

**JOINT /SELECT
COMMITTEE REPORTS OF
LEGISLATIVE ASSEMBLY -
1949**

**The Central Tea Board
Bill, 1949**

List of Reports of Select Committees presented
to the Constituent Assembly of India
(Legislative) in 1949.

S. No.	Short title of the Bill.	Date of presen- tation.	Date of publica- tion.
1.	The Banking Companies Bill, 1948.	1.2.49.	26.2.49.
2.	The Payment of Taxes (Transfer of Property) Bill, 1948.	10.2.49.	26.2.49.
3.	The Public Companies (Limita- tion of Dividends) Bill, 1949.	21.2.49.	16.4.49.
4.	The Chartered Accountants Bill, 1948.	1.3.49.	12.3.49.
5.	The Central Tea Board Bill, 1949.	1.3.49.	12.3.49.
6.	The Indian Penal Code and the Code of Criminal Procedure (Amendment) Bill, 1947.	21.3.49.	16.4.49.
7.	The Ajmer-Merwara Tenancy and Land Records Bill, 1948.	21.3.49.	16.4.49.
8.	The Indian Finance Bill, 1949.	25.3.49.	2.4.49.
9.	The Hindu Marriages Validity Bill, 1948.	25.3.49.	2.4.49.
10.	The Child Marriage Restraint (Amendment) Bill, 1947.	25.3.49.	2.4.49.
11.	The Estate Duty Bill, 1948. (FINAL REPORT)	31.3.49.	16.4.49.
12.	The Indian Railways (Amendment) Bill, 1949.	28.11.49.	3.12.49.
13.	<i>The Indian Judicial Procedure Bill, 1948</i>	<i>28.11.49</i>	<i>3.12.49</i>
14.	The Delhi Road Transport Authority Bill, 1949.	12.12.49.	24.12.49.
15.	The Taxation Laws (Extension to Merged States and Amendment) Bill, 1949.	16.12.49.	24.12.49.

CONSTITUENT ASSEMBLY OF INDIA (LEGISLATIVE)

Central Tea

**REPORT OF THE SELECT COMMITTEE ON THE TEA
COMMITTEE FOR INDIA BILL, 1948.**

We, the undersigned, members of the Select Committee to which the Bill to provide for the development of the tea industry under Central control and for that purpose to establish a Tea Committee for India and levy a customs duty on tea produced in and exported from India was referred, have considered the Bill and have now the honour to submit this, our report, with the Bill as amended by us annexed thereto.

2. We have renamed the body constituted by this Bill the "Central Tea Board", on the analogy of the Central Silk Board constituted by Act LXI of 1948.

3. We have made some important changes in the constitution of the Board. In the first place we consider that labour should not be denied representation on the Board and have accordingly provided three seats for labour. In addition, we have increased the number of official members to be nominated by the Central Government from three to four, with the object of providing for one official representative of labour. Having regard to the acreage and production of tea in Assam, we feel that one more seat should be given to Assam. We have also given seats to the Tripura and Mysore States and to the Government of the United Provinces, although the area under tea in these States and Provinces is not large. We consider that it would be more elastic if the non-official bodies which are to nominate members to the Board are left to be specified by rules. We have provided for the election of two members to the Board by the members of the Central Legislature from among themselves; these will represent the interests of consumers of tea on the Board. We have recast clause 4(3) giving effect to the above changes and also grouping together the representatives from the different regions in a convenient manner.

4. The reasons for the other changes we have made are briefly explained below, wherever necessary.

Clause 1 (3). See the note on clause 20 below.

Clause 7. We do not consider it necessary to have more than one Vice-Chairman.

Clause 8(1). We consider that provision should be made for the delegation of functions to the Executive Committee by rules prescribed under this legislation, in addition to delegation by the Board as provided for in the Bill as introduced.

Clause 8(3). The Committees to be constituted by the Board will fall under two categories, *viz.*, Standing Committees and *ad hoc* Committees. The former should, in our opinion, consist of members of the Board, whereas the latter may well include persons who are not members of the Board. We consider, however, that the total strength of such persons on any *ad hoc* Committee should be limited to one-half of its strength.

New clause 10 (old clause 12). We have transposed this clause to what we consider a more suitable place, and we have also made a few additions to the measures which may be taken by the Board for the benefit of the tea industry.

