

THE COFFEE ACT

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Note: Sub-Section 3 of section 1 of the Coffee Market Expansion Act (VII of 1942) reads as under:

“It (the Act) shall cease to be in force at the end of twelve months commencing on the 1st day of July subsequent to the termination of the present hostilities”.

The Act should have therefore ceased to be in force on 1st July 1947. But the Coffee Market Expansion (Amendment) Act IV of 1947 has placed the Coffee Market Expansion Act (VII of 1942) on a permanent basis by having the above Sub-Section omitted.

THE COFFEE RULES : 1955

C O N T E N T S

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THE COFFEE ACT
ACT NO.VII OF 1942
(PASSED BY INDIAN LEGISLATURE)
(Received the assent of the Governor-General
on the 2nd March 1942)

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An Act. (to provide for the development under the
Control of the Union, of the coffee industry:)

WHEREAS it is expedient (to provide for the
Development under the control of the Union, of the
Coffee industry:)

It is hereby enacted as follows:-

- | | |
|---|------------------------|
| 1. (1) This Act may be called the
Coffee Act 1942. | Short title |
| (2) It extends to the whole (India) (except the
State of Jammu and Kashmir.) | Extent and
duration |
| (3) [] | |

Note:- Item 1 (2) of the Coffee (Amendment) Act, 1961
Reads as under: -

“It (the Amendment Act 1961) shall come into force on such
date as the Central Government may, by notification, in the
Official Gazette, appoint”.

Accordingly the following notification, was published in the
Gazette of India Extraordinary, Sub-Section (I)-Part II-
Section 3, dated 19th April 1962, by the Government of India
in the Ministry of Commerce and Industry, New Delhi.

NOTIFICATION
Coffee Control

G.S.R. - In exercise of the powers conferred by Sub-Section
(2) of Section 1 of the Coffee (Amendment) Act, 1961 (48 of
1961) the Central Government hereby appoints the 19th April
1962 as the date on which the said Act shall come into force.
“[2(3) Plant (B) 62}”

(Declaration as to expediency of Union Control)

2. [It is hereby declared that it is expedient in the public interest that the Union Should take under its control the coffee industry]

3. In this Act, unless there is anything repugnant in the Subject context, -

(a) “the Board” means the [] Coffee Board constituted under Section 4;

[(aa) “Chairman” means the Chairman of the Board;]

(b) “Coffee” means the commodity derived from the fruit of rubiaceous plant known by that name, and includes raw coffee, cured coffee, uncured coffee, roasted coffee and prepared coffee;

(c) “Collector” means a [Collector of Customs as defined in Clause (8) of Section (2) of the Customs Act, 1962,] or a Collector or Land Customs as Defined in Clause (c) of Section 2 of the Land Customs Act, 1924, as the case may be; VII of 1942 52 of 1962 XIX of 1924

(d) “Curing means the application to raw coffee of mechanical process other than pulping for the purpose of preparing it for marketing;

(e) “Curing establishment” means any place to which raw coffee is sent by a registered owner for curing, and includes any estate which the Board may declare to be a curing establishment for the purpose of this Act:

[(ee) “dealer” means a person carrying on the business of selling coffee, whether whole-sale or by retail;]

(f) “estate” means an area administered as one unit which contains land planted with coffee plants;

[(ff) “India” means territory of India excluding the State of Jammu and Kashmir ;]

(g) “Indian Coffee Cess Committee,” means the Indian Coffee Cess Committee constituted under the Indian Coffee Cess Act, 1935; XIV of 1935

- (h) ["Free sale quota" means that portion, stated in terms bulk or weight, of the whole of the coffee produced by the estate in the year, which a registered estate is permitted under this Act to sell;]
- (i) "Owner" in relation to any land planted with coffee plants, includes –
 - (1) any agent of the owner, and
 - (2) a mortgagee, lessee or other person in actual possession of the land;]
- (j) "Prescribed" means prescribed by rules made under this act;
- (k) "registered estate" means an estate in respect of which an owner is registered under sub-section (1) of section 14, and includes also any estate in respect of which an owner if required to be registered under the provisions of that Sub-Section,"
- (l) "registered owner" means an owner of a registered estate who has been or is required to be registered under sub-section (1) of section 14;
- (ll) ¹[]
- (m) "Surplus pool" means the stock of coffee accumulated by the Board out of the amounts delivered to the Board under section 25;
- [(n) "Year" means the period of twelve months beginning with the first day of July and ending with the thirtieth day of June next following.]

Constitution
of the Board

4.(1) The Board constituted by the name of the Indian Coffee Market Expansion Board under Section 4 of the Indian Coffee Market Expansion Ordinance, 1940, shall be the 3[Coffee Board] for the purpose of this Act.

XII of 1939

[(2) The Board shall consists of:-

- (a) a Chairman to be appointed by the Central Government by notification in the Official Gazette;
- (b) three members of Parliament of whom two shall be elected by the House of the People and one by the Council of States: and
- (c) such number of other members not exceeding twenty nine as the Central Government may think expedient to be appointed by that Government by notification in the Official Gazette from among persons who are in its opinion capable of representing:-
 - (i) Governments of the Principal Coffee growing states;
 - (ii) Coffee-growing industry;
 - (iii) Coffee trade interests;
 - (iv) Curing establishment;
 - (v) Interests of labour;
 - (vi) Interests of consumers; and
 - (vii) Such other interests as in the opinion of the Central Government, ought to be represented on the Board.

(2A) The number of persons to be appointed as members from each of the categories specified in Clause (c) of Sub-Section (2), the term of office of the procedure to be followed in the discharge of their functions by, and the manner of filling vacancies among, the members of the Board shall be such as may be prescribed.]

(2B) Any officer of the Central Government when deputed by that Government in this behalf shall have the right to attend meeting of the Board and take part in the proceeding there of but shall not be entitled to vote.

(3) []

[(4) No act done by the Board shall be questioned on the ground merely of the existence of any vacancy in, or any defect in the constitution of the Board]

[(5) It is hereby declared that the office of member of the Board shall not disqualify its holder for being chosen as, or for being, a member of either House of Parliament.]

Incorporation
of the Board

5. The Board shall be a body corporate by the name of the
[] Coffee Board having perpetual succession and a common
seal, with power to acquire and hold property, both movable and
immovable and to contract, and shall by the said name sue and
be sued.

Vesting of
Property in
the Board

6. So long as this Act remains in force all property, movable
or immovable, of or belonging to the Indian Coffee Cess Committee
shall vest in the Board and all debts and liabilities of the said
Committee shall be transferred to the Board, and the officers and
Servants of the said Committee shall be officers and servants on
the staff of the Board and the said Committee shall be suspended.

Consultation
with the Board

6(A) Before taking any action touching the affairs of the Board
under this Act, the Central Government shall ordinarily consult the
the Board:

Provided that no action taken by the Central Government
shall be invalid or called in question merely on the ground that the
action was taken without such consultation.

7. (1) []

Committee
Staff and
agents

(2) The Board may appoint such Committee for such purposes
and may employ such staff as it thinks necessary for the efficient
discharge of its functions under the Act.

(3) The Board may authorise agents to discharge on its behalf,
its functions in relation to the marketing, storing and curing of
coffee.

Salary and
allowances of
Chairman

(8) The Chairman shall be entitled to such salary and allowances
and such conditions of service in respect of leave, Pension, Provident
fund and other matters as may, from time to time, be fixed by the
Central Government.

Vice Chairman

8. A. The Board shall elect from amongst its members a
Vice Chairman who shall exercise such of the powers and perform
such of the duties of the chairman as may be prescribed or as may be
delegated to him by the Chairman.

Chief Coffee
Marketing
Officer,
Secretary
and other
Staff

[9. (1) The Central Government shall appoint an officer to be called the Chief Coffee Marketing Officer and a Secretary to the Board and may appoint a Deputy Secretary to the Board and such number of Marketing Officers as may be necessary, to exercise such powers and to perform such duties under the direction of the Board as may be prescribed.

(2) The Officers appointed under this Section shall be entitled to such salaries and allowances and such conditions of service in respect of leave, pension, provident fund and other matters as may, from time to time, be fixed by the Central Government.

Dissolution
of the Board

10. When the Board is dissolved by reason of this Act having ceased to be in force, the unexpended balance of all money received by the Board under the Coffee Market Expansion Ordinance, 1940, or under this Act except money in the pool fund shall be disposed off in such manner as the Central Government may direct. The Central Government shall disburse the money in the pool fund in the same manner as the Board would have done had it continued to exist.

XII of 1948

Duties and Customs and of Excise

11. A Duty of Customs shall be levied on the coffee produced in India and exported from ¹ [India] ² [at such rate not exceeding Rupees fifty per quintal as may be fixed by the Central Government by notification in the Official Gazette]*

12. []

*The following notifications 1 and 2 were issued by the Government of India, Ministry of Commerce, New Delhi on the 30th December 1977.

NOTIFICATIONS

(Coffee Control)

1. S.O. In exercise of powers conferred by Section II of the Coffee Act 1942 (7 of 1942), and in suppression of the notification of the Government of India in the Ministry of Commerce No.G S R.513 (E) dated the 1st December 1973, the Central Government hereby fixes with effect from 16th December, 1977, rupees eleven paise eighty per quintal as the rate of duty of customs, on coffee under the said Section 11.

