

**INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF TEA RESEARCH ASSOCIATION**

**Opinion**

We have audited the accompanying financial statements of Tea Research Association (the "Association"), which comprise the Balance Sheet as at 31 March, 2019 and the Income and Expenditure Account for the year then ended, and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the matters discussed in the Basis for Qualified Opinion section below, the aforesaid financial statements give a true and fair view in conformity with the Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI) and other accounting principles generally accepted in India, of the state of affairs of the Association as at 31 March, 2019, and its deficit for the year ended on that date.

**Basis for Qualified Opinion**

1. As referred to in Note no. 1 of Schedule XIX 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. The report was similarly modified by us in last year.

We conducted our audit in accordance with the Standards on Auditing (SAs) issued by Institute of Chartered Accountants of India. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our qualified opinion on the financial statements.

### **Material uncertainty related to Going Concern**

We draw attention to Note 4 of schedule XIX to the financial statements, which indicates that the Association has incurred a net deficit of Rs. 68,942,545 during the year ended 31 March, 2019, as of that date its current liabilities is exceeding its current asset by Rs. 21,484,544 and its accumulated deficits are Rs. 458,910,524. Provident Fund dues for the year 2018-19 in respect of certain employees of the Association were not deposited and as on 31 March, 2019 an amount of Rs 15,246,198/- was outstanding, out of which Rs 8,425,020/- have subsequently been deposited till July 2019 and the balance Rs. 6,821,178 have not been deposited with the appropriate authority till date. These events or conditions, along with other matters as set forth in Note 4 of schedule XIX, indicate that a material uncertainty exists that may cast significant doubt on the Association's ability to continue as a going concern, and therefore it may be unable to realise its assets and discharge its liabilities including potential liabilities in the normal course of business within 12 months from the balance sheet date. The ability of the Association to continue as a going concern is dependent on the continuous support of Tea Board by way of grants in the coming 12 months from balance sheet date, which is not wholly within the control of the Association.

However, the financial statements of the Association have been prepared on a going concern basis for the reasons stated in the said Note.

Our opinion is not modified in respect of this matter.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the aforesaid Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the entity's financial reporting process.

### **Auditors' Responsibility**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

For Deloitte Haskins & Sells  
Chartered Accountants  
(Firm's Registration No:302009E)



**A. Bhattacharya**  
Partner  
(Membership No.054110)

Kolkata, 26 September, 2019

UDIN No. : 19054H0AAAAES2907

## BALANCE SHEET AS AT 31ST MARCH 2019

(Rupees)

	Schedule	As at 31st March 2019	As at 31st March 2018
<b>SOURCES OF FUND</b>			
(1) (a) General Fund	I	(458,910,524)	(402,699,335)
(b) Special Contribution Fund	II	56,273,329	56,373,486
(c) Capital Reserve	III	21,000	21,000
(d) TRA Centenary Fund	IIIA	127,962,569	136,850,494
(2) Project Grants from Tea Board and others	IV	81,749,529	30,938,626
		<b>(192,904,097)</b>	<b>(178,515,729)</b>
<b>APPLICATION OF FUND</b>			
(1) Fixed Assets	V	84,343,754	93,125,575
(2) Current Assets, Loans and Advances			
(a) Inventories	VI	2,029,374	2,249,962
(b) Receivables	VII	150,475,986	94,080,885
(c) Cash and Bank Balances	VIII	90,138,865	88,756,896
(d) Advances	IX	14,975,375	7,717,232
(e) Deposits	X	611,396	511,396
		258,230,996	193,316,371
(3) Non Current Liabilities			
(a) Borrowings	XI	1,568,494	-
(b) Sundry Creditors	XII	39,094,371	37,746,505
(c) Provisions	XIII	215,100,442	185,547,496
		255,763,307	223,294,001
(4) Current Liabilities			
(a) Borrowings	XI	332,261	168,430
(b) Sundry Creditors	XII	237,022,658	200,662,615
(c) Provisions	XIII	42,360,621	40,832,629
		279,715,540	241,663,674
Net Current Liabilities		(21,484,544)	(48,347,303)
		<b>(192,904,097)</b>	<b>(178,515,729)</b>
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: 26/9/19



