

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TEA RESEARCH ASSOCIATION

Qualified Opinion

We have audited the accompanying financial statements of Tea Research Association (the "Association" which comprise the Balance Sheet as at 31 March, 2022 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 possible effects of the matter described 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, 2022, and its deficit for the year ended on that date.

Basis for Qualified Opinion

As referred in note no 1 of Schedule XXIII to the financial statements, pending registration of deed of conveyance consequent to acquisition of entire activities of Tocklai Division of Cinnamara Tea Estate taken over by the Tea Research Association from Assam Tea Corporation Limited, no adjustments have been made in the books of the Association as regards property, plant and equipment taken over, depreciation thereon and for transfers 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 5 of Schedule XXIII to the financial statements, which explains that as of 31 March, 2022, the Association has an accumulated deficit of Rs. 466,030 ('000) and as on that date, its current liabilities exceeded its current assets by Rs 74,453 ('000). These events or conditions, along with other matters as set forth in the said note, 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 in the normal course of business within twelve months from the Balance Sheet date. However, 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

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 presentation of the financial statements in accordance with the aforesaid Accounting Standards and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and for such internal control as management determines is necessary for ensuring the accuracy and completeness of the accounting records and 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 for the Audit of the Financial Statements

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)



Abhijit Bandyopadhyay
Partner

(Membership No. 054785)
(UDIN: 22054785AXHLNB6024)

Kolkata, 28 September 2022

Tea Research Association
BALANCE SHEET AS AT 31ST MARCH 2022

(Rupees in '000)

	Schedule	As at 31st March 2022	As at 31st March 2021
Equities & Liabilities			
(1) (a) General Fund	I	(4,66,030)	(4,50,367)
(b) Special Contribution Fund	II	56,032	56,104
(c) Capital Reserve	III	21	21
(d) TRA Centenary Fund	IIIA	1,07,702	1,13,550
(2) Project Grants from Tea Board and others	IV	76,613	40,730
(3) Non Current Liabilities			
(a) Long Term Borrowings	V	362	802
(b) Long Term Provisions	VI	2,17,961	2,19,128
(4) Current Liabilities			
(a) Short Term Borrowings	V	440	401
(b) Trade Payables			
i) Total outstanding dues of MSME	VII	92,390	97,985
ii) Total Outstanding dues other than MSME	VIII	1,75,173	1,56,219
(c) Other Current Liabilities	VIII	1,75,173	1,56,219
(d) Short Term Provisions	VI	40,182	35,725
		3,00,846	2,70,298

Assets

(1) Non Current Assets			
(a) Property, Plant & Equipments	IX	64,190	70,958
(b) Loans and advances	X	1,836	2,008
(b) Other Non Current Assets	XI	1,088	1,076
(2) Current Assets			
(a) Inventories	XII	1,071	1,065
(b) Trade Receivables	XIII	1,27,220	81,289
(c) Cash and Bank Balances	XIV	97,587	1,07,416
(d) Short-term loans and advances	XV	7,854	6,486
		3,00,846	2,70,298

Significant Accounting Policies
Notes on Accounts

XXII
XXIII

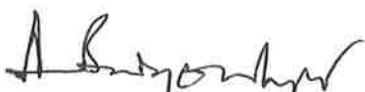
The Schedules referred to above form an integral part of the Financial Statements

In terms of our report attached

For Deloitte Haskins & Sells

Chartered Accountants

Firm's Registration Number: 302009E


Abhijit Bandyopadhyay
Partner



For Tea Research Association

 
Joydeep Phukan
Secretary

P.K. Bezboruah
Chairman

Place: Kolkata
Date: 28.09.2022

Place: Kolkata
Date: 28.09.2022

Place: Kolkata
Date: 28.09.2022



Tea Research Association

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDING 31ST MARCH, 2022

(Rupees in '000)

