

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 March 31, 2020 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 March 31, 2020, and its surplus 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 surplus 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 as of March 31, 2020, the Association has an accumulated loss of Rs 45,65,43,029/- and as on that date, its current liabilities exceeded its current assets by Rs. 39,84,772/-. Provident Fund dues in respect of certain employees of the Association was not deposited and as on March 31, 2020 an amount of Rs 26,025,413/- was lying outstanding, out of which 21,102,133/- have subsequently been deposited till November 2020 and the balance Rs 49,23,280 have not been deposited with the appropriate authority till date. These events or conditions, along with other matters as set forth in Note 3 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 twelve 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 twelve months from the Balance Sheet date, which is not wholly within the control of the Association.

The Association's Management has prepared these financial statements on 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, 28 December, 2020

UDIN 20054110AAAAGO9379

BALANCE SHEET AS AT 31ST MARCH 2020

(Rupees)

	Schedule	As at 31st March 2020	As at 31st March 2019
SOURCES OF FUND			
(1) (a) General Fund	I	(45,65,43,029)	(45,89,10,524)
(b) Special Contribution Fund	II	5,61,83,767	5,62,73,329
(c) Capital Reserve	III	21,000	21,000
(d) TRA Centenary Fund	IIIA	12,02,54,463	12,79,62,569
(2) Project Grants from Tea Board and others	IV	10,22,28,939	8,17,49,529
		(17,78,54,860)	(19,29,04,097)

APPLICATION OF FUND

(1) Fixed Assets	V	8,03,43,591	8,43,43,754
(2) Current Assets, Loans and Advances			
(a) Inventories	VI	20,79,824	20,29,374
(b) Receivables	VII	11,69,50,142	15,04,75,986
(c) Cash and Bank Balances	VIII	20,87,36,055	9,01,38,865
(d) Advances	IX	2,93,92,234	1,49,75,375
(e) Deposits	X	10,85,229	6,11,396
		35,82,43,484	25,82,30,996
(3) Non Current Liabilities			
(a) Borrowings	XI	12,02,872	15,68,494
(b) Sundry Creditors	XII	2,66,11,888	3,90,94,371
(c) Provisions	XIII	22,63,98,919	21,51,00,442
		25,42,13,679	25,57,63,307
(4) Current Liabilities			
(a) Borrowings	XI	3,65,166	3,32,261
(b) Sundry Creditors	XII	33,34,27,906	23,70,22,658
(c) Provisions	XIII	2,84,35,184	4,23,60,621
		36,22,28,256	27,97,15,540
Net Current Liabilities		(39,84,772)	(2,14,84,544)
		(17,78,54,860)	(19,29,04,097)

Significant Accounting Policies
Notes on Accounts

XVIII
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: 28 December 2020

For Tea Research Association

Joydeep Phukan
Secretary

P.K. Bezboruah
Chairman



**INCOME AND EXPENDITURE ACCOUNT FOR THE
YEAR ENDED 31ST MARCH, 2020**

	Schedule	(Rupees)	
		For the year ended 31st March 2020	For the year ended 31st March 2019
INCOME			
Grant in aid from Tea Board		11,55,97,957	10,46,31,527
Subscription	XIV	18,80,82,082	18,88,74,569
Other Income	XV	<u>3,93,56,691</u>	<u>3,30,75,866</u>
		<u>34,30,36,730</u>	<u>32,65,81,962</u>
EXPENDITURE			
Expenses	XVI	31,66,23,245	37,17,20,070
Excess of Expenditure over Income On Experimental Estates	XVII	1,97,98,524	2,06,28,852
Depreciation		42,47,466	31,75,585
		<u>34,06,69,235</u>	<u>39,55,24,507</u>
Surplus/(Deficit) carried to Balance Sheet		<u>23,67,495</u>	<u>(6,89,42,545)</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: 28 December 2020



For Tea Research Association

Joydeep Phukan
Joydeep Phukan
Secretary

P.K. Bezboruah
P.K. Bezboruah
Chairman



**SCHEDULES FORMING PART OF THE
BALANCE SHEET**

	(Rupees) As at 31st March 2020	As at 31st March 2019
SCHEDULE-I General Fund		
Balance as per last Account	(45,89,10,524)	(40,26,99,335)
Add:- Transfer of fully completed and closed project from "Project grants from Tea Board and Others" *	-	1,27,31,356
Add:-Surplus/ (Deficit) for the year	<u>23,67,495</u>	<u>(6,89,42,545)</u>
	<u>(45,65,43,029)</u>	<u>(45,89,10,524)</u>