**For Tea Research Association**

*Joydeep Phukan*

Joydeep Phukan  
Secretary

*P.K. Bezboruah*

P.K. Bezboruah  
Chairman



**INCOME AND EXPENDITURE ACCOUNT FOR THE  
YEAR ENDED 31ST MARCH, 2019**

		(Rupees)	
	Schedule	For the year ended 31st March 2019	For the year ended 31st March 2018
<b>INCOME</b>			
Grant in aid from Tea Board		104,631,527	105,151,314
Subscription	XIV	188,874,569	160,380,019
Other Income	XV	33,075,866	35,315,239
		<u>326,581,962</u>	<u>300,846,572</u>
<b>EXPENDITURE</b>			
Expenses	XVI	371,720,070	279,493,915
Excess of Expenditure over Income On Experimental Estates	XVII	20,628,852	17,188,728
Depreciation		3,175,585	3,014,437
		<u>395,524,507</u>	<u>299,697,080</u>
Surplus/(Deficit) carried to Balance Sheet		<u>(68,942,545)</u>	<u>1,149,492</u>
Significant Accounting Policies	XVIII		
Notes on Accounts	XIX		

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

In terms of our report attached

**For Deloitte Haskins & Sells**  
Chartered Accountants

A. Bhattacharya  
Partner

Place: Kolkata  
Dated: 26/9/19



**For Tea Research Association**

Joydeep Phukan  
Secretary

P.K. Bezboruah  
Chairman



**SCHEDULES FORMING PART OF THE  
BALANCE SHEET**

	(Rupees)	
	As at 31st March 2019	As at 31st March 2018
<b>SCHEDULE-I</b>		
<b>General Fund</b>		
Balance as per last Account	(402,699,335)	(403,848,827)
Add:- Transfer of fully completed and closed project from "Project grants from Tea Board and Others" *	12,731,356	-
Add:- Surplus/ (Deficit) for the year	(68,942,545)	1,149,492
	<u>(458,910,524)</u>	<u>(402,699,335)</u>

\* Refer Schedule XIX

**SCHEDULE-II**  
**Special Contribution Fund**

Balance as per last Account	56,373,486	56,485,578
Less:- Depreciation on Assets acquired for research	7,545	9,189
Depreciation on Assets acquired for Tocklai complex	92,612	102,903
	100,157	112,092
	<u>56,273,329</u>	<u>56,373,486</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>
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**SCHEDULE-IIIA**  
**TRA CENTENARY FUND**

Fund as per last Account	211,032,225	211,032,225
Less:- Accumulated Expenditure on TRA Centenary Fund	148,509,661	148,509,661
Less: Transferred to Fixed Assets	148,509,661	148,509,661
Less:- Accumulated Depreciation on assets acquired	83,069,656	74,181,731
	<u>127,962,569</u>	<u>136,850,494</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**

Tea Research Association

( Rupees )

**SCHEDULE- IV**

**As at 31st March  
2019**

**As at 31st March  
2018**

**Project Grants from Tea Board and others**

Balance as per last Account	359,667,876	326,280,471
Received during the year *	97,585,032	32,977,896
Add: Interest on Savings Bank Account *	1,058,282	409,509
	458,311,190	359,667,876
Less: Accumulated Expenditure on Assets Acquired *	163,306,422	147,337,110
Accumulated Expenditure on Projects *	200,523,883	181,392,140
	363,830,305	328,729,250
	94,480,885	30,938,626
Less: Balance of project fully completed and closed transferred to General Fund **	12,731,356	-
	81,749,529	-

\* Refer Schedule IVA for Project wise details.

