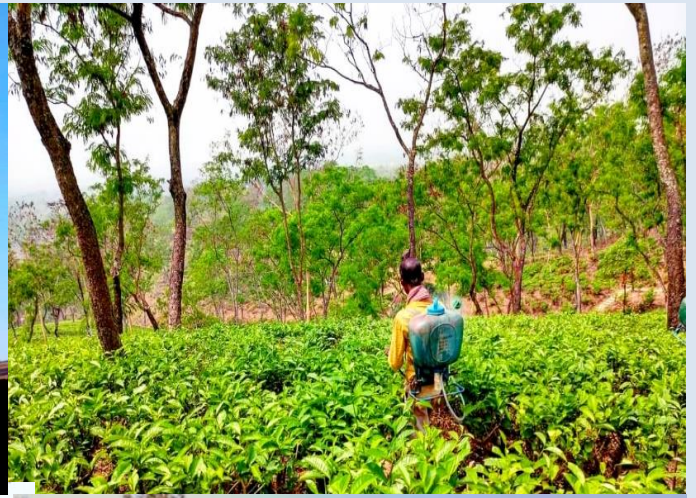




STANDING HIGH IN CRISIS

A Case of Rosekandy Tea Estate



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Date: 27.01.2023

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Case Abstract

Rosekandy Tea Estate is one of the prosperous tea estates in the Barak Valley. It becomes imperative to study, how, in the midst of acute tea industry crisis started in the year 1991, Rosekandy could stand high. In this case study a humble attempt is made to unfold various aspects of Rosekandy which are attributing to its continuous growth and prosperity. For instance, the price of Rosekandy was ₹ 206.35/kg in the year 2021, which was higher than the price of Cachar tea as well as Assam tea, which were ₹ 166.74/kg and ₹ 199.13/kg respectively in the year 2021. This research tried to throw light over the different functional areas of the estate, on the basis of the facts and information available. The study has also unfolded the managerial and humane aspects, the human resources who are the main architect of the entire journey. Our endeavour in this case study is to unearth the facts, strategies and best practices of the Estate so that the same may be useful for the entire tea industry of the State and the Country.

Key Words: Tea, Tea Crisis, Barak Valley Tea, Tea Price, Rosekandy Tea Estate, Good Practices in Tea Industry, Management Strategy.

Case Protocol is given in Annexure: I.

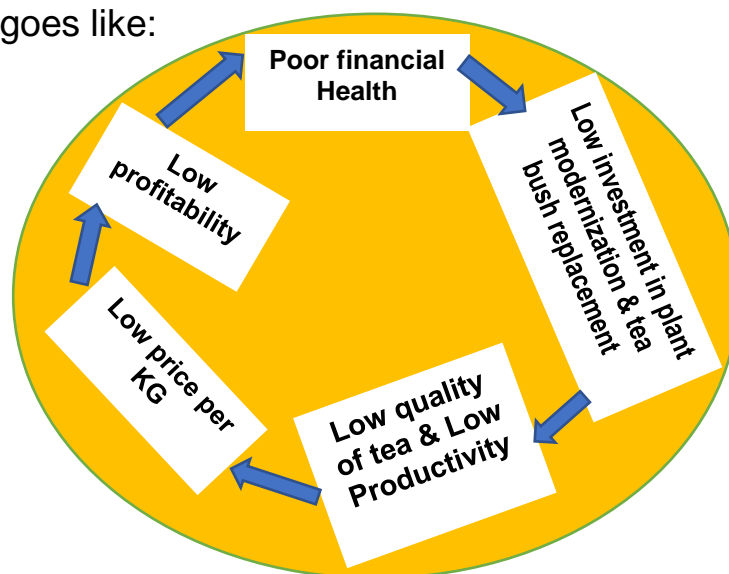
Introduction

One fine morning of winter at about 8'o clock in early 1990s, the General Manager of Rosekandy Tea estate was sitting in his drawing cum reading room and was looking towards the garden, a spark came, a cluster of thoughts came to his mind about the future of the Garden. The demand is falling because of the breakdown of the USSR, supply out-weight demand, price of tea is coming down, there is guerrilla attack from

the small tea growers of Brahmaputra valley. Big tea gardens are feeling the pressure, price is coming down, small tea growers are selling tea leaf at lower price, Barak valley tea gardens are also started feeling the heat, what will be the future of the garden? How to sustain the pressure, how to maintain the garden, whether to venture into retailing through own packaging unit, whether direct entry to the market will be beneficial. Can it be sustained over a period of time? Many other thoughts are clouding the mind how to increase productivity for direct marketing quality is an important issue, how to maintain quality, how falling price can be hedged, and alike.....

He went to the office and started analysing the things very minutely. Erstwhile USSR was the largest consumer of Indian tea. After its breakdown in 1991, the tea industry of India faced heat in the count of oversupply, price fall, low demand etc., the impact is badly felt across tea industry of India. Assam being the largest tea producer in the country is affected badly. Barak Valley of Assam, was no exception to it. It has not yet able to overcome the shock completely and is still struggling to recover. As a result of which many tea gardens of Barak Valley could not maintain their sound financial health and quality of production. Except a few Tea Estates, tea industry of Barak Valley in general, is entangled within vicious cycle, which goes like:

**Fig: 1: Vicious Cycle of
Poor financial health**



Source: Pen picture drawn by the researcher with the help of the information gathered from various literature.