New clause 11 (clause 10 in the Bill as introduced). Under the clause as introduced, a customs duty was leviable on all tea produced in and exported outside India. We have deleted the words "produced in India", as they may give rise to difficulties where foreign tea is mixed with Indian tea before export. Non-Indian teas which are in transit to a foreign destination may be exempted from the duty under the Sea Customs Act, 1878.

Clause 13. The Board should be able to borrow not only on the security of the Fund, but also on the security of any of its other assets. The proviso is in our opinion unnecessary, as the borrowing power has been specifically made "subject to such rules as may be prescribed" and any restrictions required may well be imposed by means of rules.

Clause 15 (2) (a). We carefully considered whether specific provision may not be made in the Bill itself for the vacation of office by members of the Board who are persistent absentees, etc., but on the whole feel that the matter may well be left to the rule-making power.

New clauses 17, 18 and 19. These are based on the Central Silk Board Act, 1948.

New clause 17 provides penalties for the furnishing of false returns, the obstruction of officers, and failure to produce documents when a lawful requisition is issued in that behalf.

New clause 18 provides that prosecutions should be instituted only by or with the consent of the Central Government.

New clause 19 protects the Board and its officers and servants from legal action in respect of acts done in good faith.

New clause 20. In view of the changes made by us, it will not be possible to constitute the Board in accordance with the provisions of this Bill for a few months. It seems to us that the best way of dealing with this situation is to continue the life of the existing Act until it is possible to bring this Bill into effective operation. We have, therefore, altered clause 1(8), taking power to fix the date on which this Bill should come into force, and provided in clause 20 for the existing Act remaining in operation until then.

5. The Bill was published in Part V of the *Gazette of India*, dated the 22nd January, 1949.

6. We think that the Bill has not been so altered as to require circulation under rule 49(5) of the Rules of Procedure and Conduct of Business and we recommend that it be passed as now amended.

B. R. AMBEDKAR.

K. C. NEOGY.

K. A. MOHAMED.

T. A. RAMALINGAM CHETTIYAR.

R. K. SIDHVA.

H. V. KAMATH.

ROHINI KUMAR CHAUDHARI.

G. S. GUHA.

NAZIRUDDIN AHMAD.

M. ANANTHASAYANAM AYYANGAR.

S.V. Krishnamoorthy Rao

NEW DELHI;
The 1st March, 1949.

(AS AMENDED BY THE SELECT COMMITTEE)

(Words *sidelined* or *underlined* show amendments made by the Committee; asterisks indicate omissions.)

A

BILL

to provide for the development of the tea industry under Central control, and for that purpose to establish a Central Tea Board and levy a customs-duty on tea * * * exported from India.

WHEREAS it is expedient to provide for the development of the tea industry under Central control, and for that purpose to establish a Central Tea Board and levy a customs-duty on tea * * * exported from India;

It is hereby enacted as follows:—

Preliminary.

1. Short title, extent and commencement.—(1) This Act may be called the Central Tea Board Act, 1949.

(2) It extends to all the Provinces of India, and also to every Acceding State to the extent to which the Dominion Legislature has power to make laws for that State with respect to the matters dealt with in this Act.

(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 Central Government.—It is hereby declared that it is expedient in the public interest that the Central Government should take under its control the development of the tea industry.

3. Definitions.—In this Act, unless there is anything repugnant in the subject or context,—

- (a) "Board" means the Central Tea Board constituted under section 4;
- (b) "cess" means the customs-duty imposed by section 11;
- (c) "dealer" means a dealer in tea;
- (d) "Fund" means the Tea Improvement Fund referred to in section 12;
- (e) "grower" means a grower of tea;
- (f) "manufacturer" means a manufacturer of tea;
- (g) "member" means a member of the Board;
- (h) "prescribed" means prescribed by rules made under this Act.

Central Tea Board.

4. Constitution of Central Tea Board.—(1) The Central Government shall, by notification in the official Gazette and with effect from a date specified therein, constitute a Board to be called the "Central Tea Board" for the purpose of * * exercising such * * * powers and discharging such * duties as may be assigned to the Board by or under this Act.

(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 the following members, namely:—

(i) a Chairman to be nominated by the Central Government;

(ii) the following regional representatives, namely:

(a) *Assam*: Six persons of whom five shall be nominated by such bodies and in such manner as may be prescribed and one by the Government of Assam.