\*\*Refer Schedule XIX



## SCHEDULES FORMING PART OF THE BALANCE SHEET

SCHEDULE- I VA						(Rupees)	
SUMMARY OF EXTERNALLY FUNDED PROJECTS AS ON 31.03.2019							
Project Title	Grant received till 31st March 2019 (including Interest)	Grant Received during the Year 18-19	Interest Earned during the Year 18-19	Accumulated Recurring Expenses	Accumulated Non-Recurring Expenses	Closing Balance as on 31st March, 2019	
<b>RUNNING PROJECTS</b>							
<b>TEA BOARD PROJECTS</b>							
TEA MUSEUM (TTRI)	514,269	-	846	7,317	546,884	(39,086)	
TEA BOARD - 12TH. PLAN DEVELOPMENT OF NEW CLONES (NBRRDC)	1,822,736	-	872	1,276,663	463,511	83,434	
TEA BOARD - 12TH. PLAN DEVELOPMENT OF NEW CLONES (TTRI)	2,624,038	5,000,000	4,029	4,503,426	465,337	2,659,304	
TEA BOARD - 12TH. PLAN APPROACHES ON ENHANCING QUALITY (TTRI)	1,047,403	2,800,000	1,253	2,004,658	1,253	1,392,523	
TEA BOARD - 12TH. PLAN DEVELOPMENT OF MACHINES (TTRI)	3,418,546	5,700,000	7,498	1,859,715	1,386,539	5,879,790	
<b>NITRE PROJECTS</b>							
NITRF-A STUDY ON TREND OF PRODUCTIVITY... (TTRI)	956,696	202,400	4,683	1,062,580	264,997	(163,798)	
NITRF- DEVELOPMENT OF INFRARED... (TTRI)	983,555	254,079	5,373	1,272,210	-	(29,203)	
NITRF- DEVELOPMENT OF CLONES FOR PROD. OF PURPLE TEA (TTRI)	676,754	673,615	2,795	1,354,942	-	(1,778)	
NITRF- IMPACT ANALYSIS ON CHANGING WEATHER... (TTRI)	1,466,611	360,312	5,158	1,144,874	594,000	93,207	
NITRF-K MINERALS... (TTRI)	876,363	189,045	4,726	1,110,793	-	(40,659)	
NITRF- SENSITIVITY OF TEA LOOPER .... (TTRI)	1,287,690	1,100,786	4,088	1,629,863	520,488	242,213	
NITRF- STUDIES ON IMPACT OF ELEVATED CARBON DIOXIDE ..... (TTRI)	434,297	413,856	1,611	832,847	-	16,917	
NITRF- SURVEY AND DOCUMENTATION OF SOIL .... (TTRI)	927,062	-	3,806	851,766	89,862	(10,760)	
NITRF TEA GENOME SEQUENCING PROJECT (TTRI)	1,151,749	974,759	16,590	1,548,392	670,840	(76,134)	
NITRF- STUDIES ON PROSPECTIVE OF MICROBIAL BIOCIDES (TTRI)	5,000,006	-	140,423	389,484	3,400,410	1,350,535	
NITRF- DRAUGHT STREES MANAGEMENT IN TEA - TTTRI	-	521,600	2,175	54,255	-	469,520	
NITRF-PYRROLIZIDINE ALKALOIDS IN TEA - TTTRI	-	2,014,100	8,109	291,949	-	1,730,260	
<b>DBT PROJECTS :</b>							
DBT-U-EXCEL- A STUDY OF ALUMINIUM DETOXIFICATION (UA)	11,333,747	-	43,242	1,827,927	9,240,596	308,466	