(F.No.3/6/76-Plant (B))

2. S.O. In exercise of the powers conferred by Section 12 of the Coffee Act, 1942 (7 of 1942) and in supersession of the notification of the Government of India in the Ministry of Commerce G.S.R. 514 (E) dated the 1st December, 1973, the Central Government hereby fixes with effect from 16th December 1977 rupees eleven and paise eighty per quintal as the rate of duty of excise on coffee under the said Section 12.

(E. No.3/6/76-Plant (B))

Payments of
Proceeds of
Duties to the
Board.

13. [(1). The proceeds of the Duty of Customs levied under this Act, (all of which shall form part of the Consolidated Fund of India), reduced by the cost of collection as determined by the Central Government, shall, if Parliament by appropriation made by law in this behalf so provides, be paid to the Board for being utilised for the purposes of this Act.

52 of 1962

(2) The provisions of the Customs Act, 1962 and the rules and regulations made thereunder, shall, as far as may be, apply in relation to :-

(a) the refund of the duty of customs where coffee is exported and subsequently imported into India; and

(b) the export, without payment of the duty of customs, of coffee which is subsequently to be imported into India”]

The following notification was issued by the Government of India, Ministry of Commerce, New Delhi, on 15th May 1986.

S.O 261(E) in exercise of the power contained in Sub-Section I of the Coffee (Amendment) Act, 1985, the Central Government hereby specifies the 15th May, 1986 as the date on which the provisions of the Coffee (Amendment) Act, 1935 (No.48 of 1985) shall come in force.

[F.No.13/27/82 Plant (B)]

*The following notification 1 and 2 were issued by the Government of India, Ministry of Commerce, New Delhi, on the 28th December 1987.

S.O. 1122(E) – In exercise of the powers conferred by Section 11 of the Coffee Act, 7 of 1942), and in supersession of the Notification of the Government of India in the Ministry of Commerce No.S. O. 835 (E) dated the 13th December 1977, the Central Government hereby fixes with effect from the date of publication of this Notification; rupees twenty five per quintal as the rate of Duty of excise on coffee under the said Section 12.

(F. No. 13/27/82 – Plant (B))

Registration

Registration
of owners of
coffee
estates

14 [(1) Every owner of land planted with coffee plants, whether such land is comprised in one estate or in more than one estate and whether it is situated wholly or only partly in India, shall, before the expiration of one month from the date on which he first became owner of such estate or estates apply to the registering officer appointed in this behalf by the State Government to be registered by an owner in respect of each estate owned by him; and any registration made before the commencement of the Coffee (Amendment) Act, 1961, shall be deemed to have been made under the Sub-Section.

(2) []

(3) A registration once made shall continue in force until it is cancelled by the registering officer.

(4) []

Power of
State
Government
to make rules

15. (1) The [State] Government may by notification in the Official Gazette make rules to carry into effect the provisions of Section 14.

(2) Without prejudice to the generality of the foregoing power, such rules may prescribe the form of the application for registration and for cancellation of registration, the fee payable on such applications, the particulars to be included in such applications, the procedure to be followed in granting and cancelling registration, the registers to be kept by registering officers, and the supply by registering officers of information of the Board.

Control of Sale, Export & Re-Import of Coffee

Fixation of
Prices for sale
of coffee

16. [(1) The Central Government may, [] by notification in the Official Gazette, fix the price or prices at which coffee may be sold wholesale or retail in the Indian market.

(2) No registered owner or licensed curer or dealer shall sell coffee wholesale or retail in the Indian market at a price or prices higher than the price or prices fixed under this Section.]

Sales of coffee
in excess of
free Sale Quota

17. [“No registered owner shall sell or contract to sell coffee from any registered estate if by such sale the free sale quota allotted to that estate is exceeded; nor shall a registered owner sell or contract to sell any coffee produced on his estate in any year for which no free sale quota is allotted to the estate.”]

[]

Sales of coffee
how made

18. No registered owner shall sell coffee unless either -

(a) it has been cured at or is delivered to the buyer through a curing establishment licenced under Section 28, or

(b) it is sold under in accordance with the provision of a licence procured from the Board under Section 24.

19. []

Export of
Coffee

20. No coffee shall be exported from [India] otherwise than by the Board or under an authorisation granted by the Board in the prescribed manner and in the prescribed cases, and the provisions of the [“Customs Act, 1962,

8 of 1878

52 of

1962

VII of 1978

shall have effect as if the provision made by this Section had been made by notification issued under Section 11.”]

[Provided that nothing herein contained shall apply to coffee –

- (i) shipped as stored any vessel or aircraft in such quantity as the Collector considers reasonable, having regard to the number of the crew and passengers and the length of the voyage or journey, as the case may be, on which the vessel or aircraft is [about to proceed, or]
- (ii) carried as per personal baggage of a passenger not exceeding such quantities, as the Central Government may, by notification in the Official Gazette, specify or
- (iii) exported for such purposes and in such quantities as the Central Government may specify in the like manner]

[Provided further that the Central Government may by order in writing, specify the quantity of coffee which shall be permitted for export during any year and where any such order is made, no coffee shall be exported from India in excess of the said quantity;]

Provided further that the Central Government may exempt the operation of this Section, either absolutely or subject to conditions, the export of coffee from S.7 [India] [to the State of Jammu and Kashmir] or to any foreign settlement bounded by India.

The following notification was issued by the Government of India, Ministry of Commerce and Industry, New Delhi, on 1st November 1963.

NOTIFICATION

(Coffee Control)

In pursuance of Clause (ii) and (iii) of the first proviso to Section 20 of the Coffee Act, 1942 (7 of 1942) the Central Government hereby directs that coffee may be exported from India otherwise than under an authorisation granted by the Coffee Board:

- (a) in quantities not exceeding 2 Kilograms when carried as personal baggage of a passenger; or
- (b) in quantities not exceeding 2 Kilograms and 6 Kilograms respectively, when sent by post by sea or by air, as gift parcels and bona fide samples.

[14(10 Plant (B) 62]

- Re-import of coffee export from India.
21. (1) No coffee which has been exported from India shall be re-imported into [India] except under and in accordance with a permit granted by the Board.
- (2) The Board may in any fit case grant such a permit and no charge shall be made therefor.
- Free Sale Quota
22. (1) [“Unless with the previous sanction of the Central Government the Board decides that no free sale quotas shall be allotted, the Board shall, as soon as may be, allot to each registered estate a free sale quota for the year.
- (2) The free sale quota shall be a fixed percentage, common to all registered estates, not exceeding fifty per cent of the probable total production of the estate in the year as estimated by the Board.
- Provided that the Board may, with previous sanction of the Central Government allot such quota at a percentage higher than Fifty per cent of the said probable total production.
- (3) The Board may at any time vary the free sale quota by varying the fixed percentage common to all registered estates, or may express the whole or any part of the free sale quota of an estate in terms of bulk instead of in terms of weight.”]
- Returns to be made by registered owners.
23. (1) A registered owner shall furnish to the Board at the prescribed times and in the prescribed manner such returns as may be prescribed.
- (2) If any registered owner fails to furnish the returns required under Sub-Section (I) in respect of any estate, the Board may ³ (without Prejudice to any penalty to which the said owner is liable under Section 37 A) refuse to allot a ¹[free] sale quota to that estate, or, where A free sale quota has already been allotted, may cancel it.
- (3) The Board may authorise an officer to visit any estate at any time to verify the accuracy of any return made under this Section or to ascertain the productive capacity of the estate.
- Licences for sale of uncured
24. The registered owner of any estate, may subject to the prescribed conditions and so long as the [free] sale quota allotted to that estate will not be exceeded by the proposed sale, obtain from the Board a licence for

coffee
Surplus
coffee and
surplus
pool

the sale from that estate of uncured coffee.

25. (1) All coffee produced by a registered estate in excess of the amount specified in the [free] sale quota allotted to that estate ²[or when no [free] sale quotas have been allotted to estates,] all coffee produced by the estate] shall be delivered to the Board for inclusion in the surplus pool by the owner of the estate or by the curing establishment receiving the coffee from the estate.

[Provided that where no [free] sale quotas have been allotted to estates, the Chairman may allow the owner of any estate to retain with himself for purposes of consumption by his family and for purpose of seed, such quantity of coffee as the Chairman may think reasonable;

Provided further that where the Central Government is satisfied that it is not practicable for any class of owners producing coffee in any specified area to comply with the provisions of this Sub-Section on account of the small quantity of coffee produced by them or on account of their estates being situated in a remote locality, the Central Government may, in notification in the Official Gazette exempt such class of owners from the provisions of this Sub-Section.]

(2) Delivery shall be made to the Board in such places [at such times] and in such manner as the Board may direct, and such directions may provide for partial delivery to the surplus pool at any time whether or not at that time the [free] sale quota has been exceeded and the coffee delivered shall be such as to represent fairly in kind and quality the produce of the estate. The Board may reject any consignment offered for delivery which does not satisfy this requirement; but shall not reject any consignment merely for a defect in curing.

(3) Coffee delivered for inclusion in the surplus pool shall upon delivery to Board remain under the control of the Board which shall be responsible for storages, curing where necessary, and marketing of the coffee.

(4) The Board shall [] [from time to time] prepare a differential scale for the valuation of coffee, and shall in accordance with that scale classify the coffee in each consignment delivered for inclusion in the surplus pool according to its kind an quality and shall make an assessment of its value based on its quantity, kind, and quality.

