

# CHAPTER II

*A Brief History of the Various Tea Companies*

In our study, we have generated data from 30 tea estates belonging to different tea companies operating in the Dooars region of West Bengal .A brief history of these companies may be stated as follows.

## **2.1: Goodricke Group Ltd**

The Company was incorporated in the State of West Bengal, India on 14<sup>th</sup> June 1977 as a public limited company under the provisions of the Companies Act 1956.

Its main objective as per the provision of the Memorandum & the Articles of Association are to grow, cultivate, manufacture, treat, blend, process, buy, sell and deal in tea in various forms to carry on the business as planters. The other objectives are to manufacture, buy, sell and deal in machinery for processing tea and in connection therewith or acquire by amalgamation, purchase, take-over or otherwise the whole or part of the assets, liabilities and undertaking in India or elsewhere of any other company, body corporate, firm, association of person.

The Company was granted a certificate of entitlement to commence business under the provisions of the Act by the Registrar of Companies, on 27<sup>th</sup> June 1977.

All the 17 existing tea gardens of Goodricke Group Ltd. were owned by eight Sterling Tea Companies. They had established tea gardens progressively in late 1800s and were carrying on business in tea in India. The sterling companies together owned 17 tea estates in India. 12 estates are in the district of Jalpaiguri and 3 are in Darjeeling in the State of West Bengal and 2 are in Darrang district in the State of Assam.

Pursuant to Section 29(2)(a) of the Foreign Exchange Regulation Act, 1973 ("the FERA"), Reserve Bank of India agreed to grant permission to carry on business to the Sterling Companies subject to takeover of the gardens by an Indian Company to be formed.

Accordingly on the basis of merger and with the sanction of Calcutta High Court, the 8 Sterling Companies were amalgamated with Goodricke Group Ltd effective from 1<sup>st</sup> January 1978<sup>1</sup>.

**The sterling companies are:**

1. The Assam-Dooars Tea Co.Ltd
2. Hope Tea Co.Ltd
3. The Lebong Tea Co.Ltd
4. The British Darjeeling Tea Co.Ltd
5. The Chulsa Tea Co.Ltd
6. The Leesh River Tea Co.Ltd
7. The Danguajhar Tea Co.Ltd
8. The Meenglas Tea Co.Ltd

The twelve Goodricke gardens which are located in the Dooars region of West Bengal are:

1. Danguajhar Tea Estate
2. Leesh River Tea Estate
3. Meenglas Tea Estate
4. Aibhell Tea Estate
5. Chulsa Tea Estate
6. Hope Tea Estate
7. Jiti Tea Estate
8. Gandrapara Tea Estate
9. Lakhipara Tea Estate
10. Kumargram Tea Estate
11. Sankos Tea Estate
12. Chalouni Tea Estate

The Profitability over the last 5 years is given below:

**Table: 2.1**  
**Profit after Tax of Goodricke Group Ltd**

Year	Profit after tax (Rs. In millions)	Dividend Percentage (%)
2004	32.19	05.0
2005	37.58	07.5
2006	54.98	12.5
2007	77.37	15.0
2008	175.87	30.0

Source: [www.goodricketeagardens.com](http://www.goodricketeagardens.com)

## **2.2: TATA Group Limited**

Tata Group Ltd. was set up in 1964 as a joint venture with UK based James Finley & Company to develop value-added tea. The Tata Tea Group of Companies includes Tata Tea and the UK - based Tetley Group. Today it represents the world's second largest global branded tea operation with product and brand presence in 40 countries.

Among India's first multinational companies, the operations of Tata Tea and its subsidiaries focus on branded product offerings in tea but with a significant presence in plantation activity in India and Sri Lanka.

The consolidated worldwide branded tea business of the Tata Tea Group contributes to around 86 per cent of its consolidated turnover with the remaining 14 per cent coming from bulk tea, coffee and investment income.

The company has its headquarters in Kolkata, and 51 tea estates in the states of Assam, West Bengal, Tamil Nadu and Kerala and one coffee estate in Tamil Nadu. With an area of 26,500 hectares under tea cultivation, Tata Tea produces around 601 million kg. of black tea annually. Tata Tea has subsidiaries in Great Britain, United States and India. Tata Tea contributes significantly to social and community development on its estates through comprehensive labour welfare programmes that offer free housing, healthcare and other benefits. The company has set-up and manages hospitals, adult-literacy centers, childcare centers and schools to educate the children of its nearly 40,000 employees.

In addition, the company has special facilities to look after “differently abled” children of the workers who are taught how to operate in the environment by enhancing their skills and abilities.

Tata tea has institutionalized a process of Annual Welfare Audit conducted by renowned WHO experts, among the first Indian companies to do so<sup>2</sup>.

### **2.2.1: Area of business**

Tata Company is supplying different types of made tea, coffee and other beverages in the domestic as well as international market. These are stated under:

#### **1. Branded tea**

The company has five major brands in the Indian market-Tata Tea,Tetley,Kanan Devan, Chakra Gold and Gemini catering to all major consumer segments for tea.Tata Tea’s distribution network in the country caters to over 1.2 million retail outlets.

#### **2. Specialty tea**

Tata Tea sells black, green, fruit and herbal teas under the brands of Tetley, Good Earth and JEMCA.

#### **3. Instant tea**

Tata Tetley has an export unit that sells a range of instant tea powders in the US.

#### **4. Coffee**

Tata Coffee produces 9,000 million tones of instant and ground coffee annually. It has an exclusive stocking arrangement with the Barista range of coffee bars.

#### **5. Other beverages**

Ready to drink teas, energy drinks and Himalayan branded mineral water are a part of Tata Tea’s portfolio.