<b>DST PROJECTS :</b>							
DST - GREEN TEA (NBRRDC)	978,412	557,000	3,838	1,143,765	407,330	(11,845)	
DST-SERB ECR- EVALUATION OF TEA GERMPASM ..... (TTRI)	1,749,169	400,000	6,897	1,456,632	658,494	40,940	
<b>OTHER PROJECTS :</b>							
CRS - BIRAC (NBRRDC)	3,247,633	-	1,133	2,188,849	1,203,123	(143,206)	
NPV - DEVELOPMENT OF AN ARTIFICIAL DIET FOR LOOPER (NBRRDC)	2,025,199	247,400	8,570	1,809,452	489,243	(17,526)	
SREC- NUTRIGATION IN MATURE TEA (NBRRDC)	400,000	75,000	-	262,397	-	212,603	
TEA DUS CENTRE (TTRI)	889,295	-	4,107	1,006,771	-	(113,369)	
TRA-BIRAC EXPLOITATION OF TEA ..... (TTRI)	2,124,756	-	14,002	770,287	103,499	1,264,972	
EID PARRY - DEVELOPMENT OF BIO FORMULATION ..... (NBRRDC)	1,009,600	1,099,200	10,896	1,676,719	-	432,081	
RIL- EFFECT OF RALLIES GEO GREEN ON GROWTH (TTRI)	684,012	691,000	3,321	669,765	-	716,143	
GRV ORGANO (KURBENTO) NBRRDC	579,693	366,600	-	546,672	-	402,942	
RATCHET-A MULTIPLICATION STUDY OF FOLIAR GROWTH (NBRRDC)	1,030,400	-	-	389,316	-	641,084	
EFFECT OF POLY 4 (NBRRDC)	971,189	-	25,349	402,409	-	1,647,752	
VARSHA BIOSCIENCE (NBRRDC)	501,276	1,053,623	8,040	281,721	-	(94,573)	
UNILIVER PROJECT - GENETIC FINGERPRINTING (TTRI)	-	400,000	-	613,046	-	296,270	
AGRINOS- YIELD INCREASE IN DARJEELING TEA - NBRRDC	-	100,000	-	155,979	-	(55,979)	
DAE DEVELOPMENT OF IMPROVED PLANTING MATERIALS IN TEA - TTTRI	-	1,422,250	15,214	364,269	71,579	1,001,616	
DHR-EVALUATION OF ANTI FLAVIVIRUS ACTIVITY - TTTRI	-	918,270	20,186	181,425	-	757,031	
GOVT. OF ASSAM- TRAINING AND RESEARCH CENTRE FOR STG - TTTRI	-	68,000,000	623,678	-	9,719,444	58,904,234	
<b>TOTAL RUNNING PROJECTS (A) :-</b>	<b>50,712,156</b>	<b>95,722,043</b>	<b>1,002,508</b>	<b>36,943,135</b>	<b>30,747,651</b>	<b>79,745,921</b>	
<b>CLOSED PROJECTS</b>							
<b>TOTAL CLOSED PROJECTS (B) :-</b>	<b>308,955,720</b>	<b>1,862,989</b>	<b>55,774</b>	<b>163,580,748</b>	<b>132,558,771</b>	<b>14,734,964</b>	
<b>Grand Total (A+B) :-</b>	<b>359,667,876</b>	<b>97,585,032</b>	<b>1,058,282</b>	<b>200,523,883</b>	<b>163,306,422</b>	<b>94,480,885</b>	
<b>Previous Year Total :-</b>	<b>326,280,470</b>	<b>32,977,896</b>	<b>409,509</b>	<b>181,392,140</b>	<b>147,337,110</b>	<b>30,938,626</b>	

