

FOR OFFICIAL USE ONLY

TEA BOARD MANUAL

A compilation of the Tea Act, 1953 (No. 29 of 1953), the Tea Rules, 1954, the Tea Board Bye Laws 1955, the Tea (Distribution & Export) Control Order, 1957, the Tea (Waste) Control Order, 1959, the Investigation of Tea Undertaking/Tea Units (Procedure) Rules, 1981, the Tea (Regulations of Export Licensing) Order, 1984, the Tea (Marketing) Control Order, 1984, the Tea Warehouses (Licensing) Order, 1989 and the Tea Board (Write Off Losses) Rules, 1996

(Amended up to 31st March 2001)

**TEA BOARD
14, BIPLABI TRAILOKYA MAHARAJ SARANI,
KOLKATA - 700 001
WEST BENGAL
INDIA**

THE TEA ACT, 1953

No. 29 of 1953

(28th May, 1953)

AN ACT to provide for the control by the Union of the tea industry, including the control, in pursuance of the International Agreement now in force, of the cultivation of tea in, and of the export of tea from, India and for that purpose to establish a Tea Board and Levy a duty of excise on tea produced in India.

Be it enacted by Parliament as follows:-

CHAPTER I

PRELIMINARY

1. Short title, extent and commencement:-

(1) This Act may be called the Tea Act, 1953.

*(2) It extends to the whole of India: Provided that it shall not apply to the State of Jammu and Kashmir except to the extent to which the provisions of this Act relate to the control of the export of tea from, and the cultivation of tea in India.

** (3) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

2. Declaration as to expediency of control by the Union :-

It is hereby declared that it is expedient in public interest that the Union should take under its control the tea industry.

3. Definitions:- In this Act, unless the context otherwise requires-

(a) "Board" means the Tea Board constituted under section 4;

(b) "Broker" means a broker of tea;

+ (c) "cess" means the duty of excise imposed by section 25 ;

(d) "Customs-collector" means a Customs-collector as defined in clause (c) of section 3 of the Sea Customs Act, 1878 (VIII of 1878) for the purposes of that Act, or of that Act as applied to the import and export of goods by air, or a Collector of Land Customs as defined in clause (c) of section 2 of the Land Customs Act, 1924 (XIX of 1924), as the case may be ;

** 1st April, 1954 vide Notification No. S.R.O. 943 dated 17th March, 1954 Gazette of India Extraordinary, Part II Section 3, page 1.

+ Vide Tea (Amendment) Act 1967 (No. 21 of 1967) published in the Gazette of India Extraordinary, Part II Section 1 dated 14-8-1967.

* Extended to the state of Sikim by G.O.I. notification No. S.O. 57(E) dated 29-1-1983.

@ Inserted vide Notification No. K.11012(2)/79-Plant(A) dated 26th October, 1979

(e) “dealer” means a dealer in tea ;

(f) “export” means to take out of India by land, sea or air to any place outside India other than *Bhutan and Nepal* and any other country or territory notified in this behalf by the Central Government by notification in the Official Gazette ;

(g) “export allotment” means the total quantity of tea which may be exported during any one financial year ;

(h) “Fund” means the Tea Fund referred to in section 27 ;

(i) “manufacturer” means a manufacturer of tea ;

(j) “member” means a member of the Board:

(k) “owner”-

(i) with reference to a tea estate or garden or a sub-division thereof the possession of which has been transferred by lease, mortgage or otherwise, means the transferee so long as his right to possession subsists; and

(ii) with reference to a tea estate or a garden or a sub division for which an agent is employed, means the agent if, and in so far as, he has been duly authorised by the owner in that behalf;

(l) “prescribed” means prescribed by rules made under this Act ;

(m) “standard export figure” means such quantity as the Central Government may, by notification in the Official Gazette, specify pursuant to any international agreement in this behalf ;

(n) “tea” means the plant *Camellia Sinensis* (L) O. Kuntze as well as all varieties of the product known commercially as tea made from the leaves of the plant *Camellia Sinensis* (L) O. Kuntze including green tea ;

(o) “Tea seed” includes seeds, roots stumps, cuttings, buds, and any living portion of the plant *Camellia Sinensis* (L) O. Kuntze which may be used to propagate that plant.

CHAPTER II

THE TEA BOARD

4. Establishment and constitution of Tea Board:- (1) With effect from such date as the Central Government may, by notification in the Official Gazette, specify in this behalf, there shall be established for the purposes of this Act a Board to be called the Tea Board.

(2) The Board shall be a body corporate by the name aforesaid, having perpetual succession and a common seal, with power to acquire, hold and dispose of property, both movable and immovable, and to contract, and shall by the said name sue and be sued.

(3) The Board shall consist of a Chairman and such number or other members not exceeding forty as the Central Government may think expedient, to be appointed by that Government by notification in the Official Gazette from among persons who are in its opinion capable of representing –

- (a) owners of tea estates and gardens and growers of tea ;
- (b) persons employed in tea estates and gardens ;
- (c) manufacturers of tea ;
- (d) dealers including both exporters and internal traders of tea ;
- (e) consumers ;
- (f) Parliament ;
- (g) the Government of the principal tea growing States ;
- (h) such other persons or class of persons, who, in the opinion of the Central Govt., ought to be represented on the Board.

*(3A) It is hereby declared that the office of member of the Board shall not disqualify its

holder for being chosen as or for being, a member of either House of Parliament.

(4) The number of persons to be appointed as members from each of the categories specified in sub-section (3), the term of office of the procedure to be followed in the discharge of their functions by, and the manner of filling vacancies among the members of the Board shall be such as may be prescribed.

(5) Any officer of the Central Government when deputed by that Government in this behalf shall have the right to attend meeting of the Board and take part in the proceeding thereof but shall not be entitled to vote.

5. Vacancies, etc. not to invalidate acts and proceeding :- No act done or proceeding taken by the Board under this Act shall be questioned on the ground merely of the existence of any vacancy in, or defect in the contribution of the Board.

6. Salary and allowances of Chairman :- The Chairman shall be entitled to such salary and allowances and such conditions of service in respect of leave, pension, provident fund and other matters as may from time to time be fixed by the Central Government.

7. Vice-Chairman :- The Board shall elect from among its members a Vice-Chairman who shall exercise such of the powers and discharge such of the duties of the Chairman as may be delegated to him by the Chairman.

8. Executive and other Committees:- (1) There shall be an Executive Committee of the Board constituted in the manner prescribed.

(2) The Executive Committee shall exercise such of the powers and perform such of the duties of the Board as may be prescribed or as the Board may delegate to it.

(3) Subject to such control and restrictions as may be prescribed the Board may constitute other Standing Committees or ad hoc Committees for exercising any power or discharging any duty of the Board or for enquiring into or reporting and advising on any matter which the Board may refer to them.

(4) A Standing Committee shall consist exclusively of members of the Board.

(5) An *ad hoc* Committee may include persons who are not members of the Board, but their number shall not exceed one-half of its strength.

9. Secretary and Staff :- (1) The Central Government shall appoint --

** (a) "a Deputy Chairman of the Board who shall assist the Chairman in the performance of his duties and exercise such of the powers and perform such of the duties as may be prescribed or as may be delegated to him by the Board or by a Committee constituted by the Board under section 8 or by the Chairman".

(aa) "a secretary to the Board who shall exercise such power and perform such duties as may be prescribed or as may be delegated to him by the Board or the Chairman";

(b) all other officers of the Board drawing *a salary exceeding rupees one thousand seven hundred per month.

(2) Subject to such Control and restriction as may be prescribed, the Board may appoint such other officers and employees as may be necessary for the efficient performance of its functions and pay them such salaries and allowances as it may determine from time to time.

(3) The Chairman,*Deputy Chairman, Secretary and other employees of the Board shall not undertake any work unconnected with their duties under this Act except with the permission of the Central Government.

10. Functions of the Board :-(1) It shall be the duty of the Board to promote, by such measures as it thinks fit, the development under the control of the Central Govt. of the tea industry.

(2) Without prejudice to the generality of the provisions of sub section (1), the measures referred to therein may provide for -

- (a) regulating the production and extent of cultivation of tea ;
- (b) improving the quality of tea ;
- (c) promoting co-operative 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 ;

* Inserted by the Tea(Second Amendment) Act, 1954 No. 52 of 1964.

** Inserted as per Notification in the Gazette of India, Extraordinary, Part II Section I, dated August 16, 1977 (No. 32 of 1977).

- (i) registering and licensing of manufacturers, brokers, tea waste dealers and persons engaged in the business of blending tea
- (j) improving the marketing of tea in India and elsewhere ;
- * (jj) Subscribing to the share Capital of or entering into any arrangement or other arrangement (whether by way of Partnership Joint venture or any other manner) with any other body Corporate for the purpose of Promoting the development of Tea industry or for promotion and marketing of tea in India or 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 publication of statistics so collected or portions thereof or extracts therefrom ;
- (l) securing better working conditions and the provisions and improvement of amenities and incentives for workers ;
- (m) such other matters as may be prescribed.

(3) The Board shall perform its functions under this section in accordance with and subject to such rules as may be made by the Central Government.

11. Dissolution of the Board :- (1) The Central Government may, by notification in the Official Gazette, direct that the Board shall be dissolved from such date and for such period as may be specified in the notification.

(2) When the Board is dissolved under the provisions of sub-section (1)-

(a) All members shall, from the date of dissolution, vacate their offices as such members ;

(b) all powers and duties of the Board shall, during the period of dissolution, be exercised and performed by such person or persons as the Central Government may appoint in this behalf ;

(c) all funds and other property vested in the Board shall, during the period of dissolution, vest in the Central Government ; and

(d) as soon as the period of dissolution expires, the Board shall be reconstituted in accordance with the provisions of this Act.

*Inserted as per the Gazette of India Notification No.79 dated 17-12-80.

CHAPTER III

CONTROL OVER THE EXTENSION OF TEA CULTIVATION

12. Method of control of extension of tea cultivation :-(1) No one shall plant tea on any land not planted with tea on the date commencement of this Act unless permission has been granted to him in writing by or on behalf of the Board.

(2) No tea area shall be replaced by planting tea on area not planted with tea unless permission has been granted in writing by or on behalf of the Board.

(3) Nothing in this section shall prohibit the in filling or supplying of vacancies on land planted with tea on the date of commencement of this Act or the replanting of tea upon -

(i) land planted with tea on the 31st day of March, 1950, from which the original bushes have been uprooted, or

(ii) land planted with tea on the 31st day of March, 1948, from which the original bushes have been uprooted.

13 Limitation to the extension of tea cultivation:-

(1) Subject to the provisions contained in sections 15 and 16 , the total area of land in respect of which the permission referred to in section 12 may be granted, shall not exceed such area as may be determined by the Board under the general instructions of the Central Government.

* (2) The total area of land in any State in respect of which such permission may be granted shall be such as may be determined by the Board,

Provided that the Board may vary the total area so determined for any State in order to increase or diminish for another State the area in respect of which such permission may be granted by an amount corresponding to the extent to which the area in the first mentioned State has been diminished or increased

* (3) The Board shall Publish the total area determined for India as well as the total areas determined for the various States notification in the Official Gazette of the Central Government as soon as may be after the commencement of this Act and shall in like manner publish any subsequent variation of such total areas.

14. Grant of permission to plant tea :- (1) Applications for permission to plant tea on any land not planted with tea on the date of commencement of this Act shall be made to the Board and shall contain a clear statement of all special circumstances justifying the application.

(2) The Board may require an applicant to supply such information as it thinks necessary to enable the Board to deal with the application.

(3) Subject to such conditions and restrictions as may be prescribed, the Board may by

*Operation of sub-section 2 and 3 which also corresponds to Section 27 of the previous Act has been suspended until further orders by Government of India, Ministry of Commerce Notification No.201(4)-Law (tea)/50 dated 28-10-1950.

order grant or refuse the permission applied for, or may in like manner grant it in part only or may call for further information from the applicant.

(4) No order by the Board under sub-section (3) shall be called in question by any court.

15. Grant of permission to plant tea in special circumstances :-

(1) Where any land which was on the 31st day of March, 1933 planted with tea (including land planted with tea on the 31st day of March, 1931 from which the original bushes had been uprooted and which had not been replanted with tea on the said 31st day of March, 1933), or where any land planted with tea after the 31st day of March, 1933-

(a) has since become wholly incapable of carrying tea through circumstances due to war or through subsidence flood, erosion, earthquake or other irresistible superhuman cause, or

(b) has since been compulsorily acquired under the provisions of the Land Acquisition Act, 1894 (1 of 1894) or of any other law for the time being in force and no longer carried tea, or

(c) has since been transferred to the Central or a State Government or to a local authority and no longer carries tea, or

(d) has since been resumed by the lessor under the terms of any lease and no longer carries tea ;

(e) the owner of the tea estate in which such land is situated may apply to the Board for permission to plant tea on land not planted with tea.

Explanation -- Land taken for purposes connected with prosecution of war on which tea bushes have been allowed to remain for protective purposes though no longer

cultivated shall be deemed for the purposes of this section to be incapable of caring or no longer to carry tea.

(2) Upon such application being made and upon proof to the satisfaction of the Board that the applicant is entitled to the benefit of sub-section (1) the Board may by order grant permission to plant tea on land not planted with tea ;

Provided that the area of land in respect of which such permission is granted shall be within the same or an adjacent district and shall belong to the same or an adjacent tea estate and shall not exceed in extent the area of the land incapable of carrying tea or compulsorily acquired, transferred or resumed, as the case may be.

(3) All areas of land in respect of which permission to plant tea is granted under this section shall be excluded when computing for the purpose of section 13 the total area of land in respect of which the permission referred to in section 12 may be granted.

(4) If any land falling within the Explanation to sub-section (1) is subsequently restored to the tea estate from which it was subtracted, the owner of the estate shall either uproot the tea planted therein or uproot any tea planted by him in pursuance of a permission granted under sub-section (2).

16. Tea nurseries :- (1) The owner of a tea estate may establish nurseries on land not previously planted with tea for the growing of plants intended for in filling or supplying vacancies or for replanting land planted with tea within the area of the estate or for any other purpose approved by the Board.

(2) All areas land utilised for nurseries in accordance with this section shall be excluded when computing for the purpose of section 13 the total area of land in respect of which the permissions referred to in section 12 may be granted.

CHAPTER IIIA

MANAGEMENT OR CONTROL OF TEA UNDER-TAKING OR TEA UNITS BY THE CENTRAL GOVERNMENT IN CERTAIN CIRCUMSTANCES.

16A. (1) In this Chapter, unless the context otherwise requires.

(a) “authorised persons” means the person or body of persons authorised or appointed, by the Central Government under this Act to take over the management of any tea undertaking or tea unit ;

(b) “Company” means a company within the meaning of section 3 of the Companies Act, 1956;

(c) “district average yield” means the average yield of tea in the district in which one or more tea units are located, as published by the Board.

(d) “notified order” means an order notified in the Official Gazette ;

(e) “tea undertaking” means as undertaking engaged in the production or manufacture, or both of tea through one or more tea units ;

(f) “tea unit” means a tea estate or garden including a subdivision thereof, which has a distinct entity for which accounts are kept and has a factory of its own for the production and manufacture of tea.

(2) Reference to an industrial undertaking in such of the provisions of the Industries

(Development and Regulation) Act, 1951, as apply to a tea undertaking or tea unit

65 of 1951 by virtue of the provisions of this Chapter, shall be construed as references to a tea undertaking or tea unit, as the case may be, and references in the Act

aforesaid to any provision of that Act, as applicable to a tea undertaking or tea unit, in relation to which a corresponding provision has been made in this Act, shall be construed as references to such corresponding provision.

16B.(1) Where the Central Government is of opinion in respect of a tea undertaking or a tea unit that-
Power to cause investigation to be made in relation to a tea undertaking or tea unit.

(a) the tea undertaking or, as the case may be, the tea unit, has made losses in three out of five years immediately preceding the year in which such opinion as formed ; or

(b) the average yield of the tea undertaking, or, as the case may be, the tea unit, during three years out of five years immediately preceding the year in which such opinion is formed, has been lower than the district average yield by twenty-five per cent or; or more or

(c) the persons owning the tea undertaking, or as the case may be, the tea unit, have habitually made default in the payment of wages, or provident fund dues of workers and other employees, or rent of the land, or duties of exercise or such other dues as they are under an obligation to pay under any law for the time being in force : or

(d) the tea undertaking, or, as the case may be, the tea unit, is being managed in a manner highly detrimental to the tea industry or to public interest.

the Central Government may make, or cause to be made, a full and complete investigation into the affairs of the tea undertaking or, as the case may be, tea unit, by such person or body of persons as it may appoint for the purpose.

(2) Where a company owning a tea undertaking is being wound up by or under the supervision of the Court and the business of such company is not being continued, the Central Government may, if it is of opinion that it is necessary, in the interest of the general public, and, in particular, in the interest of production, supply or distribution of tea to investigate into the possibility of running or restarting the tea undertaking, make and application to the Court praying for permission to make or cause to be made, an investigation into such possibility by such person or body of persons as that Government may appoint for the purpose ; and, where such an application is made, the Court shall, notwithstanding anything contained in the **1 of 1956** Companies Act, 1956, or in any other law for the time being in force, grant the permission prayed for.

(3)The person or body of persons appointed to make any investigation under sub-section (1) or, as the case may be, sub-section (2) **65 of 1951** shall have the same powers as are specified in section 18 of the industries (Development and Regulation) Act, 1951.

[18.(1) The person or body or persons appointed to make any investigation under section 15 (or section 15A)* may choose one or more persons possessing special knowledge of any matter relating to the investigation to assist him or it in holding the investigation.

(2) The person or body of persons so appointed shall have all the power of a civil court under the Code of Civil Procedure, 1908, for the purpose of taking evidence on oath

(which he or it is hereby empowered to administer) and of enforcing the attendance of witnesses and compelling the production of documents and material objects, and the person or body of persons shall be deemed to be a civil court for all the purposes of section 195 and Chapter XXXV of the Code of Criminal Procedure 1898]

*Inserted by Act No. 72 of 1971.

16C (1) if after making or causing to be made such investigation as is referred to in **Power of** sub-section (1) of section 16B, **Central Govern-** the Central Government is **ment completion of** satisfied that action under **investigation** this section is desirable, it may issue such directions to the tea undertaking or tea unit concerned , as may be appropriate in the circumstances for all or any of tea following purposes namely :-

(a) regulating the production of tea by the tea undertaking or, as the case may be, tea unit and fixing the standards of production ;

(b) requiring the tea undertaking or, as the case may be, tea unit to take such steps as the Central Government considers necessary to stimulate the production, manufacture or plantation, of tea;

(c) prohibiting the tea undertaking or, as the case may be, tea unit from resorting to any act or practice which might reduce its production, capacity or economic value ;

(d) controlling the prices, or regulating the distribution of tea produced or manufactured by the tea undertaking or, as the case may be, tea unit .

(2) Where a case relating to any tea undertaking or tea unit is under investigation, the Central Government may issue, at any time, any direction of the nature referred to in sub-section (1) to the undertaking or the tea unit concerned and any such direction shall have effect until it is varied or revoked by the Central Government.

16D. (1) If the Central Government is of opinion that-

(a) a tea undertaking or tea unit, to which directions have been issued in pursuance of section 16C, has failed **Power of Central Government to Assume management or control of tea undertaking or tea unit in certain cases.** to comply with such directions, or the tea undertaking, or as the case may be, the tea unit, has made losses in three out of five years immediately preceding the year in which such opinion is formed ; or

(b) the average yield of the tea undertaking, or ,as the case may be ; the tea unit, during three years out of five years immediately preceding the year in which such opinion is formed, has been lower than the district average yield by twenty five percent or more ; or

(c) the persons owning the tea undertaking, or as the case may be, the unit, have habitually made default in the payment of wages, or provident funds dues, of workers and other employees, or rent of the land, or duties of excise, or in the payment of such other dues as are obligatory under any law for the time being in force ; or

(d) the undertaking, or as the case may be, the tea unit, is being managed in a manner highly detrimental to the tea industry or to public interest, the Central Government may, by notified order, authorise any person or body of persons to take over the management of the whole or any part of the tea undertaking or tea unit, as the case may be or to exercise in respect of the whole or any part of the tea undertaking or, as the case may be, tea unit, such function of control as may be specified in the order.

(2) Any notified order issued under sub-section (1) shall have effect for such period , not exceeding five years, as may be specified in the order.

Provided that if the Central Government is of opinion that it is expedient in the public interest that any such notified order should continue to have effect after the expiry of the period of five years aforesaid, it may from time to time issue directions for such continuance for such period, not exceeding one year at a time, as may be specified in the direction, so, however, that the total period such continuance (after the expiry of the said period of five years) does not exceed six years; and where any such direction is issued, a copy thereof shall be laid, as soon as may be, before both Houses of Parliament.

(3) Any notified order issued under sub-section (1) have the same effect as if it were an order made under sub-section (1) of section 18- A of the Industries (Development **65 of 1951** and Regulation) Act, 1951, and the provisions of Section 18B of that Act shall apply accordingly.

[18A. (1) If the Central Government is of opinion that

(a) an industrial undertaking to which directions have been issued in pursuance, of section 16 has failed to comply with such directions ; or

(b) an industrial undertaking in respect of which an investigation has been made under section 15 (whether or not any directions have been issued to the undertaking in pursuance of section (16) is being managed in a manner highly detrimental to the scheduled industry concerned or to public interest.

the Central Government may, be notified order, authorise any person or body of persons to take over the management of the whole or any part of the undertaking or to exercise in respect of control as may be specified in the order.