(b) *Tripura*: One person to be nominated by the Government of Tripura.

(c) *West Bengal*: Four persons of whom three shall be nominated by such bodies and in such manner as may be prescribed and one by the Government of West Bengal.

(d) *Madras*: Three persons of whom two shall be nominated by such bodies and in such manner as may be prescribed and one by the Government of Madras.

(e) *Travancore*: Two persons of whom one shall be nominated by such bodies and in such manner as may be prescribed and one by the Government of Travancore.

(f) *Mysore*: One person to be nominated by the Government of Mysore.

(g) *The United Provinces*: One person to be nominated by the Government of the United Provinces.

(h) *East Punjab*: One person to be nominated by the Government of East Punjab;

(iii) two persons to be elected by the members of the Central Legislature from among themselves;

(iv) nine persons to be nominated by the Central Government, of whom three shall be representatives of labour, two of exporters of tea, two of internal traders in tea, and two of Chambers of Commerce and Industry;

(v) four officials to be nominated by the Central Government.

(4) Every * nomination or election of a member shall be notified in the official Gazette; and the notification shall specify the term, not exceeding three years, for which the member shall hold office, and the date from which such term shall commence.

(5) When the term of office of a member expires or is about to expire by efflux of time, or when a member dies, resigns, is removed, ceases to reside in India, or becomes incapable of acting, the body or Government which nominated or elected him under sub-section (3) may nominate or elect a person to fill the vacancy which has arisen or is about to arise, as the case may be.

(6) If any body, or any Government other than the Central Government, fails to make any nomination which it is entitled to make under sub-section (3) or sub-section (5) within the time and in the manner, if any, prescribed in that behalf, the Central Government may make the nomination itself; and any person so nominated shall, for all the purposes of this Act, be deemed to have been nominated by the body, or Government concerned.

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

6. Salary and allowances of Chairman.—The Chairman shall be entitled to such salary and allowances and to 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 prescribed or as may be delegated to him by the Chairman.

8. Executive and other * Committees.—(1) There shall be an Executive * Committee for the purpose of exercising such of the powers and performing such of the duties of the Board, as may be prescribed or as the Board may delegate to the * Committee, not being powers or duties the delegation of which is prohibited by rules made under this Act.

(2) The Executive * Committee shall consist of—

(i) the Chairman;

(ii) the Vice-Chairman; * * * and

(iii) seven other members elected by the Board from among its members in the manner prescribed.

(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 inquiring into and reporting or 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, after consulting the Board, appoint a Secretary to the Board who shall, under the control and direction of the Board, exercise such powers and perform such duties as may be prescribed or as may be delegated to him by the Board or the Chairman.

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

10. Functions of Board.—(1) The Board may take such measures as it may consider desirable for the benefit or development of the tea industry, including measures for—

(a) promoting the sale, and increasing the consumption, in India and elsewhere, of Indian tea or of tea generally; carrying on propaganda for those purposes;

(b) increasing the production of tea in India;

(c) undertaking, assisting or encouraging scientific, technological and economic research; and maintaining, and assisting in the maintenance of, research institutes and experimental and demonstration farms and manufacturing stations;

(d) collecting statistics from growers, manufacturers or dealers and from 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;

(e) fixing grade standards of tea and providing for training in tea tasting;

(f) improving the marketing of tea in India and elsewhere; and preventing unfair competition;

(g) assisting in the control of insects and other pests and diseases affecting tea;

(h) promoting co-operative efforts among growers and manufacturers;

(i) ensuring remunerative returns to growers and manufacturers;

(j) such other matters as may be prescribed.

(2) The Board shall exercise the powers conferred on it by sub-section (1) in accordance with, and subject to, such rules as may be prescribed, including rules for the allocation of moneys to different purposes.

Levy of cess and constitution of Fund

11. Imposition of duty on exports of Indian tea.— * * * * A customs-duty shall be levied and collected on all tea * * * exported outside India from any area to which this Act applies, at such rate not exceeding two rupees per hundred pounds as the Central Government may, after consulting the Board, notify in the official Gazette.