* Refer Schedule XIX

**SCHEDULE-II
Special Contribution Fund**

Balance as per last Account	5,62,73,329	5,63,73,486
Less:- Depreciation on Assets acquired for research	<u>6,211</u>	<u>7,545</u>
Depreciation on Assets acquired for Tocklai complex	<u>83,351</u>	<u>92,612</u>
	<u>89,562</u>	<u>1,00,157</u>
	<u>5,61,83,767</u>	<u>5,62,73,329</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-III A
TRA CENTENARY FUND**

Fund as per last Account	12,79,62,569	13,68,50,494
Less:- Depreciation on assets acquired	<u>77,08,106</u>	<u>88,87,925</u>
	<u>12,02,54,463</u>	<u>12,79,62,569</u>

Note 1: TRA centenary fund received from the Ministry of Commerce and Industry in earlier years was Rs. 21,10,32,225 (Including interest) out of which accumulated expenditure is Rs. 14,85,09,661 till 31st March, 2020 (31st March, 2019 Rs. 14,85,09,661)

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
2020****As at 31st March
2019****Project Grants from Tea Board and others**

Balance as per last Account

Received during the year *

Add: Interest on Savings Bank Account *

8,17,49,529

12,44,90,358

3,48,530

3,09,38,626

9,75,85,032

10,58,282

20,65,88,417

12,95,81,940

Less: Expenditure on Assets Acquired *

Expenditure on Projects *

9,05,53,686

1,38,05,792

1,59,69,312

1,91,31,743

10,43,59,478

3,51,01,055

10,22,28,939

9,44,80,885

Less: Balance of project fully completed and closed
transferred to General Fund**

10,22,28,939

1,27,31,356

8,17,49,529

* Refer Schedule IVA for Project wise details.

** Refer Schedule XIX



SCHEDULES FORMING PART OF THE BALANCE SHEET

SCHEDULE- IVA SUMMARY OF EXTERNALLY FUNDED PROJECTS AS ON 31.03.2020							(Rupees)
Project Title	Grant received till 31st March'2019(includin g Interest)	Grant Received during the Year 19- 20	Interest Earned during the Year 19- 20	Accumulated Recurring Expenses	Accumulated Non- Recurring Expenses	Closing Balance as on 31st March, 2020	
RUNNING PROJECTS							
TEA BOARD PROJECTS							
TEA MUSEUM (TTRI)	5,15,115	-	758	7,317	5,46,884	(38,328)	
NTRF PROJECTS							
NTRF- STUDIES ON IMPACT OF ELEVATED CARBON DIOXIDE..... (TTRI)	8,49,764	2,78,300	2,424	12,05,602	-	(75,114)	
NTRF TEA GENOME SEQUENCING PROJECT (TTRI)	21,43,098	15,63,827	23,679	23,47,445	6,70,840	7,12,319	
NTRF- STUDIES ON PROSPECTIVE OF MICROBIAL BIOCIDES (TTRI)	51,40,429	24,91,608	22,398	9,37,747	49,77,294	17,39,394	
NTRF- DRAUGHT STRES MANAGEMENT IN TEA - TTRI	5,23,775	-	6,513	5,16,932	47,411	(34,055)	
NTRF-PYRROLIZIDINE ALKALOIDS IN TEA - TTRI	20,22,209	-	23,722	17,62,684	-	2,83,247	
NTRF- DEVELOPMENT OF BIOTRANSFORMATIONAL AND NON CHEM BASED IPM (TTRI)	-	14,12,200	15,342	3,46,807	-	10,80,735	
NTRF- DEVELOPMENT OF POLYCLONAL AND RECOMBINENT MONOCLONAL (TTRI)	-	21,51,600	12,090	16,83,592	-	4,80,098	
DBT PROJECTS:							
DBT-U-EXCEL- A STUDY OF ALUMINIUM DETOXIFICATION (UA)	1,13,76,989	10,85,500	24,971	27,40,503	92,40,596	5,06,361	
DBT UNDERSTANDING THE MACHANISM (TTRI)	-	25,23,796	35,805	3,00,019	-	22,59,582	
DST PROJECTS:							
DST - GREEN TEA (NBRDC)	15,39,250	5,84,600	(12,869)	16,97,956	4,16,987	(3,962)	
OTHER PROJECTS:							
TEA DUS CENTRE (TTRI)	8,93,402	5,03,006	6,017	12,97,171	-	1,05,254	
RIL- EFFECT OF RALLIES GEO GREEN ON GROWTH (TTRI)	13,85,908	2,97,360	13,617	10,26,030	-	6,70,855	
EFFECT OF POLY 4 (NBRDC)	20,50,161	11,09,937	31,840	11,06,853	-	20,85,085	
AGRINOS- YIELD INCREASE IN DARJEELING TEA - NBRDC	1,00,000	6,47,780	-	4,35,979	-	3,11,801	
DAE DEVELOPMENT OF IMPROVED PLANTING MATERIALS IN TEA - TTRI	14,37,464	-	7,834	6,40,139	7,09,614	95,545	
DHR-EVALUATION OF ANTI FLAVIVIRUS ACTIVITY - TTRI	9,38,456	8,72,343	16,851	5,32,262	9,14,090	9,14,090	
GOVT. OF ASSAM- TRAINING AND RESEARCH CENTRE FOR STG - TTRI	6,86,23,678	10,20,19,081	1,49,408	-	9,63,88,961	7,44,03,206	
SILK BOARD- STD.OF PROCESSING AND PROD. OF BEVERAGES (TTRI)	-	10,66,125	-	-	-	10,66,125	
ACARDIAN (NBRDC)	-	7,01,800	-	-	-	7,01,800	
TWINNING PROJECT (UA)	-	34,92,760	46,951	1,21,864	-	34,17,847	
TOTAL RUNNING PROJECTS (A) :-	9,95,39,698	12,28,01,623	4,27,351	1,85,55,938	11,35,30,849	9,06,81,885	
CLOSED PROJECTS							
TOTAL CLOSED PROJECTS (B) :-	8,48,97,960	16,88,735	(78,821)	6,01,20,568	1,48,40,252	1,15,47,055	
Grand Total (A+B) :-	18,44,37,658	12,44,90,358	3,48,530	7,86,76,506	12,83,71,101	10,22,28,940	
Previous Year Total :-	35,96,67,876	9,75,85,032	10,58,282	20,05,23,893	16,33,06,422	9,44,80,885	
Refer schedule VIII							