(4) Notwithstanding anything contained in any law for the time being in force, no person, who cease to hold any office by reason of the provisions contained in clause (a),

or whose contract of management **65 of 1951** is terminated by reason of the provisions contained in clause (b), of section 18B of the Industries (Development and Regulation) Act, 1951, as applicable to a tea undertaking or tea unit by virtue of the provisions of sub-section (3), shall be entitled to any compensation for the loss of office or for the premature termination of his contract of management :

18B. (1) On the issue of a notified order under section 18A authorising the taking over of the management of a industrial undertaking --

(a) all persons in charge of the management including persons holding office as managers or directors of the industrial undertaking immediately before the issue of the notified order, shall be deemed to have vacated their offices as such ;

(b) any contract of management between the industrial undertaking and any managing agent or any director thereof holding office as such immediately before the issue of the notified order, shall be deemed to have been terminated ;

(c) the managing agent, if any, appointed under section 18A shall be deemed to have been duly appointed as the managing agent in pursuance of the Indian Companies Act, 1913, and the memorandum and articles of

association of the industrial undertaking and the provisions of the said Act and of the memorandum and articles shall, subject to the other provisions contained in this Act, apply accordingly, but no such managing agent shall be removed from office except with the previous consent of the Central Government ;

(d) the person or body of persons authorised under section 18A to take over the management shall take all such steps as may be necessary to take into his or their custody or control all the property, effects and actionable claims to which the industrial undertaking is or appear to be entitled, and all the property and affects of the industrial undertaking shall be deemed to be in the custody of the person or, as the case may be, the body of persons as from the date of the notified order ; and

(e) the person, if any, authorised under section 18A to take over the management of an industrial undertaking which is a company shall be for all purposes the directors of the industrials undertaking duly constituted under the Indian Companies Act, 1913 and shall alone be entitled to exercise all the powers of the directors of the industrials undertaking, whether such powers are derived from the said Act or from the memorandum or articles of association of the industrials undertaking from any other source.

(2) Subject to the other provisions contained in this Act and to the control of the Central Government, the person or body of persons authorised to take over the management of an industrial undertaking shall take such steps as may be necessary for the purpose of efficiently

managing the business of the industrial undertaking and shall exercise such other powers and have such other duties as may be prescribed.

(3) Where any person or body of persons has been authorised to exercise any functions of control in relation to an industrial undertaking, the undertaking shall be carried on pursuant to any directions given by the authorised person in accordance with the provisions of the notified order and any person having any functions of management in relation to the undertaking or part thereof shall comply with all such directions.

(4) The person or body of persons authorised under section 2(18A) shall, notwithstanding anything contained in the memorandum or articles of association of the industrial undertaking, exercise his or their functions in accordance with such directions as may be given by the Central Government so, however, that he or they shall not have any power to give any other person any directions under this section inconsistent with the provisions of any Act or instrument determining the functions of the authority carrying on the undertaking except in so far as may be specifically provided by the notified order.

Contracts in bad faith etc. may be cancelled or varied.

Provided that nothing contained in this section shall affect the right of any such person to recover from the tea undertaking or the tea unit, as the case may be, moneys recoverable otherwise than by way of such compensation]

16E.(1) Without prejudice to any other provision of this Act, if, from the documentary **Power to take** or other evidence in its possession, **over the under** the Central Government is satisfied **taking or tea** in relation to a tea undertaking or **unit without** tea unit, that -- **investigation under** **certain circumstances.**

(a) the persons in charge of such tea undertaking or tea unit have, by reckless investments or by creation of encumbrances on the assets of the tea undertaking or tea unit, or by diversion of funds, brought about a situation which is likely to affect the production of tea, manufactured or produced by the tea undertaking or tea unit, and that immediate action is necessary to prevent such a situation ; or

(b) it has been closed for a period of not less than three months (whether by reason of the voluntary winding up of the company owning the tea undertaking or tea unit or for any other reason) and such closure is prejudicial to the concerned tea undertaking or tea unit and that the financial condition of the company owing the tea undertaking or tea unit and the plant and machinery of such tea undertaking or tea unit are such that it is possible to restart the tea undertaking or tea unit and such restarting is necessary in the interests of the general public, it may, by notified order, authorise any person or body of persons to take over the management of the whole or any part of the tea undertaking or tea unit or to exercise in respect of the whole or any part of the tea undertaking or tea unit such functions of control as may be specified in the order.

* Explanation - For the purposes of this sub-section, "in cumbrances" includes any liability which may be recovered or satisfied from the assets of the tea undertaking or, as the case may be tea unit or the person owing the tea undertaking of tea unit.

(2) On the issue of a notified order sub-section

(1) in respect of a tea undertaking or tea unit--

(a) the provisions of sub-section (2) (3) & (4) of section 16D, and the provisions of section 16G, shall apply to a notified order made under sub-section (1) as they apply to a notified order made under ; sub-section (1) of section 16D ; and

(b) the provisions of sub-sections (3) and (4) of section 18AA of the Industries (Development and Regulation) Act, 1951, shall supply to the tea undertaking or tea unit, as the case may be to the same extent as they apply an industrial undertaking.

[18AA (3) Nothing contained in sub-section(2) shall apply to an industrial undertaking owned by a company which is being wound up by or under the supervision of the Court.

(4) Where any notified order has been made under sub-section (1) the person or body of persons having, for the time being, charge of the management or control of the industrial undertaking, whether by or under the orders of any court, or any contract, instrument of otherwise, shall notwithstanding anything contained in such order, contract, instrument or other arrangement, forthwith make over the charge of management or control, as the case may be, of the industrial undertaking to the authorised person.]

16F. Without prejudice to the provisions of section 18B of the Industries (Development & Regulation) Act, 1961, as applicable to tea **Contracts in** undertaking or tea unit, as the **bad faith, etc.** case may be, the person or **may be cancelled** body of persons authorised **or varied.** under section 16D, or as the case may be, section 16E, to take over the management of a tea undertaking or tea unit

may, with the previous approval of the Central Government, make an application to any court having jurisdiction in this behalf for the purpose of cancelling or varying any contract or agreement entered into, at any time before the issue of the notified order under section 16D or section 16E, between the tea undertaking or the tea unit and any other persons; and the court may, if satisfied after due inquiry that such contract or agreement had been entered into in bad faith or is detrimental to the interests of the tea undertaking or tea unit, make an order cancelling or varying (either unconditionally or subject to such conditions as it may think for to impose) that contract or agreement shall have effect accordingly

16G. (1) Where the management or a tea undertaking or tea unit owned by a company has been taken over by any person or body of persons authorised by the Central Government

Application of under this Act, then not **Act 1 of 1956** withstanding anything contained in the said Act or in the memorandum or articles of association of such company-

(a) it shall not be lawful for the shareholders of such company or any other person to nominate or appoint any person to be a director of the company ;

(b) no resolution passed in a meeting of the shareholders of such company shall be given effect to unless approved by the Central Government ;

(c) no proceeding for the winding up of such company or for the appointment of receiver in respect thereof shall lie in any court except with the consent of the Central Government.

(2) Subject to the provisions contained in sub-section (1), and to the other provisions contained in this Act. and subject to such other exceptions, restrictions and limitations, if any, **1 of 1956** as the Central Government may, by notification in the Official Gazette, specify in this behalf, the Companies Act, 1956, shall continue to apply to such company in the same manner as it applied thereto before the issue of the notified order.

16H. If, at any time, it appears to the Central Government on the application of the owner of a tea undertaking or tea unit or otherwise that the purpose of the order made under section 16D or section 16E, has been fulfilled or that for any other reason it is not necessary that the order should remain in force, the Central Government may by notified order, cancel such order and, on cancellation of any such order the management or control as the case may be, of the tea undertaking or tea unit, shall vest in the owner of that undertaking or unit,

16-I. (1) If the Central Government is of opinion that there are possibilities of running or restarting a tea undertaking or tea unit in relation to which an investigation has been made under sub-section (2) of section 16B, and that such tea undertaking or tea unit should be run or restarted for maintaining or increasing the production of supply or distribution of tea that Government may make an application to the court by which the company owing such tea undertaking or tea unit has been ordered to be wound up, praying for permission to appoint any person or body of persons to take over the management of the tea undertaking or, as the case may be, tea unit, or to exercise in respect of the whole or any part of the tea undertaking or tea unit, such functions of control as may be specified in application.

(2) Where an application is made under sub-section (1), --

(a) the provisions of section (2) of section 18FA of the Industries (Development and Regulation) Act 1951 shall apply to the undertaking or tea unit, as the case may be, subject to the modification that for the words "twelve years" occurring in the second proviso thereto, the words "six years" shall be substituted ;

[18FA (2) Where an application is made under sub-section (1) the High Court shall make an order empowering the Central Government to authorise any person or body of persons (hereinafter referred to as the "authorised persons") to take over the management of the industrial undertaking or to exercise functions of control in relation to the whole or any part of the industrial undertaking (hereinafter referred to as the "concerned part") for a period not exceeding five years;

Provided that if the Central Government is of opinion that it is expedient in the interest of the general public that the authorised person should continue to manage the industrial undertaking or continue to exercise functions of control in relation to the concerned part, as the case may be, after the expiry of the period of five years aforesaid, it may make an application to the High Court for the continuance of such management of functions of control, for such period, not exceeding two years at a time, as may be specified in the application and thereupon the High Court may make an order permitting the authorised persons to continue to manage the industrial undertaking or to exercise functions of control in relation to the concerned part :

Provided further that the total period of such continuance (after the expiry of the initial period of five years) shall not, in any case, be permitted to exceed ten years. (Twelve years- Act No. 32 of 1974)]

(b) the provisions of sub-sections (3) to (10) both inclusive of section 18FA of the Industries (Development and Regulation) Act, 1951 shall apply to the tea undertaking or tea unit referred to in sub-section (1) to the same extent as they apply to an industrial undertaking.

[18FA. (3) Whereas an order has been made by the High Court under sub-section (2), the High Court has direct the Official Liquidator or any other person having, for the time being, charge of the management of control of the industrial undertaking, whether by or under the orders of any court, or any contract or instrument or otherwise, to make over the management of such undertaking or the concerned part, as the case may be to the authorised person and thereupon the authorised persons shall be deemed to be the Official Liquidator in respect of the industrial undertaking or the concerned part, as the case may be.

(4) Before making over the possession of the industrial undertaking or the concerned part to the authorised person the Official Liquidator, shall make a complete inventory of all the assets and liabilities of the industrial undertaking or the concerned part, as the case may be, in the manner specified in section 18FG and deliver a copy of such inventory to the authorised person, who shall, after verifying the correctness thereof, sign on the duplicate copy thereof as evidence of the receipt of the inventory by him.

(5) On taking over the management of the industrial undertaking or on the commencement of the exercise of functions of control in relation to the concerned part, the authorised person shall take immediate steps so as to run the industrial undertaking or the concerned part as to ensure the maintenance of production.

(6) The authorised person may, on such terms and conditions and subject to such limitations or restrictions as may be prescribed, raise any loan for the purpose of running the industrial undertaking of the concerned part, and may for that purpose, create a floating charge on the current assets of the industrial undertaking or the concerned part, as the case may be.

(7) Where the authorised person is of opinion that the replacement or repair of any machinery of the industrial undertaking of the concerned part is necessary for the purpose of

efficient running of the industrial undertaking and subject to such limitations of restriction as may be prescribed, make such replacement or repair, as the case may be.

(8) The loan obtained by the authorised person, shall be recovered from the assets of the industrial undertaking of the concerned part, in such manner and subject to such conditions as may be prescribed.

(9) For the purpose of running the industrial undertaking or exercising functions of control in relation to the concerned part, the authorised person may employ such of the former employees of the industrial undertaking whose services become discharged by reason of the winding up of the company owning such undertaking and every such person employed by the authorised person shall be deemed to have entered into a fresh contract of service with the company.

(10) The proceedings in the winding up of the company in so far as they relate to :-

(a) the industrial undertaking, the management of which has been taken over by the authorised person under this section.

or

(b) the concerned part in relation to which any function of control is exercised by the authorised person under this section.

[shall during the period of such management or control, remain stayed, and, in computing the period of limitation for the enforcement of any right, privileges, obligation or liability in relation to such undertaking or the concerned part, the period during which such proceedings remained stayed shall be excluded].

16J. The Central Government may, if it is satisfied in relation to a tea undertaking, tea unit or any part thereof, the management or control of which has been taken over under section 16D or under section 16E or under section 16-1, that it is necessary so as to do in the interests of the general public with a view to preventing fall in the volume of the production of tea, exercise in relation to such tea undertakings or tea unit or part thereof the same powers as are exercise able by it in relation to an industrial undertaking under section 18-FB of the Industries (Development and Regulation) Act, 1951, and the said section and the Third Schedule referred to therein shall apply to a tea undertaking or the unit accordingly.

[18FB. (1) The Central Government may, if it is satisfied, in relation to an industrial undertaking or any part thereof, the management or control of which has been taken over under section 18A, whether before or after the commencement of the Industries (Development and Regulation) Amendment Act, 1971, or under Section 18AA or section 18FA, that it is necessary so as to do in the interest or the general public with a view to preventing fall in the volume of production of any scheduled industry, it may, be notified order declare that--

- (a) all or any of the enactments specified in the Third Schedule shall not apply or shall apply with such adaptations, whether by way of modification, addition or omission (which does not, however, affect the policy of the said enactments) to such industrial undertakings, as may be specified such notified order, or
- (b) the operation of all or any of the contracts, assurances of property agreements, settlements, awards, standing orders or other instruments in force (to which such industrial undertaking or the company owing such

undertaking is a party of which may be applicable to such industrial undertaking or company) immediately before the date of issue of such notified order shall remain suspended or that all or any of the rights, privileges, obligations and liabilities according or arising there under before the said date, shall remain suspended or shall be enforceable with such adaptations and in such manner as may be specified in the notified order.

(2) The notified order made under sub-section (1) shall remain in force, in the first instance, for a period of one year, but the duration of such notified order may be extended from time to time by a further notified order by a period not exceeding one year at a time :

Provided that no such notified order shall in any case, remain in force--

- (a) after the expiry of the period for which the management of the industrial undertaking was taken over under section 18A, section 18AA of section 18FA, or
- (b) for more than five years in the aggregate from the date of issue of the first notified order. Whichever is earlier.

(3) any notified order made under sub-section (1) shall have effect notwithstanding anything to the contained in any other I w, agreement or instrument or any a decree or order of a court tribunal officer of other authority of any submission, settlement or standing order.

(4) Any remedy for the enforcement of any right privilege, obligation or liability referred to in clause (b) of sub-section (1) and suspended or modified order made under that sub-section shall in accordance with the terms of the notified order, remain suspended or modified, and all proceedings relating thereto

pending before any court, tribunal, officer or other authority shall accordingly remain stayed or be continued subject to such adaptations, so however, that on the notified order ceasing to have effect --

(a) any right, privilege, obligation or liability so remaining suspended or modified shall become revived and enforceable as if the notified order had never been made ;

(b) any proceeding so remaining stayed shall be proceeded with, subject to the provisions of any law which may then be in force, from the stage which had been reached when the proceedings became stayed.

(5) In computing the period of limitation for the enforcement of any right, privileges, obligation or liability referred to in case (b) of sub-section (1), the period during which it or the remedy enforcement thereof remained suspended shall be excluded]

16K. (1) Where the management or control of a tea undertaking or tea unit, as the case may be, has been taken over under section 16D or under section 16E or under section 16-1, the Central Govt **Power of central Government to call for report on the affairs and working of a manager tea undertaking or tea unit** may , at any time during the continuance of such management or control, call for a report from the authorised person on the affairs and working of the tea undertaking or tea unit, and in submitting the report the authorised person shall take into account the inventory and list of members and creditors prepared under section 16L.

(2) On receipt of the report submitted by the authorised person, the Central Government may exercise all or any of the powers conferred on it by **65 of 1951** sections 18FD, 18FE and 18FF of the industries (Development and Regulation) Act, 1951 to the same extent and subject to the same conditions, limitations or restrictions as are specified in the said sections, and

the provisions of the said sections shall become applicable to a tea undertaking or tea unit, as the case may be.

[18FD. (1) If, on receipt of the report submitted by the authorised person, the Central Government is satisfied-

(a) in relation to the company owning the industrial undertaking, which is not being wound up by the High Court, that the financial condition and other circumstances of the company are such that it is not in a position to meet its current liabilities out of its current assets, that Government may, if it considers necessary or expedient in the interest of the general public so as to do, by order, decide that the industrial undertaking should be sold as a running concern as provided in section 18FE and proceedings should simultaneously be started for the winding up, by the High Court, of the company;

(b) in relation to the company, owning the industrial undertaking, which is being wound up by the High Court that its assets and liabilities are such that in the interest of its creditors and contributors the industrial undertaking should be sold as a running concern as provided in section 18FE, it may, by order, decide accordingly.

(2) Notwithstanding anything contained in sub-section (1) if, on receipt of the report submitted by the authorised person, the Central Government is satisfied that--

(a) in the interests of the general public,
or

(b) in the interest of the shareholders,
or

(c) to secure the proper management of the company owning the industrial undertaking

it is necessary so as to do, that Government may by order, decide to prepare a scheme for the reconstruction of the company owning the industrial undertaking;

Provided that no such scheme shall be prepared in relation to a company which is being wound up by or under the supervision of the High Court except with the previous permission of that Court.

(3) The powers exercisable by the Central Govt. under section 18F, in relation to an undertaking taken over section 18A, shall also be exercisable in relation to an undertaking taken over under section 18AA or section 18FA, but such powers shall not be exercised after the making of an order sub-section (i) or, as the case may be, under sub-section (2) of this section.

Provisions where Govt. decides to follow the course of action specified in section 18FD(1).

18FE. (1) The provision hereinafter laid down shall apply where Central Govt. decides that the course of action specified in sub section (1) of section 18FD should be followed, namely-

- (a) the decision of the Central Govt. that the course of action specified in clause (a) of sub-section(1) of section 18FD should be followed in relation tea company owning an industrial undertaking shall be deemed to be a ground specified in section 433 of the Companies Act, 1956, on which the company may be wound up by the High Court ;
- (b) the authorised person shall, as soon as may be, after the decision specified in clause (a) of sub-section (1) of section 18FD has been taken by the Central Government present an application to the High Court for the winding up of the company owning the industrial undertaking ;

(c) when an application is made by the authorised person, under clause (b) for the winding up, by the High court, of the company owning the industrial undertaking, the High Court shall order the winding up of the company and shall notwithstanding any thing contained in the Companies Act, 1956, appoint the authorised person as the official Liquidator in relation to such undertaking ;

(d) whenever the Central Govt. decided under clause (b) of sub-section (1) of section 18FD that the industrial undertaking should be sold as a running concern it shall cause a copy of its decision on to be laid before High Court ;

(e) until the industrial undertaking referred to in clause (a) or clause (b) of sub-section(1) of section 18FD is sold or purchased in pursuance of this section, the authorised person shall continue to function as the Official Liquidator in relation to the said undertaking in the winding up proceedings of the company, and, thereafter the Official Liquidator appointed by the Central Govt. under section 448 of the Companies Act, 1956, shall take over and function as the Official Liquidator in the said proceedings.

(2) The authorised person shall make a report to the Central Govt. as to what should be the reserve price for the sale of the industrial undertaking as a running concern.

(3) In making a report under sub-section (2) the authorised person shall have regard to-

- (a) the financial condition of the company owning the industrial undertaking on the date on which the order under section 18FD is made -

(i) as disclosed in its books of account,

(ii) as disclosed in its balance sheet and profit and loss a/c during a period of five years immediately preceding the said date ;

(b) the condition and nature of the plant, machinery, instruments and other equipment from the point of view of their suitability for profitable use in the running of the industrial undertaking ;

(c) the total amount of liability on account of secured and unsecured debts including overdrafts, if any, drawn on banks, liabilities on account of terminal benefits to the employees and other borrowings and other liabilities of the company ; and

(d) other relevant factors including the factor that the industrial undertaking will be sold free from all encumbrances.

(4) **Notice of the reserve** price determined by the authorised person shall be given in such manner as may be prescribed to the members and creditors of the company owning such industrial undertaking to make representations within a specified time to the Central Govt. through the authorised person and the Central Govt. shall, after considering the representations received and the report of the authorised person, determine the reserve price.

(5) The authorised person shall thereafter, with permission of the High Court, invite tenders from the public in such manner as may be determined by the High Court for the sale of the industrial undertaking as a running concern subject to the conditions that it will be sold to the person offering the highest price which shall not be less than the reserve price determined under sub-section (4) ;

Provided that the High Court shall not refuse to grant such permission if it is satisfied that the company is not in a position to meet its current liabilities out of its current assets.

(6) The Industrial undertaking shall be sold to the highest bidder, as a running concern, only if the price offered by him therefore is not less than the reserve price.

(7) Where no offer of price, is equal to, or more than, the reserve price, the industrial undertaking shall be purchased by the Central Govt. as the reserve price.

(8) (a)The amount realised from the sale of the industrial undertaking as a running concern together with any other sum which may be realised from any contributory, purchaser or any other person from whom any money is due to the company shall be utilised in accordance with the provisions of the Companies Act. 1956, in discharging the liabilities of the company and distributing the balance, if any, amongst the members of the company ;

(b) In other respects the provisions of the Companies Act. 1956, relating to the winding up of a company by the High Court shall, as far as may be apply.

