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FUNCTIONS OF TEA BOARD IN INDIA: A STUDY

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Tea Board was established in 1949 through different Acts. In the year 1903, the Government of India, at the request of the tea interests, imposed a levy on tea exported from India for propoganda purposes in India and abroad under the Indian Tea Cess Act, 1903. Under this Act, a Tea Cess Committee was constituted to administer the funds collected from the above levy. The committee was composed of representatives of the Tea Industry including Chambers of Commerce. In 1937, the name of Tea Cess Committee was changed to the Indian Tea Market Expansion Board. The present study covers history, objectives, activities, organization structure and functions of Tea Board.

Keywords: Tea Board, Function, Activities, Organization Structure

INTRODUCTION

Tea Board was established in 1949 through different Acts. In the year 1903, the Government of India, at the request of the tea interests, imposed a levy on tea exported from India for propaganda purposes in India and abroad under the Indian Tea Cess Act, 1903. Under this Act, a Tea Cess Committee was constituted to administer the funds collected from the above levy. The committee was composed of representatives of the Tea Industry including Chambers of Commerce. In 1937, the name of Tea Cess Committee was changed to the Indian Tea Market Expansion Board.

In view of the importance of the tea industry to the national economy, the Governmental of India, after independence enacted the Central Tea Board Act, 1949 and setup a body under Central Government Control, for the development of the tea industry. According a new Board, called the Central Tea Board replaced the Indian Tea Market Expansion Board. The new Board was responsible for

- Promoting the sale and increasing the consumption in India and abroad, the Indian tea or of tea in general.
- Carrying out propaganda for this purpose.
- Increasing the production of tea in India.

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- Undertaking, assisting or encouraging scientific and technological research.
- Collection of statistics.
- Improving the marketing of tea in India and abroad.
- Promoting cooperative efforts among growers and manufacturers.
- Giving term loans for extension rehabilitation, replantation under its financial scheme and for machinery under its Hire Purchase Scheme.

To regulate the planting of tea in India and its export, a separate body known as the Indian Tea Licencing Committee was also set up by the Government of India under Tea Control Act, 1933. This Act was passed in pursuance of International Tea Agreement, 1933 to which India was one of the signatories. After signing the second International Tea Agreement, the Indian Tea Control Act of 1933 was replaced by the Indian Tea Control Act, 1938.

In 1953, both the Central Tea Board Act, 1949 and the Indian Tea Control Act, 1938 were repealed by the Tea Act, 1953 which was brought into force on the 1st April, 1954. The Tea Board constituted under the Tea Act, 1953 was formally inaugurated on the 30th April, 1954. The functions of propaganda and cognate activities relating to tea on the one hand control over the cultivation and the export of tea on the other were merged in one, and the same body that is the Tea Board, instead of two separate bodies through the Central Tea Board and the Indian Tea Licencing Committee was constituted¹.

OBJECTIVES OF THE STUDY

The following are the objectives of the study

- To study the history and origin of Tea Board.
- To study the objectives of Tea Board.
- To study the organization structure of Tea Board.
- To study the functions of Tea Board.

Objectives of Tea Board

The following are the important objectives of the Tea Board.

- Promote and encourage cooperation, education, research and development in relation to the production and marketing of tea.
- Regulate and control the activities of the tea industry with special regard to:
 - The production of green leaf, manufacture, marketing, import and export of tea.
 - The price to be paid for tea or green leaf; and
 - The conditions of contracts entered into by planters, meteors and manufacturers.
- Arbitrate disputes between persons engaged in or connected with the tea industry.
- Assist a planter to diversify to other agricultural activities².

Activities of Tea Board

The Tea Board is the organization in the public sector that oversees the Tea Industry in the Republic of Mauritius. The current activities of the Board are summarized below:

¹ Awasthi R C (1975), "Economics of Tea Industry in India", United Publishers, Gauhati, pp. 144-146.

² www.teaboard.gov.in

ISSUE OF TEA PROPERTY LICENCES

From the 1st of June to the 15th July in any year, the Tea Board issues or renews licences for the establishment and cultivation of tea plantations, and for operating tea factories, tea blending plants and/or tea packing plants on a yearly basis. Tea may be shipped out of the country only by companies or individuals who are licensed by the board to that effect.