12. Constitution of Fund.—(1) As soon as may be after the expiry of each month, the proceeds of the cess collected during that month shall, after deduction of the expenses of collection, be paid to the Board; and the Board shall credit the said proceeds and any other moneys which may be received by it to a Fund to be called the "Tea Improvement Fund".

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

13. Borrowing powers of Board.—Subject to such rules as may be prescribed, the Board shall have power to borrow on the security of the Fund or any other of its assets for any purpose for which the Fund may be applied. * *

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14. Accounts and audit.—(1) The Board shall cause accounts to be kept of all moneys received and expended by it.

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

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

15. Power of Central Government to make rules.—(1) The Central Government may, after consulting the Board and subject to the condition of previous publication, make rules to carry out the purposes of this Act.

(2) In particular and without prejudice to the generality of the foregoing provision, such rules may provide for—

- (a) the circumstances in which, and the authority by which, members may be removed;
- (b) the holding of a minimum number of meetings of the Board every year;
- (c) the maintenance of a record of all business transacted at meetings of the Board and the submission of copies of such records to the Central Government;
- (d) the conditions subject to which, and the mode in which, contracts may be made by or on behalf of the Board;
- (e) the preparation of budget estimates of the receipts and expenditure of the Board and the authority by which such estimates shall be sanctioned;
- (f) the powers of the Board, 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;
- (g) the conditions subject to which the Board may incur expenditure outside India; *
- (h) the conditions subject to which the Board may borrow;
- (i) any other matter which is to be, or may be, prescribed.

(3) All rules made under this section shall be published in the official Gazette.

16. Power of Board to make by-laws.—(1) The Board may make by-laws consistent with this Act and the rules made thereunder, to provide for—

- (a) the dates, times and places of its meetings and of meetings of its Executive and other *Committees, the quorum for such meetings, and the procedure thereat;
- (b) the delegation of powers and duties to its 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 * Committees;
- (d) the appointment, promotion and dismissal of its officers and servants, and the creation and abolition of their posts;
- (e) the conditions of service of its officers and servants, 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 Provincial Governments or to other institutions.

(2) No by-law shall take effect until it has been confirmed by the Central Government and published in the official Gazette; and the Central Government,

in confirming a by-law, may make any change therein which appears to it to be necessary.

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

Miscellaneous

17. **Penalties.**—If any person—

(a) in any return to be furnished under this Act makes any statement which is false and which he knows to be false or does not believe to be true, or

(b) obstructs any officer of 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

(c) having the control or custody of any account book or other record, fails to produce such book or record, when required to do so under this Act, he shall be punishable with imprisonment which may extend to one year, or with fine which may extend to one thousand rupees, or with both.

18. **Prosecution to be with the consent of the Central Government.**—No prosecution for any offence punishable under this Act shall be instituted except by or with the consent of the Central Government.

19. **Bar of legal proceedings.**—No suit, prosecution or other legal proceeding shall lie against the Board or any member or officer of the Board for anything in good faith done or intended to be done under this Act.

20. **Temporary continuance and ultimate repeal of Act IX of 1903.**—(1) The Indian Tea Cess Act, 1903 (IX of 1903) (including sections 2 to 7 thereof which expire on the 31st day of March, 1949), shall continue to remain in force until, and shall stand repealed on the date appointed for the commencement of this Act.

(2) (a) 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 Market Expansion Board constituted under Act IX of 1903, as well as all liabilities legally subsisting against it, shall pass to the Board with effect from the commencement of this Act;

(b) All officers and servants of the Indian Tea Market Expansion Board constituted under Act IX of 1903 who hold office immediately before the commencement of this Act shall be deemed to have been appointed officers and servants of the Board with effect from the commencement of this Act, and shall be entitled to the same pay and allowances and to the same conditions of service in respect of other matters as they were entitled to immediately before the commencement of this Act; and any contract of service entered into by any such officer or servant with the Indian Tea Market Expansion Board aforesaid shall have effect as if it were a contract entered into by him with the Board immediately after the commencement of this Act;

(c) Any proceedings taken by the Indian Tea Market Expansion Board aforesaid before the commencement of this Act may be continued by the Board.

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

THE CONSTITUENT ASSEMBLY OF INDIA
(LEGISLATIVE)

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BILL

to provide for the development of the tea industry under Central control, and for that purpose to establish a Central Tea Board for India and levy a customs-duty on tea exported from India.

(As amended by the Select Committee.)