(9) When an industrial undertaking is sold to any person under sub-section (6), or purchased by the Central Govt. under sub-section (7), there shall be transferred to and vested in the purchaser, free from all encumbrances, all such assets relating to the industrial undertaking as are referred to in sub-clause (i) of clause (a) of section 18FG and existing at time of the sale of purchase.

Provisions where Government decides to follow the course of action specified in section 18FD (2).

18FF (1) Where in any case the Central Govt. decides that the course of action specified in sub-section (2) of section 18FD should be followed, it shall, subject to the provisions of that sub-section cause to be prepared by the authorised person, a scheme for the reconstruction of the company, owning the industrial undertaking in accordance with the provisions hereinafter contained and the authorised person shall submit the same for the approval of that Government.

(2) the scheme for the reconstruction of the company owing the industrial undertaking may contain provisions for all or any of the following matters namely ;

(a) the constitution, name and registered office, the capital assets, powers, rights, interests, authorities and privileges, the liabilities duties and obligations of the company on its reconstruction ;

(b) any change in the Board of Directors, of the appointment of a new Board of Directors, of the company on its reconstruction and the authority by whom, the manner in which and the other terms and conditions on which, such change or appointment shall be made and in the case of appointment of a new Board of Directors or of any Director, the period for which such appointment shall be made ;

(c) the vesting of controlling interest in the reconstructed company, in the Central Govt. either by the appointment of additional directors or by the allotment of additional sharer ;

(d) the alteration of the memorandum and articles of association of the company, on its reconstruction, to give effect to such reconstruction ;

(e) subject to the provisions of the scheme, the continuation by or

against the company, on its reconstruction, of any action or proceedings pending against the company immediately before the date of its reconstruction ;

(f) the reduction of the interest or rights which the members and creditors have in or against the company before its reconstruction to such extent as the Central Government may consider necessary in the interest of the general public or in the interest of the members and creditors or for the maintenance of the business of the company ;

Provided that nothing contained in this clause shall be deemed to authorise the reduction of the interest or right of any creditor (including Govt.) in respect of any loan or advance made by that creditor to the company after the date management of the industrial undertaking of the company has been taken over under section 18A, section 18AA, or section 18FA.

(g) the payment in cash or otherwise to the creditors in full satisfaction of their claim :-

(i) in respect of their interest or rights in or against the company before the reconstruction ; or

(ii) where their interest or rights in or against the company has or have been reduced under clause (f) in respect of such interest, or rights as so reduced ;

(h) all allotment to the members of the company for shares held by them therein before its reconstruction (whether their interest in such share has been reduced under clause (f) or not), of shares in the company on its reconstruction and where it is not possible to allot shares to any

members the payment in cash to those members in full satisfaction of their claim --

(i) in respect of their interest in shares in the company before its reconstruction ; or

(ii) where such interest has been reduced under clause (f) in respect of their interests in shares as so reduced ;

(i) the offer by the Central Govt. to acquire by negotiations with the members of the company their respective shares on payment in cash to those members who may volunteer to sell their shares to the Central Govt. in full satisfaction of their claim --

(i) in respect of their interest in shares in the company before its reconstruction ; or

(ii) where such interest has been reduced under clause (f) in respect of their interests in shares as so reduced ;

(j) the conversion of any debentures issued by the company after the taking over of the management of the company under section 18A or section 18AA or section 18FA or of any loans obtained by the company after that date or of any part of such debentures or loans, into shares in the company and the allotment of those shares to such debenture-holders or creditors, as the case may be ;

(k) the increase of the capital of the company by the issue of new shares and the allotment of such new shares to the Central Government ;

(l) the continuance of the services of such of the employees, of the company as the Central Govt. may specify in the scheme in the company itself, on its reconstruction, on such terms and conditions as the Central Govt. thinks fits;

(m) notwithstanding anything contained in clause (1) where any employee of the company whose services have been continued under clause (1) have, by notice in writing given to the company at any time before the expiry of one month next following the date on which the scheme is sanctioned by the High Court, intimate their intention of not becoming employees of the company, on its reconstruction the payment to such employees and to other employees whose services have not been continued on the reconstruction of the company of compensation, if any, to which they are entitled under the Industrial Disputes Act, 1947 and such pension, gratuity, Provident fund and other retirement benefits ordinarily admissible to them under the rules or authorisations of the company immediately before the date of its reconstruction;

(n) any other terms and conditions for the reconstruction of the company;

(o) such incidental consequential and supplemental matters as are necessary to secure that the reconstruction of the company shall be fully and effectively carried out.

(3)(a) A copy of the scheme, as approved by the Central Govt. shall be sent in draft to the company, to the registered trade unions, if any, of which the employees of the company are members and to creditors thereof for suggestions and objections, if any, within such period as the Central Govt. may specify for this purpose.

(b) The Central Govt. may make such modifications, if any, in the draft scheme as if may consider necessary in the right of the suggestions and objections received from the company, from the registered trade unions of which the employees of the company are members and from any members or creditors of the company.

(4) The scheme shall thereafter be placed before the High Court for the sanction and the High Court if, satisfied that the scheme is in the interests of the shareholders or for securing the proper management of the company and that scheme is designed to be fair and reasonable to the members and the creditors of the company, may after giving a reasonable opportunity to the company and to its members and creditors of showing cause, sanction the scheme without any modification or its such modifications as it may consider necessary.

(5) The scheme, as so sanctioned by the High Court, shall come into force on such date as that Court may specify in this behalf.

Provided that different dates may be specified for different provisions of the scheme.

(6) The sanctioned accorded by the High Court under sub-section (4) shall be conclusive evidence that all the requirements of this section relating to the reconstruction of the company have been complied with and a copy of the sanctioned scheme certified by the High court to be a true copy there of, shall, in all legal proceeding, (whether original or in appeal or otherwise), be admitted as evidence to the same extent as the original scheme.

(7) On and from the date of the coming into operation of the scheme or any provision thereof, the scheme or such provision shall be binding on the company and also on all the members and other creditors and employees of company and on any other person having any right or liability in relation to the company.

(8) On the coming into operation of the scheme or any provision, thereof, the authorised person shall cease to function and the management of the reconstructed company shall be assumed by the Board of Directors as provided in the scheme.

(9) Copies of the scheme shall be laid before each House of Parliament, as soon as may be after the scheme has been sanctioned by the Court.

(10) The provisions of this section and of any scheme made there under shall have effect notwithstanding anything contained in section 391 to 394A (both inclusive) of the Companies Act, 1956.

Preparation of inventory of assets and liabilities and list of members and creditors of managed company.

16L. For the purposes of this Act the authorised person shall as soon as may be **Preparation of an inventory** after taking over the **of the assets and liabilities** management of a tea **and list of members and** undertaking or tea unit, **creditors of managed tea** prepare a complete **undertaking or tea unit** inventory of the properties, belongings, liabilities and obligations of such tea undertaking or tea unit, as the case may be, and a list of members and creditors of such tea undertaking or tea unit, in accordance with the provision of section 18FG of the Industries (Development and Regulation) Act, 1951, and the said section shall apply to a tea undertaking or tea unit accordingly.

*16LL. Every debt arising out of any loan or any other financial accommodation obtain by the authorised person for carrying on the Management of, or existing functions of control **Debts incurred** in relation to the whole or any **and investments** part of a tea undertaking or tea **made by the** unit, the management or which has **authorised person** been taken over or in purported **to have priority** to have been taken over under section 16D or section 16E or section 16-I,

- (a) Shall have priority over all other debts, whether secured or unsecured, incurred before the management of such tea undertaking or tea unit was taken over ;
- (b) shall be a preferential debt within the meaning of section 530 of companies Act, 1956 and all such debts shall rank equally among themselves and be paid in full out of the assets of the tea undertaking or tea unit, unless such assets are in sufficient to meet them, in which case they shall be recoverable from the owner of the tea undertaking that the period of management or control has ended due to expiry of the period for which it was taken over or due to cancellation of the order under section 16FH or pursuance of the order of any Court.

16M. No suit or other legal proceedings shall be instituted or continued against a tea undertaking or tea unit in respect of which an order has been made under section 16D or section 16E, except with the previous permission of the Central Government or of any officer authorised by the Government in this behalf.

16N. Until any rule is made in relation to any matter referred to in this Chapter, the rules made by the Central Government under the Industries (Development and Regulation Act, 1951), in relation to such matter shall, as far as may be,

apply, to the extent they are not repugnant to any provision of this Act or any rule made there under and references in such rules to the provisions of that Act shall be construed accordingly.

18FG. For the purpose of this Act, the authorised persons shall as soon as may be, after taking over the management of the industrial undertaking of a company under section 18A or section 18AA or section 18FA.

- (a) prepare a complete inventory of --
 - (i) all properties, movable, and immovable including lands, buildings, works, workshops, stores, instruments, plant, machinery, automobiles and other vehicles, stocks of materials, cash balances cash production in the course of production, storage or transit, raw materials, cash in hand deposit in bank or with any other person or body or on loan, reserve funds, investments and book debts and all other rights and interests arising out of such property as were immediately before the date of taking over of the industrial undertaking in the ownership, possession, power or control of the company, whether within or without India; and all books of account, registers, maps, plans, sections, drawings, records, documents or titles of ownership of property and all other documents of whatever nature relating thereto; and
 - (ii) all borrowings liabilities and obligations of whatever kind of the company including liabilities on account of terminal benefits to its employees subsisting immediately before the said date ;

(3) Prepare separately a list of members and a list of creditors of such company as on the date of taking over of the management of the industrial undertaking showing separately in the list of creditors, the secured creditors and the unsecured creditors ;

Provided that where the management of the industrial undertaking of a company has been taken

over under the said section 18A before the commencement of the Industries (Development & Regulation) Amendment Act, 1971, the aforesaid function shall be performed by the authorised person within six months from such commencement.

CHAPTER - IV

CONTROL OVER THE EXPORT OF TEA AND TEA SEED

17. Control of Export of tea and tea seed --

(1) No tea shall be exported unless covered by a licence issued by or on behalf of the Board.

(2) No tea seed shall be exported unless covered by a permit issued by or on behalf of the Central Government.

(3) No tea or tea seed shall be taken by land, sea or air of any State to any of the *(French or) Portuguese Settlements bounded by India, unless covered by a permit issued by or on behalf of the Board.

18. Tea or tea seed for export to be covered by licence or permit --

(1) No consignment of tea or tea seed shall be shipped or water-borne to be shipped for export or shall be exported until the owner has delivered to the Customs-Collector a valid export licence or a valid permit issued by or on behalf of the Board or the Central Government, as the case may be, covering the quantity to be shipped.

(2) No consignment of tea or tea seed shall be shipped or water-borne to be shipped for carriage (or shall be taken by land or air) to any of the *(French or) Portuguese settlements bounded by

India until the owner has delivered to the Customs-Collector a permit issued by or on behalf of the Board covering the quantity to be shipped.

(3) No permit for the passage of any tea or tea seed by land into any of the *(French or) Portuguese Settlements bounded by India shall be granted under sub-section (1) of sections 5 of the Land Customs Act, 1924 (XIX of 1924), unless the application for such permit is accompanied by a permit granted in this behalf by the Board covering the quantity to be passed.

+19 Export allotment -- The Central Government shall, after consulting the Board and paying due regard to all interests concerned and to the standard export figure, declare, by notification in the Official Gazette, the export allotment to each financial year ;

Provided that the Central Govt. may by subsequent notification at any time during the financial year after the export allotment and thereupon the export allotment as so altered shall be the export allotment for that year.

* Omitted vide French Establishments (Application of Laws) Order, 1954 Published in Govt. of India. Notification No. S.R.O. 3315 dated 1-11-54.

+ Suspended as per Notification No. SO.[12(2) Plant (A)/61 dt. 14-11-61] issued by the Govt. of India Ministry of Commerce and Industry, New Delhi.

+ **20. Export quotas and licences** --(1) Subject to such conditions as may be prescribed, any tea estate or any sub-division of a tea estate shall have the right to receive under this Act an export quota for each financial year.

(2) The export quota of a tea estate, or a sub-division of a tea estate, that, is, the total quantity of tea which may be exported by the owner of a tea estate or a sub-division of a tea estate during the financial year, shall be an amount determined by the Board in accordance with such principles as may be prescribed.

Provided that when an export allotment is altered under the provisions of sections 19, the export quota shall be liable to be altered accordingly.

(3) The total export quotas allotment to tea estate and to sub-divisions thereof at any time during any financial year shall not exceed the export allotment for the time being for that year.

21. Right in export licences -- +(1) The owner of a tea estate or a sub-division of a tea estate to which an export quota has been allotted for any financial year shall have the right to obtain at any time export licences during that year to cover the export of tea up to the amount of the quota less the amount for which the export licences have already been issued against it.

+(2) The right of the owner of a tea estate or a sub-division of a tea estate under this section may be transferred subject to such conditions as may be prescribed, and the transferee of any such right may again transfer the whole or any part of his right to the owner of a tea estate, or a sub-division of a tea estate but not to any other person ;

Provided that nothing in this sub-section shall operate to restrict the issue of licences for the export of tea expressed to be sold with export rights.

+(3) The owner of any tea estate or any sub-division of a tea estate to which an export quota has been allotted or any person to whom he has transferred his rights may at any time before the 21st day of March of the financial year to which the quota relates apply in writing to the Board for an export licence to cover the export of tea up to the amount of the unexhausted balance of the quota.

(4) Every licence shall be in duplicate in the prescribed form, shall bear the date of its issue and shall be valid up to the end of the financial year in which it is issued.

Provided that, save as provided in section 22, the Board shall not issue any export licence after the end of the financial year in which the application for licence was made.

+**22. Special export licences** -- (1) Where tea in respect of which an export licence has been or could have been granted under this Act has not been exported before the end of the financial year in which the licence was or could have been issued, the person to whom licence was could have been granted may, before the 14th day of April of the following financial year forward an application to the Board for a special export licence covering the same quantity of tea, and the Board shall, on receipt of the prescribed fee, if any, issue a special export licence accordingly.

(2) A person to whom a special export licence has been issued under sub-section (1) may transfer the special export licence with all the rights conferred thereby to a person or persons nominated by him, but a licence once so transferred shall not be further transferable.

(3) A special export licence shall be in duplicate in the prescribed form, shall bear the date of its issue and shall be valid up to the 31st day of May of the financial year in which it was issued.

(4) The quantity to tea covered by a special export licence shall be accounted for against the export quota of the year in which the original licence was or could have been issued under this Act.

(5) Notwithstanding anything contained in the foregoing sub-section the Board may, with the general or special previous sanction of the Central Govt. refuse to issue a special export licence or postpone for so long as the Central Govt. may require the issue of any special export licence.

+23. Board to maintain account of quotas --

(1) The Board shall maintain an account of every export quota showing, in addition to such other particulars as the Board may think fit, the licences issued against it and the unexhausted balance.

(2) Any owner of a tea estate or a sub-division of a tea estate shall be entitled on payment of the requisite fee, to a copy of the account relating to his quota, certified in the manner laid down in the by-laws made by the Board.

24. Limitation of application of Chapter --

Nothing in this Chapter shall apply to tea :--

(a) proved to the satisfaction of the Customs collector to have been imported into India from any port outside India ; or

(b) shipped as stores on board any vessel or aircraft in such quantity as the Customs collector considers reasonable having regard to the number of the crew and passengers and length of the voyage on which the vessel or aircraft is about to depart ; or

(c) exported by post in packages not exceeding *(Five Kilograms) in weight ; or

(d) exported with the previous sanction of the Central Govt. within limits prescribed in this behalf, by a Red Cross Society or by any organisation for providing amenities for troops overseas ; or

(e) taken as part of the personal luggage of a passenger.

+ Suspended as per Notification No. SO.[12(2) Plant (A)/61 dated 14-11-61] issued by the Govt. of India Ministry of Commerce and Industry, New Delhi.

* Amended under the Customs Duties and Cesses (Conversion to Metric Units) Act 1960 (No.40)of 1960 published in the Gazette of India Extraordinary dated 22-9-60 and enforced with effect from 1-10-60 as per Notification, Extraordinary of the Govt. of India in the--Ministry of Commerce & Industry No. 2348 dated 23-9-1960.

CHAPTER V

FINANCE, ACCOUNTS AND AUDIT

**** @ 25. Imposition of cess on tea produced in India -- (1)** There shall be levied and collected as a cess for the purposes of this Act a duty of excise on all tea produced in India at such rate not exceeding fifty paise per kilogram as the Central Govt. may, by notification in the Official Gazette fix.

Provided that different rates may be fixed for different varieties or grades of tea having regard to the location of, and the climatic conditions prevailing in the tea estates or gardens producing such varieties or grades of tea any other circumstances applicable to such production.

(2) The duty of excise levied under sub-section (1) shall be in addition to the duty of excise leviable on tea under the Central Excises and Salt Act, 1944, or any other law for the time being in force, (1 of 1944).

(3) The provision of the Central Excises and Salt Act, 1944 and the rules made there under, including those relating to refund and (1 of 1944) exemption from duty, shall, so far as may be, apply in relation to the levy and collection of the duty of excise under this section as they apply in relation to the levy and collection of the duty of excise on tea under the said Act.

26. Payment of proceeds of cess to the Board - proceeds of the cess levied under sub-section (1) of section 25 shall first be credited to the Consolidated Fund of India and the Central Govt. may thereafter, from time to time pay to the Board from an out of such proceeds such

sums of money as it may think fit after deducting the expenses of collection.

***26A. Grants and loans by the Central Govt. to the Board** - The Central Govt., may after due appropriation by Parliament by law in this behalf pay to the Board by way of grants or loans such sums of money as Central Govt. may consider necessary.

27. Constitution of Fund - (1) There shall be formed a fund to be called the Tea Fund, and there shall be credited thereto -

(a) the proceeds of the cess made over to the Board by the Central Government:

*** (ab) any sum of money including dividend, if any, realised by the Board in carrying out any measure referred to in clause (ii) of sub-section (2) of section 10;

(b) all cess levied and collected in respect of licences, permits and permission issued under this Act; and

(c) any other fee that may be levied and collected under this Act or the rules made there under.

(2) The Fund shall be applied towards meeting the expenses of the Board and the cost of the measures referred to in section 10.

28. Borrowing Powers of Board - Subject to such rules as may be made in this behalf, the Board shall have power to borrow on the security of the fund or any other asset for any purposes for which the fund may be applied.

@ Substituted-Vide the Tea (Amendment) Act, 1967 (No.21 of 1967). Published in Gazette of India Extraordinary, Part-II Section I dated 14-8-1967.

* Inserted as passed by Parliament and published in the Extraordinary Gazette of India Part II Section I on 25.5.1970.

** Amended as per the Tea (Amendment) Act, 1986 Published in the Gazette of India Extraordinary Part II section I. New Delhi, dated 14.05.1986.

*** Inserted as per the gazette of India Notification No.79 dt. 27.12.80.

@ 28A. Writing off losses - Subject to such conditions as may be specified by the Central Govt., where the Board is of opinion that an amount due to, or any loss, whether of money or of property incurred by the Board is irrecoverable, the Board may, with the previous approval of the Central Govt., sanction the writing off finally of the said amount or loss;

Provided that no such approval of the Central Govt., shall be necessary where such irrecoverable amount of loss does not exceed in any individual case and in the aggregate in any year such amounts as may be prescribed.

29. Account and Audit - (1) The Board shall cause accounts to be kept all moneys received and expended by it.

(2) The account shall be audited every year by auditors appointed in this behalf by the Central Govt. and such auditors shall disallow every item, which in their opinion is not authorised by this Act or any rule made or direction issued there under.

(3) The Board may, within three months from the date of communication to it of the disallowance of any item as aforesaid, appeal against such disallowance to the Central Govt. whose decision shall be final.

CHAPTER VI

CONTROL BY THE CENTRAL GOVERNMENT

30. Power to control price and distribution of tea or tea waste - (1) The Central Govt. may, by order notified in the Official Gazette, fix in respect of tea of any description specified therein -

(a) the maximum price or the minimum price or maximum and minimum prices which may be charged by a grower of tea, manufacturer or dealer, wholesale or retail, whether for the Indian market or for export;

(b) the maximum quantity which may in one transaction be sold to any person.

(2) Any such order may for reasons to be specified therein -

(a) fix prices for such tea differently in different localities or for different classes of dealers, or for growers of tea or manufacturers;

(b) instead of specifying the price or prices to be charged, direct the price or prices shall be computed in such manner and by reference to such matters as may be provided by the order;

(3) The Central Govt. may, by general or special order -

(a) prohibit the disposal of tea or tea waste except in such circumstances and under such conditions as may be specified in the order;

(b) direct any person growing, manufacturing or holding in stock, tea or tea waste, sell the whole or a part of such tea waste so grown or manufactured during any specified period, or to sell the whole or a part of the tea or tea waste so held in

stock, to such person or class of persons and in such circumstances as may be specified in the order;

(c) regulate by licences, permits or otherwise the production, storage, transport or distribution of tea or tea waste.

(4) Where in pursuance of any order made with reference to clause (b) of sub-section (3), any person sells the whole or a part of any quantity of tea or tea waste, there shall be paid to him as price there for -

(a) where the price can be fixed by agreement consistently with the order, if any, relating to the fixation of price issued under sub-section (1) the price so agreed upon;

(b) where no such agreement can be reached, the price calculated with reference to any such order as is referred to in clause (a);

(c) where neither clause (a) nor clause (b) applies, the price calculated at the market rate prevailing in the locality at the date of sale.