A nominal fee of Rs. 10% is charged for tea plantation. As for the licensing of other tea properties a fee of Rs. 2,000 operating unit is charged. If the license is renewed after 15th July, a surcharge of 20% is applicable.

REGISTRATION OF CONTRACTS

Every tea planter is required to enter into a green leaf contract with any manufacturer of his choice for a given contractual year that extends from 1st July to 30th June. All green leaf contracts should be submitted to the Board for registration before 31st August in the contractual year. The contract is valid up to the end of the contractual year in which it is registered.

TEA IMPORT LICENCE

At present the policy of government as implemented by the Tea Board is not to allow the importation of black tea except for small quantities of high quality tea either for blending purposes or for use in top class hotels. The import of green tea is also allowed.

The following charges have to be paid to the Tea Board for each consignment imported:

- i. An import licence fee of Rs. 5,000 for any type of tea.

- ii. Import levy amounting to 17% of CIF value.

TEA EXPORT LICENCE

Tea export licences are issued only in favor of licensed tea manufacturers, tea blenders and tea packers. Generally the services of a licensed tea shipper are retained by the exporter to attend to custom formalities.

No fees are claimed for the issue of tea export permits.

GREEN LEAF PRICES

The Board determines the green leaf prices to be paid to the different categories of green leaf producers for leaf supplied to manufactures during any contractual year. A minimum price is determined in June for the following contractual year, a first partial payment of the final price in August following the end of the contractual year and a second partial payment of the final price in December in the event that the final price has not been determined by the Board by 30th November of that year. Green leaf prices determined by the Board are published in the Government gazette and two dailies almost immediately after each determination.

ACTIONS CARRIED OUT BY THE TEA BOARD AS A REGULATORY BODY

As the sole organization that controls and regulates the activities of the Tea Industry, the Board ensures that

- i. Leaf of a standard satisfying the norms acceptable to the Board is received at the tea factories.
- ii. Tea manufactured in our factories complies

to the requirements of the Tea Industry Control Act, 1975 as amended.

- iii. The deduction made on account of green leaf surface moisture is as per the percentage approved by the Board. At present, the approved rate is at 3% for any green leaf consignment received at the factory, irrespective of the season.
- iv. Miscellaneous operations performed in the tea plantations and tea factories are in conformity with the provisions of the Tea Industry Control Act, 1975 and Tea Industry Control Regulations 1980, both as amended.

Organization Structure of Tea Board

The term ‘Organization Structure’ is highly abstract, and is not visible in the same way as an a mechanical structure. An organization structure is the established pattern of relationships among various components or parts of the organization³.

Composition of the Tea Board

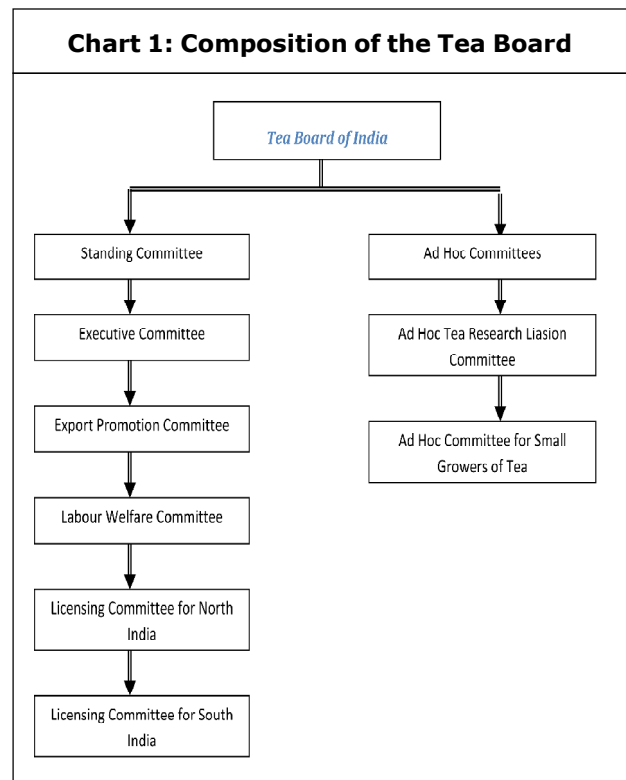
Tea Board of India has contained (constituted) varies committees. Tea Board of India was re-constituted its committee as on 1st April, 1964. The following are the composition of the Tea Board.