(5) The Board may, with the consent of a registered owner [] treat as having been delivered for inclusion in the surplus pool any coffee from such estate which the registered owner may agree to have so treated.

(6) When coffee has been delivered or is treated as having been delivered for inclusion in the surplus pool, the registered owner whose coffee has been so delivered shall retain no rights in respect of such coffee except his right to receive the payments referred to in Section 34.

Sales of
Coffee by
the Board

26. (1) The Board shall take all practical measures to market the coffee included in the surplus pool, and all sales thereof shall be conducted by or through the Board.

(2) The Board may purchase for inclusion in the surplus pool Coffee not delivered for inclusion in it.

Curing of Coffee

Coffee to
be cured in
licenced
curing
establishments

27. No registered owner shall cause or allow coffee to be cured elsewhere than in a licensed curing establishment, whether the curing establishment is maintained by himself or by another person.

Licencing
of curing
establishments

28. Every establishment for curing coffee shall obtain from the Board a licence to operate as such.

Information
to be
supplied to

29. (1) A registered owner when sending coffee to a curing establishment shall report to the Board, separately for each estate from which coffee is sent, the amount of coffee sent and the curing establishment shall in accordance with such instructions as may be issued by the Board and having regard to the [free] sale quota of the estate. [where one has been allotted] apportion each such consignment into two parts, one part consisting of coffee intended for [free] sale and one part of coffee intended to be delivered for inclusion in surplus pool and shall report to the Board the amount of coffee in each such [where no [free] sale quotas have been allotted to estates, the curing establishments shall report merely the whole amount of coffee sent in each such consignment]

(2) A registered owner curing coffee in a curing establishment maintained by himself shall supply to the Board the information specified in Sub-Section (1).

(3) A curing establishment which buys or received uncured coffee from any person shall ascertain the estate on which coffee was produced and shall report to the Board the quantity of coffee so obtained and the estate or estates from which it came.

(4) Every curing establishment shall maintain accounts in such forms as may be required by the Board and such accounts shall be open to inspection at any time by the Board or by an officer authorised in this behalf by the Board.

Finance

Separate funds to be maintained by the Board.

30. The Board shall maintain two separate funds, a General Fund and a Pool Fund.

General Fund

- [31. (1) To the General fund shall be credited:
- (a) all amounts paid to the Board by the Central Government under Sub-Section (1) of Section 13; and
 - (b) any sums transferred to the General Fund under the provision to Sub-Section (2) of [Section 32; and]
 - [(c) all fees levied and collected by the Board under Act.]
- (2) The General Fund shall be applied;
- (a) to meet the expenses of the Board;
 - (b) to meet the cost of such measures as the Board may consider advisable to undertake for promoting agricultural and technological research in the interest of the coffee industry in India;
 - (c) for making such grants to the coffee estates or for meeting the cost of such other assistance to coffee estates as the Board may think necessary for the development of such estates;

- (d) to meet the cost of such measures as the Board considers advisable to undertake for promoting the sale and increasing the consumption in India and elsewhere of coffee produced in India; and
- (e) to meet the expenses for securing better working conditions and the provision and improvement of amenities and incentives for workers.

Pool Funds. 32.

- (1) To the Pool Fund shall be credited all sums realised by sales by the Board of coffee from the surplus pool.
- (2) Subject to the provisions of Sub-Section 13, [“The Pool Fund”] shall be applied only to –
 - (a) the making to registered owners of estates of payments proportionate to the value of the coffee delivered by them for inclusion in the surplus pool;
 - (b) the Cost of storing, curing and marketing coffee deposited in and of administering the surplus pool;
 - (c) the purchase of coffee not delivered for inclusion in the surplus pool;

[Provided that where, after the requirements, of the Clauses of the Sub-Section have been met there remains any excess in the Pool fund, the Board may, with previous sanction of the Central Government, transfer the whole or any part of such excess to the Credit of the General fund.]

32.A, []

Powers to borrow

33. The Board may, subject to any prescribed conditions, borrow on the security of the General fund or the Pool fund for any purposes for which it is authorised to expend money from such fund, or on the security of the Coffee delivered or treated as delivered for inclusion in the surplus pool for any purposes for which it is authorised to expend money from the Pool fund.

34. (1) The Board shall at such times as it thinks fit make to registered owners who have delivered coffee for inclusion in the surplus pool such payments out of the Pool fund as it may

think proper.

(2) The sum of all payments made under Sub-Section (1) to any one registered owner shall bear to the sum of the payments made to all registered owners the same proportion as the value of coffee delivered by him out of the year's crop.

[Provided that in calculating the sum of all payments made under Sub-Section (1) and the value of coffee delivered to the surplus pool out of the years crop, respectively, any payment accepted by a registered owner as final payment in immediate settlement for coffee delivered by him for inclusion in the surplus pool and the value of any such coffee shall be excluded.]

Penalties and Procedure

Failure to register	35. Any owner of a coffee estate who fails to apply for registration in accordance with Section 14 shall be punishable with fine which may extend to one thousand rupees and to a further fine which may extend to five hundred rupees for each month after the first during which such failure continues.
Contraventions to Section 16, 17, 18 and 19	36. (1) Any registered owner who contravenes the provisions of Sub-Section (2) of Section 16, or Section 17, Section 18, any licences curer [or dealer] who contravenes the provisions of Sub-Section (2) of Section [] shall be punishable with fine which may extend to one thousand rupees. (2) When a registered owner is convicted under this Section, the Board may thereafter deduct from any payment to be made under Section 34 to such registered owner a sum equal to the value as estimated by the Board of any coffee unlawfully sold by him.
Unlicenced curing establishment	37. If any curing establishment operates as such without a licence, the owner shall be punishable with fine which may extend to five hundred rupees.
Contravention of Sections 23 (1)	[37.A. Any registered owner who fails to furnish the required by Sub-Section (1) of Section 23 as required by that Sub-Section shall be punishable with fine which may extend to one thousand rupees.

False returns

38. Any person who makes in any return to be furnished under Section 23 or in any report to be made under Section 29 any statement which is false and which he knows to be false or does not believe to be true shall be punishable with fine which may extend to one thousand rupees.

38 A. Any registered owner or licences curer who fails to deliver any coffee to the Board as required by or under Sub-Section (1) and (2) of Section 25 shall be punishable with fine which may extend to one thousand rupees, and the court by which such person is convicted may order the confiscation and delivery to the Board of any coffee in respect of which the offence was committed]

Powers to seize
Coffee withheld
From inclusion
In surplus pool

38 B. If the Board is satisfied that any coffee which is required under the provision of Section 25 to be delivered for inclusion in the surplus pool is being or is likely to be disposed off otherwise than by such delivery, the Board may order the seizure of such coffee, and may authorise an officer of the Board to effect seizure thereof for delivery for inclusion in the surplus pool and such authorisation shall be sufficient warrant for such officer to take all steps necessary to secure possession of the coffee.

Obstruction

39. Whoever obstructs any member of officer of the Board or any person authorised by the Board or by the Central Government in the discharge of any duty imposed on or entrusted to him under this Act, or who having control over, or custody of any records fails to produce such records when required to do so or refuses information lawfully asked for by a member or officer of the Board or by the Central Government to inspect such records or ask for such information shall be punishable with fine which may extend to one thousand rupees.

Offences by
Companies

[39.A. (1) If the person committing any offence under this Act is a company, every person who, at the time the offence was committed, was in charge of, and was responsible to the company for the conduct of the business of the company as well as the company shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly:

Provided that nothing contained in this Sub-Section shall render any such person liable to punishment provided in this Act if he proves that the offence was committed without his knowledge

or that he exercised all dues diligence to prevent the commission of such offence.

(2) Notwithstanding anything contained in Sub-Section (1) Where an offence under this Act has been committed by accompany and it is proved that the offence has been committed with the consent or connivance of, or is attributable to any neglect on the part of, any Director, Manager, Secretary or other officer of the Company, such Director, Manager, Secretary or other officer shall also be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly.

Explanation:- For the purpose of this Section:

(a) 'Company' means any body corporate and includes a firm or other association of individuals; and

(b) 'Director' in relation to a firm means a partner in the firm

Cognizance
of offence

40. (1) No court other than the Court of a [Metropolitan Magistrate or a Judicial Magistrate of the first class] shall take cognizance of any offence punishable under this Act.

(2) no court shall take cognizance of an offence punishable under Section 35 except on complaint made by an officer authorised in this behalf by the (State) Government (or of the offence specified in Sub-Section (2) of Section 16 except on complaint made by an officer authorised in this behalf either by the (State) Government or by the Board) or of an offence punishable under any other Section except on complaint made with the previous sanction of the Central Government by an officer authorised in this behalf by the Board.

[Provided that the Central Government may, by notification in the official Gazette, direct that the previous sanction of the Central Government shall not be necessary for complaints in such cases or classes of cases as may be specified in the notification.]

General

41. []

Control by the
Central Government

42. (1) All acts of the Board shall be subject to the control of the Central Government which may cancel, suspend or modify as

it thinks fit any action taken by the Board.

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

Appeal to the
Central Government

43. (1) Any person aggrieved by an order of the Board refusing a licence to or cancelling the licence of curing establishment may, within sixty days of the making of the order, appeal to the Central Government.

(2) Any person making an appeal under this Section shall pay a fee of five rupees which shall be credited to Central Revenue.