(5) Without prejudice to the generality of the powers conferred by sub-sections (1) and (3), any order made there under may provide --

(a) for requiring persons engaged in the production, supply or distribution of, or trade and commerce in, tea or tea waste to maintain and produce for inspection such books, accounts and records relating to their business and to furnish such information relating thereto as may be specified in the order ;

(b) for such other matters, including in particular the entering and search of premises, vehicles, vessels and aircraft, the seizure by a person authorised to make such search, of tea or tea waste in respect of which such person has reason to believe that a contravention of the order has been, is being or is about to be committed, the grant or issue of licences, permits or other documents and the charging of fees therefor.

31. General Control over acts and proceeding of the Board-- (1) All acts and proceedings of the Board shall be subject to the control of Central Government which may cancel, suspend or modify as it thinks fit any action taken by the Board.

(2) The Board shall carry out such directions as may be issued to it from time to time by the Central Government for the efficient administration of this Act.

(3) The records of the Board shall be open inspection at all reasonable times by any officer authorised in this behalf by the Central Government

32. Appeal to Central Government -- Any person aggrieved by an order of the Board under section 14 section 15 or section 20 may appeal to the Central Government within sixty days from the date thereof and the Central Govt. may cancel, modify or suspend any such order.

CHAPTER VII

MISCELLANEOUS

33. Licensing of brokers, tea manufacturers etc.- The Central Govt. may whenever it thinks it necessary so to do, by notification in the Official Gazette require that no person shall on and from such date as may be specified in notification engage himself as a broker, manufacturer or dealer in tea waste or engage, himself in the business of blending tea except under and in accordance with the provision of a licence issued by the Board in accordance with the rules made under this Act : and any person who on and after such date so engages himself without obtaining a licence issued by the Board shall be deemed to have contravened the provisions of the section.

34. Power of inspection -- Any person authorised in this behalf by the Central Govt. or by the Board or any member so authorised by the Chairman in writing or any officer of the Board may enter at all reasonable times any tea estate or any place or premises where tea or tea waste is stored, kept or exposed for sale and may require the production for his inspection of any book, register, record or other paper kept therein and ask for any information relating to the production, storage or keeping for sale of tea or tea waste.

35. Power of Board to call for returns --
(1) The Board may serve by registered post a notice upon the owner of any tea estate or any sub-division of a tea estate or upon his manager, requiring him to furnish, within such period as it may specify in the notice, such returns relating to the production, sale and export of tea produced on the estate or to any other matter as it may deem necessary.

(2) Where the owner of any tea estate or any sub-division of any tea estate or his manager being required under sub-section (1) to furnish any return fails to furnish such return within the period specified in the notice or furnishes a return containing any particular which is false and which he knows to be false or does not believe

to be true the Board may refuse to allot an export quota to that estate or sub-division under section 20 or where an export quota has already been allotted may cancel the unexhausted balance of that quota and refuse to issue any further export licences against that quota or recognise or give effect to any transfer of quota under section 21.

(3) The Board may serve by registered post a notice upon any manufacturer, broker, dealer or dealer in tea waste, requiring him to furnish, within such period as it may specify in the notice, such returns relating to the manufacture, stock, purchase, sale or export of tea or tea waste as it may deem necessary.

36. Penalty for illicit export -- A breach of the provisions of sub-section (1) or sub-section (2) of section 18 shall be punishable as if it were an offence under item No. 8 of section 167 of the Sea Customs Act, 1878 (VIII of 1878), and the provisions of section 168 and of Chapter XVII of that Act shall apply accordingly.

37. Penalty for making false return -- Any person who being required by or under this Act to furnish any return fails to furnish such return or furnishes a return containing any particular which is false and which he knows to be false or does not believe to be true shall be punishable with fine which may extend to one thousand rupees.

38. Penalty for obstructing an officer or member of the Board in the discharge of his duties and for failure to produce books and record--

Any person who--

(a) obstructs a member authorised by the Chairman in writing or an officer of the Board or a person authorised in this behalf by the Central Government

or by the Board in the exercise of any power conferred, or in the discharge of any duty imposed on him by or under this Act, or

(b) having the control or custody of any account book or other record, fails to produce such book or record where required to do so by or under this Act,

shall be punished with imprisonment which may extend to one year, or with fine which may extend to one year, or with fine extend to one thousand rupees, or with both.

39. Penalty for illicit cultivation -- Whoever knowingly plants tea or causes tea to be planted on any land in contravention of section 12 shall be punishable with fine which may extend to one thousand rupees for the first offence, and with fine which may extend to five thousand rupees for any subsequent offence.

40. Removal of tea planted without permission -- Where any person has been convicted of any offence under section 39, the convicting court may direct that the tea in respect of which the offence was committed shall be removed from the land within a specified time, and in the event of the order not being duly complied with, may cause the tea to be removed and may recover the cost from the person convicted as if it were and arrear of land revenue due on the tea estate on which the offence was committed.

41. Penalty for contravention of order relating to control of price and distribution--(1) If any person contravenes any order made under sub-section(1) or sub-section (3) of section 30, he shall be punishable with imprisonment for a term which may extend to six months, or with fine which may extend to five thousand rupees, or with both; and the property in respect of which the order has been contravened or such part thereof as the court may deem fit, shall be forfeited to the Central Government.

(2) Any person who attempts to contravention or abets the contravention of, any order under sub-section (1) or sub-section (3) of section 30 shall be deemed to have contravened that order.

42. Other penalties -- Whoever contravenes or attempts to contravene or abets the contravention of the provisions of this Act or of any rules made there under other than the provisions, punishment for the contravention whereof has been provided for in section 36,37,38,39 and 41 shall be punishable with imprisonment which may extend to six months, or with fine which may extend to five thousand rupees, or with both, and in the case of a continuing contravention with an additional fine which may extend to five hundred rupees for every day during which such contravention continues after conviction for the first such contravention.

43. Offences by companies --(1) If the person committing an offence under this Act, or the rules there under is a company, every person, who at the time the contravention was committed, was in charge of, and was responsible to, the company for the conduct of the business of the company, as well as the company, shall be deemed to be guilty of the contravention and shall be liable to be proceeded against and punished accordingly :

Provided that nothing contained in this sub-section shall render any such person liable to any punishment if he proves that the offence was committed without his knowledge or that he exercised all due diligence to prevent the commission of such offence.

(2) Notwithstanding anything contained in sub-section (1) where an offence under this Act or the rules there under has been committed by a company and it is proved that the offence has been committed with the consent or connivance of, or is attributable to any neglect on the part of any director or manager, secretary or other officer of the company such director, manager, secretary or other officer shall also be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly.

Explanation -- For the purposes of this section.

(a) “company” means any body corporate and includes a firm or other association of individuals; and

(b) “director” in relation to a firm means a partner in the firm.

44. Jurisdiction of courts-- No court inferior to that of a Presidency Magistrate or a Magistrate of the First Class shall try any offence punishable under this Act.

45. Previous sanction of Central Government for prosecution—(1) No prosecution for any offence punishable under this Act shall be instituted except with the previous sanction of the Central Government.

(2)** *Notwithstanding above, Chairman, Tea Board shall exercise the powers of the Central Government under the provisions of this Section in respect of following Statutory Orders issued under the provisions of the Act :-*

(i) *Tea Warehouses Licensing Order, 1980*

(ii) *Tea(Regulation of Export Licensing)Order, 1984*

(iii) *Tea (Marketing) Control Order, 1984*

46. Protection of action taken in good faith-- (1) No suit prosecution or other legal proceeding shall lie against any person for anything which is in good faith done or intended to be done under this Act or any rule or order made there under.

* “(2) No suit or other legal proceeding shall lie against the Central Govt. for any damage caused or likely to be caused by anything which is in good faith done or intended to be done under this Act or any rule or order made there under.”

47. Power to delegate -- The Central Govt. may, by order notify in the Official Gazette, direct that any power exercisable by it under this Act may also be exercised in such cases and subject to such conditions, if any, as may be specified in the order by such officer or authority as may be specified therein.

48. Suspension of operation of Act -- (1)

If the Central Govt. is satisfied that circumstance have arisen rendering it necessary that certain of the restrictions imposed by this Act should cease to be imposed or if it considers it necessary or expedient so do in the public interest, the Central Government may, by notification in the Official Gazette, suspend or relax to a specified extent either indefinitely or for such period as may be specified in the notification the operation of all or any of the provisions of this Act.

(2) Where the operation of any provisions of this Act has under sub-section (1) been suspended or relaxed indefinitely, such suspension of relaxation may at any time while this Act remains in force be removed by the Central Government by notification in the Official Gazette.

49. Power of Central Government to make rule -- (1) The Central Government may, subject to the condition of previous publication, make rules for carrying out the purposes of this Act.

(2) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters namely :--

(a) the constitution of the Board, the number of persons to be appointed as members from each of the categories specified in sub-section (3) of section 4, the term of office and the other conditions of service of the procedure to be followed by, and the manner of filling vacancies among, the members of the Board ;

(b) the circumstances in which, and the authority by which, members may be removed;

(c) the holding of a minimum number of meetings of the Board every year;

(d) the pay, allowances and other conditions of service of the Secretary and other officers appointed by the Central Government ;

* Inserted as per the Gezette of India Notification No. 79 dated 27-12-80.

**Inserted vide Order No. S.O. 394(E) Dated 30th June, 1986 of Govt of India, Ministry of Commerce

(e) the maintenance of records of all business transacted at meetings of the Board and the submission of copies of such records to the Central Govt.;

(f) the conditions subject to which, and the mode in which, contracts may be made by or on behalf of the Board;

(g) the preparation of budget estimate of the receipts and expenditure of the Board and the authority by which such estimates shall be sanctioned ;

(h) the powers of the Board and the Executive Committee and the Chairman, in regard to the incurring of expenditure, and the reappropriation of estimated savings in any budget head to another such head ;

(i) the conditions subject to which the Board may incur expenditure ;

(j) the conditions subject to which the Board may borrow ;

* (ja) the amounts for the purposes of the proviso to section 28A ;

(k) the form and the manner in which accounts should be kept by the Board ;

(l) the basis on which the export quota of a tea estate or a sub-division of a tea estate shall be determined ;

(m) the conditions subject to which export quota, export licences and special export licences shall be transferable ;

(n) the conditions subject to which permits for the planting of tea on land not carrying tea shall be granted ;

(o) the collection of any information or statistics in respect of the tea industry and the tea trade ;

(p) the fees to be levied in respect of licences, permits and permissions issued under this Act ;

(q) the procedure for the grant or issue of licences, permits and permission under this Act, the time within which such licences, permits or permissions shall be granted or issued including, in particular, the publication of notices calling for applications and the holding of such inquiry in regard thereto as may be necessary in the circumstances ;

(r) the form of application for licences, permits or permissions under this Act ;

(s) the manner in which a broker or a dealer in tea waste or a manufacturer shall be licensed under this Act and the levy of fees in respect of such licence ;

(t) the matters which may be taken into account in the granting or issuing of any licence, permit or permission under this Act including in particular the previous consultation with the Central Govt. by the Board in regard to the grant or issue of any such licences, permits or permission ;

(u) the conditions which may be included in any licences, permits or permission ;

(v) the returns to be furnished by owners of tea estates, or sub-divisions thereof, manufacturers, dealers and brokers relating to the production, manufacture, stock, sale and export of tea and

* Amended as per the Tea (Amendment) Act, 1986 published in the extraordinary Gazette Notification, Ministry of Law & Justice, New Delhi, dt. 14-5-86.

tea waste and the form and manner in which such returns are to be furnished ;

(w) the fees to be charged for granting certified copies of accounts of quotas ;

(x) any other fee that may be necessary for the Board to levy in order to determine or redetermine the basis on which export quota may be fixed ;

(y) any other matter which is to be or may be prescribed.

* (3) Every rule made under this Act shall be laid as soon as may be after it is made before each House of Parliament while it is in session for a total period of thirty days which may be comprised in one session or in two successive sessions, and if, before the expiry of the session in which it is so laid or the session immediately following both Houses agree in making any modification in the rule or both Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be, so however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

50. Powers of Board to make by laws--(1)

The Board may make by-laws consistent with this Act and the rules made there under, to provide for --

(a) the dates, times and places of its meetings and of the meetings of the Executive and other committees and quorum for such meetings, and procedure thereat ;

(b) the delegation of powers and duties to the Executive or any other Committee, or to its Chairman, Vice-Chairman, Secretary or any other of its officers ;

(c) the travelling allowances of members and of members of Committee ;

(d) the appointment, promotion and dismissal of its officers and other than those appointed by the Central Government and the creation and abolition of their posts ;

(e) the conditions of service of its officers and other employees other than those appointed by the Central Government, including their pay, leave, leave allowances, pensions, gratuities compassionate allowances and travelling allowances and the establishment and maintenance of a provident fund for them :

(f) the maintenance of its accounts ;

(g) the persons by whom, and the manner in which payments, deposits and investments may be made on its behalf ;

(h) the custody of moneys required for its current expenditure and the investment of moneys not so required ;

(i) the preparation of statements showing the sums allotted to Departments of the Central and State Governments and other institutions.

(2) No by-law shall take effect until it has been confirmed by the Central Govt. and published in the Official Gazette, and the Central Govt. in confirming a by-law may make any change therein which appears to be necessary.

(3) The Central Govt. may, by notification in the Official Gazette, cancel any by-law which it has confirmed and thereupon by-law shall cease to have effect.

* (4) "Every by-law made under this section shall be laid, as soon as may be after it is made, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session, or in two or more successive sessions, and if before the expiry of the session immediately following the session or the successive session aforesaid, both Houses agree in making any modification in the by-law or both Houses agree that the by-law should not be made, only in such modified form or be of no effect, as the case may be ; so, however, that any such modification or annulment shall be without prejudice to the validity of any thing previously done under that by-law".

51. Repeals and savings -- (1) The Indian Tea Control Act, 1938 (VII of 1938) and the Central Tea Board Act, 1949 (XIII of 1949) are hereby repealed.

(2) All moneys and other property and all rights and interests of whatever kind, owned by, vested in, used enjoyed or possessed by, or held in trust by or for, the Indian Tea Licensing Committee constituted under the Indian Tea Control Act, 1938, and the Central Tea Board constituted under the Central Tea Board Act, 1949, as well as liabilities legally subsisting against the Committee or that Board shall pass to the Board with effect from the commencement of this Act.

(3) All Officers and other employees of the Indian Tea licensing Committee and the Central Tea Board who hold office as such immediately before the commencement of this Act shall be deemed to have been appointed as officers or other employees of the Board with effect from the commencement of this Act and , notwithstanding anything contained in any contract of service entered into by any such officer or other employees with the Indian Tea Licensing Committee or the Central Tea Board , shall be entitled to such pay and allowances and to such conditions of

service in respect of other matters as may be determined by the Board with the approval of the Central Government.

(4) Any proceedings taken by the Indian Tea Licensing Committee or the Central Tea Board before the commencement of this Act may be continued by the Board after such commencement.

(5) Unit action in that behalf is otherwise taken under the corresponding provisions of this Act or the rules made there under, all licences, permits, and permission issued or granted, all export quotas allotted and all fees fixed under the provisions or the Indian Tea Control Act, 1938, shall unless inconsistent with the provisions of this Act, be deemed to have been issued, granted allotted or fixed under the corresponding provisions of this Act and the rules made there under.

(6) Any offence punishable under the Indian Tea Control Act, 1938 or the Central Tea Board Act, 1949, shall be punishable and may be dealt with as if it were and offence punishable under the corresponding provisions of this Act.

(7) Any other thing or action done or taken before the commencement of this Act by the Indian Tea Licensing Committee or the Central Tea Board shall so long as it is not inconsistent with any of the provisions of this Act, be as valid and effectual as if it has been done or taken by the Board after the commencement of this Act.

(8) For the removal of doubts, it is hereby declared the provisions contained in sub-sections (2) to (7) inclusive shall be without prejudice to the general application of section 6 of the General Clauses Act, 1897 (X of 1897).

(9) If any difficulty arises in giving effect to any of the provisions of this Act, the Central Govt. may as occasion may arise, by order, do anything which appears to be necessary for the purpose of removing the difficulty.

*Insurtd by the delegated legislation provision (Amendment) Act, 1985 (Act 4 of 1986) and came into force w.e.f. 15-5-86 vid Central Govt. Notification No. G.S.R. 764(E) dated 15-5-86.

THE TEA RULES, 1954

ARRANGEMENT OF RULES

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- 38. Contracts
- 39. Payments from the Tea Funds.
- 40. Sending persons abroad.

THE TEA RULES, 1954*

1. Short Title.-- These rules may be called the Tea Rules, 1954.

2. Definition.-- In these Rules, unless the context otherwise requires--

(i) "Board" means the Tea Board, constituted under section 4 of the Act.

(ii) "Chairman" means the Chairman of the Board.

(iii) "Committee" means any Committee constituted by the Board under section 8 of the Act.

**(iiia) "Deputy Chairman" means the Deputy Chairman of the Board.

(v) "Member" member a member of the Board.

(vi) "Secretary" means the Secretary of the Board.

(vii) "the Act" means the Act, 1953 (29 of 1953).

***(viiia) "Tea estate" means the whole of the area of land commonly known as tea estate which is owned or held under any grant or lease, by any person.

(viii) "Vice-Chairman" means the Vice Chairman of the Board.

(ix) "year" means the year commencing on the first day of April.

3. Office of the Board -- The Office of the Board shall be located at Calcutta.

4. Constitution of the Board and Manner of filling vacancies --(1) The Board shall consist of a Chairman and the following other members who, in the opinion of the Central Govt. are capable of representing the various categories mentioned in clauses (a) to (h) of sub-section (3) of Section 4 of the Act :-

(a)(i) ne person representing the Government of Assam ;

(ii)one person representing the Government of West Bengal ;

(iii) one person representing the Tripura Administration ;

(iv)one person representing the Government of Tamil Nadu ;

@(v) one person representing the Government of Himachal Pradesh ;

****(vi) one person representing the Government of Kerala ;

****(b) three persons representing Parliament (two of the Lok Sabha and one for the Rajya Sabha) ;

++ (c) eight persons representing owners of tea estates and gardens and growers of tea ;

++ (d) five persons respresenting persons employed on tea estates and gardens ;

++(e) two persons representing dealers including both exporters and internal traders of tea ;

*Issued as per Government of India, Ministry of Commerce & Industry Notification No. SRO 1026 dt. the 25-3-54.

** Inserted as per Notification of Govt. of India in the Ministry of Commerce G.S.R. 674 dt. 25-4-79.

*** Inserted as per Notification of Govt. of India in the Ministry of Commerce G.S.R. 639 dt. 22-4-65.

@ Inserted as per Notification of Govt. of India in the Ministry of Commerce G.S.R. No. 1394 dt. 9-9-67.

**** Amended as per Notification of Govt. of India in the Ministry of Commerce & Industry No. S.R.O. 1686 dt. 25-5-57.

++ Substituted as per Notification of Govt. of India in the Ministry of Commerce No. G.S.R. 154 (E)[12012(1) / 74 Plant (A)] dated 20-3-75.

(f) two persons representing manufacturers, who manufacture and pack tea in containers up to 6 kilograms* ;

*(g) two persons representing consumers ;

+++ (h) Two persons representing such of other persons or class of persons, who in the opinion of the Central Govt. ought to be presented on the Board.

(2) The Central Govt. may make such consultations as may be necessary before appointing members of the Board.

(3) When a member of the Board dies or resigns or is deemed to have resigned or is removed from office or becomes incapable of acting, the Central Govt. may by notification in the official gazette appoint a person to fill the vacancy.

5. Term of Office -- +(1) A member of the Board shall hold office for the such period not exceeding three years from the date of his appointment as may be specified by the Central Govt. while notifying his appointment.

Provided that a Member of Parliament appointed to the Board in pursuance of @ clause (b) of sub-rule (1) of Rule 4 shall cease to be a member of the Board if he ceases to be member of the House from which he was appointed ;

@ Provided further that a member appointed to the Board in pursuance of clause (a) of sub-rule (1) of rule 4 shall cease to be a member :-

(i) if the Govt. which he represents, ceases to be a Govt. enumerated in the said clause, or

(ii) if appointed by virtue of office, ceases to hold such office.

Provided further that subject to the provisions of the preceding provisions, the term of office of any member holding office immediately before the 1st January, 1958 shall be three years from the date of his appointment.

(2) A person appointed to fill a casual vacancy under sub-rule (3) or Rule 4 shall hold office so long as the member whose place he fills would have been entitled to hold office, if the vacancy had not occurred.

6. Resignation -- (1) A member of the Board may resign his office by writing under his hand addressed to the Chairman.

(2) A member of Committee may resign his office by writing under his hand addressed to the Secretary :

*(3) The Office of a member of the Board or the Committee shall fall vacant from the date on which his resignation is accepted or on the expiry of thirty days from the date of receipt of intimation of resignation, whichever is earlier.

** (4) The power to accept the resignation of a member of the Board or of a member of a Committee shall vest in the Chairman who, on accepting the resignation, shall report that fact to the Board at its next meeting.

* Substituted as per Notification of Govt. of India in the Ministry of Commerce & Industry No.G.S.R. 433dt. 25-3-61.
+++ Inserted as per Notification of Govt. of India in the Ministry of Commerce No. G.S.R.....dt.24-6-77.
+ Inserted as per Notification of Govt. of India in the Ministry of Commerce & Industry No. S.R.G. 153 dt. 11-1-58.
@ Inserted as per Notification of Govt. of India in the Ministry of Commerce No. G.S.R.1394 dt.9-9-67.
* Amended as per Notification of Govt. of India in the Ministry of Commerce & Industry No. S.R.O.1476 dt.30-6-56.
** Inserted as per Notification of Govt. of India in the Ministry of Commerce & Industry No. G.S.R.....8(3) Plant (A)/58 dt. 24-6-58.