	Schedule	For the year ended 31st March 2022	For the year ended 31st March 2021
INCOME			
(i) Revenue From Operations	XVI	3,12,132	3,02,520
(ii) Other Income	XVII	33,967	34,292
Total Income		<u>3,46,099</u>	<u>3,36,812</u>
EXPENSES			
(i) Employee Benefit Expense	XVIII	2,85,666	2,42,227
(ii) Depreciation and Amortization	IX	3,551	3,676
(iii) Finance Cost	XIX	1,217	1,624
(iv) Net deficit on Experimental Estates	XX	25,066	26,464
(v) Other Expenses	XXI	46,262	56,645
Total Expense		<u>3,61,762</u>	<u>3,30,636</u>
Suplus/(Deficit) carried to Balance Sheet		<u>-15,663</u>	<u>6,176</u>
Significant Accounting Policies	XXII		
Notes on Accounts	XXIII		

The Schedules referred to above form an integral part of the Financial statements

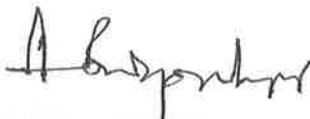
In terms of our report attached

For Deloitte Haskins & Sells

Chartered Accountants

Firm's Registration Number: 302009E

For Tea Research Association


Abhijit Bandyopadhyay
 Partner



Place: Kolkata
 Date: 28.09.2022

 
Joydeep Phukan **P.K. Bezboruah**
 Secretary Chairman

Place: Kolkata
 Date: 28.09.2022

Place: Kolkata
 Date: 28.09.2022



(Rupees in '000)

**SCHEDULE-I
General Fund**Balance as per last Account
Add:-Surplus/ (Deficit) for the yearAs at 31st March
2022As at 31st March
2021

(4,50,367)	(4,56,543)
(15,663)	6,176
<u>(4,66,030)</u>	<u>(4,50,367)</u>

**SCHEDULE-II
Special Contribution Fund**

Balance as per last Account

56,104

56,184

Less:- Depreciation on Property, Plant & equipment acquired for research
Depreciation on Property, Plant & Equipment acquired for Tocklai complex

4	5
68	75
72	80
<u>56,032</u>	<u>56,104</u>

Refer Schedule-IX for capital expenditure out of Special Contribution Fund.

**SCHEDULE-III
Capital Reserve**

Assessed value of land acquired by gift

21

21

**SCHEDULE-IIIA
TRA CENTENARY FUND**

Fund as per last Account

1,13,550

1,20,254

Less:- Accumulated Expenditure on TRA Centenary Fund
Less: Transferred to Property, Plant & Equipment

1,48,510	1,48,510
1,48,510	1,48,510

Less:- Depreciation on Property, Plant & Equipment acquired

5,848	6,704
<u>1,07,702</u>	<u>1,13,550</u>

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



SCHEDULE FORMING PART OF THE FINANCIAL STATEMENTS

(Rupees in '000)

SCHEDULE- IV**As at 31st March
2022****As at 31st March
2021****Project Grants from Tea Board and others**

Balance as per last Account	40,730	1,02,229
Received during the year *	53,272	12,827
Add: Interest on Savings Bank Account earned / (refunded)*	517	(764)
	94,519	1,14,292
Less: Expenditure on Property, Plant and Equipment Acquired *	3,504	59,083
Expenditure on Projects *	14,402	14,479
	17,906	73,562
	<u>76,613</u>	<u>40,730</u>

* Refer Schedule IVA for Project wise details.