The committees are broadly classified into two:

- I. Standing Committees
- II. Ad Hoc Committees⁴

The Chart 1 shows that Composition of the Tea Board.

It is clear from Chart 1 that composition of



Tea Board includes standing committees and Ad Hoc Committees. Standing committees includes executive committee, export promotion committee, labor welfare committee, Licensing committee for North and South India. Ad Hoc Committees includes Tea research committee and small growers of tea committee.

Administrative Set-Up of Tea Board

The functional activities of the Board’s Head office located in Kolkata, West Bengal are as under:

- a. The Secretariat headed by Secretary looks after Establishment / administrative works and co-ordinates with the various Departments of the Board’s Office.

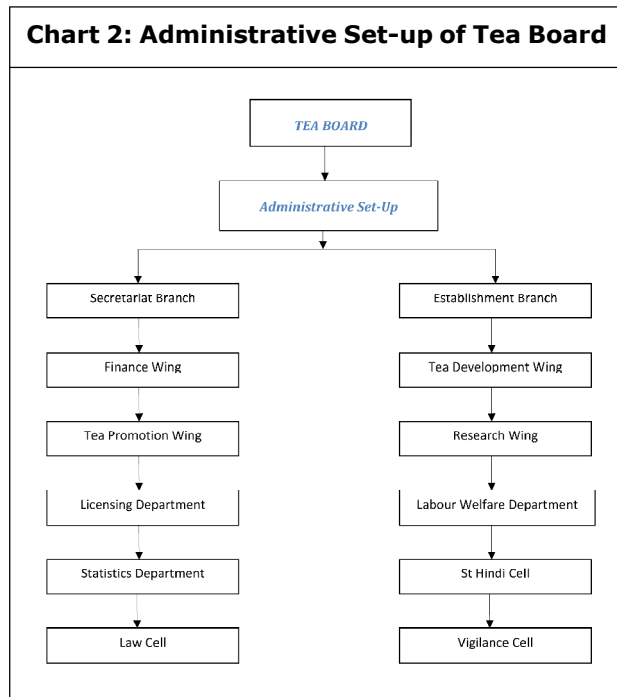
³ Farzana, RabiaJahani, Kumar Ganesh and Ravi A G (2003), “Principles of Management & Organizational Behaviour”, CBH Publishers, Chennai, pp. 432.

⁴ “Tenth Annual Report – Tea Board”, Calcutta, p. 1.

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- b. The establishment branch headed by Assistant Secretary looks after administrative / Policy matter and deal with the staff matter of the Board's office.
 - c. The Finance wing headed by Financial Advisor and Chief Accounts Officer is responsible for the maintenance of accounts, release of financial assistance to tea gardens and internal audits.
 - d. The Development Directorate headed by the Director of Tea Development is responsible for formulation and implementation of various developmental schemes and rendering assistance to the industry in the procurement, distribution and movements of essential inputs.
 - e. The Promotion Directorate headed the Director of Tea Promotion looks after the works relating to Marketing and promotion of tea in India and abroad.
 - f. The Research Directorate headed by the Director of Research is responsible for co-ordination of tea research carried out by the different tea research institutions in the country and monitoring the functions of Tea Board's own Research Station.
 - g. The Licensing Department headed by the controller of licensing is responsible for issue of business licenses for tea exporters and distributors, recording the ownership of all tea gardens in India and implementation of the Tea Waste Order and Tea Warehousing Order.
 - h. The Labor Welfare Development headed by Labor Welfare Officer looks after the work relating to implementation of welfare schemes of the Board.
 - i. The Statistics Department headed by the Statistician is responsible for the collection of statistics relating to tea area, production, tea prices, export, import, labor, and all other related data and carrying out techno-economic surveys of various tea growing areas in the country including cost studies.
 - j. The Law Cell headed by Law Officer Look's after all legal matters arising in various functional departments mentioned above.
 - k. Hindi Cell headed by the Deputy Director Hindi is responsible for the implementation of the provisions of official languages Act and various related measures.
- (l) Vigilance cell: Tea Board's Vigilance Cell is headed by the Deputy Chairman of the Board who has been appointed as the chief vigilance officer of the Board by the Central Vigilance Commission. The Cell engages itself with surveillance and preventive vigilance, in addition to taking appropriate action in matters arising out of information / complaints. The Cell attends to queries of the Government of India and the Central Vigilance Commission as and when such as queries are received. Monthly and Quarterly Reports are prepared and sent to the Ministry of Commerce and the Central Vigilance Commission. The overall Vigilance activities are looked after by the Chief Vigilance Officer who is assisted by the officials of the Board including Deputy Director, Tea Promotion who is acting as Vigilance Officer in addition to his normal duties. The Board observes 'Vigilance Awareness Week' and its Head Office and different Zonal / regional offices by organizing various programs⁵.