*Refer schedule VIII





SCHEDULE FORMING PART OF THE BALANCE SHEET

(Figures in Rupees)

SCHEDULE V
Fixed Assets

PARTICULARS	COST		DEPRECIATION		NET BLOCK	
	Balance as on 01.04.19	Addition during the year	Disposal during the year	Balance as on 31.03.20	Balance as on 31.03.20	Balance as on 31.03.19
Land (Note 1)	6,18,897	-	-	6,18,897	-	6,18,897
Building (Free Hold) (Note 2)	15,93,63,581	-	-	15,93,63,581	10,14,08,964	5,21,59,154
Equipment and Machinery	6,92,46,822	79,91,500	-	7,72,38,322	5,84,93,942	1,49,95,504
Electric, Water and Telephone	3,77,35,163	91,513	-	3,78,26,676	3,12,13,934	65,21,229
Furniture and Fittings	1,50,10,188	71,166	1,66,449	1,49,14,905	98,38,449	51,71,739
Vehicle (Note 3)	1,59,92,514	-	-	1,59,92,514	1,26,68,122	33,24,392
Total (A)	29,79,67,165	81,54,179	1,66,449	30,59,54,895	21,36,23,411	8,43,43,754
Previous Year	29,45,96,827	33,84,898	14,560	29,79,67,165	20,14,71,251	9,31,25,576

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. 2,047,302/- (Previous year Rs. 2,047,302/-) on leasehold land.

2. (B) Also refer to notes 1 and 2 of Schedule XIX

3. Vehicles include taken on loan:

(a) Gross Book value Rs. 2,390,826/- (Previous year Rs. 2,390,826/-) Outstanding loan amount Rs. 1,568,038/- previous year Rs. 1,900,755/-

(b) Net Block value Rs. 1,530,128/- (Previous year Rs. 1,912,661/-)

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

	(Rs)	(Rs)
Building (Free Hold)	1,03,64,469	1,03,64,469
Equipment and Machinery	43,78,483	43,78,483
Furniture and Fittings	90,431	90,431
Vehicle	34,352	34,352
Total	1,48,67,735	1,48,67,735