SCHEDULE FORMING PART OF THE FINANCIAL STATEMENTS

SCHEDULE- IVA

SUMMARY OF EXTERNALLY FUNDED PROJECTS AS ON 31.03.2022

(Rupees in '000)

Project Title	Grant received till 31st March 2021 (including Interest)	Grant Received / (refunded) during the Year 21-22	Interest Earned / (refunded) during the Year 21-22	Accumulated Recurring Expenses	Accumulated Non-Recurring Expenses	Closing Balance as on 31st March, 2022
RUNNING PROJECTS						
TEA BOARD PROJECTS						
TEA MUSEUM (TTRI)	517	-	-	7	547	-38
*TEA BOARD - 12TH. PLAN DEVELOPMENT OF NEW CLONES (NBRRDC)	1,825	-	-	1,756	464	-393
*TEA BOARD - 12TH. PLAN DEVELOPMENT OF NEW CLONES (TTRI)	9,185	-	-	6,633	465	2,089
*TEA BOARD - 12TH. PLAN APPROACHES ON ENHANCING QUALITY (TTRI)	4,729	-	-	3,074	451	1,205
*TEA BOARD - 12TH. PLAN DEVELOPMENT OF MACHINES (TTRI)	10,885	-	-	4,711	1,459	4,716
NTRF PROJECTS						
NTRF TEA GENOME SEQUENCING PROJECT (TTRI)	4,191	157	-	4,047	671	-366
NTRF -STUDIES ON PROSPECTIVE OF MICROBIAL BIOCIDES (TTRI)	7,697	-	-	2,037	5,412	263
NTRF-DRAUGHT STRESS MANAGEMENT IN TEA - TTRI	1,022	164	-	1,309	73	-194
NTRF-PYROLIZIDINE ALKALOIDS IN TEA - TTRI	3,468	1,728	-	4,021	-	1,220
NTRF- DEVELOPMENT OF BIOTRANSFORMATIONAL AND NON CHEM BASED IPM (TTRI)	2,350	256	-	2,042	194	388
NTRF- DEVELOPMENT OF POLYCLONAL AND RECOMBINANT MONOCLONAL (TTRI)	3,941	-	-	3,193	-	783
HEAVY METAL IN TEA - KOLKATA	4,100	-	-	904	4,685	-1,489
DBT PROJECTS:						
DBT UNDERSTANDING THE MECHANISM (TTRI)	2,535	827	-	1,356	1,533	513
DBT DEVELOPMENT OF SUSTAINABLE AGRIL. PRACTICE FOR BIOTIC & ABIOTIC (NBRRDC)	-	1,548	-	-	-	1,548
DBT SUSTAINABLE MANAGEMENT OF TEA WASTE (NBRRDC)	-	3,763	-	-	-	3,763
DBT ISOLATION, IDENTIFICATION AND SYNTHESIS OF PHEROMONES (TTRI)	-	1,462	-	871	38	574
DBT MULTI-INSTITUTIONAL APPROACH ON DEVP. OF TECHNOLOGY DRIVEN BIO-INPUT PRODUCTION (TTRI)	-	2,010	-	-	-	2,017
DBT VALUE ADDITION AND PRODUCT DIVERSIFICATION (TTRI)	-	10,857	-	-	-	10,857
DBT GERMPLASM CHARACTERIZATION, GENOMICS ANALYSIS (TTRI)	-	3,454	-	-	-	3,454
DBT ESTABLISHING EFFICIENT PLATFORM FOR GENETIC ENGINEERING (TTRI)	-	2,479	-	-	-	2,479
DBT DEVP. OF SUSTAINABLE AGRIL. PRACTICE FOR BIOTIC AND ABIOTIC (TTRI)	-	7,196	-	-	-	7,196
DST PROJECTS:						
DST SERB ENRICHMENT OF CARBON POOL IN TEA SOILS (NBRRDC)	-	1,254	-	-	-	1,254
DST SERB UNREVEILING INTERACTION (NBRRDC)	-	1,422	-	22	-	1,400
DST-CCP- TASK FORCE ON HIMALAYAN AGRICULTURE- NMSHE (PHASE II)	-	602	-	10	-	594
OTHER PROJECTS:						
TEA DUS CENTRE (TTRI)	-	-	-	-	-	-
DAE DEVELOPMENT OF IMPROVED PLANTING MATERIALS IN TEA - TTRI	2,064	284	-	2,103	-	253
DHR-EVALUATION OF ANTI FLAVIVIRUS ACTIVITY - TTRI	2,157	738	-	1,835	710	358
GOVT. OF ASSAM- TRAINING AND RESEARCH CENTRE FOR STG - TTRI	1,841	857	-	981	999	671
SILK BOARD- STD. OF PROCESSING AND PROD. OF BEVERAGES (TTRI)	166,533	-	-	-	149,732	17,033
ACARDIAN (NBRRDC)	1,075	355	-	989	343	102
TWINNING PROJECT (UA)	1,404	-	-	1,346	-	57
IP1- Polysulphate (Poly halite) TTRI	3,510	707	-	3,700	48	534
TRA CLONAL SCREENING MINI FACTORY PROJECT (NBRRDC)	984	-	-	605	-	390
AJOY BIOTECH - EPN BASED BIOFIGHTER FORMULATION (TTRI)	-	1,112	-	-	1,403	-281
BPCL EVALUATION OF "MAK ADJUVOL" (TTRI)	-	420	-	-	-	414
FOOD TESTING LAB AT TTRI, TRA	-	1,014	-	52	-	963
ORGANIC TEA RESEARCH HUB AT TTRI, JORHAT (GOVT OF ASSAM)	-	-	-	2	-	-2
	-	8,000	-	8	-	7,992
TOTAL RUNNING PROJECTS (A) :-	236,013	52,667	483	47,618	169,227	72,318
CLOSED PROJECTS						
TOTAL CLOSED PROJECTS (B) :-	85,327	606	34	60,846	20,825	4,295
Grand Total (A+B) :-	321,340	53,272	517	108,463	190,052	76,613
Previous Year Total :-	309,277	12,827	-764	94,061	186,548	40,730



