

**Tea Research Association
Annual Audit for the year ended
31st March, 2018**

**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, 2018 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. 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 surplus for the year had the above adjustments been carried out is not ascertainable (Refer Note 1 in Schedule XVIII). 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, 2018, and
- (ii) In the case of the Income and Expenditure Account, of the surplus for the year ended on that date.

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


A. Bhattacharya
Partner
(Membership No. 054110)

Kolkata, 25th September, 2018

BALANCE SHEET AS AT 31ST MARCH 2018

	Schedule	As at 31st March 2018	(Rupees) As at 31st March 2017
SOURCES OF FUND			
(1) (a) General Fund	I	(402,699,335)	(403,848,827)
(b) Special Contribution Fund	II	56,373,486	56,485,578
(c) Capital Reserve	III	21,000	21,000
(d) TRA Centenary Fund	IIIA	136,850,494	147,130,169
(2) Project Grants from Tea Board and others	IV	30,938,626	25,120,863
		<u>(178,515,729)</u>	<u>(175,091,217)</u>
APPLICATION OF FUND			
(1) Fixed Assets	V	93,125,575	106,074,655
(2) Current Assets, Loans and Advances			
(a) Inventories	VI	2,249,962	2,360,241
(b) Receivables	VII	94,080,885	131,167,650
(c) Cash and Bank Balances	VIII	88,756,896	26,474,125
(d) Advances	IX	7,717,232	5,704,632
(e) Deposits	X	511,396	511,396
		193,316,371	166,218,044
Less: Sundry Creditors	XI	238,577,550	233,987,577
Provisions	XII	226,380,125	213,396,339
		464,957,675	447,383,916
Net Current Liabilities		<u>(271,641,304)</u>	<u>(281,165,872)</u>
		<u>(178,515,729)</u>	<u>(175,091,217)</u>
Significant Accounting Policies	XVII		
Notes on Accounts	XVIII		

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: 25.09.2018

For Tea Research Association

Joydeep Phukan
Secretary

P.K. Bezboruah
Chairman



**INCOME AND EXPENDITURE ACCOUNT FOR THE
YEAR ENDED 31ST MARCH, 2018**

	Schedule	(Rupees)	
		For the year ended 31st March 2018	For the year ended 31st March 2017
INCOME			
Grant in aid from Tea Board		105,151,314	104,894,101
Subscription	XIII	160,380,019	140,488,711
Other Income	XIV	35,315,239	49,260,744
		<u>300,846,572</u>	<u>294,643,556</u>
EXPENDITURE			
Expenses	XV	279,493,915	281,736,476
Excess of Expenditure over Income On Experimental Estates	XVI	17,188,728	18,671,772
Depreciation		3,014,437	3,511,517
		<u>299,697,080</u>	<u>303,919,765</u>
Surplus/(Deficit) carried to Balance Sheet		<u>1,149,492</u>	<u>(9,276,209)</u>
Significant Accounting Policies	XVII		
Notes on Accounts	XVIII		

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: 25.09.2018

For Tea Research Association


Joydeep Phukan
Secretary


P.K. Bezboruah
Chairman



**SCHEDULES FORMING PART OF THE
BALANCE SHEET**(Rupees)
As at 31st March 2018 As at 31st March 2017**SCHEDULE-I
General Fund**

Balance as per last Account	(403,848,827)	(394,572,618)
Add:-Surplus/ (Deficit) for the year	<u>1,149,492</u>	<u>(9,276,209)</u>
	<u>(402,699,335)</u>	<u>(403,848,827)</u>

**SCHEDULE-II
Special Contribution Fund**

Balance as per last Account	56,485,578	56,611,130
Less:- Depreciation on Assets acquired for research	<u>9,189</u>	<u>11,216</u>
Depreciation on Assets acquired for Tocklai complex	<u>102,903</u>	<u>114,336</u>
	<u>112,092</u>	<u>125,552</u>
	<u>56,373,486</u>	<u>56,485,578</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	<u>148,509,661</u>	<u>148,509,661</u>
Less: Transferred to Fixed Assets	<u>148,509,661</u>	<u>148,509,661</u>
	<u>74,181,731</u>	<u>63,902,056</u>
	<u>136,850,494</u>	<u>147,130,169</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**As at 31st March
2018****As at 31st March
2017****Project Grants from Tea Board and others**

Balance as per last Account

326,280,471

302,409,127

Received during the year

32,977,896

23,218,110

Add: Interest on Savings Bank Account

409,509

653,234

Less: Accumulated Expenditure on Assets Acquired
Accumulated Expenditure on Projects

359,667,876

326,280,471

147,337,110

137,338,199

181,392,140

163,821,409

328,729,250

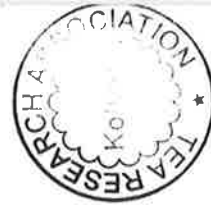
301,159,608

30,938,626

25,120,863

* Refer Schedule IVA for Project wise details.