While most of the tea gardens of Barak Valley are finding very hard to come out of the vicious cycle of the poor financial health. Rosekandy Tea Estate is sailing ahead and could withstand the heat of the crisis. Not only that, year after year, it is progressing well in many vital fronts. For instance, yield has increased from 1112 kg/hectare in the year 1990 to 2212 kg/hectare in the year 2020, which has further increased to 2352 kg/hectare in the year 2021. Similarly, over the same period of time, the price per kg tea increased from ₹ 41.34/kg to ₹ 210.27/kg, the price became ₹ 206.35/kg in the year 2021, which was much higher than the price of the Cachar District*. Price of Cachar District was ₹ 39.44/kg in the year 1990 and became ₹ 179.62/kg in the year 2020 and the same come down to ₹ 166.84/kg in the year 2021, (Tea Statistics, various year). It can be observed that in the year 2021, the price of Barak valley tea reduced by about ₹ 13/-kg but the price of Rosekandy came down only about ₹ 4/-kg, this may be because of higher quality and larger presence of Rosekandy in the retail market.

Moreover, Rosekandy could fetch higher price per kg, in some years, than the average price of the Assam Valley tea, (Table:1 & Chart: 1: is highlighting the same), (Information collected from Rosekandy Tea Estate and other sources).

Table1: Year wise average price per Kg of Rosekandy and Assam Tea

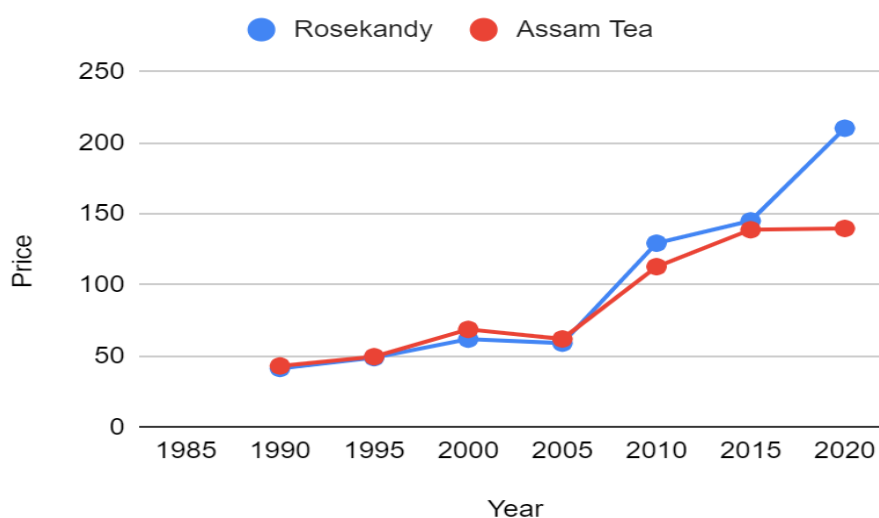
Year	Price (in ₹ Per kg)	
	Rosekandy Tea	Assam Tea
1985	NA	23.63
1990	41.34	43.1
1995	48.94	49.61
2000	61.94	68.8
2005	59.13	62.08
2010	129.42	112.93
2015	145.13	138.9
2020	210.27	139.8

Source:

- (i) Records of Rosekandy T.E
 - (ii) Tea statistics 2003-2004 of Tea Board of India,
 - (iii) Annual Reports (Year 2006-07, 2010-11, 2016-17, 2019-20) of Tea Board of India
- * In the Tea Statistics, present Cachar, Karimganj and Hailakandi District are synonymous of Cachar District.

It can be observed from the table that till the year 2005 the price of Rosekandy Tea was lower than that of the Assam Valley Tea, e.g., in the year 2005 the price of Rosekandy Tea was ₹ 59.13/- kg and in the same year the price of Assam Tea was ₹ 62.08/- kg, thereafter, the price of Rosekandy tea estate gradually overtook the price of Assam tea. In the year 2020 the price was ₹ 210.27 and ₹139.8 respectively. The same is clearly depicted in chart-1 below.

Chart 1: Year wise average price per Kg of Rosekandy Tea and Assam Valley Tea



Source: 1. Tea statistics, Tea Board of India, Various issues.

2. Annual Report, Tea Board of India, Various issues.

3. Information collected personally from Rosekandy Tea Estate.

In this backdrop, it is imperative to study the case of Rosekandy Tea Estate to highlight the best practices of the estate, their business policy and management strategy and to unfold the facts for which they could overcome the crisis and able to standing high among the tea estates of Cachar/Barak Valley.

Rosekandy Tea Estate



Rosekandy Tea Estate is functioning for more than 60 years. To be specific, it has started functioning from the year 1960. The garden is having grant area of 1700 hectares. Area under tea cultivation is in 570 hectares. The Tea Estate is situated in Borjalenga Block of Cachar District of Assam towards Hailakandi Road via Assam University. It has a well-protected wonderful forest coverage of about 500 hectares of land area. Water body is spread over about 100 hectares. Rest of the area is occupied by roads, lanes, office and factory, officers' bungalows and quarters, staff houses, labour lines, playground, cremation grounds, Bamboo baries etc. Its scenic beauty is an attraction to almost all the visitors of Assam University and Silchar. There are also beautiful picnic spots. It is one of the well-maintained Tea Estates in the Cachar District.