Inspection of
Records

44. [Any person authorised in this behalf by the Central Government or by the Board or any member of the Board so authorised by the Chairman in writing or any officer of the Board may enter at all reasonable times] any estate of any curing establishment [or any place here coffee is stored or exposed for sale] and may require the production for his inspection of any records kept therein, or ask for any information relating to the production, storage or sale of coffee []

Accounts of the
Board

45. (1) The Board shall keep accounts in such a manner as may be prescribed of all money received and expended by it.

(2) The accounts shall be kept separately for the General Fund and the Pool fund.

(3) The Board shall cause the accounts to be audited annually by auditors appointed by the Central Government, and the auditors shall have power to disallow any item of expenditure which has in their opinion been incurred otherwise than in accordance with this Act.

(4) The Central Government may, on the application of the Board, allow any item of expenditure disallowed by the auditors under Sub-section (3).

Inspection of
Records of the
Board and obtaining
of copies

46. Any registered owner [] may, subject to the prescribed conditions inspect the records maintained by the Board and may on payment of the prescribed fee obtain copies of any proceedings or order of the Board.

Contracts	<p>47. All contracts for the sale of coffee in so far as they are at variance with the provisions of this Act shall be void.</p> <p>Provided that nothing contained in this Section shall apply To contracts to which under Section 47 of the Coffee Market Expansion Ordinance, 1940, that Ordinance did not apply.</p>
Bar of legal Proceeding XII of 1940	<p>47.A. No. Suit., prosecution or other legal proceedings shall lie against the Board or any officer of the Board for or in respect of anything in good faith done or intended to be under this Act.</p>
Power of the Central Government to make rules	<p>48. (1) The Central Government may, by notification in the Official Gazette, make rules to carry out the purposes of this Act.</p> <p>[(2) without prejudice to the generality of the foregoing power, rules may be made providing for all or any of the following matters:-</p> <ul style="list-style-type: none"> <li data-bbox="519 913 1390 1144">(i) the Constitution of the Board, the number or persons to appointed as members from each of the categories specified in Clause (c) of Sub-section (2) of Section 4, the term of office and other conditions of service, or, the procedure to be followed by, and the manner of filling vacancies among the members of the Board; <li data-bbox="519 1165 1390 1249">(ii) the circumstances in which, and the authority by which, and the authority by which, members may be removed;] <li data-bbox="519 1270 1390 1438">(iii) the procedure to be followed at meetings of the Board and at Committees thereof for the conduct of business and the number of members which shall form a quorum at a meeting; <li data-bbox="519 1459 1390 1585">(iv) the maintenance by the Board of records of business transacted by the Board and the submission of copies thereof to the Central Government; <li data-bbox="519 1606 1390 1690">(v) the holding of a minimum number of meetings of the Board every year; <li data-bbox="519 1711 1390 1795">(vi) the powers of the Board, its Chairman and Committees thereof with respect to the incurring of expenditure; <li data-bbox="519 1816 1390 1871">(vii) The Conditions subject to which the Board may incur

outside India;

- (viii) the preparation of budget estimates of receipts and expenditure of the Board and the authority by which the estimates are to be sanctioned;
- (ix)
- (x) the maintenance of the accounts of income and expenditure of the Board and the audit of such accounts;
- (xi) the deposit of the funds of the Board in Banks and investments of such funds;
- (xii) the appropriations of the estimated savings from any budget head to any other budget head;
- (xiii) the conditions subject to which the Board may borrow funds;
- (xiv) the conditions subject to which and the manner in which contracts may be entered into by or on behalf of the Board;
- (xv) the delegation to the Committee, or Chairman or Vice-Chairman or members or officers of the Board of any of the powers and duties of the Board under this Act;
- (xvi) the staff which may be employed by the Board and the pay and allowances and leave and other conditions of service of officers (other than those appointed by the Central Government) and other employees of the Board;
- (xvii) the travelling and other allowances of members of the Board and of Committees thereof;
- (xviii) the maintenance of the registers and other records of the Board and its various Committees;
- (xviii) the manner in which the [free] sale quota of coffee estates shall be determined;
- (xix) the manner in which the Board shall exercise its powers of buying and selling coffee;
- (xx) the appointment by the Board of agents;
- (xxi) the conditions to be fulfilled by a curing establishment before a licence to operate as such can be issued;

- (xxii) the form of, and the particulars to be contained in any returns, or reports to be made to the Board under this Act;
- (xxiii) the form of, manner of application for, fees payable for, procedure in granting and conditions governing, the licences and permits to be issued by the Board;
- (xxiv) the collections of any information or statistics in respect of coffee or any product of coffee;
- (xxv) any other matter (other than any matter specified in Section 15) which is to be or may be prescribed under this Act.]

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

49. [The Indian Coffee Cess Act, 1935, is hereby repealed]

XII of 1940 1 of 1941	50. (1) The Coffee Market Expansion Ordinance 1940. The Coffee Market Expansion (Amendment) Ordinance, 1941. The Coffee Market Expansion (Second Amendment) Ordinance, 1941, and the Coffee Market Expansion (Third Amendment) Ordinance, 1941, are hereby repealed.	Repeals Savings
VIII of 1941 XII of 1941		
X of 1897	(2) Without prejudice to the provisions of Section 24 of the General Clauses Act 1897.	
XIII of 1940	(a) any trial or proceeding under The Coffee Market Expansions Ordinance, 1940, pending at the time of the appeal of the Ordinance, may be continued and completed as is such trial or proceeding were a trial or proceeding under this Act;	
	(b) all registrations made, all licences issued and all other things done under the said Ordinance shall be deemed to have been made, issued or done under this Act.	

1.9.
[Validation
of certain
acts and
indemnity
in respect
thereof]

[All acts of executive authority, proceedings and sentence which have been done taken or passed with respect to or on account of, coffee during the period commencing on the 26th day of January 1953, and ending with the date of commencement of this Act, by the Government or by any officer of the Government or by any other authority in the belief or purported belief that the acts, proceedings or sentences were being done, taken or passed under the principal Act shall has been valid and operative as if they had been done, taken or passed in accordance with law, and no suit or other legal proceeding shall be maintained or continued against any authority whatsoever on the ground that any such acts, proceedings or sentences were not done, taken or passed in accordance with law.]

THE COFFEE RULES, 1955

Note- Amendments are shown in square brackets preceded by a figure and a letter which are abbreviations used to denote the following:

- I - Inserted by
- A- Added by
- O- Omitted by
- S- Substituted by

1. Notification No.15(1)Plant/55 dated 23.8.1955 of the Ministry of Commerce and Industry.
2. Notification No.15(15)Plant/55 dated 28.12.1955 of the Ministry of Commerce and Industry.
3. Notification No.15(17) Plant/55 dated 20.02.1956 of the Ministry of Commerce and Industry.
4. Notification No.15 (2)Plant/56 dated 17.07.1956 of the Ministry of Commerce and Industry.
5. Notification No.15(14)Plant/55 dated 22.09.1956 of the Ministry of Commerce, Consumers and Industries.
6. Notification No.15(7)Plant/B/56 dated 10.11.1956 of the Ministry of Commerce, Consumer Industries.
7. Notification No.15(2)Plant/56 dated 18.01.1957 of the Ministry of Commerce and Consumer Industries.
8. Notification No.15(10)Plant/B/56 dated 08.02.1957 of the Ministry of Commerce and Consumer Industries.
9. Notification No.15(1)Plant/B/56 dated 03.04.1957 of the Ministry of Commerce and Industries.
10. Notification No.1(2)Plant (B)/57 dated 27.05.1957 of the Ministry of Commerce and Industry.
11. Notification No.2(5)Plant(B)/57 dated 09.01.1958 of the Ministry of Commerce And Industry.
12. Notification No.14(37)Plant(B)/57 dated 06.02.1958 of the Ministry of Commerce and Industry.
13. Notification No.2(3)Plant(B)/57 dated 14.02.1958 of the Ministry of Commerce and Industry.
14. Notification No.15(16)Plant(B)/55 dated 21.03.1958 of the Ministry of Commerce and Industry.
15. Notification No.1(5)Plant(B)57 dated 16.04.1958 of the Ministry of Commerce and Industry.
16. Notification No.15(1)Plant (B)55 dated 16.04.1958 of the Ministry of Commerce and Industry.
17. Notification No.2(3)Plant (B)58 dated 22.09.1958 of the Ministry of Commerce and Industry.