⁵ www.teaboard.gov.in

The Chart 2 shows that Administrative Set-up of Tea Board.



It is clear from Chart 2 that administrative setup of Tea Board. It includes Secretariat Branch and Establishment Branch. Secretariat Branch includes Finance wing, Tea Promotion wing, Licensing department, Statistics department and law cell. Establishment Branch includes tea development wing, research wing, labor welfare department and vigilance cell.

MEMBERSHIP OF THE BOARD

I. The Board shall consist of:

- a. The permanent secretary or his representative, who shall be the Chairman.
- b. The Financial Secretary or his representative.
- c. The Registrar, Co-operative Societies or his representative.

- d. A representative of the Chamber of Agriculture.
- e. Two representatives of manufactures.
- f. A representative of planets.
- g. A representative of metayers; and
- h. Three other persons.

II. The persons specified in Sub-section I (e) to (h) shall be appointed annually by the Minister on such terms and conditions as he thinks fit.

III. The composition of the Board, and any change in its composition, shall be published in the Gazette.

IV. The Board shall meet.

- a. At least once every month; and
- b. Where requested to do so in writing by the Minister or by not less than 3 members, within one week of the date of the request.

V. The quorum of the Board shall be 5 including the chairman.

VI. Every member shall be paid such remuneration and allowances as the Minister may determine⁶.

Staff of the Board

1. There shall be a General Manager of the Board who shall
 - a. Be appointed by the Board subject to the approval of Minister.
 - b. Be responsible for the execution of the policy of the Board and for the control and management of its day to day business.
 - c. In the exercise of his functions act in accordance with directions he receives from the Board.

⁶ www.teaindustry.com

- d. Attend every meeting of the Board.
- 2. The Board may employ, on such terms and conditions as it thinks fit such other staff as may be necessary for the proper discharge of its functions.
- 3. All staff of the Board shall be under the control of the General Manager.
- 4. The Board may make provision, in such form as it thinks fit, to govern the conditions of service of the staff of the Board, in particular, to deal with,
 - a. The appointment, dismissal, discipline, pay and leave, of the staff.
 - b. Appeals by staff against dismissal and other disciplinary measures.
 - c. The establishment and maintenance of medical benefit funds, loan funds, staff superannuation schemes, and the contributions payable and the benefits recoverable.
 - d. Every employee or member shall be deemed to be a public officer for the purposes of the Public Officer's Protection Act⁸.

The Table 1 shows that staff position of the Tea Board as on 31st March, 2007.