Crisis in the Industry

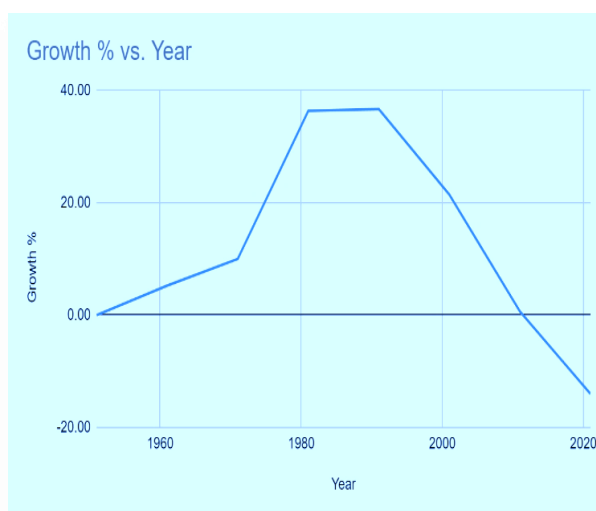
The tea industry of Barak Valley has encountered major hit in 1990's just after the split of Soviet Russia, a key taker of tea of this region. Moreover, over supply of tea has further led to drop in the tea price. Amidst this, Tea industry of Barak Valley has suffered slump in the growth curve. In 2001, the growth rate of tea production has come down to mere 21% as compared to 36% in the year 1991. Many tea gardens of the Valley have either cut down or closed down their operation due to high cost of production and low return.

Rosekandy Tea Estate is one of the very few tea gardens of the region which witnessed production growth of staggering 134% in 2000 compared to 44% in 1990 (Sen, 2004). This implies during the crisis period when industry was in the grip of financial stress, Rosekandy Tea Estate found way not only to survive but also to thrive ahead in terms of production and profitability. The fact is depicted below:

Table:2: Tea Production of Barak Valley

Year	Production in Million Kg.	Growth %
1961	20.00	5.26
1971	22.00	10.00
1981	30.00	36.36
1991	41.00	36.67
2001	49.793	21.45
2011	50.11483	0.65
2021	43.085939	-14.03*

Chart:2: Growth rate of Barak Valley (Tea)

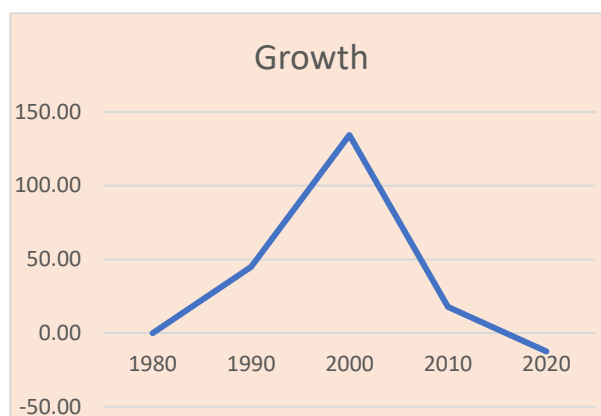


Source: 1. Tea Board of India 2. Compiled by the Researcher
* Growth in 2021 is negative is largely due to Covid-19 Situation.

Table:3: Tea Production of Rosekandy

Year	Production in Kg.	Growth %
1980	379127	0.00
1990	549315	44.89
2000	1287447	134.37
2010	1516700	17.81
2020	1327826	-12.45*

Chart:3: Growth rate of Rosekandy (Tea)



Source: 1. Tea Board of India. 2. Compiled by the Researcher. 3. Figure of 2020 taken from white paper of Indian Tea Association, Surma valley Branch, 2021
4. Information collected from Rosekandy Tea Estate.

* Growth for 2020-21 is negative largely due to Covid-19 situation.

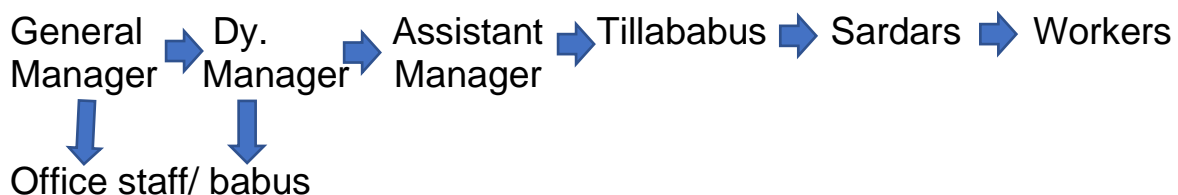
Salient Points for the Continuous Progress of Rosekandy Tea Estate

- From 1989, it has initiated huge investment in infrastructure and technological upgradation to increase productivity.
- Steady maintenance of the quality of tea through quality control.
- Gradual up-gradation of technology and modernization.
- Establishment of own retail packaging unit.
- Replacing old tea bushes in a planned manner. Every year about 2.5% of old tea bushes are replaced.
- Human resource development has been given due importance. It recruited efficient managers, trained and retained them.
- Employee welfare is looked after beyond the government rules.
- Directly selling tea in the retail market. Dependency on Auction Centre is reduced gradually.
- Strong R & D (Research & Development) base.
- Created loyal customer base by selling under their own brand.
- Ensures price protection through forward contract with channel partner.
- Product Diversification. Following products are presently available under Rosekandy Brand.