SCHEDULE FORMING PART OF THE FINANCIAL STATEMENTS

Tea Research Association
(Rupees in '000)As at 31st March
2022As at 31st March
2021**SCHEDULE-V****Borrowings (Secured)**

	Current	Non Current	Current	Non Current
Loan from Yes Bank	440	362	401	802
	440	362	401	802

(a) Car loan secured by hypothecation of vehicles

(b) Repayable in 21 monthly equal installments of Rs 41 ('000)

SCHEDULE-VI**Provisions**

	Current	Non Current	Current	Non Current
Provision for Gratuity*	25,878	1,33,791	23,646	1,41,743
Provision for Leave Encashment#	14,304	84,170	12,079	77,385
	40,182	2,17,961	35,725	2,19,128

* Includes provision for gratuity for garden workers at the two experimental estates amounting to Rs.22,068 ('000) (Previous year Rs. 2,184 ('000)).

Includes provision for leave encashment for garden workers at the two experimental estates amounting to Rs. 894 ('000) (Previous year Rs. 810 ('000)).



SCHEDULE FORMING PART OF THE FINANCIAL STATEMENTS

(Rupees in '000)

As at 31st March
2022As at 31st March
2021**SCHEDULE-VII****Trade Payables**

(i) Total Outstanding dues of MSME (Refer note 6)

(ii) Total Outstanding dues other than MSME

92,390

97,985

92,390

97,985

SCHEDULE-VIII**Other Current Liabilities**

Statutory Liabilities

27,974

28,720

Employee related liabilities*

62,886

64,028

Liability for retired employees

84,312

63,471

1,75,173

1,56,219

* Includes

(a) 6th Pay commission arrear liability of Rs. 5,935 ('000) (Previous year Rs.6,076 ('000))

(b) 7th Pay commission arrear liability of Rs. 13,338 ('000) (Previous year 18,612 ('000))