\*Refer schedule VIII





## SCHEDULE FORMING PART OF THE BALANCE SHEET

SCHEDULE V  
Fixed Assets

(Figures in Rupees) |

PARTICULARS	COST			DEPRECIATION			NET BLOCK	
	Balance as on 01.04.18	Addition during the year	Disposal during the year	Balance as on 31.03.19	For the year	Disposal during the year	Balance as on 31.03.19	Balance as on 31.03.18
Land (Note 1)	618,897	-	-	618,897	-	-	618,897	618,897
Building (Free Hold) (Note 2)	159,363,581	-	-	159,363,581	6,439,404	-	57,954,617	64,394,021
Equipment and Machinery	68,484,035	777,347	14,560	69,246,822	2,688,221	11,507	10,752,880	12,666,807
Electric, Water and Telephone	37,671,472	63,691	-	37,735,163	1,630,307	-	6,521,229	8,087,845
Furniture and Fittings	14,857,154	153,034	-	15,010,188	574,637	-	5,171,739	5,593,342
Vehicle (Note 3)	13,601,688	2,390,826	-	15,992,514	831,098	-	3,324,392	1,764,664
<b>Total (A)</b>	<b>294,596,827</b>	<b>3,384,898</b>	<b>14,560</b>	<b>297,967,165</b>	<b>12,163,667</b>	<b>11,507</b>	<b>84,343,754</b>	<b>93,125,576</b>
<b>Previous Year</b>	<b>294,139,704</b>	<b>457,123</b>	<b>-</b>	<b>294,596,827</b>	<b>13,406,204</b>	<b>-</b>	<b>93,125,575</b>	<b>106,074,655</b>

## 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. 2,047,302/- (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.
- (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.
- (D) Also refer to notes 2 and 3 of Schedule XVIII
- Vehicles include taken on loan;
  - Gross Book value Rs.2,390,826 /- (Previous year Rs.1,608,994/-) Outstanding loan amount Rs. 1,900,755/- previous year Rs.168,430/-
  - Net Block value Rs.1,912,661/- (Previous Year Rs.527,235/-)
- Gross Book value includes value of fixed assets acquired out of Special Contribution Fund

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

	31.03.2019	31.03.2018
(Rs)	(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
<b>Total</b>	<b>14,867,735</b>	<b>14,867,735</b>

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

	31.03.2019	31.03.2018
(Rs)	(Rs)	(Rs)
Building (Free Hold)	103,000,921	103,000,921
Electric, Water and Telephone	15,783,993	15,783,993
Furniture and Fittings	6,298,064	6,298,064
Equipment and Machinery	23,426,683	23,426,683
<b>Total</b>	<b>148,509,661</b>	<b>148,509,661</b>

## 6. Depreciation Details

	31.03.2019	31.03.2018
(Rs)	(Rs)	(Rs)
Depreciation	12,163,667	13,406,204
Less: Transferred to Funds		
Special Contribution Fund (Schedule II)		
- For Research	7,545	9,189
- For Tockial	92,612	102,903
TRA Centenary (Schedule IIIA)	8,887,925	10,279,675
Depreciation as per Income & Expenditure Account	<b>3,175,585</b>	<b>3,014,437</b>



**SCHEDULES FORMING PART OF THE  
BALANCE SHEET**

	As at 31st March 2019	(Rupees)	As at 31st March 2018
<b>SCHEDULE-VI</b>			
<b>Inventories</b>			
(at lower of cost and net realisable value)			
Publication	1,896,372		1,916,083
Foodstuff	55,837		210,042
Others (including Cement, Diesel and Coal)	77,165		123,837
	<u>2,029,374</u>		<u>2,249,962</u>
<b>SCHEDULE-VII</b>			
<b>Receivables</b>			
(Unsecured)			
Considered good	150,475,986	94,080,885	
Considered doubtful	<u>33,240,783</u>	<u>30,241,521</u>	
	183,716,769	124,322,406	
Less:- Provision for doubtful receivables	<u>33,240,783</u>	<u>30,241,521</u>	94,080,885
	<u>150,475,986</u>		<u>94,080,885</u>
<b>SCHEDULE-VIII</b>			
<b>Cash and Bank Balances</b>			
Cash in Hand	140,082		161,357
Cash at Bank			
- on Current Account (Notes 1 and 2)	80,838,844		46,496,538
- on Savings Account	<u>9,159,939</u>		<u>42,099,001</u>
	<u>90,138,865</u>		<u>88,756,896</u>

Note 1: Includes Rs 74,566 /- (Previous year Rs. 75,216 /- ) which can be utilised only after obtaining approval from Tea Board

Note 2: Includes Rs 65,123,303/- (Previous year Rs. 137,06,703/-) in respect of running projects and Rs 873,516/- (Previous year Rs 91,137/- ) in respect of projects closed.