Management

Management of the Rosekandy Tea Estate is carried out in a structured manner. The overall charge of the Estate is in the hands of the General Manager. The General manager is exercising full control over the entire functioning of the tea estate. He is supported by the Dy. Managers. Under them there are Assistant managers. The Hierarchy of management can be observed below. Kolkata Head Office is in control of all decisions.



Though there is a hierarchy in management, yet the General Manager is having direct control over all the managers, babus/staffs, tillababus, sardars and workers. At present there are 6 Assistant managers, 15 Tillababus and 30 Sardars, who are headed by the General Manager and one Dy. Manager. In addition to these, one Factory manager is also there. (Information collected from the office and General Manager, Rosekandy). At present there are about 766 permanent workers in the estate.

Operations Management

Operation of the Rosekandy Tea Estate is highly structured. Tea Manufacturing can be carried out in three shifts, if required. If the available tea leaves are more than 20000 kg then generally night shift operation is carried out. In general night shift operation is not encouraged, except high urgency.

Inventory management is a matter of concern for the estate. Most of the raw materials are coming through Meghalaya, often due to natural, social and political reasons, roads get blocked. That is why, the garden has to maintain almost 100% of inventory for fertilizer and coal and about 50% of the packing materials for the entire season. For this reason, the cost of inventory management is very high for the garden. This is almost common for all the tea gardens of Barak Valley. Moreover, the garden officials informed that the carrying cost of inputs is also high in Barak Valley. Because of the compulsion of maintaining high inventory, damages and spoilages of inventory are also there. Despite all these, inventory and stores management of the garden is good.

Though, the major quantity of production of Rosekandy is CTC tea, yet it is also trying to venture into the field of other variety of tea production. As shown above, presently it is producing 'Green Tea', 'Yellow Tea', and 'White Tea'. At present, it is producing more than 95% CTC tea, and a small quantity of specialty tea. The Market price of Rosekandy CTC tea is about ₹ 206/ per kg in the year 2021. The price of green tea is about ₹ 800/- + GST per kg, yellow tea is ₹ 1500/- + GST per kg, and the white tea is ₹ 2000/- + GST per kg. In the year 2021-22, Rosekandy has sold 13,42,242 kg of CTC tea, (information collected from Rosekandy Tea Estate). Among the high-priced tea — 8 kg of green tea, 3 kg of yellow tea and only 2 kg of white tea is sold during the year 2021-22.

Marketing Strategy



The changing marketing strategy of Rosekandy has paved the path to maintain the lead in the industry and to overcome the crisis and volatility in the price arena. Over the period, Rosekandy has changed its traditional dependency on Auction market and positioned itself in the retail market. At present it is selling more than 95% of its CTC tea in the retail market and only about 5% is sold through auction market and in other channels. Rosekandy has appointed a super distributor in Silchar to look after their retail selling of tea in Barak valley. Sometimes Rosekandy tea is also available in Mizoram, Manipur, Tripura and other parts. Gradual switching over from auction market to retail market, insulated Rosekandy from market fluctuations. It also helped Rosekandy to face price war better. From the year 1995, Rosekandy is gradually venturing into retail market. At present Rajesh Trading of Silchar is sole distributor of Rosekandy Tea in all the North Eastern states.

Retail tea packaging plant of Rosekandy Tea Estate



One of the salient features of Rosekandy is that they hardly spent on formal advertisement. In the era of formal and mass media advertisement, it has adopted the promotional campaigns primarily through word of mouth, as it is fully focused on the quality of the product, the satisfied customers advertise through word of mouth, no advertising

as such. It is taking help of modern information technology and doing digital marketing through Amazon and YouTube channel.

Another very important sustainable strategy adopted in the field of marketing is that it has created its own brand i.e.  / 

It is not selling its tea in the name of other's brand but under its own brand name. Through these it has created brand loyalty in the market. The General Manager discussed about this and stated that, as it is maintaining quality of its product over the period of time, that is why the customers are acting as their brand ambassadors.

To ensure price protection, the Estate undertakes forward contract every year with the channel partner Rajesh Trading, Silchar. It is really a matter of appreciation that the tool of commodity derivatives, i.e., forward market contract is used by the Rosekandy Tea Estate to get itself insulated from price volatility. This may be the reason for which the average price of Rosekandy tea falls slowly in the down market. E.g., price of Rosekandy tea was ₹ 210.27 in the year 2020 and the same came down to ₹ 206.35 in the year 2021, but over the same period of time the average price of the Cachar tea decreased from ₹ 179.62 to ₹ 166.84. In percentage term, price of Rosekandy tea decreased by 1.86% (appx) from 2020 to 2021, whereas the price of Cachar tea decreased by 7.12% (appx) over the same period.

Estate Management

Proper management of the estate is always on focus of the management. To maintain 100% productivity the entire estate was brought under irrigation facility. All the bridges of the estate (100%) were converted to pukka concrete bridge. Gradually the kacha houses of the labour is converted to pukka houses. At present 80% of labourers are provided with pukka houses. Rosekandy is very sensitive towards environmental issues, that is why at present it is maintaining a forest cover

of about 500 hectares of land and about 100 hectares of water bodies. For maintaining ecological balance, they do not want to increase their tea plantation area further and want to maintain the waterbodies and the forest cover.

To tackle energy shortage, it has already commissioned a grid interactive rooftop solar plant to harness energy from sunlight. In full sunlight it is self-sufficient through solar plants. But at night and also when sunlight is not proper, it is dependent on the grid power. With solar plant it is trying to reduce its carbon footprint and fuel cost.