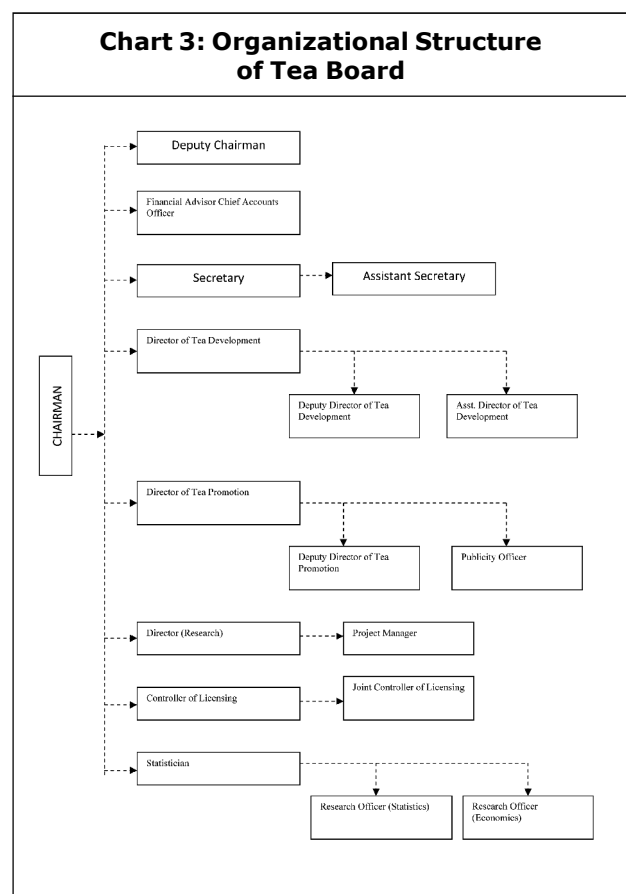
It is clear from Table 1 staff position of Tea Board in India; Tea Board contains 635 staffs among these 'A' category staff 39, 'B' category staff 66, 'C' category staff 346 and 'D' category staff 184.

Organization Structure of Tea Board

Organization structure of Tea Board shows the Chart 3.

Group	Number of Staffs
A	39
B	66
C	346
D	184
Total	635

Source: www.teaboard.gov.in



It is noted from Chart 3 shows the organization structure of Tea Board of India.

Offices of Tea Board

Tea Board has offices in India and Foreign countries.

⁸ www.teaindustry.com.

Offices in India

There are 15 Offices are located in India and Head Office located in Kolkata, its branches, Zonal, Regional and Sub-Regional Offices located at the following cities/towns:

It is clear from Table 2 that Offices of Tea Board in India. There are 15 offices in India.

Coonoor	Guwahati	New Delhi
Siliguri	Mumbai	Cochin
Chennai	Silchar	Kottayam
Agartala	Jorhat	Tezpur
Kurseong	Palampur	Almore
<i>Source:www.teaboard.gov.in</i>		

Foreign Offices

Currently Tea Board has three overseas offices located at London, Dubai and Moscow (The fourth and fifth offices at Hamburg and New York were recently closed down). All these foreign offices of the Board are designed to undertake the various promotional measures to boost up export of Indian tea. These offices also act as a liaison office for interaction between importers of Indian tea of the respective regions as well as Indian Exporters⁹.

Functions of Tea Board

The principal function of the Tea Board, as prescribed in section 10 of the Tea Act, 1953, is to promote the development of the tea industry. The specific measures, referred to in the Act for the purpose are:

- a. Regulating the production and extension of cultivation of tea.
- b. Improving the quality of tea.
- c. Promoting cooperative efforts among growers and manufacturers of tea.
- d. Undertaking, assisting or encouraging scientific, technological and economic research and maintaining or assisting in the maintenance of demonstration farms and manufacturing stations.
- e. Assisting in the control of insects and other pests and diseases affecting tea.
- f. Regulating the sale and export of tea.
- g. Training in tea testing and fixing grade standards of tea.
- h. Increasing the consumption in India and elsewhere of tea and carrying on propaganda for that purpose.
- i. Registering and licensing of manufacturers, brokers, tea waste dealers and persons engaged in the blending of tea.
- j. Improving the marketing of tea in India and elsewhere.
- k. Collecting statistics from growers, manufacturers, dealers and such other persons as may be prescribed on any matter relating to the tea industry; the publications of statistics so collected or portions thereof or extracts there from:
- l. Securing better service conditions and the provisions and improvement of amenities and incentives for workers.
- m. Financial help under different schemes.
 - a. Such other matters as may be prescribed¹⁰.