**SCHEDULES FORMING PART OF THE  
BALANCE SHEET**
**SCHEDULE-I-IX**
**Advances**  
Considered Good

Advances recoverable in cash or in kind or for value to be received  
Tax Deducted at source

(Rupees)  
As at 31st March  
2019

As at 31st March  
2018

13,139,421	6,197,400
1,835,954	1,519,832
14,975,375	7,717,232

**SCHEDULE-X**
**Deposits**

Deposits (Considered good)

611,396	511,396
611,396	511,396

**SCHEDULE-XI**
**Borrowings**  
Loan from Yes Bank

Current	Non Current	Current	Non Current
332,261	1,568,494	168,430	-
332,261	1,568,494	168,430	-

(a) Car loan secured by hypothecation of vehicles  
(b) Interest in payable on monthly basis @9.34% on Rs1,155,175/- and @9.35% on Rs 745,580/-  
(C) Repayable in 57 monthly equal installments of Rs 41,323/-

**SCHEDULE-XII**  
**Sundry Creditors**

Employee related liabilities  
Liability for retired employees  
Statutory Liabilities  
Others \*

Current	Non Current	Current	Non Current
53,144,976	-	25,583,816	-
82,565,410	-	82,430,866	-
51,529,354	-	33,960,172	-
49,782,918	39,094,371	58,687,761	37,746,505
237,022,658	39,094,371	200,662,615	37,746,505

\* Includes  
(a) 6th Pay commission arrear liability of Rs. 6,086,073/- (Previous year Rs.6,146,851/-)  
(b) 7th Pay commission arrear liability of Rs. 21,067,236/- (Previous year NIL)

**SCHEDULE-XIII**
**Provisions**

Provision for Gratuity\*  
Provision for Leave Encashment\*

Current	Non Current	Current	Non Current
27,051,961	137,314,095	26,487,512	119,793,912
15,308,660	77,786,347	14,345,117	65,753,584
42,360,621	215,100,442	40,832,629	185,547,496

\* Includes provision for gratuity for garden workers at the two experimental estates amounting to Rs.15,630,308/- (Previous year Rs. 16,373,886 /-).

# Includes provision for leave encashment for garden workers at the two experimental estates amounting to Rs. 684,978/- (Previous year Rs. 530,418/-).





**SCHEDULES FORMING PART OF THE  
INCOME AND EXPENDITURE ACCOUNT**
**SCHEDULE-XIV  
Subscription**

	For the year ended 31st March 2019	For the year ended 31st March 2018
Ordinary Membership	185,719,969	157,751,304
Associate Membership	3,154,600	2,628,715
	<u>188,874,569</u>	<u>160,380,019</u>

**SCHEDULE-XV  
Other Income**

Sale of Green leaf from Experimental Plots (Other than Tocklai)	2,679,890	2,561,592
Sale of Plants	1,415	800
Sale of Clones	171,744	368,678
Sale of Seeds	44,400	96,800
Sale of Publication	169,435	187,461
Advisory Service fees	118,200	102,232
Testing Fees	19,125,706	18,273,258
Training Fees	5,276,545	7,258,835
Income (Net) from 35th. Tocklai Conference	358,919	-
House Rent	1,134,294	936,188
Sundry Receipts	2,151,175	2,734,514
Guest House Receipt (Net)	528,525	624,865
Royalty	539,900	1,309,400
Sundry credit balance written back	212,769	571,773
Interest on Fixed Deposits(Gross)	-	13,487
Interest on Savings Account(Gross)	562,949	275,356
	<u>33,075,866</u>	<u>35,315,239</u>



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

(Rupees)