It has already shifted its production and packaging to 100% automation process. This helps the estate to keep strict control over the quality of its product.

It carries out its maintenance activity for its plants, buildings, vehicles, machineries etc. during off season. In this period, it undertakes repair, replacement of worn out parts, painting activities etc. In off season, workers are mostly used for maintenance work. They are deployed in drainage, bush hygiene, uprooting of bushes, and replanting and replacements. They are also used for other repair works.

R & D and Quality Control

The basic common principle of tea production is that if the quality of leaf is good, the quality of final product will also be good. Quality of leaf is maintained through human intervention. The entire workforce, right from higher level to lower-level workers, all are concerned about the maintenance of quality. In ground level the Tillababus and the Sardars take care of the quality of leaves. They take care from ground zero.

The factory manager and his staffs take care of the quality of production in factory, air and the temperature management are done diligently. These are very important to maintain the quality of the final tea

product. In every step, there is instrument to measure the level, these are mostly automated. Readings from the instruments come automatically to the management on real time basis. As a part of R & D every time the quality is tested and measured. Improvement is a continuous process, and if needed, corrective actions are taken every now and then.

MIS (Management Information System) is very strong in the Estate. Through MIS, the manager(s) get the information regarding weather, operations, productivity of land & labour and consumption of inputs. Every morning the manager comes to know about the production and all other information.

Through its strong R & D Rosekandy Tea Estate has already developed high priced tea such as white tea and yellow tea in addition to the green tea. It is mentioned above that to maintain yield and quality of tea, it has adopted a policy of Rejuvenation, uprooting and replantation of old tea area every year, depending upon availability of labour. Though the life of the normal tea bush is about 60 years, it tries to replenish it in 40-50 years so that the non-quality tea area is replaced with quality and yield clones.

Human Resource Management

Men, men these are wanted everything else will be ready. This prophetic message of Swami Vivekananda, perhaps, getting its practical application in Rosekandy Tea Estate. In the Estate human resource is given due importance, it considers the active involvement of human beings in every aspect of production and maintenance. To ensure better performance it has set industry standard plucking target per person per day of 8 hours work, which is 24 kg per day. For efficient workers, incentives @ ₹ 5/- per kg is given beyond 24 kg of plucking.

Rosekandy has implemented a very strong performance appraisal system. Performance appraisal is done for all the workers and staffs. As a part of this, different best performer awards are given every year. There is the best Plucker award, best attendant award, best grower award, fuel efficient driver award, team leader sardar award, team leader babu award, etc. and other recognitions. These awards are more than award, it is the recognition towards their contribution for the better performance of the Estate. This practice is in-vogue in the estate over the last 30 years.

Employee welfare is given due priority in the Estate. At present about 80% of the workers are living in pukka house. Because of which their health condition improved and absenteeism reduced. Waste of productive man-days also got reduced. Education and health care facilities have been improved in the garden. Hospitals are upgraded. Water supply is ensured. Pregnant woman and child care facility is also there. Communication in the garden has also improved. Because of all these welfare activities, employee/worker productivity is very high in the estate.

As a part of other welfare activities, education up to class VIII is imparted in the Estate. Every year one pair of chappals along with one umbrella is provided to workers, one blanket is also provided in every two years. Rations are provided at highly subsidized rate @ 50 paise per kg. Every worker is covered under PF, pension, gratuity and deposit linked term insurance Acts. Factory workers are covered under Workmen Compensation Act. Staffs are covered under health group insurance policy up to ₹ 1 lakh per employee.

Regular training is provided to the workers and to the staffs. To resolve the conflict, there is conflict management mechanism in the Estate. To reduce conflict strict discipline is maintained in the Estate. Strategies are also adopted to reduce labour unrest. As a part of conflict

management, each and every aspect of the workers is taken into consideration and the same is addressed by the management in a proper manner. Because of all these welfare activities and measures of personalized care, the Estate is able to increase land productivity about 4 times from the same area of cultivated land, (570 ha), over the last 30 years, which incidentally happened in the tenure of the Present GM, Mr. I B Ubhadia. Increase in productivity of the estate is shown in the graph below in annexure: II.

More productivity is a sign of good financial health of the Estate. It leads to more income, more employment generation, more revenue generation and also more tax to the Government. For example, in the Assessment Year 2020-21, the estate has paid Income Tax of ₹ 12,27,774/- out of which the refundable amount is ₹ 9,70,520. Rosekandy has paid Income Tax of ₹ 80,77,850 in the previous Assessment year 2019-20.