7. Removal from the Board -- The Central Govt. may remove any member from his office --

- (a) if he is unsound mind and stands so declared by a competent court, or
- (b) if he is an undischarged insolvent, or
- (c) if he is convicted of a criminal offence involving moral turpitude, or
- (d) if without leave of the Chairman, he fails to attend more than three successive meetings of the Board.

8. Absence from India--(1) Before a member of the Board leaves India :

(a) he shall intimate the Secretary the date of his departure from and the date of his expected return to India, and

(b) if he intends to be absent from India for a longer period than six months, he shall tender his resignation.

(2) If a member leaves India without observing the provisions of sub-rule (1). he shall be deemed to have resigned with effect from the date of his departure from India .

***9. Vice-Chairman --** (1) The Board shall, at the last meeting held before the 31st March every year elect, from amongst its own members a person to be the Vice-Chairman who shall hold office from the 1st April of the year up to the 31st March of the following year.

Provided that in any year in which the term of office of all the members expires on the 31st March, the Vice-Chairman shall be elected at the 1st meeting held after the 31st March.

(2) If any casual vacancy arises on account of the Vice-Chairman resigning his office as such or ceasing to be a member of the Board or otherwise, the Board shall forth-with elect a member to be Vice-Chairman up to the 31st March immediately following.

10. Minimum number of meetings of the Board-- The Board shall hold a meeting at least once in every quarter.

11. Power to call meetings --(1) The Central Government may at any time call a meeting of the Board.

(2) The Chairman may at any time call a meeting of the Board and shall do so, if a requisition for a meeting is presented to him in writing by at least ten members.

12. Appointment of Committees--*(1) The Board shall, at the first meeting held after the 31st March every three years, appoint the following Standing Committees namely :

- (a) an Executive committee.
- (b) two Licensing Committees, one for North India and one for South India.
- (c) an Export Promotion Committee, and
- (d) a Labour Welfare Committee.

***(e) Development Committee.
and each such Committee shall function up to 31st March of the third financial year beginning from the year in which it is appointed.

- (2) The Executive Committee shall consist of :
- (a) the Chairman who shall be the ex-officio Chairman thereof ;
 - (b) the Vice-Chairman : and

*Inserted as per Notification of Government of India in the Ministry of Commerce and Industry No.G.S.R. 7138(9) Plant (A)/59 dated 15-6-60.

** Amended as per Notification of Govt. of India Ministry of Commerce & Industry No. S.R.O. 153 dated 11-1-58 read with Notification No. G.S.R. 452 dated 23-3-61 and G.S.R.No.207 dated 8-2-62.

*** substituted as per Notification of Government of India in the Ministry of Commerce(G.S.R. No.1162) dt. 21-7-76.

(c) seven other members to be elected by the members of the Board from among themselves, in such manner as may be laid down by the Board.

(3) The Licensing Committee for North India shall consist of ;

(i) the Chairman who shall be ex-officio the Chairman thereof ; and

(ii) six other members to be elected by the members of the Board from among themselves, in such manner as may be laid down by the Board.

(4) Licensing Committee for South India shall consist of four members to be elected by the members of the Board from among themselves in such manner as may be laid down by the Board. The Committee shall elect a Chairman from among themselves.

*(4A) The Export Promotion Committee shall consist of ;

(i) The Chairman who shall be the ex-officio Chairman thereof ; and

(ii) six other members to be elected by the members of the Board from among themselves, in such manner as may be laid down by the Board.

(4B)** The Labour Welfare Committee shall consist of;

(i) The Chairman who shall be the ex-officio Chairman thereof ; and

(ii) eight other members to be elected by the members of the Board from among themselves, in such manner as may be laid down by the Board.

*** (4C) The Development Committee shall consist of ;

(a) The Chairman, who shall be the ex-officio Chairman thereof ; and

(b) six other members to be elected by the members of the Board from among themselves, in such manner as may be laid down by the Board.

@(4D) Election of the Board Members to the various Committee, in case there is a contest shall be made through the usual procedure of several ballot.

(5)* Nothing in this rule shall derogate from the power of the Board to constitute with the previous approval of the Central Govt. and for such period as may be specified by that Government in each individual case, any other Standing Committee or any ad-hoc Committee for any of the purposes mentioned in sub-section (3) of section 8 of the Act.

****13. Function of committees--**The Executive Committee, the Licensing Committees and the Labour Welfare Committee and *** the Development Committee, shall discharged such functions and exercise such powers, not being those mentioned in Rule 18 as may be delegated to them by the Board.

+ *Provided that all decisions taken by the aforesaid committees in the exercise of the delegated powers shall be placed before the Board for information within a period of fifteen days from the date on which the decision was taken.*

*Inserted as per Notification of Govt. of India in the Ministry of Commerce and Industry G.S.R. No. 452 dt.23-3-61.

**Inserted as per Notification of Govt. of India in the Min. of Commerce and Industry G.S.R.No.207 dt. 8-2-62.

*** Substituted as per Notification of Govt. of India in the Min. of Commerce (G.S.R.No.1162) dt. 21-7-76.

@Inserted as per Notification of Govt. of India in the Min. of Com. G.S.R.No.1081 dt. 4-12-86.

*Amended as per Notification of Govt. of India in the Ministry of Commerce & Industry No. S.R.O. 2974 dt. 21-9-57, read with G.S.R. 207 dated 8-2-62.

+Inserted vide Govt of India, Ministry of Commerce Notification No. S.O. 382(E) dated 30th May, 1991

**Inserted as per Notification of Govt. of India in the Min. of Commerce and Industry No.GSR 749 dt. 18-8-59

*** Substituted as per Notification of Govt. of India in the Min. of Commerce (G.S.R.No.1162) dt. 21-7-76.

13A. Powers of the Export Promotion Committee--The Export Promotion Committee shall exercise all the executive and financial powers of the Board in respect of matters relating to Tea Promotion subject to the overall control of the Board.

+Provided that all decisions taken by the aforesaid committees in the exercise of the delegated powers shall be placed before the Board for information within a period of fifteen days from the date on which the decision was taken.

14. Absence from Meetings of a Committee-- Any member of a Committee absenting himself from three consecutive meetings without leave of the Chairman shall be deemed to have vacated his seat on the committee.

***14A. Term of Office of members of Committee who are members of Board**-- A member of the Board who is a member of a committee shall on his ceasing to be member of the Board cease to be a member of the Committee.

**** 15. Filling of vacancies on Executive and Standing Committees** -- Any vacancy of the Executive Committee or a Standing Committee shall be filled by election and the next meeting of the Board or the meeting subsequent thereto, and the person so elected shall hold office so long as the member whose place he fills would have been entitled to hold office, if the vacancy had not occurred ;

Provided that where a vacancy in the office of member of the Executive Committee is caused by reason of the election of a member of that Committee to be Vice- Chairman, any person elected in such vacancy shall hold office only so long as the Vice-Chairman continues in office.

16. Business by Circulation --- (1) Any Business which the Board or Committee is required to transact may, if the Chairman of the Board or of the Committee so directs, be referred to by circulation of papers to members, and any resolution or proposal so circulated and approved

by the majority of members who have recorded their views in writing shall be as effectual and binding as if such resolution or proposal were decided by a majority of votes at a meeting;

Provided that at least ten members of the Board or a majority of the members of Committee at the case may be, have recorded their views on the resolution or proposal.

Provided further that when a resolution or proposal is referred to by circulation of papers , any five members of the Board or three members of the Committee, as the case may be, may require that the resolution or proposal be referred to a meeting and thereupon such reference shall be made to a meeting of the Board or the Committee.

(2) When any business is so referred to members by circulation, a period of not less than 14 clear days in the case of Board and 10 clear days in the case of a Committee shall be allowed for receipt of replies from members. Such period is to be reckoned from the date on which notice of business is issued,

(3) If a resolution or proposal is circulated, the result of the circulation shall be communicated to all the members.

17. Record of Business --(1) A record shall be maintained of all business transacted by the Board or its Committees, and copies of such record shall be submitted to the Central Government ;

Provided that the records of business of routine nature transacted by the Licensing Committees by circulation need not be submitted to the Central Government.

(2) The record of business transacted at the meetings of the Board and of the Committees shall be signed by the Chairman presiding over such meetings.

*Inserted as per Notification of the Govt. of India in the Ministry of Commerce and Industry No.GSR. 749 dt.18-8-59.

** Inserted as per Notification of Govt. of India in the Ministry of Commerce and Industry No.GSR 518 dt.7-5-60.

+Inserted vide Govt of India, Ministry of Commerce Notification No. S.O. 382(E) dated 30th May, 1991.

(3) When business is transacted by circulation of papers, a record of business so transacted shall be signed by the Chairman of the Board or the Committee, as the case may be, directing the circulation.

***18. Restriction on Delegation of Powers**

-- (1) The Board shall not delegate any administrative power to any Committee other than the Executive Committee or the Export Promotion Committees.

*(2) The Board shall not delegate any of the following powers to any of the standing committee :

(a) the power to sanction expenditure in excess of Rs. 2,00,000/- in respect of any one item ;

(b) the power to adopt the Budget Estimates of the Board on its behalf ;

(c) the power to sanction expenditure to be incurred outside India in excess of ** Rs. 50,000/- in respect of any one item ;

(d) to power to re-appropriate the estimated savings in excess of Rs. 5,000/- in respect of any one item ;

(e) the power to write of losses in excess of Rs. 2500/- in respect of any one item.

19. Appointments -- Save as provided for in section 9 of the Act, appointments to posts of officers and employees under the Board shall be made by the Board ;

+ * provided that no appointment to any post of which the maximum salary exceeds Rs. 1700/- per month shall be made without the previous sanction of the Central Government.

20. Creation and abolition of Posts--

@ The Board may, on its own authority and subject to the availability of funds in the approved Budget of the Board, create posts carrying a maximum salary not exceeding Rs. 1700/- per month and may, with the previous sanction of the Central Govt., create other posts.

***20A. Grant of advances for building etc. of houses --**

An advance for building a new house (including purchase of land for the purpose) or for the purchase of a ready - built house or for enlarging leaving accommodation of an existing house own by an officer of the Board appointed by the Central Govt. may be granted to such officer at such rates and conditions as may be admissible to officers holding comparable posts under the Central Government in accordance with the Rules of the Central Government for the time being in force. The Grant of absence is subject to the availability of funds under the head 'Advances recoverable bearing interest'. The Board, the Executive Committee and the Chairman shall have power to grant advances up to the amounts specified below :-

Board Up to the maximum limits of such amounts of advance as are admissible to Central Government servants under or orders issued from time to time.
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* Substituted as per Notification of Ministry of Commerce Civil Supply and Co-operation GSR. 674 dt. 25-4-79.

** Amended as per the Notification, of Govt. of India in the Ministry of Commerce & Industry No. SRO. 3630 dt. 16-11-57.

+* Amended as per Notification of Govt. of India Ministry of International Trade No. GSR. 1636/8(10)Plant(A)/62 dt. 27/28-9-53 & GSR. No. 799 dt. 23-4-68.

@ Inserted as per Notification of the Govt. of India in the Ministry of Commerce No.GSR. 799 dt. 23-4-68.

* Inserted as per Notification of Govt. of India in the Ministry of Commerce and Industry SRO. dt 30-7-57 read with No. GSR. 799 dt. 4-9-58 and GSR. 253 dt. 10-2-65.

Executive Committee Up to Rs. 25,000.00
Chairman Up to Rs. 20,000.00

21. Allowances and remuneration -- Save with the previous sanction of the Central Govt. no remuneration other than travelling allowance and halting allowance shall be paid to any member of the Board on account of his service as such.

22. Export of Tea-- Any tea estate or sub-division of a tea estate shall, on application made in this behalf in accordance with Rule 23 to the Board for allotment of an export quota, have the right to receive and export quota :

Provided that no tea estate or a sub-division of a tea estate, which ceased production for three or more consecutive seasons since the commencement of the Act, shall be eligible to get an export quota in the financial year following such three or more consecutive seasons, unless it has resumed production during to seasons, corresponding to the financial year.

23. Application for export quota -- (1) Application for export quota for any financial year shall be made in such form, as may be specified by the Board, and shall reach the Board not later than the 1st day of February of the preceding financial year.

(2) An export quota shall not be granted, without the previous sanction of the Central Government, if the application in respect thereof is not received by the Board on/or before the date specified above.

24. Crop basis -- (1) The crop basis of a tea estate or a sub-division of a tea estate for any financial year shall be the best crop * (in any of the

four calendar years preceding the financial year) due allowance being made for low producing areas *(as provided in rule 25A).

Provided when a tea estate in production has no crop basis under this rule, the assessed crop of the estate for that year may be taken as its crop basis.

****Explanation -** In this sub-rule and in rule 25A, the expression “low producing area” means a tea estate or sub-division of a tea estate having and actual crop basis, as determined with reference to the area planted therein with tea on the first day of the financial year immediately preceding the financial year to which any application by the owner of such estate or sub-division under rule 23 relates, of less than + 510 kilograms per hectare.

(2) When the area of a tea estate or a sub-division of a tea estate is reduced or increased by the transfer to or acquisition from another tea estate of land planted with tea, the crop basis of the estate or sub-division of the tea estate shall be reduced or increased by an amount representing as nearly as possible the contribution made by the area transferred or acquire to the crop basis of the estate of which it previously formed a part.

(3) Where a tea estate for which a crop basis has been determined becomes two or more separate estates, the crop of each such separate estate shall be determined so as to represent as nearly as possible the contribution made by the area comprised in it to the total crop basis of the original estate.

25. Meaning of crop --(1) Crop in the preceding rule shall after the commencement of the Act, be construed as meaning the yield or

*Substituted as per Notification of Govt. of India in the Ministry of Commerce and Industry No. SRO 746 dt. 23-3-56.

**Inserted as per Notification of Govt. of India in the Ministry of Commerce and Industry No. SRO. 229 dt. 19-1-55.

+ Substituted as per Notification of Govt. of India in the Ministry of Commerce and Industry No. GRS 453 dt. 25-3-61.

production of manufactured tea i.e. tea either black or green produced in the usual manner for sale in the market and as shown in the return in form R.T.3, submitted to the Central Excise authorities under the Central Excise Rules, 1944.

Provided that in the absence of returns in form R.T.3, the Board may determine the crop of a tea estate or sub-division of a tea estate in such manner as it thinks best.

(2) Where tea is not manufactured by tea estate concerned or where evidence of the amount manufactured is not available, the production shall be assumed to be by weight one fourth of the weight of green tea leaf produced.

25A. Application for allowance for low producing area --(1) An application for making in the calculation of the crop basis allowance on account of the area being a low producing area may be made to the Board along with the application for export quota under rule 23.

(2) No such application shall be granted unless the application proves to the satisfaction of Licensing Committee that had such allowance been granted in the previous year, the crop of the low producing area to which the application relates would nevertheless have not been less than the amount of the enhanced export quota which would be admissible to it by reason of the grant of the allowance.

Provided that the Licensing Committee may reduce the allowance to be granted under this rule by an amount equal to the amount by which the crop of such low producing area appears to be likely to fall below such enhanced export quota in consequence of the grant of the allowance.

(3) If such application is granted, the amount specified in column 2 of Schedule-1 against the entry in column-1 of that Schedule corresponding to

such crop basis shall be added to the actual ** per hectare crop basis of the low producing area to which the application relates.

Provided that the Licensing Committee may reduce the amount of allowance admissible under this sub-rule by the amount determined under the proviso to sub-rule (2).

26. Export quota and crop basis ---Export quota of a tea estate or sub-division of tea estate that is, the total quantity of tea which may be exported by the owner of the tea estate or sub-division in any financial year shall be an amount bearing to the crop basis of that estate the same proportion as the export allotment in the financial year in question bears to the total of the crop basis of all the tea estates and sub-division of tea estates in India for that year and when the export allotment is altered under proviso to section 19 of the Act, the export quota shall be deemed to the altered accordingly.

Provided that when an export quota of a tea estate or a sub-division of a tea estate has been reduced in consequence of an alterations during the financial year of the export allotment any tea exported by the owner of a tea estate or sub-division of a tea estate in accordance with the export quota, as subsisting for the time, being, which is in excess of the amount permitted to be exported in accordance with the export quota as finally revised for the year, shall be excluded from the computation of the total quantity of tea which may be exported by that owner during the financial year.

27. Inspectors and assessors to assist in the determination of crop basis -- The Board may appoint Inspectors or Assessors for the purpose of assisting in the determination of the crop basis, and in the discharge of its other duties. The Board may pay to them such fees as it may decide as well as actual travelling expenses.

* Inserted as per Notification of the Govt. of India, Ministry of Commerce and Industry No. SRO 229 dt. 19-1-55.

**Substitute as per Notification of the Govt. of India, Ministry of Commerce and Industry No. GSR 453 dt. 25-3-61.

28. Licence fees-- The Board shall charged and collect the Licence fee for every export licence, special export licence, or permit issued by it at the rate of *Rupees two and twenty paise per metric tone, or part thereof.

Provided that the owner of a tea estate or a sub-division of a tea estate to which a quota has been allotted under section 20 of the Act may make, or the Board may required him to make, a consolidate payment of export licence fees at the rate fixed under the rules to cover the whole of the quota.

29. Copy of accounts of quota to be furnished to tea estates--A copy of the accounts of export quotas maintained by the Board under sub-section (1) of section 23 of the Act shall be furnished, on application, to the owner of a tea estate or sub-division of a tea estate who shall be required to pay fee Re. 1 in respect of each copy required.

***30. Planting of tea --** (1) Any person desirous of planting tea on land not planted with tea shall apply to the Board in writing within such date as may from time to time the notified by the Board in this behalf and shall furnish such survey maps and other particulars as may be required.

(2) Subject to the limitations set out in section 13 of the Act, the Board may grant or refuse the permission applied for or may grant it in part only or may call for further information from the application.

***30A. Grant of permission by the Board--**(1) The Board may inspect or cause to be inspected any land in respect of which an application for permission to plant tea has been made and the records relating thereto for the purpose of satisfying itself as to the accuracy of any survey map and generally for the purpose of enabling it to dispose of the application.

+ (2) The Board may grant permission upon application to any person to plant tea on land not planted with tea :

(i) Where such person is the owner, grantee or lessee of an existing tea estate and where the permission applied for is in respect of land forming part of that tea estate, for the whole of the are with respect to which such permission is applied for or part thereof, as the Board may think fit, provided that such person furnishes to the satisfaction of the Board such particulars as may be required by it ;

(ii) Where the permission applied for is in respect of land not forming part of an existing tea estate, for the whole of the area with respect to which such permission is applied for or part thereof as the Board may think fit, provided that such person proves of the satisfaction of the Board that :

(a) he owns or holds, under a grant or lease, the land in respect of which such permission is applied for ;

(b) he is able to finance the undertaking including erection of a factory, where necessary;

(c) the land in respect of which such permission is applied for is suitable for tea plantation as regards the nature of the soil and climatic conditions ; and

(d) the are of the land in respect of which such permission is applied for is not too small for economic plantation.

* Substituted as Notification of Govt. of India in the Ministry of Commerce & Industry No.SRO. 2791 dt.24-11-56 read with SRO. 301 dt. 25-1-58. GSR.453 dt. 25-3-61 GSR.1027 dt.7-8-61. and GSR. 1558 dt. 15-11-62.

+ Substituted as per Notification of Govt. of India in the Ministry of Commerce No.GSR.639 dt. 22-4-65.

(3) |
(3A) | * Omitted

(4) Every permit to plant tea shall specify the area of land in respect of which it has been granted and shall be in force for such period as may be specified by the Board in the permit.

Provided that any permit issued under these rules may be renewed from time to time as the Board thinks fit :

Provided further that notwithstanding anything contained in sub-rule (2) the Board may, if it thinks fit, cancel any permit issued to tea estate, or any part of such permit remaining unutilised after a period of not less than three years from the date of issue.

(5) No permit granted by the Board shall be transferable ;

Provided that a permit granted to a tea estate may, with the previous permission of the Board be transferred to another tea estates if both the estate are held under the same ownership.

(6) The owner of a tea estate to which permit is issued shall submit to the Tea Board on the 31st March of the each year, a return showing the area planted upto that date in pursuance of the permit the reasons for non-utilisation of any area that may not have been planted and the programme for planting tea for the next two years.

(7) The Indian Tea Licensing Committee (Tea new planting) Rules, 1951 are hereby repealed but such repeal shall not effect the validity of any permit issued or any action taken under those rules.

@30B. Establishment and extension of tea seed Baris--Notwithstanding anything contained in Rules 30 and 30A, any person desirous of establishment or extending tea seed baris shall apply separately to the Board in writing and the Board may grant or refuse the permission applied for or may grant it in part only, as it may think fit.

Explanation -- In this rule, “tea seed bari” means an area planted with the plant *Camellia Sinoensis (L) O Kuntze* for the sole purpose of growing seeds used for propagating the plant and not used for any other purpose, save with permission of the Board.

****31. Permission to plant tea --**(1)Any person being the owner, grantee or leases of a tea estate, desirous of replacing tea areas by planting tea on areas not planted with tea, shall apply of the Board in writing for permission to do so and shall furnish, to the satisfaction of the Board, such particulars as may be required by it.

(2) The Board may, in its discretion, grant such permission and prescribe such time-limit, not exceeding ten years, in regard to uprooting of bushes from areas replaced, as it deems appropriate.

