

Chapter III

Assistance Provided by Tea Board

3.1 Introduction

This chapter reveals the types of assistance provided by Tea Board to overall India and Tamilnadu. Tea Board provides assistance to both tea cultivators and tea manufacturers and the details of it are explained in this chapter.

3.2 Tea Plantation Development Scheme

The main objective of the Tea Plantation Development Scheme is to encourage the tea plantations in undertaking various field oriented developmental measures aimed at increasing field productivity and decreasing cost of production. In order to achieve these objectives and to provide an impetus to the tea garden owners are to take up various developmental activities. Financial assistance by way of subsidy is being extended through this scheme to all segments of the industry regardless of their size and strength with the funds allocated to the scheme by the Central Government.

3.2.1. Eligibility for Subsidy

i) For all the growers regardless of the size of their holdings

| | | |
|---|---|---|
| 1 | Replantation/Replacement planting and Rejuvenation of old tea areas | For these activities financial assistance by way of loan and subsidy is provided. Applicants are required to submit a separate application under the Special Purpose Tea Fund – SPTF -Scheme) |
| 2 | Creation of Irrigation facilities | The subsidy for these three activities will be provided at 25 percent of the actual cost subject to a combined ceiling limit of Rs.10,000 per ha. |
| 3 | Creation of Drainage facilities | |
| 4 | Creation of Transportation facilities | |

ii) For individual Small growers holding up to 4.00 ha under tea

1. New planting in the North East region and in hilly areas of other region with an altitude of above 2500 feet above MSL.

iii) For Small Grower Self Help Groups

1. Setting up Leaf collection Centers/Input Storage godowns
2. Purchase of weighing Scales/ Leaf carry bags/plastic crates
3. Purchase of Transport vehicles
4. Purchase of field inputs -fertilizers & plant protection chemicals and implements – pruning machines and sprayers.

3.2.2 Conditions for Tea Plantation Development Scheme (General)

1. The applicant of tea garden should have valid registration with Tea Board.
2. The applicant should be a member of TRA (for the gardens in North India and UPASI TRF (for the gardens in South India) and should hold valid current membership at the time of submission of application to Tea Board. (Small growers as well as growers whose holding size less than 50 ha. are exempted).
3. The applicant should have paid his subscription in full to the National Tea Research Foundation. (Small growers and Identified sick tea gardens as per the provisions under clause 16B of Tea Act. are exempted).
4. Provident fund dues of the applicant of tea garden should not exceed Rs.10,000 at the time of submission of application. (Where the P.F. liability exceed Rs.10,000, the application will be accepted provided it is backed by a Court decree or written consent from the P.F. authorities for allowing the payment of arrear Provident Fund dues in installments. For such applicants, conditional approval will be issued with a stipulation that no subsidy would be released until the arrear Provident Fund dues are cleared).

5. The applicant should not be a defaulter under any of the Board's loan schemes at the time of submission of application. (Tea Board shall have the right to adjust sanctioned amount of subsidy with defaulted dues if the applicant was found to be a defaulter at the time of releasing the subsidy.)
6. Subsidy cannot be claimed for the same activities that have been carried out with funds withdrawn from Tea Development Account Scheme.
7. For carrying out pre-approval inspections in time, the applicants should submit their application to the nearest field office of Tea Board, 75 days before the commencement of the field activity.
8. Field operations should be commenced by the applicants only after receiving a NOC (No Objection Certificate) issued by the concerned field offices, after carrying out pre-approval inspection.
9. Only one application per garden in a financial year shall be entertained for consideration of subsidy.
10. "Abandoned tea areas" (Those sections abandoned and thrown out of plucking for more than three years at the time of submission of application) will not be eligible for availing of subsidy.
11. Areas for which subsidy has been availed or proposed to be applied for availing the benefit under the activity of replantation, rejuvenation and new plantation will not be eligible to be considered under drainage subsidy scheme.

3.2.3 Conditions for Tea Plantation Development Scheme (Specific)

3.2.2.1 Creation of Irrigation facilities

1. The items that are eligible for subsidy would include sprinkler equipments, drip irrigation system, pipelines, motors, pump sets with electric line connection and accessories and creation of irrigation sources such as check dams, tube wells etc.

2. Where there is a restriction imposed by a State Govt. for tapping of water from perennial sources such as rivers, streams etc. passing through the applicant tea garden, a no objection certificate issued by the Department of Irrigation of the concerned State must accompany the application for subsidy.
3. The cost estimates with overall specification for creation of irrigation sources such as check dams, tube wells etc. should be obtained from a Chartered Engineer or concerned State Irrigation Department and submitted along with application.
4. Upon execution of work, same would be physically verified by Board's field office before disbursement of subsidy. Proper records regarding procurement of irrigation equipment and commencement and completion of creation of irrigation facilities like check dams, tube wells etc. shall be maintained by the applicant tea estates.
5. A map duly drawn by an accredited Surveyor showing the actual extent of area being irrigated should be produced at the time of field inspection.
6. The irrigation equipments viz. sprinklers and drip irrigation sets, pipelines including PVC pipes, motors, pump sets, electric accessories etc. Should be purchased only from the manufacturers/suppliers enlisted with Tea Board.
7. Financial assistance in the form of subsidy would be provided at 25 percent of the actual cost of the machinery and civil work subject to ceiling of Rs. 10,000 per hectare . The maximum amount of subsidy allowed per garden for creation of irrigation facilities during the XI Plan period of five years is limited to Rs.10 lakhs

3.2.2.2 Creation of Drainage facilities

1. The items that are eligible for subsidy would include lying out of main and peripheral drains, installation of pump set and pipe lines and construction of civil works.

2. The necessity of drainage in the applied sections, the specifications thereof and the estimated cost should be certified by the Advisory officer of TRA or UPASI TRF or IHBT or Agricultural University as the case may be.
3. A map duly drawn by Govt. / Tea Board approved surveyor should be submitted along with the application.
4. The drainage work undertaken in the past and also carried out prior to pre approval inspection by Tea Board will not be considered for subsidy.
5. Areas for which subsidy has been availed or proposed to be applied for availing the benefit under the activity of replantation, rejuvenation and new plantation will not be eligible to be considered under drainage subsidy scheme
6. The drainage work should be commenced only after the pre-approval inspection and on receiving a No Objection Certificate from the field office of Tea Board.
7. Upon completion of drainage work, the concerned field office of the Tea Board should be contacted for physical verification. Proper records in support of expenditure incurred should be produced at the time of post drainage inspection.
8. Financial assistance in the form of subsidy would be provided at 25 percent of the actual cost subject to a ceiling limit of Rs.5000 per hectare.
9. The sections for which drainage subsidy has been availed once will not be eligible for further subsidy during the next five years.

3.2.2.3 Creation of Transportation facilities

1. The items that are eligible for subsidy would include LCVs/Tractors/ trailers for haulage of green leaf from field to factory and carrying inputs to fields and JCVs for the purpose of uprooting old Tea bushes.

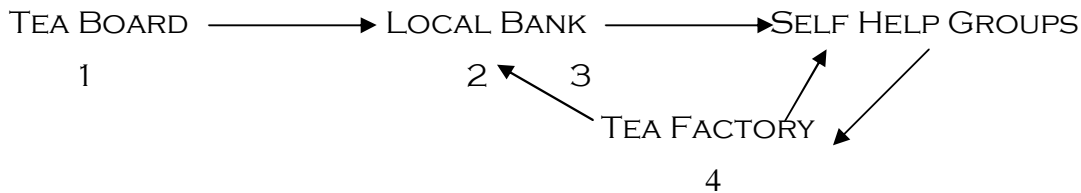
2. The tractors and trailers shall be allowed at the rate of one vehicle of every 5000 kg of green leaf harvested in a day.
3. Only one JCV per garden is admissible.
4. Financial assistance in the form of subsidy would be provided at 25 percent of the actual cost of the Vehicles purchased.

3.2.2.4 New Planting in North East region and Hilly areas by Small Growers

1. Subsidy for new planting will be allowed only for small growers holding up to 4 ha in the North East region and in hilly areas of other region with an altitude of above 2500 feet above MSL.
2. Applicant small growers should have documents to establish the ownership of the land where they propose to take up new planting. Where the title deeds are not available, possession certificate issued by the land revenue department of the concerned state government will be accepted for the purpose of the scheme.
3. The soil suitability certificate should be obtained from any of the soil testing laboratories empanelled with Tea Board
4. Only approved planting materials to be used for planting.
5. The bush population in the planted area shall not be less than 10,000 per ha.
6. All cultural operations and soil conservation measures should be undertaken in the manner as recommended by TRA / AAU / UPASI-TRI / Tea Board.
7. Financial assistance in the form of subsidy would be provided at 25 percent of the unit cost to be notified from time to time.