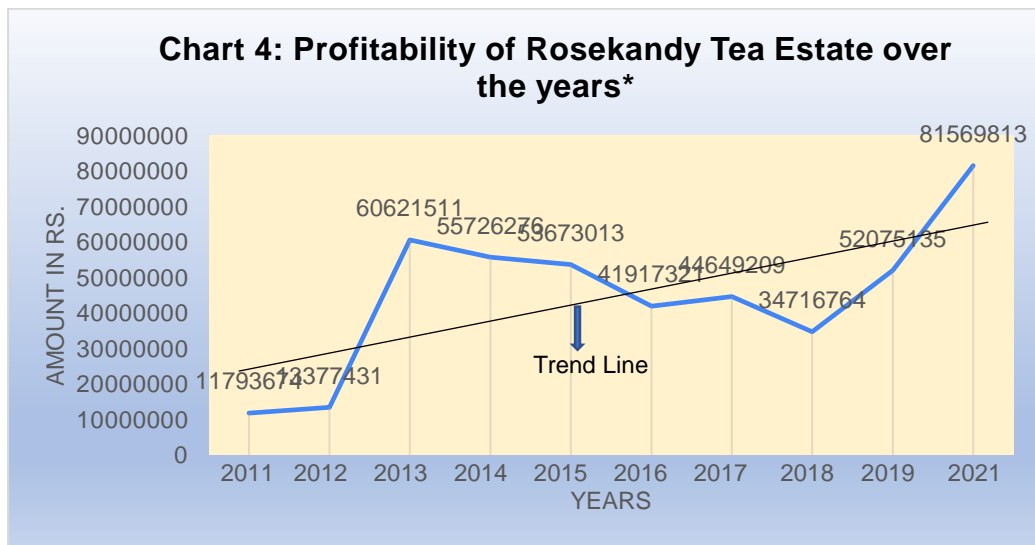
All these are the result of strict discipline in the garden, better health facility, better residential arrangement and better grievance redressal mechanism adopted by the management of the Estate.

Financial Management and Capital Adequacy

Rosekandy Tea Estate is sound so far as the capital adequacy is concern. Long-term capital requirement and the short-term working capital requirement of the Estate is met by the bank, besides its own sources. They have established a very good financial relationship with banks, that is why they get good support from the bank at the time of requirement. As on March 31st 2020, about 83.85% of their total capital requirement (Own fund + Loan) is met out of their own source, (Partners capital + Reserve). The debt equity ratio of the firm as on date was 12.98%. The total loan liability of the firm was about ₹ 3.74 crores on March 31, 2020. Because

of its healthy capital structure, sound operation system and strict discipline, profitability of the organisation is steady and growing over the years. It is shown in the chart below.

It is observed from the chart: 4 (given below) that the profit of the Estate is stable and it is in increasing trend. The trend line is clearly showing the same.



Sources: 1. Information collected from Rosekandy Tea Estate and the chart is compiled and drawn by the Researcher.

Note: 1. Profit for 2019-20 is not considered, as this is an extreme extra ordinary year for the Estate. The Estate suffered a loss of ₹ 64,37,685 in the year 2019-20.

The gross value of its assets is worth about ₹ 26.73 crores, of which the accumulated depreciation is about ₹ 15.61 crores, indicating that about 58.40% of the value of assets have already been depreciated, indicating that the assets are aging. Of course, the Estate has a very good amount of investment, which was ₹ 17.41 crores on date. This indicates that the replacement of assets will not be a problem for the organisation in future when the need for replacement will arise. Its working capital ratio is about 3.52 :1.00, which indicates that its liquidity position is good. It has ₹ 1.00 worth of current liability against ₹ 3.52 worth of current assets; hence the organisation is capable of paying its liabilities on time. However, inventory comprises of more than 50% of its total current assets. The ratio is 53.29%. The organisation must take steps to reduce inventory in the

component block of current assets. Out of its current liabilities and provisions of ₹ 1.99 crores, provision is about ₹ 0.38 crores, indicating that the other current liabilities are ₹ 1.61 crores, which is not a very high amount in comparison with the volume of operation of the Estate.

Capital Investment

Fuel and power expenditure is one of the biggest expenditures of the Estate. To reduce the expenditure, Rosekandy has invested ₹ 2.5 crores in a solar plant in the year 2020, the payback period of the solar plant was 2.5 years. One of the salient points about capital investment of Rosekandy is that, before making any capital investment they meticulously make a cost benefit analysis of the project. That is why, perhaps they have not invested in solar plant before, as the payback period was 5-6 years, due to high cost of solar system before 2018. This solar project of Rosekandy, of this mega size, is said to be the first among about 1000 tea gardens in the entire state of Assam.

Other regular investment such as change of vehicle, change of machinery etc. are carried out regularly. They also maintain rubber plantation as a secondary source of income. They have a good amount of investment in capital market along with mutual fund investment, from these investments they get a regular return.

Inflation is one of the most important aspects for any finance manager. They are coping with inflation by directly selling to the customers through wholesalers, and thereby eliminating most of the middle man. At present they are not dependent on Auction Centre and commission agent. To deal with inflation, they are also making forward contract with the wholesaler, which moderate the volatile price movement in the market.

Adaption of Modern Technology

Continuous technology upgradation is very essential for the growth and prosperity of any organisation. One of the reasons for the present prosperous state of affairs of the Rosekandy Tea Estate is certainly the strategy of the Estate to keep the technology upgraded continuously. They have installed up-to date modern machine for production, measurement, packaging and quality control. These machines not only do the activity automatically but also report the same automatically. That is why control become effective in Rosekandy. They are using Tractor mounted sprays and also using tractors for preparing land. Sprinkler irrigation system is in use. In the factory, Integrated Temperature Control Panel is installed which gives steady and instant temperature measurement resulting into the less consumption of coal and energy.

Up-coming upgradation

Rosekandy is considering to install Drone Spray mechanism. It is in the pipeline. Cost-benefit analysis is going on. In addition to the solar plant already installed, they are also thinking for more alternative source of energy. Some software has already been installed as a part of instant monitoring system. More use of ICT is in the pipeline, in future, fully computerized Rosekandy may found to be in place.