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

	(Rs)	(Rs)
Building (Free Hold)	10,30,00,921	10,30,00,921
Electric, Water and Telephone	1,57,83,993	1,57,83,993
Furniture and Fittings	62,98,064	62,98,064
Equipment and Machinery	2,34,26,683	2,34,26,683
Total	14,85,09,661	14,85,09,661

6. Depreciation Details

	31.03.2020	31.03.2019
	(Rs)	(Rs)
	1,20,45,134	1,21,63,667

Depreciation

Less: Transferred to Funds

Special Contribution Fund (Schedule II)

- For Research

- For Tockial

TRA Centenary (Schedule IIIA)

Depreciation as per Income & Expenditure

Account

	6,211	7,545
	83,351	92,612
	77,08,106	88,87,925
Total	42,47,466	31,75,585

**SCHEDULES FORMING PART OF THE
BALANCE SHEET**

(Rupees)

**As at 31st March
2020****As at 31st March
2019****SCHEDULE-VI****Inventories**

(at lower of cost and net realisable value)

Publication	19,84,890		18,96,372
Foodstuff	37,788		55,837
Others (including Cement, Diesel and Coal)	57,146		77,165
	<u>20,79,824</u>		<u>20,29,374</u>

SCHEDULE-VII**Receivables**

(Unsecured)

Considered good	11,69,50,142	15,04,75,986	
Considered doubtful	5,02,79,836	3,32,40,783	
	<u>16,72,29,978</u>	<u>18,37,16,769</u>	
Less:- Provision for doubtful receivables	5,02,79,836	3,32,40,783	15,04,75,986
	<u>11,69,50,142</u>	<u>15,04,75,986</u>	

SCHEDULE-VIII**Cash and Bank Balances**

Cash In Hand	2,18,646		1,40,082
Cash at Bank			8,08,38,844
- on Current Account (Notes 1 and 2)	20,34,18,406		91,59,939
- on Savings Account	50,99,003		
	<u>20,87,36,055</u>		<u>9,01,38,865</u>

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

Note 2: Includes Rs. 8,77,20,755/- (Previous year 65,123,303/-) in respect of running projects and Rs. 784,474/- (Previous year Rs. 873,516/-) in respect of project closed.



**SCHEDULES FORMING PART OF THE
BALANCE SHEET**(Rupees)
**As at 31st March
2020****As at 31st March
2019****SCHEDULE-I-X****Advances**

Considered Good

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

2,75,34,171

1,31,39,421

18,58,063

18,35,954

2,93,92,234

1,49,75,375

SCHEDULE-X**Deposits**

Deposits (Considered good)

10,85,229

6,11,396

10,85,229

6,11,396

SCHEDULE-XI**Borrowings**

Loan from Yes Bank

Current

Non Current

Current

Non Current

3,65,166

12,02,872

3,32,261

15,68,494

3,65,166

12,02,872

3,32,261

15,68,494

(a) Car loan secured by hypothecation of vehicles

(b) Repayable in 45 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

6,67,15,395

-

5,31,44,976

-

11,20,11,836

-

8,25,65,410

-

6,28,14,070

-

5,15,29,354

-

9,18,86,605

2,66,11,888

4,97,82,918

3,90,94,371

33,34,27,906

2,66,11,888

23,70,22,658

3,90,94,371

* Includes

(a) 6th Pay commission arrear liability of Rs. 6,076,073/- (Previous year Rs 6,086,073/-)

(b) 7th Pay commission arrear liability of Rs. 21,067,236/- (Previous year Rs 21,067,236/-)

SCHEDULE-XIII**Provisions**Provision for Gratuity*
Provision for Leave Encashment*

Current

Non Current

Current

Non Current

2,00,05,245

14,40,86,242

2,70,51,961

13,73,14,095

84,29,939

8,23,12,677

1,53,08,660

7,77,86,347

2,84,35,184

22,63,98,919

4,23,60,621

21,51,00,442

* Includes provision for gratuity for garden workers at the two experimental estates amounting to Rs.1,73,43,594/- (Previous year Rs. 15,630,308 /-).

Includes provision for leave encashment for garden workers at the two experimental estates amounting to Rs.7,17,179/- (Previous year Rs. 684,978/-).