### **2.2.2: Plantation operations**

The Company has over 51 tea estates in India, as well as interests in Sri Lankan plantations.

### **2.3: Andrew Yule & Co. Ltd**

Andrew Yule is a Government of India enterprise - a multiproduct, multidivisional conglomerate having a group turnover exceeding Rs. 400 crores.

The spectrum of products of the 'Yule' group range from tea to transformers and lube oils to international belts. The group has eleven collaborations with world leaders in seven countries. The T&S (Chennai) Unit functions under the Electrical Division of the Andrew Yule Group.

This unit was established in 1957 with technical collaboration from Dominit Werke of West Germany. Initially, the Unit was engaged in the manufacture of Power and Distribution Transformers up to 66 KV class. It became a member of the Yule family in 1984; and then on, engaged in the manufacture of 132 KV class Transformers & medium High Voltage Switchgears.

Andrew Yule has successfully conducted most onerous test, viz., the short circuit test on wide range of transformers as listed below, at CPRI, Bhopal. The successful short circuit test on 25 MVA, 132 KV Class transformers is the pioneering achievement in India. Each lamination is coated on both sides with Carlit' insulation. Core assembly is of interleaved construction with metered joints to reduce iron loss and magnetizing current.

The limb laminations are securely bonded with special adhesive and the yoke laminations are clamped together with mild steel channels. This reduces vibration and noise. For large cores, the limb laminations are held together by means of fiber glass bands coated with epoxy resin.

The bottom and top core clamping channels are clamped together by means of Tie rods/plates. These keep the windings in its place and serve to transfer the deadweight of core and windings from bottom to top clamp. Large cores are provided with cooling ducts. Transpositions are made when multiple conductors are in parallel and when the number of conductors are further large, rotary transposition technique is adopted. Thus ensures less loss due to circulating current.

All the wound coils prior to assembly are pre-shrunk in hot air ovens at a temperature of about 90° C with spring pressure. This ensures a constant and continuous pressure throughout the drying cycle on the windings.

### **2.3.1: Major Functions of the Company**

Major functions of the company are tanking, processing, tests, quality, sales, winding and engineering. These are stated below:

#### **1. Tanking**

The active part is carefully lowered into the tank through the guides provided for the purpose and locked properly to withstand transport jerks.

#### **2. Processing**

Drying and impregnation process is carried out under vacuum. The vacuum is achieved in autoclave or in its own tank. Temperature is maintained at 100°C for a period depending on the size of the transformer. The vacuum process is continued till all traces of water are removed.

#### **3. Tests**

The tanks and other external surfaces are cleaned to remove rust and scale and applied with red oxide primer. Two coats of standard enamel paint are applied. If application demands, alternate paint system like epoxy is adopted to take care of saline and heavily polluted atmosphere.

#### **4. Quality**

The Quality Plan consists of all the Quality Control measures and ensures that the products supplied meet the requirements as per specifications and application requirements. These checks are carried out at all stages of operation such as materials, processes, assembly and packing. The company's quality plan has been approved by Tata Consultants, Mecon, NTPC, NHPC, BHEL and others<sup>3</sup>.

#### **5. Sales**

The company has a well knit sales and service team in all the four regions of the country to offer prompt service to the customers.

#### **6. Winding**

Continuous disc, helical, spiral or cross over type of winding are employed depending the current and the voltage. Conductors are of paper insulated, high conductivity copper. Inter disc/layer cooling ducts are selected to ensure minimum temperature gradient and to keep the host spot temperature within limits.

## **7. Engineering**

The design and manufacturing techniques are under constant review by their R & D wing and the latest development in materials and processes are studied in detail and implemented. All designs and drawings are through computer systems and are constantly updated.

### **2.4: Duncan's Industries Limited**

Walter Duncan, a young Scottish merchant lands on the magical shores of the East Indies swayed by the beneficial climate of easy trade on the Indian shores, and within years the name Duncan becomes synonymous with tea. Duncan's Industries Limited tea gardens encompass over 7500 hectares of land spread over the Dooars, Terai and Darjeeling regions of North Bengal. The average garden yields are almost 50% more than the All India average.

The high yields obtained by the Group in its tea estates have been possible through careful husbandry of its tea areas. The company's own in-house research and development has helped to achieve optimal use of nutrients and fertilizers.

Uprooting, replanting and rejuvenation of tea areas are carried out regularly, and planting are done with high yielding clones which have been propagated in the company's own nurseries.

The company is proud of its Quality Systems, which ensures production of superior quality teas, which are delivered to the consumer. By the 1980's Duncans had established itself as a major packet tea player in India. With the demand for Duncans' tea on the rise and expansion potential exhausted in the existing gardens of Darjeeling and Dooars, the company decided to expand its tea-growing base<sup>4</sup>.

The nine Duncan's gardens which are located in the Dooars region of West Bengal are mentioned in Table 2.2.

**Table: 2.2**  
**List of Duncan's Gardens (Dooars Region)**

Tea Estates	Crop (in lac Kgs)	Yield (Kgs/hect)
Birpara	18.17	2275
Hantapara	17.35	2638
Dumchipara	18.20	2843
Lankapara	17.51	2436
Tulsipara	09.06	1961
Garganda	13.48	2781
Killcott	10.64	2636
Nagaisuree	15.49	2810
Bagracote	14.16	2889

Source: [www.duncansteagardens.com](http://www.duncansteagardens.com)

**References:**

**Websites**

1. [www.goodricketeagardens.com](http://www.goodricketeagardens.com)
2. [www.tatatea.com](http://www.tatatea.com)
3. [www.andrewyule.com](http://www.andrewyule.com)
4. [www.duncansteagardens.com](http://www.duncansteagardens.com)