Strategies to Maintain Sustainability and to Withstand Crisis

- ✓ Since 1989 Rosekandy started ploughing back a portion of its profit for increasing productivity and the quality of the product.
- ✓ Land productivity has increased about 4 times over the period. It reaches about 2900 kg/ha in the year 2009. At present the productivity range is about 2300 – 2600 kg/ha.
- ✓ Since 1989 the garden has started planned and massive uprooting and replanting so that aging of the bushes does not impair the quality of tea leaves.

- ✓ Through ploughing back of profit, it has started modernization of factory, installed irrigation system in the entire garden, automation and mechanization, which have helped to increase productivity.
- ✓ From 1995 it has entered into retail marketing. At present about 90% to 95% of its total product is sold in retail market, thereby reducing the dependency on the secondary market/auction market.
- ✓ To manage price volatility within control, it has initiated forward market contact with the distributor/wholesaler.
- ✓ It has adopted the strategy of not increasing the plantation area, rather putting attention towards extensive plucking and increasing productivity.
- ✓ The management of Rosekandy Tea Estate has decided to sell its tea in the retail market under its own brand name "Rosekandy", this helped the garden to build its own brand. Today, people are saying give a packet of Rosekandy, instead of saying give a packet of tea.
- ✓ The garden has adopted the strategy of reducing the use of chemicals, in the line of the call 'save environment'. The management has informed that they are using chemical fertilizers to the minimum possible level, this is one of the reasons, along with quality of tea, for which people trust Rosekandy brand.
- ✓ They have adopted a strategy to reduce dependency of petroleum fuel by installing solar plant etc.
- ✓ Keeping in mind the goal of sustainable development, the Estate is maintaining its forest cover, water bodies and greeneries.
- ✓ In the front of Human Resource Management, the organisation has adopted the strategy of strict discipline, regular training, regular counselling, recognition through awards etc. The garden is putting attention towards employees' wellbeing and employees' happiness.
- ✓ In order to improve the health, education and welfare of the employees and other workers, condition of the health center of the

garden is improved. Employees/ workers are provided with better housing facilities and better education in the garden.

- ✓ They are planning to provide 100% pucca house to the workers. At present about 80% of the workers are staying in pucca house.
- ✓ All the wooden bridges of the garden were replaced with pucca bridges which improved internal road connectivity in the Estate.
- ✓ Coal burning is reduced because of technology upgradation, which has direct impact on environment. Coal burning per 1kg made tea was reduced from 1kg to 0.70kg of coal, this indicates that there is a savings of cost by 30%, also pollution is getting reduced because of less coal burning.
- ✓ Leading from the front is the single mantra in the estate. Thorough supervision is there and the role of every one is well defined.

Expected Future Course of Action for Long-term Sustainability

To cope up with any future crisis and to prepare itself for long-term sustainability, the management of the Rosekandy Tea Estate may consider to adopt the following strategy.

- ✚ Instead of depending on a single channel partner, the Estate may increase the channel partner. This is highly wanted keeping in view the future exigencies.
- ✚ The Estate may seriously think for market diversification. In addition to the Barak Valley market, the Estate may explore to enter into some other market.

In view to the advice of *Warren Buffet, i.e., 'It is advisable not to keep all the eggs in a single basket'*. Rosekandy may also diversify its channel partner and the retail market.

- ✚ Innovative product is the mantra of the decade. Rosekandy is already in the path of product diversification. In addition to their CTC tea, other variety, such as 'Green Tea', which are also having good

demand, may also be given proper attention so that the customer can get quality green tea with an affordable price. (Example of marketing Aloe Vera Juice at an affordable price is given in Annexure -III)

- ✚ Rosekandy is known for its generosity. It may consider, if feasible within its CSR activity, to establish and run good educational institute, Higher secondary school and college.

Challenges Ahead

Though Rosekandy Tea Estate has withstood the crisis well, till date, yet it may face the following challenges in future, for which it has to start preparing in advance.

- Many other tea estates may start selling quality tea in the market directly in future.
- More challenges in the front of price may come from the small tea grower, as the cost of production of tea leaves of the small tea grower is low. Assam Valley tea estates may get the benefit out of the same, but the Barak Valley tea estate may not get the benefit of it, as small tea grower is very less in the Valley.
- R & D facilities may have to be strengthened further. R & D activities needs be accelerated, as more innovations are coming in the industry. (e.g., Completely dissolvable tea etc.).

Epilogue

Rosekandy has progressed in a systematic and well-defined way. They have a clear vision to establish themselves as a brand among the tea industry of Barak Valley. Despite many ups and downs, 'Rosekandy' is a brand now in the entire Barak Valley. People trust Rosekandy tea because of its quality, moderate price and low chemical content. This is

communicated to the researcher by the management. If it succeeds to maintain all these features over the period of time, then it will be our delight to find Rosekandy as a brand in the national level too.

Teaching Notes and Teaching Questions

This case may be used in master level courses like MBA/M. Com/PGDBA etc. and in different management trainings, in the area of marketing, finance, operations and human resource management. It can also be used in the field of strategic management. The course administrator/teacher may unfold the various aspects of the case to the students as per the requirement of the class.