SCHEDULES FORMING PART OF THE BALANCE SHEET

SCHEDULE- IVA SUMMARY OF EXTERNALLY FUNDED PROJECTS AS ON 31.03.2018							(Rupees)	
Project Title	Grant received till 31st March '2018 (including Interest)	Grant Received during the Year 17-18	Interest Earned during the Year 17-18	Accumulated Recurring Expenses	Accumulated Non-Recurring Expenses	Closing Balance as on 31st March, 2018		
RUNNING PROJECTS								
TEA BOARD PROJECTS								
TEA MUSEUM (TTRI)	513,515	-	754	7,317	546,884	(39,932)		
TEA BOARD - 12TH. PLAN DEVELOPMENT OF NEW CLONES (NBRDDC)	1,269,692	550,000	3,044	925,973	463,511	433,252		
TEA BOARD - 12TH. PLAN DEVELOPMENT OF NEW CLONES (TTRI)	1,605,045	1,012,000	6,993	2,320,079	465,337	(161,378)		
TEA BOARD - 12TH. PLAN APPROACHES ON ENHANCING QUALITY (TTRI)	659,038	386,000	2,365	1,000,797	231,475	(184,869)		
TEA BOARD - 12TH. PLAN DEVELOPMENT OF MACHINES (TTRI)	3,415,917	-	2,629	284,754	1,386,539	1,747,253		
NTRF PROJECTS								
NTRF-A STUDY ON TREND OF PRODUCTIVITY... (TTRI)	622,616	330,437	3,643	697,468	264,997	(5,769)		
NTRF- DEVELOPMENT OF INFRARED... (TTRI)	553,251	425,355	4,949	974,728	-	8,827		
NTRF- DEVELOPMENT OF CLONES FOR PROD. OF PURPLE TEA (TTRI)	675,400	-	1,354	870,274	-	(193,520)		
NTRF- IMPACT ANALYSIS ON CHANGING WEATHER... (TTRI)	1,050,700	413,539	2,372	731,388	594,000	141,223		
NTRF-K-MINERALS... (TTRI)	445,108	427,110	4,145	739,536	-	136,827		
NTRF-SENSITIVITY OF TEA LOOPER... (TTRI)	1,286,100	-	1,590	966,090	520,488	(198,888)		
NTRF- STUDIES ON IMPACT OF ELEVATED CARBON DIOXIDE... (TTRI)	433,400	-	897	431,197	-	3,100		
NTRF-SURVEY AND DOCUMENTATION OF SOIL... (TTRI)	558,482	364,417	4,163	747,476	95,322	84,265		
NTRF TEA GENOME SEQUENCING PROJECT (TTRI)	-	1,127,700	24,049	844,411	-	307,338		
NTRF-STUDIES ON PROSPECTIVE OF MICROBIAL BIOCIDES (TTRI)	-	5,000,000	6	20,286	-	4,979,720		
DBT PROJECTS:								
DBT-EXPLORATION OF PLANT GROWTH (TTRI)	1,709,783	635,389	5,806	1,584,414	629,117	137,447		
DBT-U-EXCEL- A STUDY OF ALUMINIUM DETOXIFICATION (UA)	-	11,106,000	227,747	539,316	7,548,163	3,246,268		
DST PROJECTS:								
DST - EVALUATION OF CARBON DIOXIDE (TTRI)	2,261,120	300,000	934	806,853	1,393,935	361,266		
DST - EVALUATION SYST (TTRI)	1,629,834	500,000	4,470	1,126,086	972,736	35,482		
DST - SERB NATIVE PHYTATE SOLUBILIZING BACTERIAL ST (TTRI)	2,245,609	500,000	5,084	1,833,061	230,524	687,108		
DST - GREEN TEA (NBRDDC)	957,000	-	21,412	583,875	407,330	(12,793)		
DST-SERB ECR- EVALUATION OF TEA GERMPASM... (TTRI)	1,244,202	500,000	4,967	923,240	658,494	167,435		
OTHER PROJECTS:								
INDO SOUTH AFRICA PROJECT (UAS)	2,777,240	-	-	2,685,182	-	92,058		
CRS - BIRAC (NBRDDC)	2,759,181	475,000	13,452	2,025,064	1,203,123	19,446		
NPV - DEVELOPMENT OF AN ARTIFICIAL DIET FOR LOOPER (NBRDDC)	813,064	1,205,190	6,945	1,360,204	489,243	175,752		
SREC- NUTRIGATION IN MATURE TEA (NBRDDC)	400,000	-	-	262,397	-	137,603		
TEA DUS CENTRE (TTRI)	561,642	325,000	2,653	623,377	-	265,918		
CABI - COLLABORATIVE PROJECT (TTRI)	7,376,749	2,619,647	13,778	8,675,294	706,413	628,467		
BIO SAT (ANULEKH) PROJECT (TTRI)	200,000	200,000	1,271	270,626	-	130,645		
GREEN BAY PROJECT (TTRI)	287,500	-	-	177,811	-	109,689		
TRA-BIRAC EXPLOITATION OF TEA... (TTRI)	1,288,070	829,000	7,686	648,407	103,499	1,372,850		
EID PARRY - DEVELOPMENT OF BIO FORMULATION... (NBRDDC)	610,000	399,600	-	1,029,166	-	(19,566)		
RIL - EFFECT OF RALLIES GEO GREEN ON GROWTH (TTRI)	682,000	577,200	2,012	263,497	-	420,515		
GRV ORGANO (KURBENTO) NBRDDC	-	1,030,400	2,493	269,522	-	310,171		
RATCHET-A MULTIPLICATION STUDY OF FOLIAR GROWTH (NBRDDC)	-	971,189	-	136,059	-	894,341		
EFFECT OF POLY 4 (NBRDDC)	-	-	-	-	-	971,189		
VARSHA BIOSCIENCE (NBRDDC)	-	-	-	30,000	-	(30,000)		
UNILIVER PROJECT- GENETIC FINGERPRINTING (TTRI)	-	500,000	1,276	250,241	-	251,035		
TOTAL RUNNING PROJECTS (A) :-	40,891,258	32,710,173	384,938	37,665,465	18,911,130	17,409,773		
TOTAL CLOSED PROJECTS (B) :-	285,389,213	267,723	24,571	143,726,675	128,425,980	13,528,853		
Grand Total (A+B) :-	326,280,471	32,977,896	409,509	181,392,140	147,337,110	30,938,626		
Previous Year Total :-	302,409,127	23,218,110	653,234	163,821,409	137,338,199	25,120,863		