⁹ www.teaboard.gov.in

¹⁰ Awasthi R C., and Jain N K (1975), "Economics of Tea Industry in India", United Publishers, Gauhati, pp. 146-147.

The Board is required to perform its functions under this section in accordance with and subject to such rules as may be made by the Central Government. Much depended on how the additional powers vested have been exercised. The Act was no surprise. It is but the inevitable outcome of the development in India, as in fact most of the other countries, of what is called the "Positive State".

The plantation Enquiry Commission suggested the Board to equip itself further for the performance of several other functions. Some of the recommended functions are given below:

- Maintaining replanting reserves on behalf of all estates.
- Having a cost of production unit.
- Organizing tea auctions.
- Arranging warehousing.
- Drawing up a phased program of rehabilitation and development of fixed assets and having an inspectorate for extension and advisory works.
- Coordinating the supply of finance for the tea industry.
- Certifying revaluation of fixed assets whenever necessary.
- Having a unit to look after the needs of the industry for efficient and economical procurement of various kinds of supplies and stores and for encouraging the development of cooperative institutions in this connection.
- Administering the Tea Export Control Scheme in view of the abolition of export quotas.

- Advising the industry in well co-ordinated recruitment of managerial personnel and in establishing suitable training institution for them.
- Establishing suitable liaison with the Department of Company Law Administration in the Central Government for the administration of the latest company Act in relevant to the tea companies¹¹.

Some of the recommendations of the commission have already been implemented by the Government of India, while the others have been shelved.

Formation of Tea Association and Tea Research Association

The Tea planters formed an association named Indian Tea Association (ITA) in 18th May, 1881, with its headquarters at Kolkata for promoting their common interest and objectives. Subsequently many associations were formed in various tea regions of North and South India. For greater interest of the industry, the Tea Research Association was established in 1964 at Tocklai, Assam and was funded jointly by Council of Scientific and Industrial Research (CSIR) and Tea Board of India. Subscriptions of member tea estates and other associate members were called for to carry out the research work.

International Tea Regulation Scheme and Tea Agreement

During the second half of the 19th century and first half of the 20th century, four major slumps (1866, 1879, 1896-1904, and 1920) took place. To counteract the situation India, Sri Lanka, Netherlands and East Indies reached

¹¹ Report of the Plantation Enquiry Commission, pp. 256-257.

an agreement on voluntary basis to curtail tea production. The world economic depression resulted in decline in tea consumption and stocks continued to pile up till 1932. Producing countries like India, Indonesia and Sri Lanka entered into an agreement on April 1, 1933 for a period of five years to bring about balance between supply and demand for tea in the world market. A second agreement was signed and came into force for a further period of five years from 1st April, 1938 to 31st March, 1943. The agreement was extended up-to 31st March, 1948. Further an interim agreement was signed in April, 1948 and continued till 31st March, 1950.

Tea Control Act, its Amendment and Formation of Tea Board

The Indian Tea Control Act, 1933 was amended in 1938 and 1943 and subsequently in 1950. The administration of the Act in 1938 was vested in a committee called "Tea Licensing Committee" which consisted of a chairman appointed by the Central Government, and 14 other members of which 10 were nominated by the Industry and constituencies embodied in the Act. The committee continued up-to 31st December, 1949. Both the Central Tea Board Act, 1949 and Indian Tea Control Act, 1938 were replaced by the Tea Act, 1953, which came into effect from 1st April, 1954. The functioning of the Central Tea Board and Indian Tea Licensing Committee were entrusted with the Tea Board, which was responsible for promoting development of tea industry under the control of Central Government.

CONCLUSION

Tea Board shows that there is lot of need based assistance for the tea growers in India. It shows that the growth of tea industry is definitely due to the role played by Tea Board. Currently Tea Board has three overseas offices located at London, Dubai and Moscow (The fourth and fifth offices at Hamburg and New York were recently closed down). All these foreign offices of the Board are designed to undertake the various promotional measures to boost up export of Indian tea.

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