32. Form to be used -- The forms set out in +[Schedule II] shall be used for the purpose of provisions of the Act, referred to in each form. The Board may either generality or in any particular case require such additions as it may consider necessary to be made to any such form.

@@ 33. Omitted.

34. Budget Estimates :
*** (1) The Board shall in each year prepare Budget estimates for the ensuing year and revised estimates for the current year and shall submit them for the

* Omitted as per Notification of the Govt. of India in the Ministry of Commerce No. G.S.R. 639 dt. 22-4-1965.

@ Inserted as per Notification of the Govt. of India in the Ministry of Commerce & Industry No. GSR. 353dt. 20-3-59.

** Substituted as per Notification of the Govt. of India in the Ministry of Commerce No. GSR. 639 dt. 22-4-65 read with GSR. 8(1) Plant (A)/60 dt. 27-10-60.

@@ Omitted as per Notification of the Govt. of India in the Ministry of Commerce GSR. No. 1081 dt. 4-12-86.

+ Inserted as per Notification of the Govt. of India in the Ministry of Commerce & Industry No. SRO. 229 dt. 19-1-55

** Substituted as per Notification of the Govt. of India in the Ministry of International Trade No. GSR. 1936-8(4) Plant (A)/63 dt. 12-12-63 and GSR.799 dt. 23-4-68.

sanction of the Central Govt. on or before such dates as may be fixed by the Govt.. The revised budget when sanctioned shall supersede the original budget and shall be deemed to be sanctioned budget for the year.

(2) No expenditure shall be incurred until the budget is sanctioned by the Central Govt. and the expenditure has received the sanction of the competent authorities.

(3) The Budget shall be in such form as the Central Govt. may direct and shall include a statement of

- (a) the estimated opening balance ;
- (b) the estimated receipts by way of grant from the Central Govt. under section 26 of the Act and from other sources ;

** (c) The proposed expenditure classified under the following heads or such other heads as the Central Govt. may direct.

- (i) Administration including library,
- (ii) Tea Promotion in India,
- (iii) Advances to employees ,
- (iv) Pension,
- (v) Works,
- (vi) Tea Promotion outside India,
- (vii) Labour Welfare,
- (viii) Research Grants,
- (ix) Developments (grants),
- (x) Others,

** (4) The proposed expenditure under the heads 'administrative expenses', 'tea promotion in India' and tea promotion outside India and such other heads as the Central Govt. may direct shall be further classified under the following sub-heads, namely .

- (i) Pay of Officers,
- (ii) Pay of Establishment,
- (iii) Allowances, Honoraria etc.,
- (iv) Other charges, Contingencies, etc.

(5) Supplementary estimates of expenditure shall be submitted for the sanction of the Central

Government in such from and on such dates as may directed by them.

35. Account of the Board-- (1) The Board shall maintain accounts of all receipt and expenditure relating to each year.

(2) +(a) *The audited accounts and annual report duly adopted by the Board shall be submitted to the Government within a period of six months from the date of close of the financial year to which the accounts and report pertain.*

(b) *In case any delay is anticipated in finalisation of the Accounts Report, the Board may approach the Government at least a month in advance for extension of time not exceeding three months.*

(3) An abstract of receipts shall be published in the Gazette of India.

(4) The accounts of receipts shall be shown under the following heads.

- (a) moneys received under Section 26 of the Act ;
- (b) fees realised on account of licenses, permits etc. issued ;
- (c) any other moneys received by the Board ;
- (d) interest received from investment of such moneys as aforesaid.

(5) The total receipts only shall be shown under each of the heads specified in sub-rule (4) and the opening balance if any, shall also be stated.

(6) expenditure incurred in the year shall be shown under separate heads and sub-heads.

(7) The closing balance of the year shall be shown at the foot of the accounts on the expenditure side :

Provided an annual *proforma* account on accrual basis shall also be prepared for bringing out assets and liabilities as well as the details of reserves and investments.

** Substituted as per Modification of Govt. of India Ministry of International Trade No.GSR 1936-8(4) Plant(A)/63 dt. 12-12-63 and GSR. 799 dt. 23-4-68.

+ Inserted vide Govt of India, Ministry of Commerce, Notification No. G.S.R.301(E) Dated 20th May, 1995

@36. Power to incur expenditure--(1)** “Subject to the provisions of the Act and these rules, the Board may incur any expenditure within the budget allotment under any head and write off losses up to Rs. 5,000/- in respect of any one item and in this regard may delegate to the Standing Committees or to the Chairman, @ Deputy Chairman, * Secretary or any other officer of the Board specially authorised in this behalf by the Chairman, such financial powers as it may consider expedient ;

Provided that, save with the sanction of the Central Govt. no expenditure shall be incurred which is in excess of the sanction budget allotment under any head”.

(2) “Re appropriations between the heads of expenditure specified in sub-clauses (i), (ii), (viii) and (ix) of clause (c) of sub-rule (3) of rule 34 and between sub-heads within a head may be made by the Board. In respect of the re-appropriations between sub-heads within the same head, the Board may, subject to clause (d) of sub-rule (2) of rule 18, delegate its power to the Standing Committee within whose area the related function falls”.

(3) “The Board shall not incur expenditure outside India in excess of Rs. 1,00,000/- on any one item without the previous sanction of the Central Govt. and may subject to clause (c) of sub-rule (2) of rule 18 delegate its power in this behalf to the Export Promotion Committee”.

(4) “The Board may transfer funds, up to a limit of Rs. 25,000/- from one sanctioned development scheme to another in contingencies where any particular scheme cannot be implemented in full or where the need has ceased

or arisen unexpectedly while implementing them if the overall budget provisions has been approved to and the transferee and the transferor schemes are both in the approved budget”.

37. Borrowing Powers-- The Board may with the previous sanction of the Central Govt. borrow on the security of the Tea Fund or any other of its assets for meeting its expenses or for any other purpose referred to in Section 10 of the Act.

Provided that no loan shall be taken which is repayable later six months from the date of the loan.

*****38. Contracts --(1)** The Board may enter into contracts provided that every contract which extends over a period of more than five years or involves expenditure in excess of Rs. 3,00,000 shall require the previous sanction of the Central Govt. and every such sanction shall be subject to the condition that the power to execute such contracts in pursuance of the sanction shall be vested with the Board.

(2) The Board may delegate to the Executive Committee, Chairman or Secretary such power for entering into contracts on its behalf as it may think fit.

(3) Contracts shall not be binding on the Board unless they are executed by the Chairman or Vice-Chairman and by the Secretary with the previous approval of the appropriate authority concerned and the common seal of the Board is affixed thereto.

(4) Neither the Chairman nor Secretary nor any member of the Board shall be liable for any

**** Substituted as per Notification of Govt. of India Ministry of Commerce Civil supply and Co-operation GSR. 674 dt. 25-4-79.**

@ Amended as per Notification in the Ministry of Commerce No. GSR.-799 dt. 23-4-1968.

*** Substituted as per Notification of Govt. of India Ministry of Commerce & Industry No. SRO. 1262 of 17-1-54 and GSR. 799 dt. 23-4-68.**

***** Substituted as per Notification of Govt. of India Ministry of Commerce Civil supply and Co-operation No. GSR. 674 dt. 25-4-79.**

assurances or contracts made by the Board but any liability arising under such assurances contracts shall be discharged from the moneys at the disposal of the Board.

***39. Payments from the Tea Funds --** (1) All payments made by the Central Govt. to the Board under Section 26 of the Act out of the proceeds of the cess levied under sub-section (1) of the section 23 of the Act shall be debited to the Major Head 43 Industries and Supplies.

(2) Payments by or on behalf of the Board shall be made in cash or by cheque drawn against a current account of the Board.

****40. Sending persons abroad --** The Board shall not send any member of the Board or any of its officers to places outside India without the previous sanction of the Central Govt.,

Provided that no such sanction shall be necessary for the appointment of officials to the sanctioned posts in foreign countries for which the Board or the Chairman is the competent authority to make such appointment.

Provided further that the terms and conditions of deputation of such officials shall conform to the terms and conditions laid down from time to time by the Govt. of India for deputations abroad.

***Provided also, that in cases where the Board has to depute its officers to participate in exhibitions and fairs abroad, it shall be competent for the Board to depute the officers if :-

- (a) the exhibition or fair in which participation is sought has already been approved by the Central Govt. ;
- (b) the budget provision exists for incurring expenditure thereto ; and
- (c) the Board makes every year a consolidated list of exhibitions and fairs in which it would like to participate for tea promotion and also be number of persons to be deputed from the headquarters and gets the prior approval of the Central Government for the programme.

* Amended as per Notification of Govt. of India in the Ministry of Commerce & Industry No.SRO. 1477 dt. 30-6-56.

** Amended as per Notification of Govt. of India Ministry of Commerce GSR. (F No.C-1201(1)--71/Plant(A) dt. 27-3-1973.

*** Inserted Amended as per Notification of Govt. of India Ministry of Commerce Civil Supply and Co-operation No.GSR. 674 dt. 25-4-79.

THE TEA BOARD BY-LAWS, 1955

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@@ Inserted as per Notification of the Government of India in the Ministry of International Trade No.GSR.630 dt.9-4-1964.

@ Inserted as per Notification of the Government of India in the Ministry of Commerce No. GSR.329 dt. 30-1-65.

* Inserted as per Government of India in the Ministry of Commerce No. GSR.407 dt.25-2-63 read with G.S.R.1581 dt. 4-10-66.

** Inserted as per Notification of the Government of India in the Ministry of Commerce No.GSR.1711 dt.22-11-65.

41. Operation of Tea Board (Joint Controller) account.
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54. Delegation of power to call for returns.

THE TEA BOARD BY-LAWS, 1955*

- (1) These by-laws may be called the Tea Board By-laws, 1955.

DEFINITIONS :

**2. In these by-laws, unless the context otherwise requires :-

- (i) "the Act" means the Tea Act, 1953 (29 of 1953) ;
- (ii) "Board" means the Tea Board constituted under section 4 ;
- (iii) "Chairman" means Chairman of the Board ;
- (iv) "Committee" means any committee constituted by the Board under section 8 read with rule 12 of the rules ;
- (v) "Controller of Licensing" means the principal Executive Officer attached to the Licensing Committee for North India and "Joint Controller of Licensing" means the Principal Executive Officer attached to the Licensing Committee for South India, the Licensing Committees being constituted under section 8 read with rule 12 of the rules ;
- (vi) "Deputy Chairman" means an officer of the Board, appointed by the Central Govt. as the Deputy Chairman of the Board ;
- (vii) "Director of Tea Promotion" means an officer of the Board, appointed by the Central Government as the Director of Tea Promotion of the Board;
- (viii) @ "Directorate of Tea Promotion" means that Branch of the Board's staff which deals with matters relating to tea promotion and is directly under the administrative control of the Director under the administrative control of the Tea Promotion ;
- (ix) "Executive Committee" means the Executive Committee constituted under section 8 read with rule 12 of the rules ;
- (x) "Export Promotion Committee" means the Export Promotion Committee constituted under section 8 read with rule 12 of the rules ;
- (xi) "Labour Welfare Committee" means the Labour Welfare Committee constituted under section 8 read with rule 12 of the rules ;
- (xii) "Rules" means the Tea Rules, 1954, framed under section 49 of the Act ;
- (xiii) "Secretary" means the Secretary to the Board ;
- (xiv) "Section" means a section of the Act; and
- (xv) "Vice-Chairman" means the Vice-Chairman of the Board.

POWERS AND DUTIES OF COMMITTEES

***3. **Executive Committee**--The Executive Committee shall discharge its functions subject to direction and control of the Board.

* Issued as per Notification of Govt. of India, Ministry of Commerce and Industry No.SRO.1390 dt. 22-6-1955 and No.GSR.509 dt. 28-6-1958, omitting all reference relating to Propaganda Committee.

** Substituted as per Notification of Govt. of India, Ministry of Commerce and Industry No.GSR.834-[8(7).-Plant(A)/62] dt. 11-6-62.

*** Amended as per Notification of Govt. of India Ministry of Commerce and Industry No.GSR.834(87).Plant(A).dt.11-6-62.

@ Inserted vide Govt of India, Ministry of Commerce Notification No. GSR 452 dated 15th September, 1992

@3A. Export Promotion Committee-- The Export Promotion Committee shall formulate and execute policies relating to tea promotion within India and abroad, subject to overall control of the Board.

@ 3B. Labour Welfare Committee –
The Labour Welfare Committee shall --

- (i) formulate overall programme of labour welfare in terms of clause (1) of sub-section (2) of section 10 of the Act, ensuring that the funds available are utilised for urgent needs not covered by the statutory obligation of tea garden owners ;
- (ii) examine and recommend labour welfare schemes of the Executive Committee and / or the Board in this connection, specially to consider whether the scheme would create enthusiasm and incentive among workers ;
- (iii) frame guiding principles for the grant of financial assistance like educational stipends, grants to hospitals and schools, grants for encouraging sports and scouting ;
- (iv) frame guiding principles for any other welfare activity of the Board ; and
- (v) ensure that funds sanctioned for particular labour welfare schemes are properly utilised.

*****3C. THE DEVELOPMENT COMMITTEE --**

The Development Committee shall --

- (i) explore the possibility of extension ;

- (ii) work out and effect modifications from time to time on the development schemes that can be implemented for the purpose of extension of tea cultivation and for tea promotion.

4. Licensing Committees--

(1) The Licensing Committee for North India and the Licensing Committee for South India, shall, subject to any orders or directions given from time to time by the Board or the Executive Committee, perform the functions of the Board pertaining to Chapter III and IV of the Act in-so far as such functions relate to tea estates in North India and South India, respectively.

(2) All matters involving questions of important principles and policies shall be referred by the Licensing Committee for South India to the Chairman who may, if necessary, consult the Licensing Committee for North India and issue such directions as he may deem necessary. The Chairman may, if he thinks fit, call joint meeting of the Licensing Committees before issuing any such direction.

MEETINGS OF THE BOARD AND COMMITTEES

*5. The Executive Committee shall hold at less six meetings in a year, the interval between any two consecutive meetings not exceeding three months.

*6. [Omitted]

7. Power to Call Meetings--

@ (1) The Chairman may whenever he thinks fit and shall on request in writing signed by a majority of the members of the Executive

@ Inserted and amended as per Notification of Govt. of India in the Ministry of Commerce & Industry No. GSR. 834-8(7) Plant (A)/62 dt. 11-6-62.

*** Inserted and amended as per Notification of Govt. of India in the Ministry of Commerce No. GSR..... dt. 16-10-1976.

* Amended as per Notification of Govt. of India in the Ministry of Commerce & Industry No. GSR. 1085-8(2) Plant (A)/62 dt. 10-8-62.

@ Inserted and amended as per Notification of Govt. of India in the Ministry of Commerce & Industry No. GSR. 834-8(7) Plant (A)/62 dt. 11-6-62.

Committee, Export Promotion Committee, Labour Welfare Committee, the Licensing Committee for North India and any other Committees call a meeting of the Committees concerned.

(2) The Chairman of the South India Licensing Committee may whenever he thinks fit and shall on request in writing signed by a majority of members of the Committee call a meeting of that Committee.

(3) The Chairman may whenever he thinks fit and shall on request in writing signed by a majority of members of the Licensing Committee for North India and South India call a joint meeting of both the Committees for consideration of such matters as are of common interest of tea estates in North India and South India.

8. Notice -- At last 21 clear days notice of a meeting of the Board and 7 clear days notice in the case of meetings of any of the Committees and joint meetings of the Licensing Committees for North India and South India, shall be given to the members of the Board and of the Committees, as the case may be :

Provided that a meeting of the Board or any of the Committees or a joint meeting of the Licensing Committees for North India and South India may be held at a shorter notice, with the consent of at least half the members of the Board or of the Committees, as the case may be :

Provided further that in case of any business of urgent nature which the Board or any of the Committees is required to transact immediately, the Chairman may convene a meeting of the

Board or of any Committee or a joint meeting of the Licensing Committees for North India and South India, at such, shorter notice as he may deem necessary.

9. Agenda-- An Agenda containing the subject to be discussed at a meeting of the Board or of the Committees for North India and South India, shall be sent to the members of the Board or of the Committees, as the case may be, at least :

- (i) 14 clear days before the date of the meeting of the Board ; and
- (ii) 5 clear days before the date of the meetings of any Committee or of the joint meeting of the Licensing Committees for North India and South India :

Provided that any subject of an urgent nature which is not on the agenda may be discussed at any meeting of the Board or of the Committees or a joint meeting of the Licensing Committees for North India and South India with the consent of the Chairman or the member presiding over the meeting.

10. +Quorum -- No business shall be transacted at any meeting of the Board or of the or of the Committees or at any joint meeting of the Licensing Committees *unless at least one third of the total membership of the Board or a Committee thereof; as the case may be, are present at such meeting.*

** Inserted as per Notification of Govt. India in the Ministry of Commerce GSR. dated 16-10-1976.

+ Inserted vide Govt of India, Ministry of Commerce Notification No. GSR 452 Dated 15th September, 1992

***11. Chairman of Meetings --** The Officer who shall preside at a meeting of the Board, or a Committee shall be as follows, namely :--

- (i) All meetings of the Board and of Committees of which Chairman is a member, shall be presided over the Chairman.
- @(ii) In the absence of Chairman, all meetings of the Board and Committees, of which, Chairman is a member, shall be presided over by the Vice-Chairman.
- (iii) Meetings of all Committees of which Vice-Chairman is member, but Chairman is not, shall be presided over by Vice-Chairman.
- (iv) Meetings of all Committees of which neither Chairman nor Vice-Chairman is a member, shall be presided over by the person to be determined by the Board to do so.
- (v) Whenever the person who should preside over a meeting of the Board or any of its Committee in terms of clause (i), (ii), (iii), and (iv) is absent, the members present at that meeting shall elect one from amongst themselves to preside at the meeting.

12. Casting of Votes--

- (1) All questions which may come up for decision before a meeting of the Board or of any Committee shall be determined by a majority of votes of the members present

and voting at such meeting and in the prevent of an equality of votes on any question, the Chairman or the person presiding at such meeting shall have a second or casting votes.

- (2) All votes shall be taken by show or hands unless the Chairman or the person presiding at a meeting decides that the votes shall be taken by ballot.

13. Proceedings of Meetings-- The records of proceedings of meetings of the Board or any Committee shall subject to the general superintendent and control of the Secretary in respect of all meetings other than the meetings of the Board and the Executive Committee, be kept by the officers of the Board noted below against each :--

(i) Meetings of the Board and Executive Committee.	}	Secretary
* (ii) Meeting of the Licensing Committee for North India and joint meeting of the Licensing Committees for North India and South India.	}	Controller of Licensing
(iii) Meetings of the Licensing Committee for South India.	}	Joint Controller of Licensing.
@ @ (iv) Meeting of the Export Promotion Committee.	}	Director of Tea Promotion.

* Substituted as per Notification of Govt. of India in the Ministry of Commerce & Industry No. GSR. 834-[8(7)Plant(A)/62] dt. 11-6-1962.

* mended as per Notification of Govt. of India in the Ministry of Commerce & Industry No.GSR. 834-[8(7)Plant(A)/62] dt. 11-6-1962.

@Inserted as per Notification of Govt. of India in the Ministry of Commerce & Industry No. SRO. 3586 dt. 30-11-1955.

** Inserted as per Notification of Govt. of India in the Ministry of Commerce dt. 16-10-1976.

@@ Inserted as per Notification of Govt. of India in the Ministry of Commerce & Industry No. GSR.834-8(7) Plant(A)/62 dt. 11-6-1962.

@(v) Meetings of the Labour Welfare Committee.	} Welfare Liason Officer (North).
** (vi) Meetings of the Development Committee.	} Director of Tea Developments.
(vii) Meetings of any other Committees.	} As directed by the Board.

14. Members of the Board and Committees etc. Travelling and daily allowances for journeys undertaken inside India.

- (1) Members of the Board or any Committee, other than officials of the Central and State Government, shall be entitled to the payment of travelling and daily allowances for journeys undertaken by them for attending any meeting of the Board or any Committee or any other business of the Board, at the rates admissible to Government servants of the first grade under the rules made by the Central Govt. and for the time being in force.
- (2) In case of any journey performed by an official of the Central or State Govt. especially nominated by the Board to serve on any ad-hoc Committee or any other Committee or to attend to any other business of the Board, the travelling and daily allowances admissible to him shall be payable by the Board at rates admissible to him under the rules of the Govt. under which he is for the time being employed.
- (3) No travelling allowance or daily allowances shall be allowed to a member of the Board or of any Committee unless he certifies that he has not drawn any travelling or daily allowance from any other source in respect of the journey and halt for which the claim is made;

* (4) Travelling allowances shall be payable from the usual place of residence of a member of the Board or any of the Committees to the place of the meeting of the place where he has gone to attend to any business of the Board and back to his place of residence :

Provided that when the journey commences from the return journey terminates at any other place, the travelling allowance shall be limited to the amount that would have been payable had the journey commenced from or terminated at the usual place of residence, or to the amount payable in respect of the actual journey undertaken, whichever is less ;

15. Conveyance Allowance-- No conveyance allowance for attending meetings of the Board or any of the Committees or any other business of the Board, shall be paid to those members of the Board or any of the Committee who draw travelling or daily allowances ;

+ Provided that a member of the Board or of the Committees thereof, as the case may be, who is resident at a place where the meeting of the Board or any of the Committees, thereof, as the case may be, is held or where any other business of the Board is transacted, may be paid the conveyance allowance as admissible to Group 'A' officers of the Central Government.

@ Interest as per Notification of Govt. of India in the Ministry of Commerce and Industry No. GSR. 834-8(7) Plant (A)/62 dt. 11-6-62.