18. Notification No.3(4)PICR(C&R)57 dated 15.10.1958 of the Ministry of Commerce and Industry.
19. Notification No.2(7)Plant(B)58 dated 18.10.1958 of the Ministry of Commerce and Industry.
20. Notification No.2(7)Plant (B)(58) dated 29.10.1958 of the Ministry of Commerce and Industry.
21. Notification No.2(9)Plant(B)58 dated 18.12.1958 of the Ministry of Commerce and Industry.
22. Notification No.2(5)Plant (B)58 dated 02.01.1959 of the Ministry of Commerce and Industry.
23. Notification No.3 (4)PICR(C&R)57 dated 30.03.1959 of the Ministry of Commerce and Industry.
24. Notification No.2(4)Plant(B) 58 dated 29.04.1959 of the Ministry of Commerce and Industry.
25. Notification No.2(3)Plant(B)58 dated 08.09.1959 of the Ministry of Commerce and Industry.
26. Notification No.2(5)Plant(B)58 dated 18.12.1959 of the Ministry of Commerce and Industry.
27. Notification No.2 Plant(B)60 dated 01.03.1960 of the Ministry of Commerce and Industry.
28. Notification No.8(4)Plant (B)60 dated 20.05.1960 of the Ministry of Commerce and Industry.
29. Coffee (Amendment) Rules, 1961- Notification No.1(2)Plant (B)60 dated 21.3.1961 of the Ministry of Commerce Industry.
30. Coffee (Third Amendment) Rules, 1961- Notification No.(8)4 Plant(B)60 dated 22.06.1961 of the Ministry of Commerce and Industry.
31. Coffee Third (Amendment) Rules, 1961 – Notification No.(1)1 Plant(B)61 dated 17.08.1961 of the Ministry of Commerce and Industry.
32. Coffee Fourth (Amendment) Rules, 1961 – Notification No.3(4)PICR (C&R)57 dated 31.10.1961 of the Ministry of Commerce and Industry.
33. Coffee (Amendment) Rules, 1962 – Notification No.F(2)Plant(B)62 dated 15.03.1962 of the Ministry of Commerce and Industry.
34. Coffee Second (Amendment) Rules, 1962 – Notification No.2(2)Plant (B)62 dated 04.04.1962 of the Ministry of Commerce and Industry.
35. Coffee (Amendment)Rules, 1962 – Notification No.2(3) Plant(B)62 dated 19.05.1962 of the Ministry of Commerce and Industry.
36. Coffee Fourth (Amendment)Rules, 1962 – Notification No.2(3)Plant B/62 dated 25.05.1972 of the Ministry of Commerce and Industry
37. Coffee Fifth (Amendment) Rules, 1962 – Notification No.2(5)Plant B/62 dated 17.09.1962 of the Ministry of Commerce and Industry.
38. Coffee (Amendment) Rules, 1963 – Notification No.2(2)Plant (B)63 dated 27.03.1963 of the Ministry of Commerce and Industry (Department of International Trade).
39. Coffee (Second Amendment) Rules, 1963 – Notification No.2(3)Plant (B)63 dated 01.04.1963 of the Ministry of Commerce and Industry (Department of International Trade).

40. Coffee (Third Amendment) Rules, 1963 – Notification No.2(5)Plant(B)62 dated 06.04.1963 of the Ministry of Commerce and Industry.
41. Coffee (Amendment) Rules, 1964 – Notification No.2 (4) Plant (B)63 dated 26.03.1964 of the Ministry of International Trade.
42. Coffee (Second Amendment) Rules, 1964 – Notification No. 2(1)Plant(B) dated 29.07.1964 of the Ministry of Commerce.
43. Coffee Third (Amendment) Rules, 1964 – Notification No.2(3) Plant (B)64 dated 08.09.1964 of the Ministry of Commerce.
44. Coffee (Amendment) Rules, 1961- Notification No.2 (4) Plant (B)64 dated 13.01.1965 of the Ministry of Commerce.
45. Coffee (Second Amendment) Rules, 1965 – Notification No. 9(2) Plant (B) 63 dated 18.01.1965 of the Ministry of Commerce.
46. Coffee (Third Amendment) Rules, 1965 – Notification No.9(28) Plant (B) 65 dated 07.12.1965 of the Ministry of Commerce.
47. Coffee (Amendment) Rules, 1966 – Notification No.2(1) Plant (B) 66 dated 26.02.1966 of the Ministry of Commerce.
48. Coffee (Second Amendment) Rules, 1966 – Notification No.9(6) Plant (B) 66 dated 19.04.1966 of the Ministry of Commerce.
49. Coffee (Fourth Amendment) Rules, 1966 – Notification No.8 (1) Plant (B) 66 dated 17.08.1966 of the Ministry of Commerce.
50. Coffee (Third Amendment) Rules, 1966 – Notification No.9(38) Plant (B) dated 07.12.1966 of the Ministry of Commerce.
51. Coffee (Amendment) Rules, 1967 – Notification No.2(6) Plant (B) 66 dated 10.01.1967 of the Ministry of Commerce.
52. Coffee (Second Amendment) Rules, 1967 – Notification No.8 Plant (B) 56 dated 25.03.1967 of the Ministry of Commerce.
53. Coffee (Third Amendment) Rules, 1967 – Notification No.2(5) Plant(B) dated 04.04.1967 of the Ministry of Commerce.
54. Coffee (Fourth Amendment) Rules, 1967 – Notification No.2(1) Plant(B) 67 dated 13.04.1967 of the Ministry of Commerce.
55. Coffee (Fifth Amendment) Rules, 1967 – Notification No. 14(8)Plant(B)66 dated 29.09.1967 of the Ministry of Commerce
56. Coffee (Sixth Amendment) Rules, 1967 – Notification No.9(30)Plant(B)66 dated 11.12.1967 of the Ministry of Commerce.
57. Coffee (Amendment)Rules, 1971 – Notification No.2(1)Plant(B)67 dated 23.04.1971 of the Ministry of Foreign Trade.
58. Coffee (Second Amendment) Rules, 1971 – Notification No.2(1)Plant(B)70 dated 22.06.1971 of the Ministry of Foreign Trade.
59. Coffee (Amendment) Rules, 1972 – Notification No.2 (3) Plant (B)67 dated 31.01.1972 of the Ministry of Foreign Trade.
60. Coffee (Second Amendment)Rules, 1972 – Notification No.2 (1) Plant(B) 67 dated 02.03.1972 of the Ministry of Foreign Trade.
61. Coffee (Third Amendment) Rules, 1972 – Notification No.2(1) Plant (B)67 dated 01.04.1972 of the Ministry of Foreign Trade.
62. Coffee (Fourth Amendment) Rules, 1972 – Notification No.2 (1) Plant (B)67 dated 08.07.1972 of the Ministry of Foreign Trade.

63. Coffee (Amendment) Rules, 1973 – Notification No. 2 (1) 67 Plant (B) dated 28.03.1973 of the Ministry of Commerce.
64. Coffee (Amendment) Rules, 1974 – Notification No.2 (15) 69 Plant (B) dated 17.10.1974 of the Ministry of Commerce.
65. Coffee (Second Amendment) Rules, 1974 – Notification No.F-10(14)74 Plant (B) dated 7.11.1974.
66. Coffee (Amendment) Rules, 1975 – Notification No. 9(20)/69/Plant (B) dated 29.03.1975.
67. Coffee (Amendment) Rules, 1976 dated 26.7.1976
68. Coffee (Amendment) Rules, 1976 – Notification No.9(11)/69 Plant (B) dated 02.06.1977
69. Coffee (Amendment) Rules, 1977 – Notification No.9/15/69 Plant (B) dated 20.09.1977.
70. Coffee (Amendment) Rules, 1978 – Notification No. dated 10.04.1978
71. Coffee (Amendment) Rules, 1980 – Notification No.2 1/80 Plant (B) dated 05.06.1980.
72. Coffee (Amendment) Rules, 1977 – Notification No. 9 (10) 80 Plant (B) dated 28.09.1981.
73. Notification (Coffee Control) No. 9/3/84 Plant (B) dated 08.06.1984 of the Ministry of Commerce, Government of India, New Delhi
74. Notification (Coffee Control) No. 9/4/84 Plant B dated 30.08.1984 of the Ministry of Commerce, Government of India, Department of Commerce, New Delhi.
75. Notification dated 20.06.1983 of the Ministry of Commerce, Government of India, New Delhi.
76. Notification No.9/1/85 Plant B dated 25.02.1985 of the Ministry of Commerce
77. Notification No. G.S.R. dated 5.1.1987 of the Ministry of Commerce
78. The Coffee (Second Amendment) Rules, 1987 – Notification No.G.S.R. dated 12.01.1987 of the Ministry of Commerce.
79. The Coffee (Amendment) Rules, 1988 – Notification No. G.S.R. No. 663 dated 03.08.1988 of the Ministry of Commerce
80. The Coffee (Second Amendment) Rules, 1988 – Notification No. G. S. R. No.851 dated 18.10.1988 of the Ministry of Commerce
81. The Coffee (Amendment) Rules, 1989 – Notification No. G. S. R. 427 (E) dated 05.04.1989 of the Ministry of Commerce.
82. The Coffee (Second Amendment) Rules – Notification No. G. S. R. 462 (E) dated 22.04.1982 of the Ministry of Commerce
83. The Coffee (Third Amendment) Rules, 1989 – Notification No. G. S. R. 1051 B dated 14.12.1989.
84. The Coffee (Amendment) Rules, 1992 – Notification No. G. S. R. dated 18.6.1992 of the Ministry of Commerce
85. The Coffee (Amendment) Rules, 1992 – Notification No.G.S.R. dated 13.11.1992
86. The Coffee (Third Amendment) Rules, 1992 – Notification No. G.S.R. dated 14.12.1992.
87. The Coffee (Amendment) Rules, 1994 – Notification No.G.S.R. dated 4.2.1994
88. Notification dated 25.10.1995.

