs 14,41,693/-) in respect of projects closed.



**SCHEDULES FORMING PART OF THE
BALANCE SHEET**

	As at 31st March 2015	(Rupees) As at 31st March 2014
SCHEDULE-IX		
Other Current Assets		
Considered Good		
Interest Accrued		
On Fixed Deposits	8,148	24,089
	<u>8,148</u>	<u>24,089</u>
SCHEDULE-X		
Advances		
Considered Good		
Advances recoverable in cash or in kind or for value to be received	5,831,438	7,382,948
Tax Deducted at source-recoverable	2,623,083	2,813,909
	<u>8,454,521</u>	<u>10,196,857</u>
SCHEDULE-XI		
Deposits		
Deposits (Considered good)	375,911	362,481
	<u>375,911</u>	<u>362,481</u>
SCHEDULE-XII		
Sundry Creditors		
For Expenses *	38,584,004	31,086,865
Advance against Subscription, Testing fees, Green leaf etc.	8,560,436	9,614,182
Grant from Tea Board received in advance	31,546,674	31,842,261
Temporary bank overdraft	-	5,720,788
Other Liabilities	54,880,976	37,133,696
	<u>133,572,090</u>	<u>115,397,792</u>
* Includes		
(a) Car loan secured by hypothecation of vehicles Rs.6,82,347/- (Previous year Rs.9,95,719/-)		
(b) 6th Pay commission arrear liability of Rs. 70,06,475/-(Previous year Rs. 70,53,113/-)		
SCHEDULE-XIII		
Provisions		
Provision for Gratuity*	131,991,936	125,780,654
Provision for Leave Encashment#	77,464,701	71,437,173
	<u>209,456,637</u>	<u>197,217,827</u>

* Includes provision for gratuity for garden workers at the two experimental estates amounting to Rs.1,37,34,763 /- (Previous year Rs. 1,14,63,637/-).

Includes provision for leave encashment for garden workers at the two experimental estates amounting to Rs.4,28,743 /- (Previous year Rs. 3,80,817/-).



Tea Research Association

SCHEDULES FORMING PART OF THE
INCOME AND EXPENDITURE ACCOUNT

(Rupees)

For the year
ended 31st
March
2015For the year
ended 31st
March
2014

SCHEDULE-XIV

Subscription

Ordinary Membership

- Current Year

- Previous Years

Associate Membership

79,887,227

10,065,525

89,952,752

3,083,500

64,054,994

10,587,709

74,642,703

1,950,000

93,036,252

76,592,703

SCHEDULE-XV

Other Income

Sale of Green leaf from Experimental Plots (Other than Tocklai)

2,352,701

2,328,813

Sale of Plants

48,042

72,329

Sale of Clones

374,945

475,304

Sale of Seeds

72,600

34,250

Sale of Publication

292,955

291,980

Advisory Service fees

9,300

19,600

Testing Fees (Net of expenditure Rs. 4,65,064/-, P.Y Rs. 33,50,218)

20,893,050

4,709,670

Training Fees (Net of expenditure Rs. 30,54,835/-, P.Y Rs. 35,16,769/-)

3,715,060

3,491,416

Income (Net) from National Seminar On Plant Protection in Tea

586,528

House Rent

602,092

242,814

Profit on sale of Assets

102,349

91,660

Sundry Receipts

960,015

1,508,343

Guest House Receipt (Net)

149,984

479,780

Royalty

657,650

778,060

Interest on House Building & Scooter Loan, etc.

8,228

34,580

Sundry credit balance written back

253,627

1,056,225

Provision for Doubtful Debt no longer required written back

-

14,228

(Net of provision Rs. NIL, P.Y Rs. 39,304/-)

Interest on Fixed Deposits (Gross)

828,281

4,036,395

Interest on Savings Account (Gross)