SCHEDULE FORMING PART OF THE FINANCIAL STATEMENTS									
Tea Research Association (Rupees in '000)									
SCHEDULE IX Property Plant & Equipments									
PARTICULARS	COST			DEPRECIATION			NET BLOCK		
	Balance as on 01.04.21	Addition during the year	Disposal during the year	Balance as on 31.03.22	For the year	Disposal during the year	Balance as on 31.03.22	Balance as on 31.03.21	Balance as on 31.03.21
Land (Note 1)	619	-	-	619	-	-	-	619	619
Building (Free Hold) (Note 2)	1,59,440	-	-	1,59,440	4,701	-	1,17,129	42,311	47,012
Equipment and Machinery	77,903	2,516	-	80,419	3,009	-	68,384	12,035	12,528
Electric, Water and Telephone	38,017	166	-	38,183	910	-	34,543	3,640	4,384
Furniture and Fittings	15,058	75	-	15,133	436	-	11,207	3,926	4,287
Vehicle (Note 3)	15,993	-	2,123	13,870	415	2,069	12,211	1,659	2,128
Total	3,07,030	2,757	2,123	3,07,664	9,471	2,069	2,43,474	64,190	70,958
<i>Previous Year</i>	<i>3,05,955</i>	<i>1,074</i>	<i>-</i>	<i>3,07,029</i>	<i>10,460</i>	<i>-</i>	<i>2,36,071</i>	<i>70,958</i>	<i>80,344</i>

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 ('000) (Previous year Rs.2,047 ('000)) on leasehold land.
- (B) Also refer to notes 1,2 and 3 of Schedule XXII
- Vehicles include taken on loan;
 - Gross Book value Rs.2,391 ('000) (Previous year Rs.2,391 ('000))
 - Net Block value Rs.979 ('000) (Previous Year Rs.1,224 ('000))
- Gross Book value includes value of fixed assets acquired out of Special Contribution Fund

31.03.2022	31.03.2021	
(Rs)	(Rs)	
Building (Free Hold)	10,364	10,364
Equipment and Machinery	4,378	4,378
Furniture and Fittings	90	90
Vehicle	34	34
Total	14,868	14,868

Building (Free Hold)	10,364	10,364
Equipment and Machinery	4,378	4,378
Furniture and Fittings	90	90
Vehicle	34	34
Total	14,868	14,868

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

31.03.2022	31.03.2021	
(Rs)	(Rs)	
Building (Free Hold)	1,03,001	1,03,001
Electric, Water and Telephone	15,784	15,784
Furniture and Fittings	6,298	6,298
Equipment and Machinery	23,427	23,427
Total	1,48,510	1,48,510

Building (Free Hold)	1,03,001	1,03,001
Electric, Water and Telephone	15,784	15,784
Furniture and Fittings	6,298	6,298
Equipment and Machinery	23,427	23,427
Total	1,48,510	1,48,510

6. Depreciation Details

Depreciation	31.03.2022	31.03.2021
Less: Transferred to Funds	(Rs)	(Rs)
Special Contribution Fund (Schedule II)	9,471	10,460
- For Research	4	5
- For Tocklai	68	75
TRA Centenary (Schedule IIIA)	5,848	6,704
Depreciation as per Income & Expenditure Account	3,551	3,676



SCHEDULE FORMING PART OF THE FINANCIAL STATEMENTS

(Rupees in '000)

SCHEDULE-X**Loans and advances**

Tax Deducted at source

As at 31st March
2022As at 31st March
2021

1,836

2,008

1,836

2,008

SCHEDULE-XI**Other Non Current Assets**

Deposits (Considered good)

1,076

1,076

Interest Accrued on Fixed Deposit

12

-

1,088

1,076

SCHEDULE-XII**Inventories**

(at lower of cost and net realisable value)

Publication

922

939

Foodstuff

15

18

Diesel

134

108

1,071

1,065

SCHEDULE-XIII**Trade Receivables**

(Unsecured)

Considered good

(i) Less than 6 Months

70,488

38,539

(ii) More than 6 Months

56,732

42,750

Considered doubtful

88,145

76,901

2,15,365

1,58,190

Less:- Provision for doubtful receivables

88,145

1,27,220

76,901

81,289

1,27,220

81,289

SCHEDULE-XIV**Cash and Bank Balances**

Cash on Hand

198

289

Cash at Bank

- on Current Account (Notes 1 and 2)