3.2.2.5 Assistance to Small Grower Self Help Groups

For holistic and sustained development of the small growers, the below noted operational module will be adopted during the XI plan period and this module aims at establishment of proper leaf collection systems, transport arrangements and establishing proper partnership arrangements with the quality tea processing factories. In order to overcome the problem of financial constrains in purchasing and application of field inputs, a revolving corpus is provided to each self help groups so that funds are available all the time for procurement and timely application of required inputs. Bu putting in place an escrow arrangement, the corpus will get replenished from the green leaf price fetched by the growers.



1. Tea Board will park a certain amount in advance as revolving corpus in the bank account to be opened jointly with the concerned Self Help Group (SHG) with an agreement that the bank will release the funds to the Self Help Groups only with prior approval of Tea Board towards the purchase of the inputs. (The amount to be deposited by the Tea Board as revolving corpus will be worked out at Rs.10000 for every hectare of tea area under the command of the SHG).

2. Self Help Groups (SHG) to enter into an agreement with Tea factory for

- i) Purchase of green leaf supplied by the SHG without any quantity restriction so long the leaf so supplied confirms with the quality leaf standard fixed by the factory.
 - ii) Payment of green leaf price as per the agreed price sharing formula notified by Tea Board;
- and

ii) Deducting from the green leaf price payable to SHG the actual cost incurred by the SHGs towards purchase of inputs and remitting the amount so deducted to the revolving corpus Bank account.

(The amount to be deducted from the Green leaf price will be notified to the concerned factory by Tea Board as and when the amount is withdrawn from the revolving corpus bank account by the SHG).

3.2.2.6 Conditions for setting up of Self Help Groups by the small growers

- Each SHG should have at least 50 small tea growers as members under its command. Individual growers holding tea area up to 10.12 hectares (25 acres) are considered as small growers.
- Minimum command area of the SHG should not be less than 20 ha.
- All the members of the SHG should hold valid title deeds to prove the ownership of the tea holding. In case of non availability of title deeds, a possession certificate issued by the revenue authorities or land revenue receipt or a membership with any recognized co-operative tea factory shall be accepted for the purpose of recognition of the grower and admitting him as a member of the SHG.
- Each SHG should include one Development Officer from Tea Board as ex-officio member in its Management Committee and this committee should meet at regular monthly intervals.
- Each SHG should have a valid bank account in its name. In addition the SHG should open a joint account with Tea Board for operating the revolving corpus.
- Any expenditure to be charged to revolving corpus shall be incurred only with the prior approval of the Tea Board for which the proposal should have the endorsement of the management committee.

3.2.2.7 Financial Support from Tea Board for SHGs

For each SHG having a minimum membership of 50 growers and their aggregate area under tea being not less than 50 acres (20 ha) financial assistance will be provided for the below noted “common facilities” with a ceiling limit of Rs.5 lakhs (five lakhs) per SHG

| <i>Component</i> | <i>Unit Cost</i> | <i>Rate of Subsidy</i> | <i>Ceiling Limit</i> |
|---|---|------------------------|---|
| Transport Vehicles – Trucks, Tractors, trailers for haulage of green leaf from field to factory, and carrying inputs to fields. | Actual cost as notified by the vehicle manufacturers. | 50 percent | LCV shall be allowed at one vehicle for every 2000 kg green leaf handled per day (during June to September) |
| One year input cost per ha as revolving corpus: i) Fertilizer (NPIC) ii) Sprayers (Proportionate cost) iii) Pesticide +Weedicide Total of i+ii+iii (Input storage godown one time capital grant | Rs. 4500 Rs. 500 Rs. 5000 <hr/> Rs.10,000 Rs.50,000 | 100 percent | One time grant at Rs.10,000/ ha as a revolving corpus. One input storage godown/SHG. |
| One time Capital grant i) Leaf collection sheds | Rs.30,000 | 100 percent | One leaf collection shed for every 5000 kg leaf harvested in a day. Subsidy will be limited to 100 percent of the actual cost subject to a ceiling limit Rs.30,000/- each shed. |
| ii) Leaf weighing scales. | Rs.3000 | 100 percent | Two weighing Scales/SHG. Subsidy will be limited to 100 percent of the actual cost subject to a ceiling limit Rs.3,000/- for two scales. |
| iii) Plastic crates/nylon leaf carry bags. | Rs.210/ crate Rs.30/ nylon bag. | 100 percent | One plastic crate for every 20 kg green leaf handled in a day (or) one nylon bag/year for every 15 kg |

| | | | |
|---------------------|-----------|-------------|--|
| | | | green leaf handled in a day. Subsidy will be limited to 100 percent of the actual cost subject to a ceiling limit Rs.210 percent for each crate and Rs.30 for |
| iv) Pruning Machine | Rs.35,000 | 100 percent | One pruning machine for every 10 ha of tea area owned by the members of SHG. Subsidy will be limited to 100 percentage of the actual cost subject to a ceiling limit Rs.35,000 each pruning machine. |

3.2.2.8 Revolving Corpus Fund

- (i). The Revolving Corpus is an one time grant and it will provided to the SHGs at the rate of Rs.10,000 per hectare of tea area under the command of the SHG.
- (ii) For receiving, applicant SHG should fulfill the above mentioned conditions and make a formal application in the prescribed application form to the Tea Board's nearest office
- (iii) Besides its own bank account each SHG should open a separate bank account jointly with Tea Board (Nearest field office of Tea Board) and submit a resolution of the Management Committee of the SHG authorising a designated member of the SHG to operate the bank account jointly with Tea Board's field office.
- (iv) All the payments should be made by cheque and such cheques should be drawn in favour of the suppliers.
- (vi) An All party agreement comprising of Self Help Group, Bank, Bought Leaf Factory and Tea Board will have to be executed defining the role and responsibility of each Stake holder towards the operationalising the revolving fund.

The details of the physical and financial achievement under the Plantation Development Schemes are stated in Table 3.1 as follows:

Table 3.1
Physical and Financial Achievement under the Plantation Development Scheme During
2006-07

| Sl. No. | Activity | No. of applications | Physical Area (in hec.) | Amount disbursed (Rs. Crores) |
|---------|--|---------------------|-------------------------|-------------------------------|
| 1. | Replantation | 395 | 3048.44 | 13.27 |
| 2. | Rejuvenation Pruning & Consolidation | 471 | 1950.14 | 3.22 |
| 3. | New Planting (Small Growers)-N.E. Region | 807 | 1729.14 | 4.59 |
| 4. | Self Help Groups of small growers | 24 | - | 1.52 |
| 5. | Irrigation | 26 | 2113.73 | 2.50 |
| | Total | 1723 | 8841.45 | 25.20 |

Source: www.teaboard.gov.in

It is clear from Table 3.1 that during 2006-07 there are 1723 cultivators who received Rs.25.20 crores under Tea Plantation Development Scheme.

The details of the financial achievement under Plantation Development Scheme are stated in Table 3.2 as follows:

Table 3.2
Financial Achievement under Plantation Development Scheme

| Sl. No. | Activity | 2002-03 | 2003-04 | 2004-05 | 2005-06 | 2006-07 | Total |
|---------|-------------------------|--------------|--------------|--------------|--------------|--------------|---------------|
| 1 | Replantation | 13.62 | 9.63 | 8.46 | 10.67 | 13.27 | 55.65 |
| 2 | Rejuvenation | 5.18 | 3.69 | 3.04 | 2.81 | 3.32 | 18.04 |
| 3 | New Planting | 7.32 | 5.19 | 9.34 | 7.53 | 4.59 | 33.97 |
| 4 | Self Help Groups | - | - | - | 0.95 | 1.52 | 2.47 |
| 5 | Irrigation | - | - | - | 0.07 | 2.50 | 2.57 |
| 6 | Others | 0.019 | .005 | .06 | - | - | .084 |
| | TOTAL | 26.14 | 18.52 | 20.90 | 22.03 | 25.20 | 112.79 |
| 7 | For the N.E. Region | 8.46 | 14.11 | 14.37 | 14.82 | 17.15 | 78.91 |
| | (Other than N.E Region) | 7.68 | 4.41 | 6.53 | 7.21 | 8.05 | 33.88 |

Source: www.teaboard .gov.in

It is clear from Table 3.2 that financial achievement of plantation development scheme is high for Replantation.