329,949

611,150

32,237,356

20,276,597



Tea Research Association

SCHEDULES FORMING PART OF THE INCOME AND EXPENDITURE ACCOUNT

	(Rupees)	
	For the year ended 31st March 2015	For the year ended 31st March 2014
SCHEDULE-XVI		
Expenses		
Salary,wages and bonus	185,503,261	165,578,980
Contribution to Provident and other funds	11,719,091	10,545,844
Pension	28,934	23,147
Gratuity (Note 1)	21,073,131	14,488,063
Leave Encashment (Note 2)	15,991,654	12,856,104
Welfare and training expenses	1,548,579	1,147,754
Medical expenses	7,425,366	7,910,327
Consumption of stores & chemicals	2,780,511	2,474,633
Power and fuel	12,883,199	9,677,485
Repairs and renewals	5,571,975	5,735,702
General maintenance	2,704,897	2,282,319
Printing,Stationery and Publication	1,913,074	1,764,199
Postage,Telegram,Telex and Telephone	2,407,635	1,828,277
Travelling and Conveyance	5,472,061	5,596,240
Professional Charges	6,780,038	7,081,134
Audit fees and Expenses	517,381	492,646
Insurance	270,457	816,974
ASC Seminar etc	929,117	470,513
Patent fees and Expenses	115,860	69,575
Council of Management meeting expenses	648,674	527,058
Rent, Rates and Taxes	1,211,015	694,523
Books and Periodicals	124,223	217,321
Interest on Car loan	95,948	97,102
Provision for Doubtful Debts	7,300	-
Advance written off	103,753	-
Miscellaneous Expenses	919,547	794,048
	<u>288,746,681</u>	<u>253,169,968</u>

Note 1 Includes provision for Gratuity of Rs.1,69,80,778/- (Previous year Rs.74,93,325/-)

Note 2 Includes provision for Leave Encashment of Rs.1,59,74,758/- (Previous year Rs.1,27,14,876/-)



Tea Research Association

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

	(Rupees)	
	For the year ended 31st March 2015	For the year ended 31st March 2014
SCHEDULE-XVII		
Expenses on Experimental Estates		
Salary, Wages and Bonus	15,850,201	14,135,706
Contribution to Provident and other funds	1,594,933	1,498,907
Gratuity (Note 1)	3,750,487	1,054,685
Leave Encashment (Note 2)	231,989	-
Welfare and training expenses	1,230,502	1,126,329
Medical Expenses	145,154	191,027
Consumption of stores and Chemicals	845,804	1,928,605
Power and Fuel	100,644	244,039
Repairs and Renewals	40,002	165,918
General Maintenance	14,448	14,391
Printing, Stationery and Publication	20,242	10,794
Postage, Telegram, Telex and Telephone	8,126	5,253
Travelling Exp.	700	-
Insurance	2,939	3,891
Legal & Professional Exp.	2,050	-
Rent, Rates and Taxes	280,200	166,690
Miscellaneous	10,106	13,483
	<u>24,128,527</u>	<u>20,559,718</u>
Income from Experimental Estates		
Sale of green leaf (At Tocklai)	16,873,203	14,782,715
Sale of Clones	120,312	-
Sale of Seeds	49,500	-
Sale of Plants	9,100	-
Miscellaneous Receipts (Note 3)	1,305	23,772
	<u>17,053,420</u>	<u>14,806,487</u>
Excess of Expenditure over Income on experimental estates.	<u>7,075,107</u>	<u>5,753,231</u>

Note 1 Includes provision for Gratuity of Rs.22,71,126/- (Previous year Rs. 4,69,752/-)

Note 2 Represents provision for Leave Encashment of Rs.47,926/-(previous year Rs.NIL/-)

Note 3 Includes excess provision for leave encashment no longer required w/back Rs. NIL (Previous year Rs. 9,634/-)



SCHEDULE - XVIII**SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31st MARCH 2015****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 and royalty income. 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 2015**

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. 7,33,400 (Rs. 6,67,000 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. 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 in earlier years. In the opinion of the management, such sum would be replenished upon receipt of Grant in Aid from Tea Board of India.
- 4 (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. 5,399 (Previous Year Rs. NIL) and recurring expenditure amounting to Rs. 188,763/- (Previous Year Rs. 99,033) so that the same may be adjusted at the end of the project period.
- (ii) In the current year, the Association has absorbed Rs 48,380/- (Rs. NIL /- in respect of recurring expenditure and Rs. 48,380/- in respect of non-recurring expenditure) {Previous Year 45,866 /-, (Rs. 27,045 /- in respect of recurring expenditure and Rs. 18,821 /- 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.
5. 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.
6. 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.




7. Principal actuarial assumptions as per actuarial valuation as on 31st March, 2015 in respect of Defined Employee Benefit Schemes -

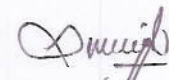
Description	Gratuity		Leave Encashment	
	2014-15	2013-14	2014-15	2013-14
Financial assumptions:				
Discounting rate (per annum)	7.8%	9%	7.8%	9%
Future salary increase	5%	5%	5%	5%
Demographic assumption:				
Mortality rates	IALM 2006-08 ultimate	IALM 2006-08 ultimate	IALM 2006-08 ultimate	IALM 2006-08 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.

8. 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.
9. Figures for the previous year have been rearranged/ regrouped wherever necessary.

For Tea Research Association


Joydeep Phukan
Secretary


A.N. Singh
Chairman