COFFEE RULES, 1955 [with Amendment Rule, 2016]

G.S.R. 669 [E].___ In exercise of the powers conferred by sub-section (2) of Section 48 read with sub-section (2) of section 4 and sub-section (1) of section 9 of the Coffee Act, 1942 (VII of 1942), the Central Government hereby makes the following rules further to amend the Coffee Rules, 1955 namely :-

CHAPTER I Preliminary

1. Short title, commencement and application:

- 1) *These rules may be called the Coffee (Amendment) Rules, 2016_*
- 2) *They shall come into force on the date of their publication, in the Official Gazette.*

2. Definitions : In these rules, unless the context otherwise requires

- 1) "The Act" means Coffee Act, 1942 (VII of 1942)
- 2) "Chief Accounts Officer" means the Chief Accounts Officer of the Board
- 3) "Board" means Coffee Board constituted under Section 4
- 4) "Chairman" means the Chairman of the Board
- 5) "Chief Coffee Marketing Officer" means the Chief Coffee Marketing Officer of the Board and includes the Deputy Chief Coffee Marketing Officer
- 6) "Committee" means any Committee constituted or appointed by the Board under Sub-Section (2) of Section 7
- 7) "Deputy Chief Coffee Marketing Officer" means the Deputy Chief Coffee Marketing Officer of the Board
- 8) "Deputy Secretary" means the Deputy Secretary to the Board
- 8(a) "Director of Propaganda" means the Director of Propaganda of the Board
- 9) "Director of Research" means the Director of Research of the Board
- 10) "Form" means Form set out in the First Schedule

- 11) "Large Grower" means a registered owner owning land planted either with Arabica coffee, Robusta coffee, or both, aggregating to not less than 25 acres, whether such land is comprised in one estate or more than one estate ;
- 12) "Member" means a Member of the Board ;
- 13) "Robusta Grower" means a registered owner owing land planted with Robusta coffee aggregating to not less than 5 acres, whether such land is comprised in one estate or more than one estate ;

Provided that where both Robusta and Arabica Coffee are planted, the area under Robusta shall not be less than the area under Arabica ;
- 14) "Schedule" means a Schedule set out in these Rules ;
- 15) "Secretary" means Secretary to Board;
- 16) "Section" means a section of the Act ;
- 17) "Small Grower "means a registered owner who is not a large grow ;
- 18) "Vice-Chairman" means the Vice-Chairman of the Board; and
- 19) "Year" means the year as defined in the Act' Provided that for the purposes of preparing a budget out of the General Fund of the Board, and Annual Report of the Board, year shall mean the financial year commencing on the First day of April.

CHAPTER II

Board and its constitution

3. Constitution of the Board and the manner of filling vacancies :

(1) The Board shall consist of a Chairman, three Members of Parliament and twenty-nine other members representing the Government of states and other interests specified in Sub Rule (2).

(2) Of the twenty-nine other members:-

- (a) four members shall represent the Governments of the principal coffee growing States, one representing each of the State of Andhra Pradesh, Karnataka, Kerala and Tamilnadu to be appointed in consultation with the respective State Government.
- (b) "ten members shall represent the coffee growing industry of whom three shall represent the large growers and seven shall represent the small growers; Provided that not less than three of such members shall represent the Robusta growers."
- (c) "three members shall represent the coffee trade interests, two members shall represent the curing establishment, three members shall represent the interests of labour, two members shall represent the interests of consumers, two members shall represent the interests of coffee growing States other than those mentioned in clause (a) of Sub rule 2 of Rule 3 one member shall represent the manufacturers of instant coffee, one shall be an eminent scientist from a Research Institute or an Agricultural University or an eminent personality in marketing management or promotion of coffee and *one shall be the Secretary to the Coffee Board*".
- (3) The Central Government may make such consultations as it may think fit before appointing the representatives of the interests specified in Clauses (b) and (c) of Sub-rule (2)

Term of Office : 4 (1) Subject to the other provisions of the Act and these rules, a member shall hold office for such period not exceeding three years or until a new person is appointed in his place whichever is earlier and shall also be eligible for re-appointment".

Provided that a member elected under clause (b) of Sub-Section (2) of Section 4 by either House of Parliament shall cease to be a member of the Board if he ceases to be a members of the House by which he was elected.

Provided further that the period of appointment of members would be limited to the period of availability of the officer either on deputation on basis or the period for which he holds the post on ex-officio basis by virtue of which he is appointed as a member].

(2) A member appointed to fill a casual vacancy shall hold office so long as the member whose place he fills would have been entitled to hold office if the vacancy had not occurred.]

- 5. **Membership Roll** : The *Deputy Secretary* shall keep a record of names of members and their addresses.

6. **Change of Address :** If a member changes his address, he shall notify his new address to the *Deputy Secretary* who shall there-upon enter his new address, in the official records but if he fails to notify his new address, the address in the official records shall for all purposes be deemed to be the member's correct address.
7. **Resignation :** (1) A member of the Board or of a Committee may resign his office by a letter addressed to the *Deputy Secretary*.
- (2) The office of a member of the Board or of a Committee shall fall vacant from the date on which his resignation is accepted by the Chairman of the Board or of the Committee, as the case may be, or on the expiry of thirty days from the date of receipt of intimation of resignation whichever is earlier.]
8. **Removal from the Board :** The Central Government may remove any member from his office:
- (a) If he becomes bankrupt or insolvent or suspends payment or compounds with his creditors, or
- (b) if he is convicted of any offence which is punishable under the Indian Penal Code (Act XLV of 1860) and such offence is non-bailable under the provisions of the Code of Criminal Procedure Act, 1973 (2 of 1974), or]
- (c) if he is of unsound mind and stands so declared by a competent court or
- (d) if he absent himself from two consecutive meetings of the Board without the leave of the Chairman and in any case from three consecutive meetings, or
- (e) if he defaults in payment of any dues to the Board and if so declared by the Board.
- (f) if it is necessary in the public interest to do so”.
9. **Absence from India :** (1) Before a member departs from India –
- a) He shall intimate to the *Deputy Secretary* the date of his departure from and the date of his expected return to India and
- b) if he intends to be absent from India for a period longer than six months, he shall tender his resignation.
- c) if any member departs from India without taking either of the courses mentioned in Sub-rule (1) he shall be deemed to have resigned his office with effect from the date of his departure from India.

10. **Vice Chairman :** (1) The Board shall, in each year out of its own member, elect a person to be the Vice-Chairman for a period of twelve months commencing from the date of his election or if the elections held before the expiry of the term of office of an existing Vice-Chairman, from the date on which such Vice-Chairman would vacate office.

In the event of the Vice-Chairman resigning his office as such or ceasing to be a member of the Board, the Board shall at its next meeting elect a member to be Vice-Chairman for the unexpired portion of the term of office of the Vice-Chairman elected under Sub-Rule (1)

CHAPTER III Procedures – Board and Committees

11. **Minimum number of meetings of the Board:** - [There shall be not less than two ordinary meetings of the Board in a year on dates to be fixed by the Chairman and shall be held at Head Quarters of the Board. The interval between any two ordinary meetings shall not, in any case, be longer than eight months.

Provided that if the meeting is to be held outside the headquarters, the reasons for holding such meetings outside the HQs shall be recorded in writings.]

12. **Power to call Board Meetings:-** (1) The *Secretary* of the Board may at any time call a meetings of the Board and shall do so if a requisition for that purpose is presented to him by atleast eight members of the Board.

(2) Atleast fourteen clear days before any meeting of the Board, notice of the time and place of the intended meetings, signed by the *Secretary*, shall be sent to the Government of India (in the appropriate Ministry) and left at or posted to the address of every member of the Board.

Provided that in case of urgency, a special meeting may be summoned at any time by the *Secretary* who shall inform in advance the Government of India (in the appropriate Ministry) and members of the subject matter for discussion and the reasons for which he considers it urgent. No ordinary business shall be transacted at such special meetings.

(3) The *Secretary* of the Board may require any officer of the Board or invite any person or persons to attend any meetings of the Board.

13. Quorum : No business shall be transacted at any meeting of the Board unless there are present atleast twelve members.

14. Presiding over Board Meeting :

The Chairman shall preside at every meeting of the Board at which he is present, and in his absence, the *Secretary* shall preside, but when both the Chairman and the *Secretary* are absent from any meetings the members present shall elect one of their members to preside, at that meetings.

15. Agenda : (1) The *Secretary* of the Board shall cause to be prepared and circulated to the Government of India (in the appropriate Ministry) and among the members atleast ten days before an ordinary meeting of the Board a list of business to be considered at that meeting.

(2) No business not set down on the agenda shall be considered without the permission of the *Secretary*.

16. Business by Circulation :

(1) All questions which the Board is required to take into consideration shall be referred to the members of the Board either at its meetings or by circulation of papers if the *Secretary* so directs and copies of all papers so placed at the meetings or so circulated to members shall be sent to the Government of India (in the appropriate Ministry)

(2) Any proposal or resolution so circulated and approved by the majority of members who have recorded their views in writing shall be as effectual and binding as if such proposal or resolution were decided by a majority of votes of members at the meeting.

Provided that atleast twelve members of the Board have recorded their views on the resolution or proposal.

Provided further that the papers need not be sent to any member who is absent from India.

Provided also that when a question referred by circulation of papers any four members of the Board may require that the question be referred to a meeting and there upon such a reference shall be made to the Board at a meeting.

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

(4) If a resolution or proposal is circulated, the results of the circulation shall be communicated to all the members and to the Government of India (In the appropriate Ministry).

(5) All decision on questions arrived by the circulation of papers shall be placed at the next meeting of the Board for record.