The details of physical achievement under Plantation Development Scheme are stated in Table 3.3 as follows:

Table 3.3
Physical Achievement under Plantation Development Scheme

| Sl. No. | Activity | 2002-03 | | 2003-04 | | 2004-05 | | 2005-06 | | 2006-07 | | Total for 5 years | | Total |
|---------|-----------|---------|------|---------|-----|---------|-----|---------|------|---------|------|-------------------|------|-------|
| | | NE | ONE | NE | ONE | NE | ONE | NE | ONE | NE | ONE | NE | ONE | |
| 1. | Rep | 3484 | 1097 | 2230 | 766 | 1262 | 867 | 1632 | 1042 | 1875 | 1137 | 10483 | 4946 | 15429 |
| 2. | Rej | 2186 | 916 | 1920 | 606 | 952 | 817 | 945 | 611 | 988 | 962 | 6991 | 3912 | 10903 |
| 3. | New plant | 1031 | 406 | 1354 | 72 | 1779 | 728 | 1065 | 288 | 1718 | - | 6947 | 1497 | 8444 |
| 4. | SHG | - | - | - | - | - | - | 11 | 2 | 23 | 1 | 34 | 3 | 37 |
| 5. | Irrign | - | - | - | - | - | - | 0 | 142 | 3 | 24 | 3 | 166 | 169 |

Source: www.teaboard.gov.in

It is clear from Table 3.3 that Physical Achievement of Tea Plantation Scheme is high for Replantation.

3.3 Quality Up-gradation and Product Diversification Scheme (QUPDS)

This scheme was launched with effect from 1st September, 2003. It provided for extending financial support to the tea industry by way of subsidy towards modernization of tea factories through replacement of old and worn out machineries, installation of additional machineries matching with the production capacity, changing the product mix that is production of orthodox and green teas and in enabling the tea manufacturing factories and/ packaging units for obtaining quality assurance certificates such as HACCP, ISO and organic tea certification etc. special attention was also towards bringing quality awareness amongst small growers and the bought leaf factories.

The main objective of QUPDS is to serve as a catalyst for tea factories/blending/ packaging units to undertake investments in modern technologies/processes (either for expansion or for replacement). This would eventually enable quality improvement, and higher realizations through the production of better quality/value added teas. The overall objective of the scheme is thus to encourage quality up-gradation and product diversification in the tea processing units.

3.3.1 Eligibility Conditions

- 1) All tea manufacturers and others who are dealing with value addition of tea such as blending, packing and tea bagging are eligible to claim subsidy subject to fulfillment of the terms and conditions of the scheme. At the time of submission of application for the applicant tea garden/factory/packaging and or blending unit should be holding valid TMCO registration number issued by the licensing Branch of Tea Board for new micro mini factories being set up by Self Help Groups of

small tea growers and for setting up of 100 percent orthodox any organic tea/green tea and other specialty tea factories the application should company a proof about submission of application, to licensing authority of Tea Board for obtaining registration under TMCO.

- 2) The subsidy however shall not be allowed for any equipment if imported under the Export promotion capital Goods Import (EPCG) scheme.
- 3) The applicant should be a member of TRA (For the Tea Factories in North India) and UPASI-TRF (For the Factories in South India) and should hold valid current membership at the time of submission of application to Tea Board. (Small growers as well as growers whose holding size less than 50 ha are exempted).
- 4) The applicant should have paid his subscription in full of the National Tea Research Foundation. (Small growers and identified sick tea gardens as per the provisions under clause 1613 of Tea Act are exempted).
- 5) Provident fund dues of the applicant tea factory should not exceed Rs.10,000/- at the time of submission of application.
- 6) The applicant should not be a defaulter under any of the Board's Loan Schemes at the time of submission of application. (Tea Board shall have the right to adjust sanctioned amount of subsidy with defaulted dues if the applicant was found to be a defaulter at the time of releasing the subsidy).
- 7) Subsidy cannot be claimed for the same activities that have been carried out with funds withdrawn from Tea Development Account Scheme 2007 (under section 33 AB of Income Tax Act).

- 8) The applicants should submit their application to the nearest field office of Tea Board, 75 days before the commencement of procurement of tea machinery items.
- 9) Civil works should be commenced by the applicants only after receiving a NOC (No objection certificate) issued by the concerned field officers, after carrying out pre-approval inspection.
- 10) Only one application per factory in a financial year shall be entertained for consideration of subsidy.
- 11) The subsidy will be credit linked and back ended (the subsidy amount will be released only after procurement and installation of the machinery to the complete satisfaction of the Board). The credit linkage may be dispensed with only as an exception to the rule, after receiving sufficient proof from the applicants that they are able to mobilize funds from their own resources.

3.3.2 Rates of Subsidy

- | |
|--|
| <ol style="list-style-type: none"> 1) Modernisation of the processing factories by replacement of old and worn out machinery: (Subsidy at 25 percent on the actual cost of machinery subject to a ceiling of Rs.25 lakhs per factory per annum). 2) Procurement of processing machinery for orthodox tea in 100 percent. CTC factories and 3) Setting up of new factories by the Self Help Groups of small growers. (For item 2 & 3 subsidy at 40 percent would be provided subject to a ceiling of Rs.25 lakhs per factory per annum). |
| <ol style="list-style-type: none"> 1. Value addition by way of creating additional infrastructure for cleaning, blending, colour sorting, packaging. (Subsidy at 25 percent on the actual cost of machinery subject to a |

| |
|---|
| ceiling of Rs.25 lakhs per factory per annum) 2. In case of machinery for orthodox tea in 100 percent CTC factories. (Subsidy at 40 percent would be provided subject to a ceiling of Rs.25 lakhs per factory per annum). |
| Quality assurance certification for ISO/HACCP and organic Tea (Subsidy at 50 percent of the certification fee subject to a ceiling of Rs.1.00 lakh per certificate including renewals per annum). |
| Setting up of new factories for production of green tea, orthodox tea and specially teas etc. (Product diversification) – (subsidy at 40 percent of the cost subject to a ceiling of Rs.25 lakhs per factory per annum) |
| Incentive for orthodox tea production subsidy at Rs.3 - per kg of actual production of leaf grades and Rs.2/- per kg for dust grades and an additional incentive at Rs.2/- per kg of the incremental volume over the previous year. |

3.3.3 Machinery

The subsidy is limited to 25 percent of the total cost (basic cost of the machinery items, admissible taxes, freight, insurance and cost of commissioning) subject to a ceiling limit of Rs. 25 lakhs per factory/ blending packaging unit.

3.3.4 Certification

The subsidy for obtaining an ISO/ HACCP and organic certification would be limited to 50 percent of the cost of certification and restricted to a maximum amount of Rs. 1,00,000/-

3.3.5 Eligible Items

Machinery/ equipments and allied items are eligible for subsidy.

3.3.6 Priority for subsidy

Bought Leaf Factories (BLF), Single estate tea factories and Medium sized tea gardens would be given priority for availing of subsidy under the scheme. However, in the event of insufficient claimants, other applicants would be permitted to avail of the subsidy, in regard to machinery items, priority would be given to the following:

Conversion to orthodox manufacture Green tea processing facilities Tea packaging, bagging and cleaning facilities/ equipments blending and allied machineries.

The details of physical achievement of Quality Up-gradation and Product Diversification Scheme are stated in Table 3.4 as follows:

Table 3.4

Physical Achievement of Quality Up-gradation and Product Diversification Scheme (Rs. Lakhs)

| Year | Estate / Factory | | BLF | | Blending Unit/Others | | Total | |
|--------------|------------------|----------------|------------|----------------|----------------------|---------------|------------|----------------|
| | No. | Rs. | No. | Rs. | No. | Rs. | No. | Rs. |
| 2003-04 | 3 | 46.11 | 3 | 36.17 | 1 | 59.70 | 7 | 141.98 |
| 2004-05 | 132 | 898.14 | 48 | 304.32 | 8 | 136.46 | 188 | 1338.92 |
| 2005-06 | 179 | 1305.00 | 81 | 647.58 | 25 | 102.34 | 285 | 2055.03 |
| 2006-07 | 313 | 1899.71 | 149 | 885.06 | 35 | 132.96 | 497 | 2917.73 |
| Total | 627 | 4148.96 | 281 | 1873.13 | 69 | 431.46 | 977 | 6453.66 |

Source: www.teaboard.gov.in

It is clear from Table 3.4 that highest amount was given for Estate/Factory scheme.

3.4 Human Resource Development Scheme

This scheme provides for extending financial support by way of capital grant to the tea gardens for supplementing their efforts towards various labour welfare measures particularly health care of tea garden workers and education of their children and organizing training

programmes aimed at inducting professionalism in plantain management, improve labour productivity, skills improvement at all levels from workers to managers.

The details of financial achievement of Human Resource Development Scheme are stated in Table 3.5 as follows:

Table 3.5

Financial Achievement of Human Resource Development Scheme during 2006-07(Rs.Lakhs)

| Sl. No. | Particulars | Rs. |
|----------------|--------------------------|---------------|
| 1. | Training Programme | 15.78 |
| 2. | Labour Welfare Measures | 124.00 |
| | Grand Total (1+2) | 139.78 |

Source: www.teaboard.gov.in

It is clear from Table 3.5 that financial achievement of Human Resource Development Scheme is high for labour welfare measures programme.