** Inserted as per Notification of Govt. of India in the Ministry of Commerce No. GSR. dt. 16-10-1976.

* Amended as per Notification of Govt. of India in the Ministry of Commerce and Industry No. GSR. 1963 dt. 9-9-59.

+ Inserted vide Govt of India, Ministry of Commerce Notification No. GSR 452 Dated 15th September, 1992

16. Travelling and daily allowances etc. for journey undertaken outside India -- No travelling allowance for any journey undertaken outside India shall be paid to any member of the Board or any Committee :

Provided that for the purposes of this by-law, a journey from one place to another place in India through East Pakistan shall, when the usual route lies through East Pakistan, not be deemed to be a journey undertaken outside India :

Provided further that if any member of the Board or any Committee with the previous consent of the Central Govt., travels outside India in the interest of the Board, he shall be entitled to receive travelling and other allowances at such rates as may be sanctioned by the Central Govt. from time to time for non-official members of a delegation sent by it outside India.

17. Controlling Officer-- The Chairman shall be the controlling officer for the purpose of travelling and daily allowances of the member of the Board or of any Committee.

****18. Creation of and appointment to posts :**

(1) Creation of posts, the maximum salary of which does not exceed Rs.1700/- Per month, shall be governed by the following provisions, namely :-

- (i) Export Promotion Committee shall have powers to create posts in respect of officers and staff under the Directorate of Tea Promotion, the maximum salary of which does not exceed Rs.1,700/- per month, subject to the approval by the Board at its next meeting .

(ii) The Executive Committee shall have powers to create posts under the Board, other than in the Directorate of Tea Promotion, the maximum salary of which does not exceed Rs.1,700/-per month, subject to the approval by the Board at its next succeeding meeting.

(iii) The Chairman shall have powers to create temporary posts carrying a salary not exceeding Rs.900 per month for a period of three months subject to the approval by the Executive Committee or Export Promotion Committee, as the case may be.

(iv) The competent authority to create a post specify under items (i), (ii) and (iii) above shall have powers to lay down qualifications for the respective posts.

(2) All Appointments to posts, the maximum salary of which does not exceed Rs. 1,700 per month shall be governed by the following provisions namely :-

(i) An appointment to a post the maximum salary of which exceeds Rs.900 per month but does not exceed Rs.1,700 per month shall be made by the Executive Committee or in respect of posts in the Directorate of Tea Promotion by the Export Promotion Committee subject to the approval by the Board at its next succeeding meeting.

(ii) The Chairman or Deputy Chairman may make an appointment to a post, the maximum salary of which exceeds Rs.270 per month but does not exceed Rs. 900 per month.

- (iii) The Chairman shall have powers, in urgent cases and to meet exigencies of work, to make temporary appointment on officiating appointment to any post, the maximum salary of which does not exceed Rs.1,700 per month for a period not exceeding three months, within which the approval of the Executive Committee or Export Promotion Committee, as the case may be, for such appointment shall be obtained.
- (iv) The Secretary or an officer of the Board so authorised by the Chairman may make an appointment to a post, the maximum salary of which does not exceed Rs.270 per month.

****18A. Deputation of Tea Board Employees :**
The Services of any employee of the Board may, subject to the exigencies of service, be placed on deputation with other Government, semi-Govt. and quasi-Govt. Operations or State Undertakings by, or with the prior approval of the appropriate authority competent to make appointment to the post held by such employee under the provisions of section 9 of the Tea Act. 1953 read with rule 19 of the Tea Rules , 1954 and by-law 18(2) on the same terms & conditions as are applicable to the deputation of Central Govt. servants holding comparable posts.

@18B. Permanent Transfer of Services of Certain Employees of the Board :

- (2) Where the services of an employee of the Board are permanently transferred to a corporation under clause (1) the Board shall allow to such employee, in respect of his services under the Board, such retirement benefits as are allowed by the Central Government to its employees of comparable grade and whose services are permanently transferred to any such corporation.

***19. Age--** A person whose age exceeds 25 years may not ordinarily be admitted into the service of the Board :

Provided that the appointing authority as specified under by- law 18(2) shall have powers, in its direction, to relax the age limit of candidates up to seven year.

Provided further that the age limit in the case of an appointment to a technical or an administrative post requiring experience in the line shall be up to 45 years and the concurrence of the Central Government shall be obtained for appointment of persons beyond that age limit.

20. Medical Certificate of Fitness-- A medical certificate of fitness prior to the first entry into the service of the Board shall be required from every person joining the Board's service. The Board may lay down the class or classes of Medical Officers from whom certificates shall be required to be obtained in respect of different categories of personnel.

21. +Period of Probation-- Appointment to a permanent post in *Group 'A'* shall be made on completion of probation for a period of two years and in *Group 'B', 'C' and 'D'* for a period of one year with effect from the date of his regular appointment provided that the appointing authority may, for reasons to be recorded in writing, within a period of one month from the date of completion of initial period of probation, as the case may be, extend the period of probation up to a maximum period of two years in the case of *Group 'A'* post and up to a maximum period of one year in the case of *Group 'B', 'C' and 'D'* post

Provided that this bye-law shall not apply to Government Servants whose services are lent or transferred to the Board or to officers appointed on contract

** Inserted as per Notification of Govt. of India in the Ministry of International Trade No. GSR. 630 [F. No. 11(11) Plant (A)/69] dt. 9-4-1964.

@ Inserted as per Notification of Govt. of India in the Ministry of Commerce No. GSR. dt. 30-1-1965.

* Amended Inserted as per Notification of Govt. of India in the Ministry of Commerce & Industry No. SRO. 3668 dt. 6-12-1955.

+ Inserted vide Govt of India, Ministry of Commerce Notification No. GSR 452 Dated 15th September, 1992

Provided that this by-law shall not apply to Government servants whose services are lent or transferred to the Board or to officers appointed contract.

22. Allowances –

(1) The Board may fix, from time to time, the scales of house rent, compensatory and dearness allowances for the officers and employees of the Board at such rates as may be admissible to officers and employees of the Central Government of the corresponding grades at different places under the rules and orders made by the Central Government in that behalf and in force for the time being ;

(2) Tea Board may also grant such other allowances to its officers and employees as may be deemed necessary with the previous sanction of the Central Government.

23. Leave and Leave Allowances -- Leave and leave allowances of the officers and employees of the Board shall be regulated in accordance with the same conditions as are applicable to the officers and employees of the Central Government of the corresponding grades under the rules and orders may by the Central Government and for the time being in force.

24. Medical Attendance and Treatment -- The Board may grant to its officers and employees such concessions for medical attendance and treatment as are admissible to officers and employees of the Central Government under the rules and orders made by the Central Government and for the time being in force.

***25. Grant of Advances for the Purchase of Motor Car, Motor Cycle and Bicycle--** Advances for the purchases of motor car, motor cycle and bicycle may be granted to the officers and employees of the Board at such rates and conditions as may be admissible to officers and employees holding comparable posts under the Central Government for the time being in force. Subject to the concurrence of the Central Government, Government servants on deputation to the Tea Board shall also be eligible to the grant of such advances from the Board in accordance with the aforesaid rules and orders. The grant of advance is subject to the availability of the funds under the head “advances is recoverable bearing interest”.

@26. Grant of Advances for Buildings etc. of Houses -- An advance for building a new house (including purchase of land for the purpose) or for purchase of a ready-built house or for enlarging living accommodation of an existing house owned by an officer or other employee of the Board other than one appointed by the Central Government may be granted to such officer or employee at such rates and on such condition as may be prescribed in the rules of the Central Government for the time being in force regulating the grant of advances for building etc. of houses to Central Government servants. The grant of advance is subject to the availability of funds under the head “Advances is recoverable bearing interest”.

** The Board, the Executive Committee and Chairman shall have power to grant advances up to the amounts specified below :-

Board – Up to the maximum limits of such amount of advances as are admissible to Central Government servants under orders issued from time to time.

* Inserted as per Notification of the Govt. of India, Ministry of Commerce & Industry No.SRO.1677 dt.28-7-56, read with GSR.1009 dt. 19-7-62 and 1548 dt.13-10-65.

@ Inserted as per Notification of the Govt. of India, Ministry of Commerce & Industry No.SRO.1287 dt. 5-3-57 read with GSR.622 dt. 10-7-62 and GSR No.64 dt.30-12-64.

** Inserted as per Notification of the Govt. of India, Ministry of Commerce & Commerce Industry No.GSR.643 dt.25-6-81

- * Executive Committee Up to Rs. 70,000
- * Chairman Up to Rs. 50,000

\$26A. Grant of other advances -- The Board may grant to its employees or their families as, the case may be, such other advances or any relief as are admissible to the Central Govt. employees of comparable posts or to their families under rules and orders issued by the Central Govt. from time to time.

27. Travelling and daily allowances --

Officers and employees of the Board shall be eligible to travelling and daily allowances at rates and under conditions prescribed by the Central Govt. by rules and orders made for its officers and employees of the corresponding grades and for the time being in force.

Provided that in special circumstance travelling and daily allowances may be paid to the officers and employees of Board as such special rates as may be laid down with the general or special sanction of the Central Government.

28. Controlling Officers :

***(1)The Chairman shall be the controlling officers in respect of his own travelling and daily allowances as also in respect of the travelling and daily allowances of the Deputy Chairman.

****(2) The Chairman or the Deputy Chairman shall be the controlling officer in respect of the travelling and daily allowance admissible to the following officers and employees of the Board namely :-

Secretary, Assistant Secretary, Directors of Tea Development, Assistant Directors of Tea Development, Plantation Officer, Assistant Plantation Officer, Supply Officer, Director of Tea Promotion, Deputy Directors of Tea Promotion, Publicity Officer, Market Liason Officer, Controller of Licensing, Joint Controller of Licensing, Director of Research, Financial Adviser and Chief Accounts Officers, Sr. Accounts Officers, Statistician, Research Officer (Statistics), Research Officer (Economics), Cost Accounts Officer, Welfare Liason Officers, Special Officer for the North-West India, Section Officers and any other Officer Posted in the Head Office.

@(3) The Secretary shall be the controlling officer in respect of the travelling and daily allowances admissible to all other officers and employees expecting the propaganda field staff and the staff working under the various Regional Officer.

@@(4) The Director of Tea Promotion shall be the controlling officer in respect of the travelling and daily allowances admissible to all employees subordinate to him other than officers mentioned in clause (2).

\$ Inserted as per Notification of Govt. of India Ministry of Industrial Trade No. GSR. 407[8(1) Plant (A) dt. 25-2-63] read with GSR. 1581 dt. 4-10-66.

* Inserted as per Notification of the Govt. of India in the Ministry of Commerce & Industry No. GSR. 64 dt. 30-12-64 (as per page indication).

** Inserted as per Notification of the Govt. of India Ministry of Commerce & Industry No. GSR. 643 dt. 25-6-1981.

*** Inserted as per Notification of the Govt. of India in the Ministry of Commerce & Industry No. GSR. 1073 s dt. 1-11-58.

****Inserted as per Notification of the Govt. of India Ministry of Commerce & Industry No.GSR.643 dt. 25-6-1981.

@ Amended as per Notification of the Govt. of India in the Ministry of Commerce & Industry No. GSR. 1407 dt. 18-12-79.

@@Amended as per Notification of the Govt. of India Ministry of Commerce & Industry No. SRO. 3586 dt. 30-11-55.

****(4A) The Director of Tea Development shall be the Controlling Officer in respect of travelling and daily allowances admissible to all regional officers subordinate to him other than the officers mentioned in clause (2).

@(5) The Regional Officer of the Board stationed at Coonoor, Cochin, Jalpaiguri, Jorhat and New Delhi shall be the Controlling Officers in respect of travelling and daily allowances admissible to all employees subordinate to them in their respective areas.

*****29. (i) "limits for grant of daily allowances for days of halts".**

The admissibility of daily allowance at a place out state on officer's/Govt. servants headquarters for a continuous halt up to 30 days or more duty tour/temporary transfer/training shall be as follows :-

- (i) First 30 days-- Full daily allowance.
- (ii) Beyond (!) 30 days } Half daily
and up to 180 days } allowance.
- (iii) Beyond 180 days ---- Nil

An authority declared as Controlling officer under by-law 28 shall be competent to sanction daily allowance beyond 30 days at the said rates in respect of the employees.

****30. Retirement --** The conditions of retirement in respect of the officers and other employees of the Board, other than those appointed by the Central Govt., shall be the same as are for the time being applicable to officers and other employees of the Govt. of India of the corresponding categories.

@30A. Pension-cum-Gratuity Scheme -

(1) Officer and employees of the Board shall be eligible for pension and gratuity or both including family pension, extraordinary pension and commutation of pension at rates and under conditions prescribed by the Central Govt. by rules and orders applicable to its officers and employees of the corresponding grade and for the time being in force.

(2) Any person appointed as an officer or employee of the Board after the commencement of the Tea Board (Fifth Amendment) Bye-laws, 1963 shall be governed by the pension-cum-gratuity Scheme.

* (3) The officers and employees of the Board who are in service on the date of commencement of the Tea Board (Fifth Amendment) Bye-laws, 1962 shall have the option to elect to the pension-cum-gratuity scheme within a period of one year from such date.

****Inserted as per Notification of the Govt. of India in the Ministry of Commerce No.G.S.R.643 dt. 25-6-1981.

@@ Inserted as per Notification of the Govt. of India in the M.C. No. GSR 30 dated 29-12-67.

*** Substituted as per Notification of the Government of India in the Ministry of Commerce, Civil Supplies & Co-operation GSR dt. 8-2-1979 [K-12015(2)/78-Plant (A)].

**Substituted as per Notification of the Government of India in the Ministry of Commerce No. GSR [K 11012(5)/76] Plant (A) dt. 26-2-1977.

@ Inserted as per Notification of Govt. of India in the Ministry of Commerce & Industry No.GSR.1047 [8(4)Plant (A)/62 dt. 28-7-62.

* Amended as per Notification of Govt. of India in the Ministry of International Trade No. GSR 668 [8(4) Plant (A)/65] dt. 13-3-63.

* (4) In the case of an officer or employee who has exercised the option referred to in clause (3) the amount credited to his provident fund account as the Board's contribution to the date of his option together with the interest thereon shall form part of the Board's funds.

***30.B. Insurance and other Social Security measure--** The Board may introduce, from time to time, any scheme of insurance and other Social security and welfare benefits to officers and other employees other than those appointed by the Central Govt. at such conditions and at such rates as are admissible to the Central Govt., employees of comparable posts or to their families under rules and orders issued by the Central Govt. in that behalf and in force for the time being.

31. Penalty--

** (1) The following penalties may, for good and sufficient reason and as hereinafter provided, be imposed upon an officer or employee of the Board namely :-

Minor Penalties :

- (i) Censure ;
 - (ii) Withholding of promotion ;
 - (iii) Recovery from pay of the whole or part of any pecuniary loss caused to the Board by negligence or breach of order ;
 - (iv) Withholding of increments ;
- Major Penalties ;
- (v) Reduction to a lower stage in the time-scale of pay for a specified period, with further directions as to whether or not the officer or employee of the Board will earn

increments of pay during the period of such reduction and whether on the expiry of such period, the reduction will not have the effect of postponing the future increments of his pay ;

- (vi) Reduction to lower time-scale of pay grade, post or service which shall ordinarily be a bar to the promotion of the officer or employee of the Board to the time-scale of pay, grade, post or service from which he was reduced, with or without further directions regarding conditions of restoration to the grade, or post or Service from which the said officer or employee was reduced and his seniority and pay on such restoration to that grade, post or service ;
- (vii) Compulsory retirement ;
- (viii) Removal from service which shall not be a disqualification for future employment under the Board ;
- (ix) Dismissal from service which shall ordinarily be a disqualification for future employment under the Board.

EXPLANATION -- The following shall not amount to a penalty within the meaning of this bye-law namely :-

- (i) withholding of increments of an officer or employee of the Board for his failure to pass any departmental examination in accordance with the rules, bye-laws or orders governing the Service to which he belongs or post which he holds or the terms of his appointment ;

* Inserted as per Govt. Notification No. GSR 458 dt. 28-3-78 (vide Ministry of Commerce letter No. K-11012(2)/77-Plant (A)).

** Inserted as per Notification of Govt. of India Ministry of Commerce GSR.643 Dt. 25-6-1981.

- (ii) stoppage of an officer or employee of the Board at the efficiency bar in time-scale of pay on the Ground of his unfitness to cross the bar :
- (iii) non-promotion of an officer or employee of the Board whether in a substantive or officiating capacity, after consideration of his case, to a Service, grade or post for promotion to which he is eligible ;
- (iv) reversion of an officer or servant of the Board officiating in a higher Service grade or post to a lower Service grade or post, on the ground that he is considered to be unsuitable for such higher Service, grade or post or an any administrative ground unconnected with his conduct ;
- (v) reversion of an officer or servant of the Board appointed on probation to any other Service, grade or post, to his permanent Service, grade or post, during or at the end of the period of probation in accordance with the terms of his appointment or the rules or bye-laws and orders governing such probation ;
- (vi) replacement of the service of a Govt. Servant, whose service had been borrowed from a State Govt. or any authority under the control of a State Govt., at the disposal of the State Govt or the authority from which the service of such Govt. servant had been borrowed ;
- (vii) Compulsory retirement of an officer or servant of the Board in accordance with the provision relating to his superannuation or retirement ;

- (viii) termination of the Service --
 - (a) of an officer or employee of the Board appointed on a probation during or at the end of the period of his probation, in accordance with the terms of his appointment or the rules, bye-laws and orders governing such probation, or
 - (b) of a temporary officer or employee of the Board in accordance with the provisions of rules or bye-laws applicable thereto ; or
 - (c) of an officer or employee of the Board, employed under an agreement, in accordance with the terms of such agreement ;

@31A. Procedure for Departmental Proceedings-- The procedure to be followed as regards departmental proceedings officer and employees of the Board shall be same as is prescribed from time to time by the Central Govt. in respect of its officers and employees of comparable rank and status.

***32. Appeal --** An appeal from an order made under Bye-Law 31 shall be as follows :-

Order passed by	Appellate Authority
(i) The Deputy Chairman or the Secretary or an officer of the Board authorised by the Chairman.	to the Chairman
(ii) The Chairman, so far as it relates to the staff in the Director of Tea Promotion.	to the Export Promotion Committee.

@ Inserted as per Notification of the Govt. of India in the Ministry of Commerce No. GSR. 1711 dt. 22-11-65.

* Substituted as per Notification of the Govt. of India in the Ministry of Commerce & Industry No. SRG 3229 dt. 12-10-57.

(iii) the Chairman so far as it relates to the staff other than under the Directorate of Tea Promotion. to the Executive Committee.

(iv) the Executive Committee. to the Board

(v) the Export Promotion Committee or the Board. to the Central Government.

33. Government Servants -- The terms and conditions of the services of a Govt. servant whose services may be lent or transferred to the Board on 'foreign service' terms will be governed by such terms and conditions as may be laid down as the time of such deputation to the service of the Board and in particular nothing bye-laws 19,20 and 30 shall apply to them.

***34. Secretary--** (1) Subject to the rules framed under the Act and these bye-laws, the Secretary shall be principal executive officer of the Board.

Finance Officer-- Subject to the rules framed under the Act and these bye-laws, the Finance Officer of the Board shall maintain the accounts of the Board and carry out its internal audit.

35. Controller of Licensing and Joint Controller of Licensing --

(1) The Controller of Licensing or the Joint Controller of Licensing within the limits of his respective jurisdiction shall receive all applications or returns directed or allowed to the submitted by tea estates under Chapter III and IV of the Act.

(2) Subject the general control of the Board, the Controller of Licensing or the Joint Controller of Licensing or any other officer member of the staff authorised by the Chairman in his behalf, may register transfers, issue export licence special export licences, grant permits, call for returns and communicate to any person the orders of the Board or of the Licensing Committees.

36. Inspector of Books of Licensing Committee :-

(1) The owner of a tea estate shall be entitled, upon completion of an application from to be submitted to the Board, to inspect, at any time during business hours, entries in all or any of the following books in so far as they relate to the tea estate of which he is owner and in respect of which application is made ;

(i) Crop basis analysis register ;

(ii) Export quota ledger account ;

(iii) Export quota transfer register ;

(iv) Short shipment claim register ;

(v) Export licence fee register ; and

(vi) Licensing Committee's Order books.

(2) The owner of a tea estate shall be entitled, on payment of a copying charge of one rupee in respect of each entry concerned, to obtain copies of any entries which he is entitled under clause (1) to inspect such copies shall be certified as correct by an official of the Board authorised in this behalf.

* Substituted as per Notification of Govt. of India in the Min. of Commerce & Industry No.SRG. 3229 dt.12-10-57.

DEPOSITS, PAYMENT AND INVESTMENT

37. All moneys received by the Board shall be paid into the current account or accounts of the Board in such banks or branch thereof as may be approved by the Central Government.

@38. The Board may, to facilitate the financing of its field tea promotion and development work, maintain separate current accounts called "Tea Board Zonal Offices accounts" in such places and with such banks from amongst those approved by the Central Govt. under bye-law 37 as may from time to time be determined by the Board. The Balance at the credit of each such account shall, at no time, exceed Rs.10,000.