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

(Rupees)

**SCHEDULE-XIV
Subscription**

	For the year ended 31st March 2020	For the year ended 31st March 2019
Ordinary Membership	18,49,33,182	18,57,19,969
Associate Membership	31,48,900	31,54,600
	<u>18,80,82,082</u>	<u>18,88,74,569</u>

**SCHEDULE-XV
Other Income**

Sale of Green leaf from Experimental Plots (Other than Tocklai)	25,79,153	26,79,890
Sale of Plants	6,000	1,415
Sale of Clones	1,78,493	1,71,744
Sale of Seeds	78,500	44,400
Sale of Publication	2,06,107	1,69,435
Sale of Trichoderma	14,12,325	-
Advisory Service fees	81,300	1,18,200
Testing Fees	2,11,12,975	1,91,25,706
Training Fees	49,98,805	52,76,545
Income (Net) from 35th. Tocklai Conference	-	3,58,919
House Rent	5,57,656	11,34,294
Sundry Receipts	56,72,316	21,51,175
Guest House Receipt (Net)	2,97,476	5,28,525
Royalty	6,49,850	5,39,900
Sundry credit balance written back	10,76,296	2,12,769
Interest on other deposit	4,341	-
Interest on Savings Account(Gross)	4,45,098	5,62,949
	<u>3,93,56,691</u>	<u>3,30,75,866</u>



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

(Rupees)

**For the year
ended 31st
March
2020****For the year
ended 31st
March
2019****SCHEDULE-XVI****Expenses**

Salary, wages and bonus	21,35,72,544	23,46,29,106
Contribution to Provident and other funds	1,34,36,794	1,49,18,048
Gratuity (Note 1)	1,64,35,028	4,17,88,010
Leave Encashment (Note 2)	1,00,69,609	2,81,32,256
Welfare and training expenses	9,20,621	8,73,706
Medical expenses	75,95,581	64,56,933
Consumption of stores & chemicals	29,46,304	31,39,851
Power and fuel	96,44,403	77,37,711
Repairs and renewals	29,66,951	38,34,229
General maintenance	24,69,114	25,38,516
Printing & Stationery	5,94,161	10,24,183
Publication	4,60,997	2,66,560
Postage & Communication Expenses	9,55,678	9,66,398
Travelling and Conveyance	37,70,397	32,66,250
Professional Charges	12,08,421	11,84,126
Audit fees and Expenses	5,90,000	6,18,228
Insurance	3,65,697	3,84,310
ASC Seminar etc	-	4,06,386
Patent fees and Expenses	32,000	64,000
Annual General Meeting Expenses	4,33,682	3,20,000
Council & Other meeting Expenses	4,83,869	1,91,223
Rent, Rates and Taxes	9,90,645	10,49,749
Books and Periodicals	1,53,161	1,02,975
Interest on Car loan	1,63,158	57,740
Provision for Doubtful Debts	1,81,07,037	29,99,261
Interest on PF Loan	24,94,750	15,71,067
Receivable written off	5,750	58,61,324
Assets written off	83,108	7,062
Rebate on timely collection of subscription	31,57,365	56,69,322
Miscellaneous Expenses	25,16,420	16,61,540
	<u>31,66,23,245</u>	<u>37,17,20,070</u>

Note 1 Net off provision for gratuity of Rs. 17,61,468/- written back (Previous year provision Rs. 188,28,210/-)

Note 2 Net off provision for leave encashment of Rs. 26,10,979/- written back (Previous year provision Rs. 128,41,746/-)



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

(Rupees)

**For the year
ended 31st
March
2020****For the year
ended 31st
March
2019****SCHEDULE-XVII****Expenses on Experimental Estates**

Salary, Wages and Bonus	2,44,95,247	2,48,54,194
Contribution to Provident and other funds	24,42,341	27,52,881
Gratuity	23,48,800	6,09,286
Leave Encashment	32,201	1,54,560
Welfare and training expenses	25,23,956	29,42,560
Medical Expenses	86,564	69,330
Consumption of stores and Chemicals	1,35,085	8,12,492
Power and Fuel	60,052	1,12,244
Repairs and Renewals	15,077	28,455
General Maintenance	3,033	22,530
Printing, Stationery and Publication	19,215	19,691
Postage and Telephone	1,040	-
Travelling and Conveyance	2,720	-
Insurance	3,350	-
Books & Journals	2,364	-
Miscellaneous	10,669	3,36,822
	<u>3,21,81,714</u>	<u>3,27,15,045</u>