*Refer schedule VIII



Tea Research Association									
(Figures in Rupees)									
PARTICULARS	COST			DEPRECIATION			NET BLOCK		
	Balance as on 01.04.17	Addition during the year	Disposal during the year	Balance as on 01.04.17	For the year	Disposal during the year	Balance as on 31.03.18	Balance as on 31.03.18	Balance as on 31.03.17
Freehold Land (Note 1)	618,897	-	-	-	-	-	618,897	618,897	618,897
Building (Free Hold) (Note 2)	159,363,581	-	-	87,814,668	7,154,893	-	94,969,561	64,394,020	71,548,912
Equipment and Machinery	68,100,977	383,058	-	52,650,526	3,166,702	-	55,817,228	12,666,807	15,450,451
Electric, Water and Telephone	37,602,907	68,565	-	27,561,666	2,021,961	-	29,583,627	8,087,845	10,041,241
Furniture and Fittings	14,851,654	5,500	-	8,642,330	621,482	-	9,263,812	5,593,342	6,209,324
Vehicle (Note 3)	13,601,688	-	-	11,395,858	441,166	-	11,837,024	1,764,664	2,205,830
Total (A)	294,139,704	457,123	-	188,065,048	13,406,204	-	201,471,252	93,125,575	106,074,655
Previous Year	294,430,990	207,614	498,900	172,965,479	15,564,185	464,616	188,065,048	106,074,655	

Notes

- 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.3,201,765 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 1. and 2 of Schedule XVIII
- Vehicles include taken on loan;
 - Gross Book value Rs 1,608,994/- (Outstanding loan amount Rs. 168,430/- previous year Rs.350,303/-)
 - Net Block value Rs.527,235/- (Previous Year Rs.659,044/-)
- Gross Book value includes value of fixed assets acquired out of Special Contribution Fund

	31.03.2018	31.03.2017
	(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
- Gross Book value includes value of fixed assets acquired out of Centenary Fund

	31.03.2018	31.03.2017
	(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
Total	148,509,661	148,509,661