	<b>For the year ended 31st March 2019</b>	<b>For the year ended 31st March 2018</b>
<b>SCHEDULE-XVI</b>		
<b>Expenses</b>		
Salary, wages and bonus	234,629,106	189,094,482
Contribution to Provident and other funds	14,918,048	15,112,874
Gratuity (Note 1)	41,788,010	24,487,701
Leave Encashment (Note 2)	28,132,256	6,664,762
Welfare and training expenses	873,706	820,512
Medical expenses	6,456,933	5,162,153
Consumption of stores & chemicals	3,139,851	2,419,061
Power and fuel	7,737,711	9,646,876
Repairs and renewals	3,834,229	3,579,377
General maintenance	2,538,516	2,717,776
Printing & Stationery	1,024,183	882,418
Publication	266,560	-
Postage & Communication Expenses	966,398	1,165,773
Travelling and Conveyance	3,266,250	2,771,230
Professional Charges	1,184,126	1,120,894
Audit fees and Expenses	618,228	590,000
Insurance	384,310	389,645
ASC Seminar etc	406,386	662,616
Patent fees and Expenses	64,000	47,616
Annual General Meeting Expenses	320,000	120,210
Council & Other meeting Expenses	191,223	65,257
Rent, Rates and Taxes	1,049,749	878,663
Books and Periodicals	102,975	156,818
Interest on Car loan	57,740	25,727
Provision for Doubtful Debts	2,999,261	2,421,495
Interest on PF Loan	1,571,067	-
Receivable written off	5,861,324	-
Assets written off	7,062	-
Rebate on timely collection of subscription	5,669,322	6,008,864
Miscellaneous Expenses	1,661,540	2,481,115
	<b>371,720,070</b>	<b>279,493,915</b>

Note 1 Includes Provision for gratuity of Rs. 188,28,210/- (Previous year Rs 136,33,897/- )

Note 2 Includes Provision for leave encashment of Rs. 128,41,746 /-(previous year Rs 517,745 /-)



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

(Rupees)

	<b>For the year ended 31st March 2019</b>	<b>For the year ended 31st March 2018</b>
<b>SCHEDULE-XVII</b>		
<b>Expenses on Experimental Estates</b>		
Salary, Wages and Bonus	24,854,194	22,071,145
Contribution to Provident and other funds	2,752,881	2,380,399
Gratuity	609,286	322,790
Leave Encashment	154,560	-
Welfare and training expenses	2,942,560	2,849,911
Medical Expenses	69,330	92,312
Consumption of stores and Chemicals	812,492	281,960
Power and Fuel	112,244	60,354
Repairs and Renewals	28,455	9,350
General Maintenance	22,530	50,817
Printing, Stationery and Publication	19,691	15,133
Rent, Rates and Taxes	-	169,488
Miscellaneous	336,822	262,662
	<u>32,715,045</u>	<u>28,566,321</u>
<b>Income from Experimental Estates</b>		
Sale of green leaf (At Tocklai)	10,774,260	10,131,147
Sale of Clones	157,700	75,400
Sale of Plants	306,400	1,850
Miscellaneous Receipts	847,833	1,169,196
	<u>12,086,193</u>	<u>11,377,593</u>
Excess of Expenditure over Income on experimental estates.	<u>20,628,852</u>	<u>17,188,728</u>

Note: Provision no longer required for gratuity Rs 743,578/- (Previous year provision Rs 1,077,618/-) have been included in Miscellaneous Receipts.





## SCHEDULE - XVIII

### SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2019

1. **Basis of Accounting**

The financial statements have been prepared in accordance with the historical cost convention.

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%
Vehicles	: 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 on the basis of certainty.

6. **Subscription**

Subscription income is credited to Income and Expenditure Account on accrual basis.



7. **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.

8. **Interest Income**

Income from interest is accounted for on accrual basis.