72,228

60,978

- on Savings Account

24,761

45,949

Sub-total(a)

97,187

1,07,216

Other Bank Balances

-Fixed Deposit

400

200

Sub-total(b)

400

200

Total (a+b)

97,587

1,07,416

Note 1: Includes Rs 73 ('000) (Previous year Rs. 74 ('000)) which can be utilised only after obtaining approval from Tea Board

Note 2: Includes Rs 53,464 ('000) (Previous year Rs. 31,210 ('000)) in respect of running projects and Rs 442 ('000) (Previous year Rs 389 ('000)) in respect of projects closed.

SCHEDULE-XV**Short-term loans and advances**Advances recoverable in cash or in kind or
for value to be received

3,582

3,295

Prepaid Expenses

4,272

3,191

7,854

6,486



SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

Tea Research Association

(Rupees in '000)

	For the year ended 31st March 2022	For the year ended 31st March 2021
SCHEDULE-XVI		
Revenue From Operations		
Ordinary Membership	1,89,843	1,88,994
Associate Membership	2,119	2,465
Grant in aid from Tea Board	1,20,170	1,11,061
	<u>3,12,132</u>	<u>3,02,520</u>
SCHEDULE-XVII		
Other Income		
Sale of Green leaf from Experimental Plots (Other than	3,196	3,293
Sale of Plants	7	12
Sale of Clones	249	132
Sale of Seeds	65	121
Sale of Publication	307	173
Sale of Trichoderma	5,866	5,681
Advisory Service fees	94	265
Testing Fees	14,294	13,693
Training Fees	3,906	2,964
House Rent	386	1,119
Profit on sale of Property Plant & Equipment	316	-
Sundry Receipts	2,929	4,048
Royalty	1,139	524
Sundry credit balance written back	44	965
Recovery from doubtful subscription	577	132
Interest on other deposit	65	7
Interest on Fixed Deposits(Gross)	11	97
Interest on Savings Account(Gross)	516	1,068
	<u>33,967</u>	<u>34,292</u>



SCHEDULE FORMING PART OF THE FINANCIAL STATEMENTS

(Rupees in '000)

SCHEDULE-XVIII**Employee Benefit Expenses**

	For the year ended 31st March 2022	For the year ended 31st March 2021
Salary, wages and bonus	2,23,717	2,06,275
Contribution to Provident and other funds	15,587	14,683
Gratuity	17,642	10,470
Leave Encashment	21,420	4,354
Welfare and training expenses	974	856
Medical expenses	6,326	5,589
	<u>2,85,666</u>	<u>2,42,227</u>

SCHEDULE-XIX**Finance Cost**

Interest on Car loan	95	119
Interest on Provident Fund Loan	1,122	1,505
	<u>1,217</u>	<u>1,624</u>



SCHEDULE FORMING PART OF THE FINANCIAL STATEMENTS

(Rupees in '000)

For the year ended
31st March
2022For the year ended
31st March
2021**SCHEDULE-XX****Expenses on Experimental Estates**

Salary, Wages and Bonus	28,829	25,515
Contribution to Provident and other funds	2,876	2,365
Gratuity	845	8,886
Leave Encashment	204	93
Welfare and training expenses	2,585	2,921
Medical Expenses	60	53
Consumption of stores and Chemicals	76	254
Power and Fuel	71	71
Repairs and Renewals	12	55
General Maintenance	1	7
Printing, Stationery and Publication	3	5
Travelling and Conveyance	-	-
Insurance	9	11
Rent, Rates and Taxes	-	138
Books & Journals	3	3
Miscellaneous	53	604
Sub-total (a)	<u>35,627</u>	<u>40,981</u>

Income from Experimental Estates

Sale of green leaf (At Tocklai)	8,990	13,772
Sale of Clones	32	19
Sale of Seeds	175	90
Sale of Plants	12	-
Sale of made Tea	1,337	636
Miscellaneous Receipts	15	-
Sub-total (b)	<u>10,561</u>	<u>14,517</u>