The details of Human Resource Development Scheme are stated in Table 3.6 as follows:

Table 3.6

Human Resource Development Scheme

| Sl. No. | Activity | 2002-03 | 2003-04 | 2004-05 | 2005-06 | 2006-07 | Total |
|----------------|---------------------|----------------|----------------|----------------|----------------|----------------|--------------|
| 1. | Training Programmes | 0.51 | 0.09 | 0.03 | 0.12 | 0.16 | 0.91 |
| 2. | Labour Welfare | | | | | | |
| | (i) Health | 0.19 | 0.13 | 0.45 | 0.60 | 0.22 | 1.59 |
| | (ii) Education | 0.52 | 0.96 | 0.54 | 0.15 | 1.07 | 3.24 |
| | Total | 01.22 | 1.18 | 1.02 | 1.40 | 5.69 | |

Source: www.teaboard.gov.in

It is clear from Table 3.6 that distribution of Human Resource Development Scheme for education programme is high compared to other programmes.

3.5 Research and Development Scheme

This scheme provides for extending financial support by way of capital grant for Research and Developmental activities. The particulars of research activities for which financial assistance was extended are reported separately under the chapter dealing with the activities of Research Directorate. The development grant component of the scheme was used mainly for meeting the developmental needs of the small tea growers who account for nearly 20 percent of all India tea production. The activities supported for the benefit of the small growers include extending advisory services, setting up of tea nurseries for supply of good quality planting materials, organizing study tours and workshops and maintaining closer interface with small growers in non-traditional areas.

The details of year wise distribution of Research and Development Scheme are stated in Table 3.7 as follows:

Table 3.7
Year Wise Distribution of Research and Development Scheme (Rs.Crores)

| Activity | 10 th Plan | 2002-03 | 2003-04 | 2004-05 | 2005-06 | 2006-07 | Total |
|--------------------------------|-----------------------|-------------|-------------|--------------|-------------|-------------|--------------|
| Advisory service | 2.00 | 0.20 | 1.00 | 0.73 | 0.12 | 0.49 | 2.54 |
| Setting up nurseries | 1.00 | 0.57 | 0.12 | 0.22 | 0.38 | 0.16 | 1.45 |
| Study tours and workshops | 0.60 | 0.12 | - | 0.38 | 0.10 | 0.42 | 1.02 |
| Strengthening of field offices | 0.23 | 0.08 | - | 0.05 | - | 0.48 | 0.61 |
| IT Portal & E auctions | 12.45 | 0.63 | 3.90 | 7.14 | 4.46 | - | 16.13 |
| Admin Expenses | 12.80 | 2.44 | 2.69 | 3.04 | 3.17 | - | 11.34 |
| Miscellaneous | 4.02 | 1.87 | 1.00 | 0.87 | 1.46 | 0.14 | 5.34 |
| Demonstration pruning | - | - | - | - | - | 0.27 | 0.27 |
| Total | 33.10 | 5.91 | 8.71 | 12.43 | 6.59 | 1.96 | 38.70 |

Source: www.teaboard.gov.in

It is clear from Table 3.7 that distribution of amount under Research and Development Scheme for IT Portal and E auction is high when compared to other programmes.

3.6 Orthodox Tea Production Subsidy Scheme

This scheme was launched in 2005 and it provides for extending subsidy @ Rs.3/- per kilogram of Orthodox leaf grade teas and @Rs.2/- per kilogram orthodox dust grade teas. An additional incentive @ Rs.2/- per kg is provided for the incremental volume of tea produced over and above the volume of tea produced during the previous year. For computing the eligible amount of subsidy, the orthodox tea produced from 1st January 2005 has been taken into account. For the purpose of comparing the incremental volume, the total orthodox tea produced during the corresponding period of year 2004 (January to December) was taken into account. Table-9 shows the details of the claims received and the subsidy released during the period under report.

The details of status of Orthodox Tea Production Subsidy Scheme are stated in Table 3.8 as follows:

Table 3.8
Status of Orthodox Tea Production Subsidy Scheme (During 2006)

| Particulars | Total | Assam | W.Bengal | Darjeeling | Tamil Nadu | Kerala | Others |
|---|---------|--------|----------|------------|------------|--------|--------|
| No. of applications received during Jan-Dec'06 | 677 | 316 | 60 | 134 | 98 | 33 | 36 |
| Vol. of Tea for which subsidy has been claimed (million Kg) | 78.33 | 24.82 | 7.82 | 9.71 | 24.37 | 10.70 | 0.91 |
| Subsidy claimed Rs. Lakhs | 2341.90 | 745.56 | 232.90 | 284.01 | 731.71 | 320.84 | 26.90 |
| No. of applications sanctioned | 647 | 293 | 58 | 130 | 98 | 32 | 36 |
| Subsidy released Rs. Lakhs | 2152.40 | 708.68 | 220.80 | 258.08 | 640.36 | 300.03 | 24.45 |
| No. of applications rejected | 30 | 23 | 2 | 4 | 0 | 1 | 0 |

Source: www.teaboard.gov.in

It is clear from Table 3.8 that status of Orthodox Tea Production Subsidy Scheme is high for Tamilnadu.

As far as the outcome of the orthodox subsidy scheme is concerned it may be noted that the scheme has been well received. The particulars of number of beneficiaries, amount of subsidy disbursed since inception of the scheme in January 2005 and the volume of production covered under the subsidy scheme are furnished below. To bring out the impact of the incentive scheme on the orthodox production, the actual volume of tea produced during the two year tenure of the scheme has been compared with the production during the corresponding period of previous two years. It will be seen from the particulars furnished in the tables below, that during the scheme period the production had gone up by 27.59 million kgs when compared to the previous two year period. The details of orthodox tea production scheme are stated in Table 3.9 as follows:

Table 3.9
Comparative analysis of production before and after receiving Orthodox Tea Production Scheme

| Year | No. of Beneficiaries | Volume of Production in million kgs covered by the subsidy | Amount of Subsidy disbursed Rs. Crores |
|--------------------|--|---|---|
| 2005 | 321 | 81.18 | 24.35 |
| 2006 | 323 | 78.33 | 23.42 |
| Total | | 159.51 | 47.79 |
| Year | Production prior to launch of the scheme in million Kgs | Production after launch of the scheme in million Kgs* | Increase in production after the launching of the scheme million Kgs |
| 2003 | 78.44 | | |
| 2004 | 78.21 | | |
| Total | 156.65 | | |
| 2005 | | 96.38* | |
| 2006 | | 87.86* | |
| Total | | 184.24* | |
| Average/p.a | 78.33 | 92.12 | 13.79 |

Source: www.teaboard.gov.in

Note: *The difference between actual production and the volume covered by the subsidy was due to restricting the subsidy only to the volume of tea sold through public auction and direct exports and excluding the teas and sold privately.

It is clear from Table 3.9 that 13.79 m kgs tea production was increase after receiving Orthodox Tea Production Scheme.

3.7 Price Stabilization Fund Scheme

This scheme was introduced with effect from 1.4.03 by the Ministry of Commerce and Industry for the benefit of small farmers growing tea, coffee, rubber and tobacco. The scheme aims to provide some compensation as and when the prices of the four commodities fall below a certain level. For this purpose, a price stabilization fund with a corpus of Rs.500 crores has been set up by the Government.

For determining the level of compensation to be provided, an annual Price Spectrum Band for each commodity is fixed based on the seven year international moving average of the price for the concerned commodity by PSF Trust.

Small growers holding up to 4.00 ha are eligible to join the scheme. The maximum membership allowed for tea growers is 42619. Growers desirous of joining the scheme are required to pay one time joining fee of Rs.500 and open a savings bank account with any nationalized bank. Besides annual compensation the growers are also entitled for a personal Accident Insurance Policy cover, without paying any extra premium. Based on the annual price spectrum band, the given year is categorized as good, normal and distress period. As far as tea is concerned, the years 2003-04, 2004-05, 2005-06 & 2006-07 have been categorized as normal years. So far 14935 small growers have enrolled under the scheme as per the break up given in Table 3.10 as follows:

Table 3.10
Status of Price Stabilization Fund Scheme

| State | Maximum permissible membership | Enrolment during 2003-04 | Enrolment during 2004-05 | Enrolment 2005-06 | Enrolment 2006-07 | Total enrolment since inception |
|------------------|---------------------------------------|---------------------------------|---------------------------------|--------------------------|--------------------------|--|
| N.E. States | 15277 | 1576 | 1044 | 199 | 52 | 2871 |
| Kerala | 2250 | 11 | 1 | NIL | NIL | 12 |
| Tamil Nadu | 23245 | 184 | 11691 | NIL | NIL | 11875 |
| Himachal Pradesh | 1380 | 34 | 8 | 3 | NIL | 45 |
| West Bengal | 467 | 56 | 76 | NIL | NIL | 132 |
| Total | 42619 | 1861 | 12820 | 202 | 52 | 14935 |

Source: www.teaboard.gov.in

It is clear from Table 3.10 that amount of subsidy provided to small growers under Price Stabilization Scheme is high for Tamilnadu.