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 Association 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 31<sup>st</sup> MARCH 2019

1. In terms of the agreement entered into on 3<sup>rd</sup> 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 1<sup>st</sup> January 1976. However, the registration of deed of conveyance is pending and the titles have not yet been transferred in respect of immovable properties taken over by the Association. Considering the facts and circumstances of this matter and the time period elapsed, the Association does not expect any material adjustments to purchase consideration payable to Assam Tea Corporation Limited, the carrying values of the fixed assets taken over and the depreciation thereon, consequent to completion of the transfer of titles in its name. Accordingly, such adjustments have not been made in the books of the Association as of 31<sup>st</sup> March 2019.
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. The Association has taken a loan of Rs. 25,100,000, from TRA Officers Provident fund Trust. Amount outstanding as on 31st March 2019 stands at Rs. 29,350,000. (31st March, 2018 Rs. 5,250,000). However, the requisite approval from the Council of Management has been taken on 25<sup>th</sup> September, 2019. The Association is in the process of settlement of the above loan with Provident Fund authority.
4. The Association has incurred a net deficit of Rs. 68,942,545 (31st March, 2018 surplus of Rs. 1,149,492) during the year ended 31st March, 2019, as of that date its current liabilities is exceeding its current asset by Rs. 21,484,544 (31st March, 2018 Rs. 48,347,304) and its accumulated deficits are Rs. 458,910,524 (31st March, 2018 Rs. 402,699,335).

The Tea Board of India (Tea Board) earlier approved the funding modalities to the Association for the medium term framework for the period 21st December 2017 to 31st March 2020 but the fund disbursement from Tea Board has been delayed causing severe fund crunch situation to the Association. Due to such delay in receipt of Grants-in-aid, provident Fund dues in respect of certain employees of the Association were not deposited and as on 31st March, 2019 an amount of Rs 15,246,198/- was outstanding in this respect, out of which Rs 8,425,020/- have subsequently been deposited till July 2019 and the balance Rs. 6,821,178 has not been deposited with the appropriate authority till date. These events or conditions, indicate that a material uncertainty exists that may cast significant doubt on the Association's ability to continue as a going concern, and therefore it may be unable to realise its assets and discharge its liabilities including potential liabilities in the normal course of business.





However, the liquidity issues faced by the Association were discussed with the Tea Board and the Ministry of Commerce, Government of India. It was clarified that the dues relating to Grants in Aid will be paid to the Association by the Tea Board on receipt of fund from Ministry of Commerce & Industry which will enable the Association to settle its current obligations in coming 12 months from balance sheet date. In accordance with the discussions at the stakeholders meeting convened on 14th August 2019 by the Ministry of Commerce & Industry, chaired by the Joint Secretary, Plantation, Department of Commerce, the Association has submitted its proposal for funding TRA till 2024-25 towards attaining financial self-sufficiency to the Tea Board for examination and submission to the Government, as it was acknowledged in the aforesaid meeting that the Association would need Government support for the next 5 years. Accordingly, the Association has submitted its proposal on 16<sup>th</sup> September 2019 and the Association is hopeful that this proposal for funding will be favorably considered. Additionally, the Government of Assam have announced on the 21st August 2019 that there will be a budget provision for research and development of tea which will be given to the Association (Tocklai Tea Research Institute).

Apart from above, the Association has made a detailed plan for achieving financial growth, which includes various initiatives of income generation like sale of bio formulations and products, certification and overseas collaboration, training and skill development, educational courses on tea etc. Also, the Government of Assam have awarded two major projects to the Association in last year which are underway.

Based on the above actions/measures that are currently underway, the Association expects adequate funding from government and additional income generation from other sources in the coming years which will generate positive cash flow and improve net asset position. In view of this, the financial statements have been prepared on the basis that the Association is a going concern.

5. The unspent portion of grant received for projects which have been closed till 31<sup>st</sup> March, 2017 amounting to Rs. 12,731,356 (net of excess spent over grant of Rs 4,945,202) as on 31<sup>st</sup> March, 2019 is transferred to General Fund. The transfer has been approved by the Finance Committee in its meeting held on 20<sup>th</sup> September, 2019.
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, 2018 in respect of Defined Employee Benefit Schemes -

Description	Gratuity		Leave Encashment	
	2018-19	2017-18	2018-19	2017-18
Financial assumptions:				
Discounting rate (per annum)	7.30%	7.50%	7.30%	7.50%



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.

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.



Joydeep Phukan

Secretary

For Tea Research Association



P K Bezboruah

Chairman