6. Depreciation Details

	31.03.2018	31.03.2017
	(Rs)	(Rs)
Depreciation	13,406,204	15,564,185
Less: Transferred to Funds		
Special Contribution Fund (Schedule II)		
- For Research	9,189	11,216
- For Tocklai	102,903	114,336
TRA Centenary (Schedule IIIA)	10,279,675	11,927,116
Depreciation as per Income & Expenditure Account	3,014,437	3,511,517



	As at 31st March 2018	(Rupees)	As at 31st March 2017
SCHEDULE-VI			
Inventories			
(at lower of cost and net realisable value)			
Publication	1,916,083		1,896,759
Foodstuff	210,042		245,880
Others (Including Cement, Diesel and Coal)	123,837		217,602
	<u>2,249,962</u>		<u>2,360,241</u>
SCHEDULE-VII			
Receivables			
(Unsecured)			
Considered good	94,080,885	131,167,650	
Considered doubtful	<u>30,241,521</u>	<u>27,820,026</u>	
	124,322,406	158,987,676	
Less:- Provision for doubtful receivables	<u>30,241,521</u>	<u>27,820,026</u>	<u>131,167,650</u>
	<u>94,080,885</u>	<u>94,080,885</u>	<u>131,167,650</u>
SCHEDULE-VIII			
Cash and Bank Balances			
Cash in Hand	161,357		150,436
Cash at Bank			
- on Current Account (Notes 1 and 2)	46,496,538		25,207,808
- on Savings Account	42,099,001		1,115,881
- on Fixed Deposit Account			
	<u>88,756,896</u>		<u>26,474,125</u>

Note 1: Includes Rs 75,216 /-(Previous year Rs.75,865/-) which can be utilised only after obtaining approval from Tea Board

Note 2: Includes Rs 137,06,703/- (Previous year Rs. 3,035,279/-) In respect of running projects and Rs 91,137/- (Previous year Rs 363,806/-) in respect of projects closed.



**SCHEDULES FORMING PART OF THE
BALANCE SHEET**

	(Rupees)	
	As at 31st March 2018	As at 31st March 2017
SCHEDULE-I-IX		
Advances		
Considered Good		
Advances recoverable in cash or in kind or for value to be received	6,197,400	4,431,912
Tax Deducted at source	<u>1,519,832</u>	<u>1,272,720</u>
	<u>7,717,232</u>	<u>5,704,632</u>
SCHEDULE-X		
Deposits		
Deposits (Considered good)	511,396	511,396
	<u>511,396</u>	<u>511,396</u>
SCHEDULE-XI		
Sundry Creditors		
Employee related liabilities	25,583,816	27,462,761
Liability for retired employees	82,430,866	70,330,043
Statutory Liabilities	33,960,172	34,419,522
Others *	<u>96,602,696</u>	<u>101,775,252</u>
	<u>238,577,550</u>	<u>233,987,577</u>
* Includes		
(a) Car loan secured by hypothecation of vehicles Rs.168,430/- (Previous year Rs.350,303/-)		
(b) 6th Pay commission arrear liability of Rs. 6,146,851/- (Previous year Rs. 6,211,851/-)		
SCHEDULE-XII		
Provisions		
Provision for Gratuity*	146,281,424	133,725,145
Provision for Leave Encashment*	80,098,701	79,671,194
	<u>226,380,125</u>	<u>213,396,339</u>

* Includes provision for gratuity for garden workers at the two experimental estates amounting to Rs.16,373,886/- (Previous year Rs. 17,451,504 /-).

Includes provision for leave encashment for garden workers at the two experimental estates amounting to Rs. 530,418/- (Previous year Rs. 620,656/-).



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

	For the year ended 31st March 2018	For the year ended 31st March 2017
SCHEDULE-XIII		
Subscription		
Ordinary Membership	157,751,304	138,597,211
Associate Membership	2,628,715	1,891,500
	<u>160,380,019</u>	<u>140,488,711</u>
SCHEDULE-XIV		
Other Income		
Sale of Green leaf from Experimental Plots (Other than Tocklal)	2,561,592	2,751,281
Sale of Plants	800	-
Sale of Clones	368,678	281,528
Sale of Seeds	96,800	-
Sale of Publication	187,461	224,855
Advisory Service fees	102,232	23,200
Testing Fees (Net of expenditure Rs. 312,886/-, P.Y Rs. 106,750/-)	18,273,258	30,122,534
Training Fees (Net of expenditure Rs. 4,537,621/-, P.Y Rs. 3,067,056/-)	7,258,835	10,311,355
House Rent	936,188	1,313,144
Profit on sale of Assets	-	146,816
Sundry Receipts	2,734,514	1,596,200
Guest House Receipt (Net)	624,865	352,868
Royalty	1,309,400	849,600
Sundry credit balance written back	571,773	984,981
Interest on Fixed Deposits (Gross)	13,487	16,892
Interest on Savings Account (Gross)	275,356	285,490
	<u>35,315,239</u>	<u>49,260,744</u>