17. Voting :

(1) Except as provided in Rule 16, every question brought before any meeting of the Board shall be decided by a majority of the members present and voting at the meetings before which the matter is brought.

(2) []

18. Appointment of Committees:

[1] The Board may appoint every year the following standing committees and may appoint such other committees as the Board deems necessary to exercise such powers and discharge such functions as may be delegated to it under these rules, namely:

[a] an Executive Committee consisting of :-

(i) The *Secretary, Coffee Board* shall be the ex-officio Chairman of the Committee.

(ii) the Vice-Chairman

(iii) the members representing the Government of Karnataka

(iv) two of the three members representing the Government of Tamilnadu, Kerala and Andhra Pradesh, sitting on the Committee by rotation for each year beginning with the representatives of the Government of Tamilnadu and Kerala.

(v) An eminent scientist from a Research institute or an Agricultural University or an eminent personality on marketing management or promotion of coffee.

(vi) Five other members appointed by the Board by election, of whom one shall be a Representative of the interest of coffee growing states (other than 4 members from coffee growing states mentioned in Rule 3 (2) (A) one representative of labour and not more than two being representatives of growers.

- (b) a Propaganda Committee consisting of
- (i) the *Secretary, Coffee Board* who shall be the ex-officio Chairman of the Committee
 - (ii) the Vice-Chairman
 - (iii) the member representing interests of manufacturers of instant coffee; and five other members appointed by the Board by election of whom one shall represent the interests of consumers, one represent trade and one represent labour and two members to represent the growers. Provided that the Director of Propaganda shall attend all meetings of the Propaganda Committee and participate in its proceedings but shall have no right to vote.
- (c) A Marketing committee consisting of
- (i) The *Secretary, Coffee Board* shall be the ex-officio Chairman of the Committee
 - (ii) the Vice-Chairman
 - (iii) two members representing curing establishments
 - (iv) the two members representing consumers
 - (v) the members representing the manufacturers of instant coffee;
 - (vi) one member who shall be an eminent-scientist from a Research Institute or an Agricultural University or an eminent personality in marketing, management or promotion of coffee.
 - (vii) nine other members appointed by the Board by election, of whom six shall be representative of growers/State Plantation Corporation and two being representative of coffee trade and one being a representative of labour.
- provided that the Chief Coffee Marketing Officer shall attend all meetings of the Marketing Committee but shall have no right to vote.
- (d) a Research Committee consisting of:
- (i) The *Secretary, Coffee Board* shall be the ex-officio Chairman of the Committee
 - (ii) the Vice-Chairman;
 - (iii) the member representing the Government of the State of Karnataka
 - (iv) the member representing the Government of the State of Tamilnadu

- (v) the member representing the Government of the State of Kerala
- (vi) the member representing the Government of Andhra Pradesh
- (vii) one of the member representing the interests of coffee growing states other than State of Karnataka, Tamilnadu, Kerala and Andhra Pradesh to be appointed by the Board by election.
- (viii) seven other members appointed by the Board by election of who three shall be from the State of Karnataka.

Provided that the Director or Research shall attend all meetings of the Committee and participate in its proceedings but shall have no right to vote.

(e) A Development Committee consisting of:

- i. the *Secretary, Coffee Board* shall be ex-officio Chairman of the Committee;
- ii. the Vice – Chairman;
- iii. A member representing the interests of coffee growing States other than Andhra Pradesh, Karnataka, Kerala and Tamilnadu to be appointed by the Board by election;
- iv. four members representing small growers to be appointed by the Board by election;
- v. two members representing large growers to be appointed by Board by election;

The member representing the Government of Andhra Pradesh

Provided that the Development Officer and Director of Research shall be invited to attend all meetings of Committee and participate in all its proceedings but shall have no right to vote.

(f) A Coffee Quality Committee consisting of:

- i. the *Secretary, Coffee Board* shall be the ex-officio Chairman of the Committee;
- ii. the Vice-Chairman
- iii. five members to be appointed by the election, of whom one shall represent the interest of coffee curing establishments, one to represent the interests of coffee trade and three to represent the coffee growers;
- iv. the member representing interests manufacturers of instant coffee;

Provided that the Chief Coffee Marketing Officer and Director of Research Shall be invited to attend all meetings of Committee and participate in all its proceedings but shall have no right to vote.

(2) **Sub-Committee** : A Committee appointed by the Board may appoint a Sub-Committee from among its members for enquiring and reporting on any specified subject or any other purpose within the scope of the functions allotted to it by the Board. Such Sub-Committee shall have no statutory powers.

(3) The Chairman of any Committee appointed by the Board may require any officer of the Board or invite any person or persons to attend any meeting of the Committee but such officer or persons shall have no right to vote.

(3) **Functions of Committees** : (a) **Propaganda Committee**: Subject to such restrictions as may be imposed by the Board, the Propaganda Committee shall discharge all the functions of the Board in regard to such measures as may be undertaken for promoting the sale and increasing the consumption in India and elsewhere of coffee produced in India.

(b) **Marketing Committee** : Subject to such restrictions as may be imposed by the Board the Marketing Committee shall discharge all the functions of the Board in regard to the Coffee Marketing Scheme as set forth in the Act and the Rules.

(c) **Research Committee** : Subject to such restrictions as may be imposed by the Board, Research Committee shall discharge all the functions of the Board in regard to the promotion of agricultural and technological research in the interest of the coffee industry in India.

(d) **Executive Committee** : The Executive Committee in addition to such functions as have been specifically assigned to it under these rules, discharge any other functions of the Board in regard to matters not specifically assigned to the Propaganda, the Marketing or the Research Committee or any other Committees which may be constituted by the Board.

(e) **Development Committee** : Subject to such restrictions as may be imposed by the Board, the Coffee Development Committee shall discharge all the functions of the Board in regard to measures that may be undertaken for the development of small holdings of coffee estates.

(f) **Coffee Quality Committee** : Subject to such restrictions as may be imposed by the Board, the Coffee Quality Committee shall discharge all the functions of the Board in regard to improvement in the quality of the coffee produced in India.

19. **Power to call Committee Meetings** : (1) The Chairman of a Committee may, at any time, call a meeting of his Committee and shall do so, if a requisition for that purpose is presented to him by atleast half the total number of members of the Committee.

(2) At least ten clear days before the date of any meeting of a Committee, notice of the time and place of the intended meeting, signed by the Chairman of the Committee or the Secretary to the Board, shall be sent to the Government of India (in the appropriate ministry) and left at or posted to address of every member of the Committee

Provided that in case of an emergency, a special meeting may be summoned, at any time, by the Chairman of the Committee who shall inform, in advance the Government of India (in the appropriate Ministry) and Members of the Committee, of the subject matter for discussion and the reasons for which he considers the matter to be urgent. No ordinary business shall be transacted at such special meeting.

- 20. Quorum :** No business shall be transacted at a meeting of a Committee unless there are present half the number of members constituting the Committee including the Chairman if present or the next lower whole number where the Committee consists of an odd number of members including the Chairman.

(2) If at any meeting the number of members present is less than the required quorum, the person presiding shall adjourn the meeting to a date not later than 3 days from the date of the meeting informing the members of the Committee of the date, time and place of the adjourned meeting; and it shall thereupon be lawful to dispose off at such adjourned meeting the business intended to be transacted at the original meeting, irrespective of the number of members of the Committee present.

- 21. Absence from meetings of a Committee :** Any member of a committee absenting himself from two consecutive meetings without leave of the Chairman and, in any case, from three consecutive meetings shall cease to be a member of the Committee.

- 22. Filling of casual vacancies :** (1) Any casual vacancy on a Committee shall be filled by the remaining members of the Committee from amongst the members of the Board at the next meetings of the Committee.

(2) A person appointed in a casual vacancy shall hold office so long as the member whose place he fills would have been entitled to hold office, if the vacancy had not occurred.

Provided that when a member goes on leave, the person co-opted shall hold office, until the member returns from leave.

23. Presiding over Committee Meeting : The Chairman of a Committee shall preside at every meetings of the Committee, at which he is present, if he is absent; the Vice-Chairman, if he is a member of the Committee, or the member nominated by the Chairman shall preside; but if the Chairman of the Committee or the Vice-Chairman or the member so nominated is absent, the member present at a meeting shall elect on of their member to preside at that meeting.

24. Agenda : The Chairman of a Committee shall cause to be prepared and circulated to the Government of India (in the appropriate Ministry) and among members of the Committee at least seven days before a meeting of the committee, a list of business to be transacted at that meeting.

(2) No business not in the list of business shall be taken up without the permission of the *Secretary*.

25. Business by Circulation : (1) Questions which Committee is required to take into consideration shall be referred, to the members of the Committee either at its meetings or by circulation of papers, if the Chairman of the Committee so directs and copies of all papers so placed at the meetings or so circulated to members shall be sent to the Government of India (in the appropriate Ministry)

(2) any proposal or resolution so circulated and approved by the majority of members who have recorded their views in writing shall be as effectual and binding as if such proposal or resolution were decided by a majority of votes at a meeting.

Provided that -

(a) at least a majority of the members of Committee have recorded their views on the resolution or proposal;

(b) the paper need not be sent to any member who is absent from India;

(c) the Chairman of the Committee shall have the power to require any such decision to be placed before the Board for its consideration and the implementation of the Committee's decision shall be deferred till the matter is considered by the Board.