Excess of Expenditure over Income on
experimental estates(a-b)25,06626,464

SCHEDULE FORMING PART OF THE FINANCIAL STATEMENTS

Tea Research Association

(Rupees in '000)

	For the year ended 31st March 2022	For the year ended 31st March 2021
SCHEDULE-XXI		
Other Expenses		
Consumption of stores & chemicals	5,459	2,700
Power and fuel	9,067	7,320
Repairs and renewals	5,332	4,400
General maintenance	2,443	2,121
Printing & Stationery	749	730
Postage & Communication Expenses	721	638
Travelling and Conveyance	1,711	1,308
Professional Charges	945	1,293
Audit fees and Expenses	944	708
Insurance	958	763
ASC Seminar etc	4	41
Patent fees and Expenses	144	77
Council & Other meeting Expenses	162	32
Rent, Rates and Taxes	976	997
Books and Periodicals	163	62
Provision for Doubtful Debts	11,821	26,753
Bad debts written off	207	481
Assets/Inventory written off	-	963
Rebate on timely collection of subscription	3,473	3,578
Excess expenditure over grants transferred from closed projects	-	906
Miscellaneous Expenses	983	774
	<u>46,262</u>	<u>56,645</u>



SCHEDULE - XXII

SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31st MARCH 2022

1. Basis of Accounting

The financial statements have been prepared under the historical cost convention on accrual basis as a going concern with revenues recognized and expenses accounted on their accrual and comply with applicable Accounting Standards issued by the Institute of Chartered Accountants of India ('ICAI'), to the extent applicable and in the manner so required. The accounting policies applied in the preparation of these financial statements are same those followed in the previous year.

All assets and liabilities have been classified as current or non-current as per the Association's normal operating cycle. Based on the nature of activities of the Association and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Association has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

2. Property Plant and Equipment

Property Plant and Equipment are carried at cost less depreciation. Cost includes inward freight, duties and taxes and expenses incidental to acquisition and installation of Property Plant and Equipment.

Property Plant and Equipment of Projects

The Property Plant and Equipment 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 Property Plant and Equipment is provided on written down value method at the rates mentioned below. Full year's depreciation is provided on additions to Property Plant and Equipment during the year. No depreciation is provided on Property Plant and Equipment 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 Property Plant and Equipment is charged from grants. Other grants (grant-in-aid) are credited to Income and Expenditure Account on the basis of certainty and shown as part of revenue from operations.

6. Subscription

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

7. Sales (Other Income)

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**

Provisions are recognised when there is a present obligation as a result of past events where it is probable that there will be outflow of resource to settle the obligation and when a reliable estimate of the amount of the obligation can be made. When any such present obligation cannot be measured or where a realistic estimate of the obligation cannot be made the same are disclosed as Contingent Liabilities.

Contingent liability, if any, 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 a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are neither recognised nor disclosed in the financial statements.