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

(Rupees)

	For the year ended 31st March 2018	For the year ended 31st March 2017
SCHEDULE-XV		
Expenses		
Salary,wages and bonus	189,094,482	189,896,377
Contribution to Provident and other funds	15,112,874	14,462,534
Gratuity (Note 1)	24,487,701	14,416,751
Leave Encashment (Note 2)	6,664,762	13,906,943
Welfare and training expenses	820,512	734,131
Medical expenses	5,162,153	7,171,968
Consumption of stores & chemicals	2,419,061	3,590,646
Power and fuel	9,646,876	10,084,370
Repairs and renewals	3,579,377	4,237,218
General maintenance	2,717,776	3,439,155
Printing,Stationery and Publication	882,418	1,051,649
Postage,Telegram,Telex and Telephone	1,165,773	1,293,941
Travelling and Conveyance	2,771,230	3,267,101
Professional Charges	1,120,894	1,991,275
Audit fees and Expenses	590,000	495,600
Insurance	389,645	391,038
ASC Seminar etc	662,616	540,196
Patent fees and Expenses	47,616	30,384
Council of Management meeting expenses	185,467	596,184
Rent, Rates and Taxes	878,663	1,262,382
Books and Periodicals	156,818	110,170
Interest on Car loan	25,727	42,919
Provision for Doubtful Debts	2,421,495	2,402,476
Rebate on timely collection of subscription	6,008,864	5,113,499
Miscellaneous Expenses	2,481,115	1,207,569
	<u>279,493,915</u>	<u>281,736,476</u>

Note 1 Includes Provision for gratuity of Rs. 136,33,897/- (Previous year Rs 2,004,482 /-)

Note 2 Includes Provision for leave encashment of Rs. 517,745 /-(previous year Rs 4,232,683 /-)



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

(Rupees)

	For the year ended 31st March 2018	For the year ended 31st March 2017
SCHEDULE-XVI		
Expenses on Experimental Estates		
Salary,Wages and Bonus	22,071,145	22,418,347
Contribution to Provident and other funds	2,380,399	2,468,108
Gratuity	322,790	4,218,731
Leave Encashment	-	86,070
Welfare and training expenses	2,849,911	2,660,869
Medical Expenses	92,312	248,485
Consumption of stores and Chemicals	281,960	811,417
Power and Fuel	60,354	149,767
Repairs and Renewals	9,350	64,445
General Maintenance	50,817	25,479
Printing,Stationery and Publication	15,133	16,855
Travelling Exp.	-	16,320
Insurance	-	3,392
Legal & Professional Exp.	-	8,360
Rent, Rates and Taxes	169,488	214,860
Miscellaneous	262,662	18,344
	<u>28,566,321</u>	<u>33,429,849</u>
Income from Experimental Estates		
Sale of green leaf (At Tocklai)	10,131,147	14,635,842
Sale of Clones	75,400	117,850
Sale of Plants	1,850	2,500
Miscellaneous Receipts	1,169,196	1,885
	<u>11,377,593</u>	<u>14,758,077</u>
Excess of Expenditure over Income on experimental estates.	<u>17,188,728</u>	<u>18,671,772</u>

Note: Provision no longer required for gratuity Rs.1,077,618/- (Previous year provision Rs 2,791,392) and for Leave encashment Rs. 90,238 have been included in Miscellaneous Receipts.



SCHEDULE - XVII

SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31st MARCH 2018

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 - XVIII

NOTES ON ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2018

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. Due to continuation of severe fund crunch situation arising out of delay in receipt of Grants-in-aid as well as other receivables, Provident Fund arrears as on 31st March, 2018, aggregating Rs 28,571,140/- have subsequently been deposited in April 2018.
4. 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.
5. 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.
6. Principal actuarial assumptions as per actuarial valuation as on 31st March, 2018 in respect of Defined Employee Benefit Schemes -

Description	Gratuity		Leave Encashment	
	2017-18	2016-17	2017-18	2016-17
Financial assumptions:				
Discounting rate (per annum)	7.50%	7.10%	7.50%	7.10%
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.

7. 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.
8. Figures for the previous year have been rearranged/ regrouped wherever necessary.

For Tea Research Association


Joydeep Phukan

Secretary


P K Bezboruah

Chairman