In addition to others, students may answer the following questions:

1. Why most of the Tea Estates of the Barak Valley are under vicious cycle of poor financial health?
2. In the era of falling price, how Rosekandy Tea Estate could manage to face better prices?
3. Illustrate the journey of Rosekandy to overcome the crisis faced/facing by the tea industry of Barak Valley since early 1990s. Whether Rosekandy has overcome the crisis? Give justification.
4. Rosekandy Tea Estate is in the path of continuous progress. Illustrate.
5. Rosekandy Tea Estate has taken initiatives in different fronts, (Marketing, financial, operations, R&D, Human Resource, technology upgradation, energy saving etc.). In your opinion, initiative in which front/s was/were the most important and why?
6. What future challenges Rosekandy Tea Estate may face. What strategy it must take to overcome the same. Give proper justification.

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Two Ph.D. research scholars, Sri Debojyoti Karmakar and Sri Bodhisattwa Bhattacharjee, have taken all the hard work to collect material, to visit the Rosekandy Tea Estate, to visit other organisation to collect information, for taking some clarification, and supplying information to the researcher, without their hard work it would have been very difficult to complete the work within time.

Annexure: I. **Case Protocol**

Idea generation

The idea to write a case on Rosekandy Tea Estate is generated from the discussion with the Vice Chancellor, Assam University.



Work Initiation

The idea to write a case on Rosekandy was discussed with the research scholars, and the work was initiated.



Conceptualisation

Thorough study on the existing literature on Rosekandy, tea industry of Barak Valley, Assam, and India was made. The matter was discussed in details with the General Manager Rosekandy Tea Estate, outline and the structure of information required was shown to him, his suggestions were also incorporated.



Work started

As per the outline prepared, the research scholars, and the researcher collected information from Rosekandy Tea Estate, Tea Association of India, Indian Tea Association, Surma valley Branch, Tea Research centres. Secondary information was also collected from published literatures, reports, white paper, seminar proceedings etc.



Case Writing

At the time of writing the case discussions were made in many occasions with the General Manager Rosekandy Tea Estate and also with the other officials of the Tea Estate. The research scholars went several times to collect more and more information as and when required.



Case Vetting

After the case was written, it was given to the General Manager, Rosekandy Tea Estate for reading, the case was also given to the Vice Chancellor for reading and suggestion. Their suggestions and comments were duly incorporated and the case was finalised.

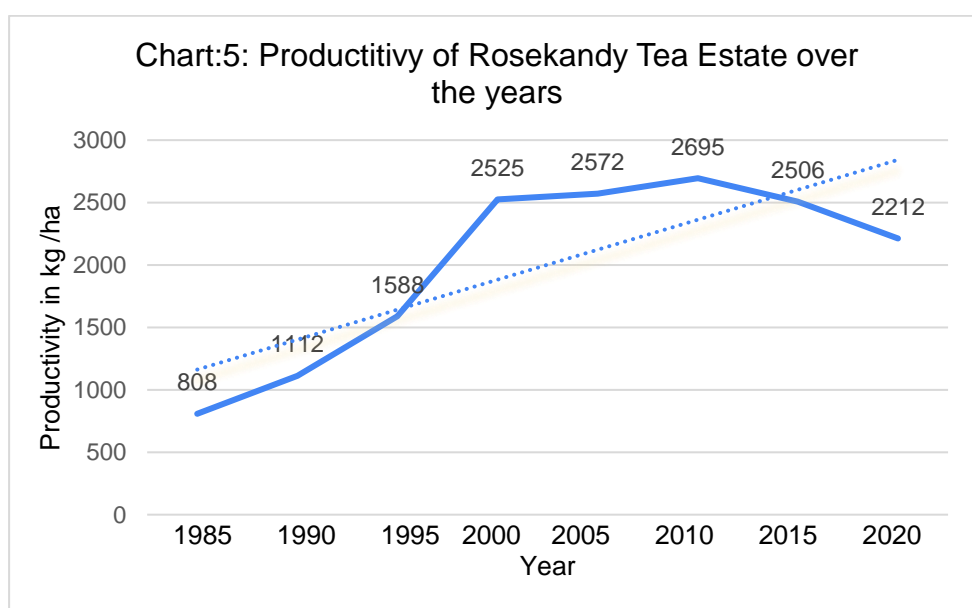


Case Publication

The case will be published from Assam University as Case Series to add to the resource base of the University and to use the same in wider academic arena.

Annexure: II: **Productivity of Rosekandy Tea Estate.**

From the chart No. 5 below it is observed that in the year 1995 the productivity of Rosekandy Tea Estate was 808 kg/hectare. The same increase gradually and reached to 2695 kg/ha in the year 2010, and the same is 2212 kg/ha in the year 2020, may be due to covid-19 and other situation. The straight trend line shows that the productivity is continuously in up-ward trend.



Source: Compiled and prepared by the researcher from the information collected from Rosekandy Tea Estate.

Annexure: III: Making Aloe Vera Juice affordable.

Aloe Vera juice was sold in the market at about ₹ 900-1000/ltr., because of which very few people used to use the same before Patanjali took the initiative to make the same affordable to the masses. Patanjali, realizing its need in the market, started producing the same at economy of scale and selling it at ₹ 90-100/ltr., about 15 years ago, as a result the price came down. Today, Aloe Vera juice is available in the market (after 15 years) at about ₹ 200- 210/ltr. as a result of which many people started using Aloe Vera juice and getting benefit out of it. The similar market is also available for green tea. For this, quality green tea needs to be brought within the purchasing power of the customer.