3.8 Revolving Corpus for Loan Schemes

The objective of setting up of the revolving corpus was to enable the Board to continue its loan schemes without any fresh budgetary support from the Government. Since 1998-99, the Board has been extending long term loans to the tea industry from the revolving corpus for undertaking new planting, replanting and replacement planting, creation of irrigation facilities, replacement of tea processing machinery and procurement of transport vehicles etc. The particulars of loan disbursed from the Revolving Corpus from 1st April 1998 to

31-3-2006, amount recovered from the borrowers during the corresponding period, and the amount due for payment to Government are given in the below Tables.

In compliance with the Government's directives, no fresh sanction was accorded during the year under report for extending loan to the Tea industry. A sum of Rs.52.85 lakhs disbursed on account of the commitments made in respect of the applications admitted during the past years.

The details of loan disbursed from the Revolving Corpus Scheme are stated in Table 3.11 as follows:

Table 3.11
Loan disbursed from the Revolving Corpus from 1998-99 to 2006-07

(Rs. in Lakhs)

| Sl. No. | Year | Machinery | Plantation | Irrigation | Total |
|---------|--------------|----------------|----------------|----------------|----------------|
| 1 | 1998-99 | 607.83 | 137.94 | 413.45 | 1159.22 |
| 2 | 1999-00 | 385.61 | 57.08 | 591.72 | 1034.41 |
| 3 | 2000-01 | 316.58 | 59.10 | 289.38 | 665.06 |
| 4 | 2001-02 | 287.54 | 25.96 | 257.15 | 570.65 |
| 5 | 2002-03 | 572.03 | 1.85 | 104.53 | 678.41 |
| 6 | 2003-04 | 163.00 | 484.00 | 54.00 | 701.00 |
| 7 | 2004-05 | 60.80 | 242.24 | 9.26 | 312.30 |
| 8 | 2005-06 | 14.00 | 53.58 | 0.00 | 67.58 |
| 9 | 2006-07 | Nil | 52.85 | Nil | 52.85 |
| | Total | 2407.39 | 1114.60 | 1719.49 | 5241.48 |

Source: www.teaboard.gov.in

It is clear from Table 3.11 that loan disbursed from the Revolving Corpus Scheme is high for machinery.

The details of the loan amount recovered from the loanees are stated in Table 3.12 as follows:

Table 3.12
Loan amount recovered from the loanees from 1998-99 to 2006-07

(Rs. in Lakhs)

| Sl. No. | Year | Machinery | Plantation | Irrigation | Total |
|---------|--------------|----------------|----------------|----------------|-----------------|
| 1 | 1998-99 | 686.25 | 299.55 | 87.43 | 1073.23 |
| 2 | 1999-00 | 733.92 | 382.88 | 138.15 | 1254.95 |
| 3 | 2000-01 | 717.91 | 253.79 | 245.01 | 1216.71 |
| 4 | 2001-02 | 556.64 | 249.48 | 281.64 | 1087.76 |
| 5 | 2002-03 | 589.66 | 318.29 | 229.51 | 1137.46 |
| 6 | 2003-04 | 343.20 | 516.70 | 196.68 | 1058.58 |
| 7 | 2004-05 | 416.32 | 516.10 | 250.75 | 1183.17 |
| 8 | 2005-06 | 506.83 | 474.78 | 155.29 | 1136.90 |
| 9 | 2006-07 | 475.46 | 409.86 | 186.16 | 1053.48 |
| | Total | 5008.19 | 3421.43 | 1772.62 | 10202.24 |

Source: www.teaboard.gov.in

It is clear from Table 3.12 that loan amount recovered from loanees are high for machinery.

The details of loan amount re-payable to Government are stated in Table 3.13 as follows:

Table 3.13

Loan amount re-payable to the Government from 1998-99 to 2006-07

(Rs. in Lakhs)

| Sl. No. | Year | Principal | Interest | Total |
|----------------|--------------|------------------|-----------------|----------------|
| 1 | 1998-99 | 595.71 | 589.58 | 1185.29 |
| 2 | 1999-00 | 509.41 | 505.91 | 1015.32 |
| 3 | 2000-01 | 546.17 | 504.73 | 1050.90 |
| 4 | 2001-02 | 504.73 | 549.87 | 1054.60 |
| 5 | 2002-03 | 481.00 | 392.00 | 873.00 |
| 6 | 2003-04 | 381.00 | 348.00 | 729.00 |
| 7 | 2004-05 | 322.00 | 297.00 | 619.00 |
| 8 | 2005-06 | 244.00 | 252.00 | 496.00 |
| 9 | 2006-07 | 181.25 | 220.02 | 40.27 |
| | Total | 3584.02 | 3439.09 | 7023.11 |

Source: www.teaboard.gov.in

It is clear from Table 3.13 that loan amount re-payable to the Government was decreasing every year.

3.9 Scheme of Capital Grants for Hospital/Medical Clinics towards Extension of Treatment Facilities and Purchase of Medical Equipments, Accessories and Ambulance

The Board may sanction capital grants to Hospitals/Clinics for introduction/extension of specialized medical facilities for the treatment of TB, Cancer, Leprosy, Eye, Heart, Kidney disease and so on which are not available for tea garden workers and their dependants in the Tea Garden Hospitals. Grants are given for construction of buildings for creating additional beds/wards attached to the hospitals as well as for purchase of equipments like X-Ray plant,

surgical instruments, ambulance etc. required for specialized treatment. The Board may also sanction in special cases necessary recurring grants towards maintenance of beds in hospitals for tea garden patients.

3.9.1 Eligibility

- i) The Hospital/Clinic applying for the grant should be registered and preferably be located in the tea growing areas so that the patients from the tea garden may fully avail of its facilities.
- ii) Ambulance shall not be provided with Board's grant to any garden hospital/group hospital traditional areas. Ambulance on merit basis may be provided with Board's grant to gardens in non-traditional areas. Such eligibility criteria may be relaxed by the Board only on considering the merit of the application, if submitted.

3.9.2 Quantum of Grant

Grant may be sanctioned on submission of detailed plan and estimates prepared by an approved technical authority and counter-signed by the Head of the institution. Normally the Institution are to bear not less than 30 percent of capital cost of the projects but in cases may have to bear more than the said percentage. The quantum of Board's grant will be decided on merits of each case after taking into account the extent of facilities the tea garden workers and their dependants would genuinely derive. Grants to be sanctioned by the Board shall not exceed 70 percent of the capital cost of the project or Rs. 8.00 lakhs whichever is lower.

3.9.3 Concessional Facilities

In lieu of the grants, the grantee institution shall reserve beds in the institution for tea garden patients with free or concessional charges of treatment and such other concessional facilities as may be stipulated by the Board.

3.9.4 Application for Grant

- i) The application for the Board's capital grants is to be made by the head of the institution in the application form as designed by the Board.
- ii) The Board shall be at liberty to call for any other particulars and documents as it may consider necessary to determine the eligibility for the grant in individual cases.

3.9.5 Sanctioning Authority

- i) After scrutiny of the applications, sanction may be accorded by the Board or any other competent authority.
- ii) The Board shall be entitled at any time to reduce the amount of grant sanctioned or to cancel such portion thereof as shall remain unpaid, if for any reasons it becomes necessary to do so. The action of the Board shall not be called in question by any party in any way.

3.9.6 Mode of Disbursement

- i) 25 percent of the sanctioned amount will be released on declaration with supporting documents by the grantee institution to the effect that it has spent its own share of the project cost and that the progress of the project is proportionate to the expenditure made by grantee institution. 65 percent will be released on submission of the audited statement of expenditure of grantee institution's own share and of Board's grant. 10 percent will be released on submission of the completion certificate and audited accounts of expenditure for the entire project.
- ii) Each installment will be released on the recommendation of Board's officer or any other officer nominated by the Board for the purpose. Board's nominee is also at liberty to inspect the project at any time as considered necessary.
- iii) The grants for purchase of equipment and ambulance will be disbursed generally against delivery of the equipments. Board's grant amount will not be sent to the supplier through the bank

draft or demand draft or any other recognized mode of transaction will be raised in the name of supplier. Such drafts are to be sent to the grantee institution who, after completion of the project will intimate Board with all supporting documents within a period of six months from the date of receipt of draft. In the event of delay, the Board will retain the right to have the grant amount refunded by the grantee institution.

iv) Any reduction in the original estimate of expenditure exceeding 5 percent has to be reported to the Board and in such an event; the Board will retain the right to adjust the grant. No alteration in the approved plan/project after sanction will be allowed.