Income from Experimental Estates

Sale of green leaf (At Tocklai)	1,16,21,705	1,07,74,260
Sale of Clones	6,02,275	1,57,700
Sale of Seeds	1,52,750	-
Sale of Plants	3,225	3,06,400
Miscellaneous Receipts	3,235	8,47,833
	<u>1,23,83,190</u>	<u>1,20,86,193</u>
Excess of Expenditure over Income on experimental estates.	<u>1,97,98,524</u>	<u>2,06,28,852</u>

Note: Gratuity include provision for gratuity of Rs.17,13,286/- (Previous year provision written back Rs. 743,578/-)



SCHEDULE - XVIII

SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31st MARCH 2020

1. **Basis of Accounting**

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

2. **Fixed 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 31st MARCH 2020

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. The Association had earlier taken a loan of Rs 2,51,00,000 from TRA Officers Provident Fund Trust. Amount outstanding as on 31 March 2020 stands at Rs 2,88,50,000/- (31st March 2019 Rs 2,93,50,000). Out of this, the Association has settled Rs 1,18,16,099/- subsequent to 31st March 2020.
4. As on 31st March, 2020 the Association has an accumulated loss of Rs 45,65,43,029/- (31st March 2019 : Rs 45,89,10,524/-) and as on that date, its current liabilities exceeded its current assets by Rs 39,84,772/-. (31st March 2019 : Rs 2,14,84,544/-).

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. As on 31st March 2020, an amount of Rs 3,93,12,683/- is yet to be received from The Tea Board. Due to such delay in receipt of Grants-in-aid, Provident Fund dues in respect of certain employees of the Association were not deposited with the appropriate authority and as on 31st March 2020 an amount of Rs 2,60,25,413/- (31st March 2019 : Rs 1,52,46,198/-) was outstanding in this respect, out of which Rs 2,11,02,133/- have subsequently been deposited in till November 2020 and the balance Rs 49,23,280/- have 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. (Also refer note 10 in Schedule XIX on Covid 19 impact on the Association).

However, Tea Board has considered sufficient amount for funding in their budget estimates for Research & Development in North East India, for the financial year 2020-21 which includes the balance payable for 2019-20 along with the grants payable to TRA in the financial year 2020-21. Moreover, The Ministry of Commerce, Government of India held a stakeholder meeting on 14 August 2019 at New Delhi wherein it was agreed that funding to tea research institutes like TRA & others will be continued for another 5 years till they become self-sufficient. There was a follow up meeting on 2 March 2020 at the Ministry wherein it was confirmed that the funding to research institutes would be carried forward for 5 years and asked Tea Board to include in their proposal for the next medium-term framework. Additionally, TRA has constituted 7 revenue generation verticals in 2019 like certification and overseas collaboration, training & skill development, educational courses on tea etc towards achieving its goal for self-sufficiency in the next few years.

The Research & Development center for small tea growers at Tocklai under the Assam Government project of was inaugurated by Assam Chief Minister on the 15th October 2020, which is expected to generate additional revenue from testing tea samples and training from the said newly created infrastructure.



Based on the above actions/measures that are currently underway, 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. During the year ended 31st March 2019, the unspent portion of grant received for projects which have been closed till 31st March 2017 amounting to Rs 1,27,31,356/- (net of excess spent over grant of Rs 49,45,202/-) was transferred to General Fund.
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, 2020 in respect of Defined Employee Benefit Schemes -

Description	Gratuity		Leave Encashment	
	2019-20	2018-19	2019-20	2018-19
Financial assumptions:				
Discounting rate (per annum)	6.40%	7.30%	6.40%	7.30%
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. Consequent to the nationwide lock down announced by Government of India due to COVID-19, the Association had been adversely impacted, by way of temporarily closure of its offices at all locations till 15th May 2020. Subsequently, the Association has resumed its operations, in strict compliance with the Government regulations, as applicable. On the basis of assessment done by the Association and based on the internal/ external sources of information and application of reasonable estimates, the Association has concluded that it does not foresee any significant incremental risk to the recoverability of its Trade Receivables or, in meeting its financial obligations over the foreseeable future and hence no material adjustments are required in the Financial Statements. Since the situation is continuously evolving, the impact assessed in future may be different from the estimates made as at the date of approval of these financial results. The Association will continue to closely monitor any material changes to future economic conditions due to uncertainties linked to COVID - 19, which may impact the above assessment.



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


Joydeep Phukan

Secretary

For Tea Research Association


P K Bezboruah

Chairman