+38A. The Board may to facilitate the payments of the salaries, allowances and various other personnel claims in respect of officers and staffs attached to the Regional or Zonal Offices including the subordinate Offices under their respective administrative control, maintain separate current accounts "Tea Board Regional/Zonal Offices (Disbursement) of salaries, allowances other personnel claims) Accounts" in such places and with such banks from amongst those approved by the Central Govt. under bye-law 37 as may from time to time be determined by the Board. The respective officers in charge of the Regional or Zonal Offices, may be authorised by the Chairman or Deputy Chairman to operate such bank accounts only for the purpose of acting as drawing and disbursing officers in so far as the payments of the salaries, allowances and various other personal claims in respect of the officers and staff attached to the Regional or Zonal offices are concerned. The moneys in such bank accounts shall only be utilised for the purposes specified above.

@@39.(1) The Tea Board Zonal Offices Accounts shall be operated by such officers of the Board (not below the rank of an Assistant Superintendent) as may be authorised in that behalf by the Chairman or the Deputy Chairman.

(2) All moneys drawn from the Tea Board Zonal Officers accounts shall, subject to the previous sanction of the competent authority, be spent on the field tea promotion and development works only and the officer operating the account shall maintain and furnish accounts of all moneys drawn by him.

*40. The Board may, with a view to facilitating the financing of the expenses of the office attached to the Licensing Committee for South India, maintain a separate current account called the Tea Board (Joint Controller) Account at Cochin. The balance at the credit of such account shall at no time exceed Rs. 3,000/-. The said account shall be operated by the Joint Controller of Licensing subject to such restrictions as may be laid down in this behalf by the Chairman.

*41. All moneys drawn from the Tea Board (Joint Controller) Account shall be spent solely for such purpose of meeting the expenses of the Board's Office at Cochin as may be determined by the Executive Committee and subject to such conditions as may be laid down by that Committee. The Joint Controller of Licensing shall maintain and furnish accounts of all moneys drawn by him from such accounts.

@ Amended as per Notification of Govt. of India in the Ministry of Commerce & Industry No. GSR. 834 dt. 11-6-62 & GSR. 1962 & GSR. 838 dt. 19-5-1967.

+ Inserted as per Notification of Govt. of India in the Ministry of Commerce GSR. No. K-11012(1)/72 Plant (A) dt. 21-5-73.

@@ Inserted as per Notification of Govt. of India in the Ministry of Commerce & Industry No. GSR. 838 dt. 19-5-1967.

* Amended as per Notification of Govt. of India in the Ministry of Commerce & Industry No. SRO. 3566 dt. 30-11-1955.

42. Payments by or on behalf of the Board shall be made in cash or by cheque :

Provided that all payments for sums exceeding Rs,200/- not being payments on account of salaries or allowances of officers and employees of the Board shall be made by cheque.

43. The Chairman shall be responsible for the safe custody of moneys and property of the Board.

44. All payments except payments involving petty expenditure shall be made against bills and be supported by vouchers duly receipted by the payee.

***45 Power to sign Cheques** :-- All Cheques for an amount exceeding Rs.5,000/- (Rupees five thousand only) shall be signed by Chairman or Deputy Chairman or Financial Adviser and Chief Accounts Officer and in their absence by the Secretary and countersigned by a member of the Executive Committee. Cheques for sums not exceeding Rs.5,000/- shall be signed by Secretary or an Officer of the Board duly authorised in this behalf by the Chairman.

Provided that the provision of this bye-law shall not apply in respect of the operation of the Field Tea Promotion Accounts and the Tea Board (Joint Controller) Account.

@46. The Chairman or Deputy Chairman shall have the power to sanction imprests for amounts not exceeding Rs.5,000/- to be kept with the officers of the Board at different places, subject to the instructions in the General Financial Rules being complied with.

POWERS REGARDING FINANCIAL MATTERS :

*****47. Power to sanction expenditure for Board's work or activities in side India --** The Executive Committee, the Development Committee, the Labour Welfare Committee, the Chairman, the Deputy Chairman, the Secretary or any other officer of the Board, specially authorised in this behalf by the Board, shall subject to the rules and these bye-laws, have power to sanction expenditure for Board's work or activities inside India, up to the amounts specified within the budget provisions :-

- | | | |
|---|------|--|
| (i) Executive Committee | ... | Up to Rs. 2 lakhs on any one item. |
| (ii) Development Committee | ... | Up to Rs.2 lakhs on any one item relating to Tea Development. |
| (iii) Labour Welfare Committee. | ... | Up to Rs.1 lakh on any one item relating to approved Labour Welfare Schemes. |
| (iv) Chairman | ... | Up to Rs.1 lakh on any one item. |
| (v) Deputy Chairman | ... | Up to Rs.50,000 on any one item. |
| (vi) Secretary or any officer specially authorised by the Board on this behalf. | | Up to Rs.10,000 on any one item. |

* Amended as per Notification of Govt. of India in the Ministry of Commerce No. GSR.[K-11012(1)/76-Plant (A)].

*** Substituted as per Notification of Govt. of India in the Ministry of Commerce No.GSR.643 dt. 25-6-1981.

@ Inserted as per Notification of Govt. of India in the Ministry of Commerce and Industry No. GSR. 1073 dt. 1-11-58 & GSR. 30 dt. 29-12-1967.

@48. Power to sanction expenditure for Board's work or activities outside India-- The Export Promotion Committee, the Executive Committee, the Chairman, the Deputy Chairman, the Secretary or any other officer of the Board authorised by the Board in this behalf shall, subject to the rules and these bye-laws have power to sanction expenditure for Board's work or activities outside India up to the amounts specified below in one case :-

- | | | |
|--|------|----------------------------------|
| (i) Export Promotion Committee. | ... | Rs.50,000 on any one item. |
| (ii) Executive Committee. | ... | Up to Rs.25,000 on any item. |
| (iii) Chairman | ... | Rs.25,000 on any one item. |
| (iv) Deputy Chairman | | Up to Rs.10,000 on any one item. |
| (v) Secretary of any officer specially authorised by the Board in this behalf. | ... | Rs.5,000 |

*****49. Power to reappropriate estimated savings within a Head of Expenditure --** The Executive Committee, the Export Promotion Committee, the Development Committee and the Labour Welfare Committee, shall subject to the rules and these bye-laws have power to reappropriate estimated savings between such heads within a Head of expenditure up to the amounts specified below :-

- | | | |
|-------------------------|------|--|
| (i) Executive Committee | | Rs. 5,000 in the case of any one item. |
|-------------------------|------|--|

- | | | |
|---------------------------------|-----|---|
| (ii) Export Promotion Committee | ... | Rs.5,000 in the case of any one item relating to Tea Promotion. |
| (iii) Development Committee | ... | Rs.5,000 in the case of any one item relating to Tea Development. |
| (iv) Labour Welfare Committee | .. | Rs.5,000 in the case of any one item relating to Labour Welfare Scheme. |

*****@50. Power to Enter into Contracts--** The Chairman, shall subject to the rules and these bye-laws, have powers to enter into such contracts as may be necessary in connection with the work and activities of the Board.

- | | | |
|-------------------------|-----|--------------|
| (i) Executive Committee | ... | Rs.50,000/- |
| (ii) Chairman | ... | Rs. 25,000/- |

51. Power to institute suits, proceedings etc.- - The Chairman and Secretary of the Board shall have power to institute suits or legal proceedings, or to defend the same on behalf of the Board.

*****52. Power to write off losses--** The Committees indicated below, the Chairman, the Deputy Chairman and the Secretary shall, subject to the rules and these bye-laws have power to write off as irrecoverable losses upto the amounts specified below :-

- | | | |
|-------------------------|------|-----------------------------|
| (i) Executive Committee | | Rs.2,500/- in any one case. |
|-------------------------|------|-----------------------------|

@@ Amended as per Notification of Govt. of India in the Ministry of Commerce No. GSR 640 dt.26-4-1956 & G.S.R 30 dt. 29-12-1967.

***** Substituted as per Notification of Govt. of India in the Ministry of Commerce No. G.S.R. 643 dt.25-6-1981.**

(ii) Export Promotion Committee	... Rs. 2,500/- in any case relating to the promotion.
(iii) Development Committee	... Rs. 2,500/- in any one case Relating to tea Development.
(iv) Labour Welfare Committee	... Rs. 2,500/- in any case relating To Labour Welfare Scheme.
(v) Chairman	... Rs. 1,000/- in any one case.
(vi) Deputy Chairman**	... Rs. 500/- in any one case.
(vii) Secretary	... Rs. 200/- in any one case.

MISCELLANEOUS

53. Common seals and Affixing of the same to contract -- The common seal of the Board shall remain in the custody of the Secretary any Instrument on behalf of the Board shall be executed by the Chairman or the Vice-Chairman and the Secretary and the common seal of the Board shall be affixed thereto by the Secretary in the presence of the Chairman or the Vice-Chairman.

***54. Delegation of power to call for returns--** The power of the Board to call for returns under section 35 of the Act may also be exercised by the Chairman.

** Interested as per Notification of Govt. of India in the Ministry of Commerce and Industry of GSR. 1073 dt. 1-11-1958 & GSR. 30 dt. 29-12-67.

* Inserted as per Notification of Govt. of India in the Ministry of Commerce & Industry No. SRO. 714 dt. 9-3-1957.

*** THE INVESTIGATION OF TEA UNDERTAKING /TEA UNITS
(PROCEDURE) RULES 1981**

ORDER

1. Short title
2. Application
3. Definitions
4. Procedure to be followed in making an investigation.

* Inserted as per Govt. of India Notification of Ministry of Commerce GSR. No. 336 dt. 26-2-82.

**THE INVESTIGATION OF TEA UNDERTAKING/TEA UNITS
(PROCEDURE) RULES 1981.**

In exercise of the powers conferred by section 49 of the Tea Act, 1953 (29 of 1953), the Central Govt. Hereby makes the following rules, namely :-

1. Short title : These rules may be called the investigation of Tea Undertaking/Tea Units (Procedure) Rules, 1981,

2. Application : These rules shall be apply to the investigation in respect of any tea undertaking or tea unit referred to in section 16B of the Tea Act, 1953/(29 of 1953).

3. Definitions : In these rules, unless the context otherwise requires ;

- (a) 'Act' means the Tea Act, 1953 (29 of 1953) ;
- (b) 'Investigator' means the person to body of persons appointed by the Central Govt. for the purpose of making any investigation under section 16B of the Act.
- (c) 'Investigation' means investigation referred to in section 16B of the Act.
- (d) the words and expressions used in these rules and not defined but defined in the Tea Act, 1953 (29 of 1953) shall have the meanings respectively assigned to them in that Act.

4. Procedure to be followed in making an investigation :

(1) In making an investigation, the investigator shall as far as practicable, follow the procedure set out below namely :

- (a) Where the investigation is ordered under or any of the clauses (a) to (c) of sub-section (1) of section 16B of the Act, the investigator shall as far as possible, for the purpose of arriving at a finding, collect facts and figures for five years immediately preceding the year in which the investigation is ordered, of the financial position, the volume of production the statutory financial liabilities of the concerned tea undertaking or tea unit.
- (b) Where the investigation has been ordered under clause (d) of sub-section (1) of section 16B of the Act, the investigator shall, in the course of investigation inter-alia examination.
 - (i) The financial position of the tea undertaking tea unit and see whether it has been prompt in making payment of taxes and discharging its other liabilities ;
 - (ii) The composition of the management of the tea undertaking/tea unit and the relations thereof with the labour ;
 - (iii) The composition of the management of the tea improve the quality, quantity and sale price of tea ;
 - (iv) Any other matters which the investigator considers relevant or necessary for the purpose.

- (2) The investigator may, before commencing the investigation, call upon the management of the tea undertaking/tea unit, the employees of such tea undertaking or tea unit, and such other persons as are concerned with the investigation, to furnish the investigator written statements relating to the affairs of the tea undertaking or tea unit, as the case may be.
- (3) Every written statement referred to in sub-rule (2) shall be signed by the person furnishing it.
- (4) In support of the facts and figures, if any, collected in pursuance of sub-rule 1, the investigator may, to the extent he considered it necessary, take evidence in writing (either in the form of oral testimony of affidavits) from persons connected with the tea undertaking or tea unit concerned, whose evidence is, in his opinion, relevant for the purpose of investigation.
- (5) **Opportunity of hearing :** The investigator shall, before completion of his investigation, if the management and the employees of the tea undertaking or tea unit, as case may be, in respect of which investigation is ordered,

reasonable opportunity of being heard including opportunity to adduce any evidence.

(6) **Submission of report :**

- (1) The investigator shall after completing the investigation submit a report of the Central Govt. within the period specified therefore.
- (2) In making the report referred to in sub-rule (1) the investigator shall state ;
- (a) Whether the opinion referred to in section 16B of the Act. formed by the Central Govt. is justified and correct
- (b) What are the causes for the state of affairs of the tea undertaking or tea unit which necessitated the investigation ; and
- (c) How the state of affairs, if they still exist, can be remedied.

- (7) **Power to regulate procedure :** The investigator shall have the power to regulate his or its own procedure.

The Tea Board (Write Off Losses) Rules, 1996**

In exercise of the powers conferred by sub-section (1) of Section 49 read with clause (ja) of sub-section (2) of Section 49 of the Tea Act, 1953 (29 of 1953) the Central Government hereby makes the following rules namely :-

Short Title and Commencement

- (1) These rules may be called the Tea Board (Write Off Losses) Rules, 1996
- (2) They shall come into force on the date of their publication

Definition: In these Rules, unless the context otherwise requires-

- (a) "Act" means the Tea Act, 1953
- (b) "Accounts Officer" means the Accounts Officer of the Board
- (c) "Board" means the Tea Board constituted under Section 4 of the Act
- (d) "Chairman" means Chairman, Tea Board and includes any person exercising for the time being the powers of the Chairman
- (e) "Chief Regional Executive" means the Chief Regional Executives of the Board
- (f) "Committee" means any committee constituted by the Board under Section 8 of the Act
- (g) "Competent Disciplinary Authority" means the Central Government, the Board, Chairman, Deputy Chairman as the case may be
- (h) "Deputy Chairman" means the Deputy Chairman of the Board
- (i) "FA & CAO" means the Financial Adviser and the Chief Accounts Officer of the Board
- (j) "Financial Year" means the year beginning on 1st of April and ending on the 31st March following
- (k) "Money" means money received by the Board under Chapter V of the Act
- (l) "Official" means officers and employees of the Board including officials on deputation to Board
- (m) "Schedule" means Schedule attached to these Rules
- (n) "Secretary" means Secretary of the Board
- (o) "Stores" means all articles and materials purchased or otherwise acquired for the use of Tea Board, including not only expendable and issuable articles in use or accumulated for specific purpose but also articles of dead stock of the nature of plant, machinery, instrument, furniture, equipment, fixtures but excluding books, publications and periodicals in a library.

3. **Removal of Doubts** : Where a doubt arises as to the interpretation of any of the provisions of this rule, the matter shall be referred to the Central Government for decision.
4. **Defalcation and Losses:** (1) Any loss exceeding Rs. 300/- of shortage of money, stores or other properties held by or on behalf of Tea Board, caused by defalcation or otherwise including losses and shortage noticed as a result of physical verification which is discovered by any branch of the Board including Regional, Zonal and Sub-Regional offices, shall be immediately reported by official concerned who has detected the loss to the next higher authority as well as to the Accounts Officer and FA & CAO even when such loss has been made good by the party responsible for it and thereafter submitted to the Chairman who will deal with them finally if the losses involved does not exceed amount which he is competent to write off the loss.

(2) Reports of the Chairman in respect of all losses exceeding Rs. 300/- each and reports by him which he cannot dispose of finally under sub-rule (1) shall be submitted to the Committee/Board, as the case may be.

5. Detection of Losses

- (1) Losses arising out of mistake negligence, fraud, theft and carelessness and misappropriation* to the property and money of the Board as soon as may be detected by an official of the Board shall forthwith be reported by the said official to his/her immediate superior officer;
- (2) On receipt of report as per Sub-Clause (1) above by a superior officer, the said superior officer shall ascertain the quantum of loss in terms of money and book-value and also indicate the person/persons primarily responsible for such loss and on completion of such preliminary investigation shall within 21 days from the date of receipt of the report from his subordinate officer(s), submit a detailed report to the FA&CAO and Secretary and/or Chief Regional Executive, as the case may be.
- * (3) In addition to taking action as prescribed in sub-rules (1) and (2), the authorities mentioned above shall follow the provisions indicated below in cases involving loss of substantial nature including destruction of Board's Property as a result of fire, theft or the like and such loss having an assessed value of Rs. 10,000/- or more.

*(i) When loss of substantial nature having an assessed value of Rs. 10,000/- or more due to suspected theft, fraud, fire or the like occur in any office or installation, such cases should invariably be reported to the police for investigation on the first available opportunity.

(ii) For the purpose of the above instruction all losses excepting the losses due to the suspected sabotage of the assessed value of Rs.10,000 and more shall be regarded as 'material'. All cases of suspected sabotage shall be reported to the police promptly irrespective of the value of the loss involved.

(iii) Once the matter is reported to the police authorities, all concerned should assist the police in their investigation. A formal investigation report should be obtained from the police authorities in all cases which are referred to them as indicated above.

6. Recovery of the Losses

- * (1) The report as per sub-rule (2) of rule 5 when received by the authorities mentioned in the said sub-rule (2) above shall be finally concluded by fixing responsibility against the official responsible for the loss and thereafter shall be submitted to the Chairman for a final decision in the matter.

Provided that decision for recovery in lump sum or recovery by instalments shall be the exclusive discretion of the Chairman.

Provided further that prior to the issuance of an order of recovery of the losses, the delinquent official shall be given a reasonable opportunity of being heard.

- (2) Notwithstanding anything contained hereinbefore, Loss of Library Books and journals etc. as soon as may be detected by the Librarian shall forthwith be reported to the Secretary and FA & CAO showing name of the official to whom the book so lost was issued.

Amendment Rules, 2000]

- (3) Soon after the receipt of the report as above, the Secretary shall order replacement of the book or journal etc, as the case may be, from the official responsible for the loss within 21 days from the date of passing of the order.
- (4) Failure to replace the book on the part of the official responsible for the loss within the stipulated period shall be reported by the Librarian indicating the estimated price of the book to FA & CAO, who thereafter shall ascertain the replacement value of the book so lost and shall order recovery of the price of the book lost from the said official as per provisions of sub-clause (1) of this Clause.

7. Types of Losses to be written off

Losses other than those which have been detected under Clause 5 above and have become irrecoverable in spite of observation of procedure laid down in clause 6 above, shall be written off. Provided that such losses have arisen not due to negligence, fraud, theft, mistake or carelessness.

8. Power to Write Off

- (1) Subject to the provisions of these rules and the relevant provisions of the General Financial Rules and Delegation of Financial Power Rules, 1978, Board shall in relation to write off losses have the powers specified in the Schedule.
- (2) Board may by General or Special Order, confer powers not exceeding those vested in the Board upon the Committees or Chairman or Deputy Chairman or Secretary as the case may be in respect of matter covered by these rules
Provided that no power under these rules shall be redelegated.
- (3) The powers specified in the Schedule may be exercised by the Board or Committees, or Chairman or Deputy Chairman or Secretary as the case may be provided that -
 - (a) the loss does not disclose a defect in any rules or procedure, the amendment of which requires the Order of the Central Government;
 - (b) there has not been any serious negligence on the part of any official which may call for disciplinary action by the Competent Disciplinary Authority.

9. Accidents

Any serious loss of immovable property, such as building, Communications, other works caused by fire, flood, cyclone, earthquake or any other natural cause shall be reported at once by the subordinate authority concerned to Government through the usual channel.

10. Responsibility for Loss

Every officer shall realize fully and clearly that he will be held personally responsible for any loss sustained by the Board through fraud or negligence on his part and that he will also be held personally responsible for any loss arising from fraud or negligence on the part of any other officer to the extent to which it may be shown that he contributed to the losses by his own action or negligence.

11. Prevention of Future Losses

- (1) A Quarterly statement of write off losses for each financial year should be submitted by the Secretary to the Central Government and/or Board indicating the reasons for the loss and the remedial measures taken to prevent the recurrence of the type of loss.
- (2) If the Central Government and/or Board finds that the loss reveals some basic defect in the rules of procedure, the amendment of which requires orders of superior authority in the Ministry of Finance, they should bring the same to the notice of such superior authority for remedial action.

SCHEDULE

Sl.No.	Nature of Loss	Authority	Monetary Limit up to which the loss may be written off in each case
1.	Irrecoverable Losses of Stores or money including Stamps and Library Books	Board Committees (Executive, Export Promotion Committee, Development Committee, Labour Welfare Committee) Chairman Dy Chairman Secretary	Rs. 5,000/- @ Rs. 2,500/- Rs. 1,000/- Rs. 500/- Rs. 200/-
2.	Irrecoverable loans or advances	Board Committees (Executive, EPC, Development, Labour Welfare Committees) Chairman Dy. Chairman Secretary	Rs. 5,000/- @ Rs. 2,500/- Rs. 1,000/- Rs. 500/- Rs. 200/-
3.	Condemnation of Motor Vehicle	Board	(in years) whichever is reached later, have been fixed as under :- <i>Type of Vehicle</i> Motor Vehicles fitted with less than 18 hp (RAC) <i>Kms.</i> 1,50,000 <i>Years</i> : 08
4.	Other monetary losses	Chairman	Rs. 1,000/-* In case of irrecoverable rent damages (including furniture hire charges and service charges) in respect of Board's residential accommodations

@ As per Tea Rule 36 of Tea Rules 1954

*As per Bye Law 52 of Tea Board Bye-Laws 1955

These Rules have been enacted vide Govt of India Ministry of Com. Notification No. GSR 364 (E) Dated 14th August, 1996.