3.9.7 Other Terms and Conditions

i) The Board shall have the right to nominate a member on the Managing Committee/Governing Body of the Hospital/Clinic applying for such a grant under the category of permanent donor or any other category. If necessary, the Hospital/Clinic authorities should take necessary steps for making provision for such nomination in their constitution and secure such nomination from the Board at every election or at the termination of the membership of the Board's nominee.

ii) After the project is completed with the Board's grant, the grantee institution should maintain a register of assets created wholly or substantially out of the Board's grant and a certified copy of the audited record of assets as contained in the register should be furnished to the Board annually.

iii) The Board's grant should be strictly utilized for the specific purpose for which it is sanctioned.

iv) Recipient shall permit the Board or any official authorized by the Board to examine or call for books of accounts being maintained for the purpose at all reasonable time and take copies and extracts therefrom.

- v) The recipient should affix a plaque/hoarding to the effect that such specialized treatment had been organized with the financial aid of the Tea Board.
- vi) Unless otherwise required in writing by the Board, the whole or part of the grant remaining undisbursed shall be refunded to the Board without delay.
- vii) In the event of the recipient failing to observe or perform any of the terms and conditions of the grants or the terms herein contained, the Board shall be entitled at its option either to enforce specific performance of the agreement or to obtain from the recipient the refund of the entire amount already paid with interest at 12 percent per annum from the date of advance to the date of repayment.
- viii) In the event of any institution established (fully/partly) with the grant being abolished or abandoned, the building and equipments purchased or created out of Board's grant shall be made over to the Board. The institution in such circumstances will no longer have any right, title or interest in the said buildings and equipments.
- ix) The recipient shall furnish the Board with such information and periodical reports and returns relating to the grant as the Board or any officer duly authorized by the Board may from time to time require.
- x) In the event of any misuse of any amount from the said grant, the Board being the sole judge of the question as to whether there had been any such misuse, the recipient shall be liable to refund the entire grant made by the Board forthwith on such demand being made.
- xi) The project shall be completed within a reasonable time as stipulated by the Board.
- xii) The grantee institution shall submit a list of the tea garden workers and their dependants enjoying the concessional facilities every year in such proforma as may be framed by the Board.

3.10 Scheme of Tea Board's Financial Assistance to Bharat Scouts & Guides in West Bengal, Assam, Tamilnadu, Kerala and Tripura

The Board's grant under the financial Assistance Scheme towards Bharat Scouts and Guides covers payment towards (i) salary and allowances for maintenance of 30 posts of District Scout/Guide Organizers, (ii) re-imburement of training camp charges, (iii) payment for holding rallies, rally-cum-camps, jamborees etc. and (iv) matching grant for purchase of uniform to tea garden scouts/guides etc. on the following terms and conditions:-

- i) Salary and allowances at fixed rate for maintenance of 30 posts of District Scout/Guide Organiser. Details of 30 posts of District Scout/Guide, Organiser maintained with Board's grant-in-aid are shown below :-

Table 3.14
Financial Assistance and Salary of Bharat Scouts Scheme

| State | Dist./Area of Operation | No. Of post of Scout Organizer | No. Of post of Guide Organizer | Rate of Monthly Pay | Rate of Monthly Conveyance Allowance |
|-------------|-------------------------|--------------------------------|--------------------------------|---------------------|--------------------------------------|
| West Bengal | Dooars, | 2 | 2 | Rs.3000 | Rs.1000 |
| | Terai | 2 | 2 | Rs.3000 | Rs.1000 |
| | Darjeeling | 1 | 1 | Rs.3000 | Rs.1000 |
| Tamilnadu | Annamallais | 1 | 1 | Rs.3000 | Rs.1000 |
| | Nilgiris | 1 | 1 | Rs.3000 | Rs.1000 |
| | Nilgiris-Wynade | 1 | 1 | Rs.3000 | Rs.1000 |
| Kerala | Devicolam Taluk | 1 | 1 | | |
| | Peermade Taluk | 1 | 1 | Rs.3000 | Rs.1000 |
| Assam | Dibrugarh | 1 | 1 | Rs.3000 | Rs.1000 |
| | Tezpur | 1 | 1 | Rs.3000 | Rs.1000 |
| | Silchar | 1 | 1 | Rs.3000 | Rs.1000 |
| | Jorhat | 1 | 1 | Rs.3000 | Rs.1000 |
| Tripura | | 1 | 1 | Rs.3000 | Rs.1000 |
| Total | | 15 | 15 | | |

Source: www.teaboard.gov.in

It is clear from Table 3.14 that financial assistance and Salary of Bharat Scouts Scheme is high for Assam.

3.10.1 Monthly salary and conveyance allowance of district Scouts and Guide Organizers

a) Monthly salary for full time district Scout/Guide Organizer has been revised from Rs. 2,000 per month to Rs. 3,000 per month.

b) Monthly salary for part-time district Scout/Guide Organiser has been fixed at Rs. 750 per month (since the incumbent of the post of District Scout Organiser for Devicolam was absorbed as a permanent employee of M/s Tata Tea, his salary has been fixed at the part time rate of salary of Rs. 750 per month for district Scouts and Guide Organisers w.e.f. 4-2-1988).

c) The rate of conveyance allowance has been fixed a flat rate of Rs. 1,000 per month for full time DSOs/DGOs and at Rs. 250 per month for part time DSOs/DGOs.

3.10.2 Training Camp Charges (Cent percent reimbursed) subject to the ceiling laid down.

a) Meal and Tiffin charges are Rs. 50 per head per day in respect of all kind of events, rallies and camps.

b) Actual conveyance charges return train fare or bus fare beyond 25 kms. Reservation or sleeper charges will be admissible.

c) No. of particulars : 50 persons maximum from each District Association in a year.

d) Incidental charges at Rs. 50 per candidate per training.

3.10.3 Annual District Rally

(75 percent of actual expenses subject to ceiling laid down)

a) Meal and Tiffin charges not more than Rs. 50 per head per day will be admissible for a maximum period of 3 days.

- b) Conveyance charges beyond 30 kms based on actual railway fare or bus fare (Reservation or sleeper charges will be admissible).
- c) Incidental charges not exceeding Rs. 10,000 for holding District Rally-cum- Camp will be admissible.
- d) No. of participants : 500 persons from each District Association.

3.10.4 State Rally/Camporee

(Board's grant is limited to 75 percent of the actual expenses which are subject to ceiling laid down)

- a) Meal and Tiffin charges not exceeding Rs. 50 per head per day will be admissible.
- b) Actual conveyance charges-return train or bus fare, (Reservation or sleeper charges will be admissible).
- c) No. of participants: 500 persons maximum from each District Association.

3.10.5 National Jamboree

(Board's grant is limited to 75 percent of the actual expenses which are subject to ceiling laid down)

- a) Meal and Tiffin charges not exceeding Rs. 50 per head per day will be admissible.
- b) Actual bus and train fare (both ways). Railway fare would be given to the participants from his nearest Railway Station to the place of occurrence. Local conveyance charges like bus fares would be given as per actual. Reservation or sleeper charges will be admissible.
- c) No. of particulars should not exceed 50 persons from a District Association. The number of participants may be relaxed in special circumstances only.
- d) Registration fee to the participants may be given for participation in the National Jamboree.

3.10.6 Uniform Grant: Matching grant for supply of uniform of tea garden scouts and guides has been fixed at Rs. 100 per head per annum. In no case the grant to a District Association shall exceed Rs. 1.00 lakh for 1000 heads per annum.

Except the charges shown above item wise, the Board will not bear any other charges. In each area of operation where the post/s of Scout Organiser and Guide Organiser is/are available, the tea estates in such areas shall constitute a State Committee for popularizing and expanding Bharat Scouts and guides movement. A state committee in each state shall be set up with representatives from Employees' Association, Trade Unions, Voluntary Organisations, state Govt. and Tea Board. The grant will be disbursed through the respective State Committee. The Board reserves the right to review the financial assistance given to the Bharat Scouts and Guides Organiser every year for assessing the proper function of the scouts movement in tea plantation areas as and when it deems necessary.