SCHEDULE - XXIII

NOTES ON ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2022

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 Property plant and equipment taken over, depreciation thereon and for transfer 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. Subsequent to the year end, a Memorandum of Understanding has been signed between the Association (TRA) and Assam Tea Corporation Limited (ATCL), based on which ATCL will take back the entire Tocklai Division of Cinnamara Tea Estate containing 112.80 hectare of land. As per the MOU, Association will pay all statutory dues and outstanding dues to the concerned employees till the time of transfer of the estate directly or in instalments.
3. Sundry Creditors (other liabilities) include the sum of Rs. 733 ('000) (Rs. 667 ('000) received during the year 1979-80 and Rs. 66 ('000) in 1995-96) from Assam Agricultural University as consideration for sale of certain property at Borbhetta, Jorhat, Assam and a sum of Rs. 86 ('000) 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.
4. Included in Other current liabilities – Statutory Liabilities (Schedule VIII), a loan taken from TRA Officers Provident Fund earlier. The balance as on 31st March 2022 stands at Rs 12,750 ('000) (31st March 2021 Rs 13,295 ('000)).
5. As on 31st March, 2022 the Association has an accumulated deficit of Rs 466,030 ('000) (31st March 2021: Rs 450,367 ('000) and as on that date, its current liabilities exceeded its current assets by Rs 74,453 ('000). (31st March 2021: Rs 94,074 ('000). The Tea Board of India (Tea Board) extended the funding modalities to the Association for the medium-term framework till 2025 but the fund disbursement from Tea Board has been delayed causing severe fund crunch situation to the Association. As on 31st March 2022, an amount of Rs 39,409 ('000) was to be received from the Tea Board (of which Rs 26,200 ('000) has been received subsequent to the year-end). Due to such delays in receipt of Grants-in-aid, liabilities which significant include (a) Provident Fund dues of Rs 3,078 ('000) (31st March 2021: Rs 6,026 ('000)) in respect of certain employees of the Association were not deposited with the appropriate authority as on 31st March 2022. Of this an amount, Rs 1,599 ('000) has subsequently been deposited in till August 2022, and (b) employee related liabilities of Rs 128,464 ('000) (31st March 2021 Rs 109,070 ('000)), including dues of retired employees of Rs 84,312 ('000) (31st March 2021 Rs 63,471 ('000)), have not been paid by the Association as on 31st March 2022. 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 realize its assets and discharge its liabilities including potential liabilities in the normal course of business.

However, the following initiatives are expected to have a positive impact on the cash flows of the Association:

- (a) the Ministry of Commerce, Government of India (MOC), (as communicated to Tea Board vide its letter dated 16th July 2021) has considered sufficient amount for funding in their budget estimates for Research & Development in North East India, for the medium term framework 2021-22 to 2025-26. The said medium term framework for the next five years have been approved by the Expenditure Finance Committee of the Finance Ministry in July 2021.
- (b) the Association had in 2019 identified seven revenue generation verticals, including certification and overseas collaboration, training & skill development, and educational courses on tea. to enable the Association to be self-sufficient in the next few years have started yielding positive results.



- (c) the Ministry of Food Processing, Government of India have sanctioned a project of Rs 3.39 crores establishment of food testing laboratory at Tocklai which will further enhance the revenue generation capabilities of the Association
- (d) On 2 December 2021, the Association has applied to Assam State Government for grant of an annual assistance of Rs 10 crores for sustainable funding to meet the deficit.

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

6. There are no Micro, Small and Medium Enterprises, to whom the Association owes dues (including interest on outstanding dues), which are outstanding as at 31 March, 2022 and 31 March, 2021. The information has been determined to the extent such parties have been identified on the basis of information available with the Association. This has been relied upon by the auditors.

Disclosure relating to suppliers registered under MSMED Act based on the information available with the Association:

Total Trade payables	92,390	97,985
Disclosure relating to suppliers registered under MSMED Act based on the information available with the entity Company:		
Particulars	31 st March 2022	31 st March 2021
(a) Amount remaining unpaid to any supplier at the end of each accounting year:		
Principal	-	-
Interest	-	-
Total	-	-
(b) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	-	-
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act.	-	-

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, 2022 in respect of Defined Employee Benefit Schemes:

Description	Gratuity		Leave Encashment	
	2021-22	2020-21	2021-22	2020-21
Financial assumptions:				
Discounting rate (per annum)	6.80%	6.20%	6.80%	6.20%
Future salary increase	5%	5%	5%	5%
Demographic assumption:				
Mortality rates	100% of IALM 2012-14	100% of IALM 2012-14	100% of IALM 2012-14	100% of IALM 2012-14

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 for Level IV Non-Company entities.
10. Figures for the previous year have been rearranged / regrouped wherever necessary.

For Tea Research Association



Joydeep Phukan
Secretary



P K Bezboruah
Chairman

Date: 28.09.2022