3.11 Promotion Scheme for packaged teas of Indian origin

The scheme is proposed to be implemented in April, 2010 and will be reviewed after two years (March 2012). In case of a favourable response and a significant achievement, the scheme could be continued. To help Indian exporters, to market teas of Indian origin in overseas markets on a sustained basis, Tea Board proposes a promotion scheme. Since the scheme is intended to promote teas of Indian origin, it is mandatory for companies wanting to avail of the scheme, to be marketing Indian teas in packets carrying the Indian tea logo or any of the speciality logos after complying with requirements for logo usage. The scheme covers all Indian companies/exporters marketing Indian brand teas in packets less than 1 kg. The brand should be owned by the exporter. Exporters desiring to avail of the scheme would be required to draw up a one year action plan with corresponding projected exports and submit application to Tea Board.

The scheme would be applicable for the following categories:-

3.11.1 Showrooms Companies desiring to set up showrooms or retail outlets, outside India for retail sale of value added teas may receive 25 percent of the lease / rental charges. Maximum reimbursable limit under this head would be Rs. 10 lakhs per annum.

3.11.2. Promotional campaign

For intensive publicity campaigns for launching Indian branded products or for promoting branded products, up-to 25 percent of the cost could be considered for reimbursement subject to a ceiling of Rs.50 lakhs per annum, per market. Components eligible under “Promotional Campaign” would be (a) media (both print and electronic), (b) hoarding, (c) Bus / Tram panels, (d) P-O-P materials and (e) promotional literature. Tea samples or Trade discounts, if given, may not be included in this scheme. P.R. for the campaign would not be eligible. It is desirable that, wherever possible, Tea Board representative (Director, Tea Promotion) is associated during all stages of the promotion campaign.

3.11.3 Displays in International Departmental Stores + In-store Demonstration

For promoting value added tea products, tie up with local distributors and major stores is permissible. Level of assistance would be 60 percent of display and shelf rental cost subject to a ceiling of Rs.25 lakhs per annum per market.

3.11.4 Product Literature and Website Development

For production of product literature, development of website, etc. for fairs/events, assistance to be provided would be 25 percent of the total cost subject to a ceiling of Rs.50 Lakhs per annum per market.

3.11.5 Inspection Charges Inspection charges, incurred prior to shipment of packaged teas carrying Board’s logos (adhering to logo usage norms), would be reimbursed. A maximum of 25 percent costs of such inspection charges would be reimbursable.

II. Eligibility

1. All Indian registered exporters exporting value added tea would be eligible.
2. All registered exporters exporting for the past 3 years and holding valid exporters license and submitting regular monthly export returns to Tea Board
3. All registered Associations of tea producers and exporters are eligible to apply for assistance for promotion of Indian tea brands owned by their members.

III. Conditions

1. All interested Exporters/Associations are required to apply in advance to Tea Board in the prescribed application form.
2. Exporters/Associations will be required to apply in advance on company letter head to Tea Board for assistance under the above scheme. While applying, applicants would be required to provide
 - a) Full details of exports (volume and value) of their tea brands in the last 3 years, year-wise, to the particular country for which promotional/financial assistance is sought (Associations would be required to furnish information pertaining to their members).
 - b) Indicate market prospects.
 - c) Draw up a one-year plan.
3. For assistance for Promotional Campaign/Brand Promotion, details of the selected media readership/viewer ship, and tariff are to be indicated. After the campaign, copies of invoices along with copy of advertisement released (in the case of publication) should be submitted for release of funds. In case of hoardings or Bus/Tram Panel ads, photographs should be submitted duly endorsed by the concerned Director of Tea Promotion or any other authorized official of the Board where such promotion has taken place.

4. All claims need to be duly substantiated by proof of payment against invoices. In the event of any false claims being lodged, Tea Board reserves the right to claim refund of the amount granted to the applicant.

5. Applications will be processed on “first come first served” basis, subject to availability of funds.

6. There would be an overall ceiling of Rs. 50 lakhs per company group per annum.

7. Disbursement would be made subject to the applicant achieving

(a) 10 percent increase of volume of export in the target market. For the purpose of calculating increase in exports, calendar year (Jan to Dec) figures would be taken into account.

8. Relaxation may be made by Chairman/Deputy Chairman depending on the merits of the case.

3.12 Scheme for Assisting Tea Exporters towards Meeting Additional Transport & Handling Charges Being incurred for Teas Exported through I.C.D Amingaon.

Compensating exporters who are shipping teas from the I.C.D. Amingaon, Assam, taking into account the additional charges being levied by the shipping companies towards transportation and terminal handling charges arising out of the empty haulage of the containers for the return journey from the port of shipment to Amingaon.

3.12.1. Scope

All tea exporters registered with Tea Board and holding valid exporters licence is eligible for assistance under the scheme provided that:

1. The teas for which incentive under the Scheme is being claimed has been actually shipped through I.C.D. Amingaon.

2. The claim shall be restricted to teas of Indian origin only which are shipped from I.C.D. Amingaon.

3.12.2 Area of operation

The scheme extends to the whole of North East India. Implementation: Tea Board will implement the scheme and Deputy Chairman will have full powers of sanction and disbursement under the scheme. Any doubts or disputes arising out of any application will be referred to an Advisory Committee constituted by Chairman, Tea Board. Thereafter, decision of the Chairman, Tea Board shall be final and binding.

3.12.3 Assistance

Financial assistance by way of incentive towards export of tea through ICD, Amingaon will be Rs.1.50 per kg of tea during the period of the scheme.

3.12.4 Disbursement

Incentive shall be sanctioned upon submission of application in the claim form complete in all respects within the stipulated date. After the sanctioning authority has satisfied himself about the legitimacy of the same funds shall be released in one single instalment for the total quantum of tea in all forms (bulk, orthodox. C.T.C. Green Tea, tea Bags, Instant Tea) Exported during the period of the scheme through I.C.D Amingaon.

3.12.5 Conditions

The assistance will be subject to the following conditions that shall be binding on the applicant. Violation of any condition will make the applicant liable to refund the incentive disbursed by Tea Board. The Tea Board reserves the right to withdraw sanction at any point of time, in case it finds that the claim has been filed in contravention of the scheme norms or is

fraudulent in character. Liability for such action shall rest with the applicant and no claim will be entertained by the Board for payment, compensation or damages in such an eventuality:

1. Incentive can be claimed only for teas exported during the period of the scheme.
2. Teas of Indian origin only shall be eligible for the incentive and the Scheme covers only teas exported from I.C.D. Amingaon, Assam. Incentive will be provided only for Indian component of teas in case it is blended with imported teas.
3. The applications for grant of incentive should be complete in all respects duly supported by all the required documents or else the claims are liable for rejection.
4. False claims shall be viewed seriously and it may even lead to cancellation of the export licence of such exporters.
5. The exporters will have to submit up-to date returns to the Tea Board's Statistics Branch in the prescribed proforma before availing the said subsidy.

3.13 Promotional Support to Tea Association

To encourage Tea Associations undertake promotional activities aimed at (a) creating greater awareness of India's origin teas and (b) expanding India's market share overseas, certain promotional expenditures are proposed to be shared by Tea Board.

3.13.1 Eligible Associations

All registered Associations of tea producers and exporters.

3.13.2 Fairs and Exhibitions

Associations participating in Trade and Consumer Fairs/Exhibitions, may be entitled to 50 percent of the cost of the space rent, stand fabrication and decoration cost incurred by them, by way of reimbursement, in respect of the events that are approved by the Board in advance. Events not in Tea Board's list would also be considered

3.13.3 Media

Associations may be eligible for reimbursement of 50 percent cost of insertion of their advertisements through a) electronic media like T.V/Radio and b) other media like newspapers/Magazines/Hoarding/Bus or Tram panel advertising as part of their publicity/promotion of their origin teas.

3.13.4 Field/store Promotion

Field or in-store Promotion, Tea Tasting/Tea Festivals other programmes in support of tea brands of members of the Association or for promoting Indian origin teas will qualify for support. Specific proposals in this regard are to be submitted by the Association to Board's Head Office in Kolkata for approval in advance, with full justifications, cost breakup under each of the proposed activities and period of implementation

3.13.5 Air Travel

Fifty percent cost reimbursement of air travel of one member per company by economy class may be considered for the sector India-event destination-India.

3.13.6 Interpreter

Associations participating in exhibition or other promotional events in non-English speaking countries may be eligible for 50 percent reimbursement of cost incurred on account of hiring professional interpreters from Agencies.

3.13.7 In-Bound Delegations

In case the need is felt for inviting select foreign buyers to India, Tea Board would bear the full cost of the international and domestic airfare on account of the delegation's visit to India. Hotel costs, Entertainment, local transport and meeting cost are to be ordinarily borne by the Associations and the Tea Board on a 50 : 50 basis.

3.13.8 Conditions

1. Associations must apply in advance in the required format to Tea Board for assistance under the above scheme. While applying, Associations would be required to provide (A) full details of exports of their members (volume and value) of their tea /brands, in the last 3 years, year-wise, to the particular country for which promotion/financial assistance is sought (B) indicate market prospects. Prior approval of Tea Board is essential before going ahead with the programme/event. For all the Tea Board funded /sponsored activities the Associations must give due credits to Tea Board in the publicity materials produced as well as in the ads released.

Tea Board's prior approval of the printed materials/film may be obtained. There should be participation of minimum 5 (five) exporting companies having valid exporter licence. Group companies will be treated as one company. For assistance under category (I), the name and other particulars of the Fair/Exhibition, with full details of the proposed participation may be provided in advance that is prior to the event. On receipt of approval from Tea Board, and after the event, a copy of invoice and fund transfer documents (through Bank) indicating payment made by the Association on account of space rent, stand fabrication and decoration may be submitted to the Board. For assistance under category (II), details of the selected media readership/viewership, and tariff may be indicated. After the campaign, copies of invoices along with copy of advertisement released (in case of publication) may be submitted for release of funds. In case of hoardings or Bus/Train panel ads, photographs may be submitted. Claim under category (III) should be supported by original invoices and receipts as well as photographs. Claim under category (IV) may be made to Tea Board within three months from completion of the journey. The claim should be supported by original used air ticket jackets. (Xerox copies will not be accepted) plus proof of payment made by way of money receipt from Airline or Travel Agency.

In case of extended itinerary, the tariff certificate for the main sector would need to be submitted. In case of e-ticket, the original boarding cards may be submitted. Claim under category (V) should be accompanied by original invoice and receipt from the Agency. In all cases, financial support would be limited to 50 percent of the cost or Rs.15 lakhs whichever is lesser, except category (vi). All claims will need to be duly substantiated by proof of payment against invoices. There would be a ceiling of Rs.50 lakhs per Association per annum, in terms of financial year and NOT calendar year. Applications will be processed on “First-come-first served” basis, subject to availability of funds. Applications may be made as per prescribed format (attached), separately for each activity in each country.

3.14 Special Purpose Tea Fund Scheme (SPTF)

The most important factor afflicting the Indian Tea Industry is the ageing of tea bushes, leading to declining quality and productivity. This has resulted in the cost of production of Indian Tea becoming the highest among major tea exporting countries. To arrest this trend, the Government of India in the Ministry of Commerce and Industry have approved a proposal of Tea Board India for setting up of a Special Purpose Tea Fund for extending financial support to the needy tea estates for undertaking replanting, replacement planting and rejuvenation of old aged tea bushes. 75 percent of the assessed unit cost of replanting/replacement planting/rejuvenation pruning and consolidation would be provided to tea gardens by way of term loan (50 percent) and subsidy (25 percent). The borrowers are required to bear the balance 25 percent of the cost.

3.14.1 Activities eligible for loan and subsidy

1. Replanting in the plains and Hills
2. Replacement Planting in the plains and Hills
3. Rejuvenation pruning and consolidation by infilling of vacancies only in the Hills

3.14.2 Eligibility conditions – general

All the tea gardens in India (regardless of size and ownership) that are registered with Tea Board are eligible for availing financial assistance under the scheme. The eligibility conditions and other prerequisites for availing the loan and subsidy are as under:

1. The applicant should not be a defaulter in payment of his membership fee to TRA/UPASI-TRF and should hold the valid current membership. (Growers whose holding size is below 50 ha. are exempted).
2. The applicant should have paid his subscription in full to the National Tea Research Foundation. (Small growers and sick tea gardens identified as per the provisions under clause 16B of Tea Act).
3. Provident fund dues of the applicant tea garden should not exceed Rs. 10,000 at the time of submission of application. Where the P.F .liability exceed Rs.10,000 the application will be accepted provided it is backed by a Court decree or written consent from the P.F. authorities for allowing the payment of arrear Provident Fund dues in installments. For such applicants, conditional approval will be issued with a stipulation that subsidy would be released only if they are found to be regular in repayment of the dues as per the agreement.
4. The applicant should not be a defaulter under any of the erstwhile loan schemes of Tea Board at the time of submission of application. (Tea Board shall have the right to adjust sanctioned amount of subsidy with defaulted dues if the applicant is found to be a defaulter at the time of releasing the subsidy). The loan assistance will, however, be considered to such defaulters who have already entered into an agreement with Tea Board for liquidating the past outstanding dues within a definite time frame and are found to be regular in repayment of the dues as per the agreement.

5. The applicant should not have been declared as willful defaulter by any bank. Applicants are required to submit a no-objection certificate from their respective bankers for availing the loan from SPTF.
6. For facilitating the field offices in carrying out pre-approval inspection in time, the applicants should submit their application to the nearest field office of Tea Board, 75 days before the commencement of the field activity for which the financial assistance is being sought for.
7. Field operations should be commenced by the applicants only after receiving a NOC (No Objection Certificate) issued by the concerned field offices, after carrying out pre-approval inspection
8. Only one application per garden in a financial year shall be entertained for consideration of subsidy.
9. In the case of loans/subsidy for replanting/ replacement planting activities proposed to be undertaken during 2007 planting season, uprooting, soil rehabilitation and land preparation should have been completed in the target area, and it should be ready for replantation/ replacement in the current planting season.
10. Normally an application should be made for replantation/ replacement planting/rejuvenation as the case may be for a minimum extent of 2.5 percent of the total area under tea in any year. However, upward/downward relaxations in the specified area may be permitted on a case to case basis.
11. Where the total extent of old aged sections with bushes over 50 years of age exceed 40 percent of the total tea area of the gardens, application for loan or subsidy will not be admitted for an area less than the stipulated minimum area of 2.5 percent of the area under tea per year until the entire bushes over 50 years have been replanted/ rejuvenated. Relaxation of this

condition will be considered only for such gardens where the total area under old tea (more than 50 years of age) is less than 35 percent.

12. However, any borrower who defaults in repayment of dues (interest/principal) to the SPTF during the course of the project period as per the given repayment schedule will not be entitled for further loans under the scheme from the date of default.

3.15 Assistance Provided by Tea Board in Tamilnadu

The Table 3.15 shows the assistance provided by Tea Board from 2006-07 to 2010-11.

Table 3.15

Subsidies provided by the Tea Board to the Tea Cultivators in Tamilnadu

| Sl. No. | Year | No. Of Cultivators | Amount of Subsidy (Lakhs) | Physical Area (Ha) |
|----------------|-------------|---------------------------|--------------------------------------|---------------------------|
| 1 | 2006-2007 | 160 | 69.46 | 1340.32 |
| 2 | 2007-2008 | 169 | 75.05 | 1711.12 |
| 3 | 2008-2009 | 858 | 196.73 | 2268.50 |
| 4 | 2009-2010 | 235 | 102.40 | 1027.92 |
| 5 | 2010-2011 | 701 | 161.77 | 0757.95 |

Source: Unpublished Records of Tea Board, Coonoor

It is clear from Table 3.15 that during 2006-07 the 160 tea cultivators received Rs.69.46 lakhs and this amount was utilised for 1340.32 hectares. During 2007-08 the 169 tea cultivators received Rs.75.05 lakhs from Tea Board and this amount was utilised for 1711.12 hectares. During 2008-09, 858 tea cultivators received Rs.196.73 lakhs and this amount was utilised for 2268.50 hectares. During 2009-10, 235 tea cultivators received Rs.102.40 lakhs and this amount was utilised for 1027.92 hectares. During 2010-11, 701 tea cultivators received Rs.161.77 lakhs and this amount was utilised for 757.95 hectares.

The Table 3.15.1 shows the assistance received by the tea manufacturers from 2006-07 to 2010-11

Table 3.15.1

Subsidies provided by Tea Board to the Tea Manufacturers in Tamilnadu

| Sl. No. | Year | No. Of Factories | Amount of Subsidy (in Lakhs) |
|---------|-----------|------------------|------------------------------|
| 1 | 2006-2007 | 43 | 132.27 |
| 2 | 2007-2008 | 52 | 157.47 |
| 3 | 2008-2009 | 63 | 300.39 |
| 4 | 2009-2010 | 39 | 244.90 |
| 5 | 2010-2011 | 30 | 189.99 |

Source: Unpublished Records of Tea Board, Coonoor

It is clear from Table 3.15.1 that during 2006-07, 43 tea manufacturers received Rs.132.27 lakhs from Tea Board. During 2007-08, 52 tea manufacturers received Rs.157.47 lakhs. During 2008-09, 63 tea manufacturers received Rs.300.39 lakhs. During 2009-10, 39 tea manufacturers received Rs.244.90 lakhs. During 2010-11, 30 tea manufacturers received Rs.189.99 lakhs. Hence the highest amount of subsidy was received during the year 2008-09.

3.16 Conclusion

The study about various schemes of Tea Board shows that there are lot of need based assistance for the tea growers in India. It shows that the growth of tea industry is definitely due to the role played by Tea Board.