(d) When a question is referred to by circulation of papers, any two members of the Committee may require that the question be considered at a meeting of the Committee and thereupon such subject shall be included on the agenda for the next meeting of the Committee.

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

- (4) If a resolution or proposal is circulated the result of the circulation shall be communicated to all the members and to the Government of India (in the appropriate Ministry)
- (5) All decision on questions arrived at by circulation of papers shall be placed at the next meetings of the record.
- 26. Voting :** (1) Every question at a meeting of Committee shall be decided by a majority of the members present and voting on that question .
- 27. Record of Business :** (1) A record shall be maintained by the Secretary to the Board of items of business transacted by the Board and of Committees thereof and copies of such records shall be submitted to the Central Government.
- (2) The recorded of business transacted at every meetings of the Board and of the Committees shall be signed by the Chairman or the member presiding at such meetings.
- (3) When any business is transacted by circulation of papers a record is the business so transacted shall be signed by the Chairman of the Board or the Committee as the case may be directing the circulation.
- 28. Travelling and other allowances to members of the Board and its Committees :** (1) A member of the Board or any committee other than a Government servant shall be entitled to draw in respect of any journey performed by him for the purpose of attending a meeting of the Board or of a duly constituted Committee thereof or for the purpose of discharging any duty assigned to him by the Board or the Committee concerned, Travelling allowance and Daily Allowance at the highest rates admissible to Government Servants of the first grade under the rules and orders made by the Central Government and for the time being in force.
- (2) In case of any journey performed by an official of the Central or the State Government especially nominated by the Board to serve on any adhoc Committee or any other Committee or to attend to any other business of the Board, the Travelling and Daily Allowance admissible to him shall be payable by the Board, at rates admissible to him under the rules of the Government under which he is for the time being employed.
- (3) No travelling or Daily Allowance shall be allowed to a member of the Board or of any committee unless he certified that he has not drawn any Travelling or Daily Allowance from any other source in respect of the journey and halt for which the claim is made.

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

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

Provided further that in special circumstances and with the previous approval of the Central Government, the Chairman may grant Travelling Allowance from places for the than usual place of residence of a member.

Conveyance Allowances : No Conveyance Allowance for attending meetings of the Board or any of the Committees of any other business of the Board, shall be paid to those members of the Board or any of the Committee who draw Travelling or Daily Allowance;

Provided that a member of the Board or the Committees who is resident at place where meeting of the Board or any of the Committees is held or where any other business of the Board is transacted, may be paid the actual expenditure incurred on conveyance by him subject to maximum of Rs.10 per day.

29. Revision : (1) The Central Government may, for reasons to be recorded in writing, review any decision of the Board or its Committees and pass such order in the matter as it thinks fit.

(2) A copy of such order of the Central Government shall thereupon be sent to the Board or the Committee concerned, as the case may be, by the Central Government.

(3) On receipt of a copy of the order as aforesaid, the Board or the Committee, as the case may be, may make a representation to the Central Government against the said order and the Central Government may after considering the said representation, either cancel, modify or confirm the order passed by it under Sub-Rule (1) or take such other action in respect of the matter as may in the opinion of the Central Government be just or expedient, having regard to all the circumstances of the case.

CHAPTER IV

The Board and its establishment

- 30. Salaries and Allowances :** The salaries, allowances, pension, leave and other contributions, if any, of the Chairman and other officers appointed by the Government under Section 9 shall be met from the Board's funds.
- 31. Board's Establishment :** (1) The Board shall, from time to time, subject to scrutiny at budget stage, sanction such other establishment as is not covered by Section 9 and may, lay down the method of recruitment, the conditions of service, the pay and allowances of all such officers and servants to be employed by it provided that the Board shall not without the previous sanction of the Central Government, create any post maximum salary of which exceeds. Rs.5,000/- per mensem in the case of technical posts and Rs.4,500/- per mensem in the case of non-technical posts or make appointments thereto or frame recruitment rules thereof.

Provided also that the confirmation of direct recruit in a post, the maximum salary of which exceeds Rs.1,300/- per mensem in a key post identified by the Board in consultation with the Central Government shall be made with prior approval of the Central Government.

Provided further that in case of exigencies, temporary posts which would need to be created in the interests of Board and the maximum salary of which posts does not exceed Rs.5,000/- per mensem in the case of technical posts and Rs.4,500/- per mensem in the case of non-technical posts may be created by the *Secretary* and appointments against them be made by the *Secretary* or other officers of the Board as hereinafter specified.

(2) All posts in the Board shall be filled in accordance with the rules made by the Central Government from time to time.

(3) Posting and Transfer : Postings and transfers of all officers and servants of the Board shall be made by the *Secretary* who may delegate this power subject to such conditions as he thinks fit to the other officers of the Board.

(4) Pay, Leave and allowances including Travelling allowances :

The pay, leave and allowances including travelling allowances, advances and all other conditions of service of the officers and employees appointed by the Board shall be regulated in accordance with the rules applicable to the Central Government officers and employees from time to time.

4-A. The Secretary may grant leave and advances to all such employees and may also delegate this power to the officers of the department subject to such conditions as he thinks fit.

(5) Penalties : (1) The following penalties may for good and sufficient reasons be imposed on the officers and servants of the Board, namely:-

(a) censure:

(b) recovery from pay of the whole or part of any pecuniary loss caused to the Board by negligence or breach of orders:

(c) with holding of increments or promotion;

(d) reduction to a lower rank in the seniority list or to a lower post or to a lower stage in a time-scale;

(e) removal;

(f) dismissal;

(g) compulsory retirement

(ii) the *Secretary* may impose any of the said penalties in respect of all officers and servants whom he is empowered to appoint and may delegate the powers under this rules officers under him such extent as he deems fit.

(iii) the *Secretary* may impose any of the penalties specified in Sub-Clause (a) in Sub-Clause (i) on other officers and servants of the Board and also on officers mentioned in Section 9 but shall intimate the action taken by him in this regard in respect of the letter to the Government of India in appropriate Ministry.

(iv) the Board may impose the penalties specified in Sub-Clause (b) to (g) of Clause (i) in respect of the officers and servants appointed by it and may delegate these powers to the Executive Committee to such extent as it deems fit subject to the conditions, namely-

(a) that no person shall be removed or dismissed from or reduced in the office, the maximum salary of which exceeds Rs.1,300 per mensem without the sanction of the Central Government.

(b) that no person shall be removed, dismissed or reduced by an authority lower in ranks than the authority empowered to appoint him substantively to the post he holds;

(c) that no person shall be removed, dismissed or reduced without giving him reasonable opportunity to show cause against such action;

(d) that these powers shall not be exercised in respect of officers mentioned in Section 9 and permanent Government officers transferred to the Board.

Provided that no punishment shall be inflicted on Government officers lent to the Board except by the Government concerned.

(6) The Board may delegate its powers under this rule to the Executive Committee.

31A. Person cum – gratuity benefits to employees of the Board :

Every employees of the Board, other than an employee who is on deputation to the Board, shall be entitled to pension and death-cum-retirement gratuity (including family pension, extraordinary pension and commutation pension) at such rates and under such conditions as are prescribed in the Liberalised Pension Rules and the Family Pension Scheme for central Government Employees, 1964 as amended from time to time or such other orders of the Central Government regulating grant of pension and gratuity to its employees of the corresponding grade.

Provided that any such employee who was in the service of the Board before the 1st April 1963, and is continuing in such service on the 18th January 1965, may, within three months from the date last mentioned, opt, in writing, for the benefits of the Coffee Board Provident Fund Scheme, in which case nothing in this rule shall apply to such employee;

Provided further that where the contributory Provident accounts of any person who was in the service of the Board on the 1st April 1963, and who ceased to be in such service after that date but before the 18th January 1965, due to retirement on superannuation or death have not been settled before the date last mentioned then, such person shall be deemed to have opted to be governed by this rule.

Provided further that where a person, who was in the service of the Board on 1st April 1963 but has ceased to be in the said service before the 18th January 1965 and whose provident fund accounts have been settled in agreeable to refund to the Board the Board's contribution paid to him, such person shall also be deemed to have opted for pension.

Explanation : In this rule and in rule 31 (B) (i) "liberalised Pension Rules" means the Liberalised Pension Rules of the Central Government, for the time being in force, regulating the grant of pension and gratuity to its employees.

[] (ii) "Family Pension Scheme" means the Family Pension Scheme 1964 of the Central Government for the time being in force, regulating the grant of family pension to the persons entitled thereunder.

[] ["31B-Notwithstanding the provisions of Rules 31-A if in the case of an employee of the Board who comes under the purview of the Employees' Provident Funds, and Family Pension Fund Act 1952 (19 of 1952), the amount payable to him upon his ceasing to be the employee of the Board by way of pension or Death Cum-Retirement Gratuity under the Liberalised Pension Rules be less than the amount that shall be payable if he were a member of the Employees' Provident Fund Scheme, the Board shall pay the different to the member as compensation out of the Pension Fund, such payments may be sanctioned by the Chairman."]

CHAPTER V

Finances and Account of the Board

- 32. Power to incur Expenditure :** (1) Subject to the Provisions of the Act and the rules, the Board may incur such expenditure as it may think fit and write off losses or waive recoveries upto **Rs.10,000** for losses due to theft, fraud and negligence and **Rs.20,000** for other cases in any single case.

Provided that save with the previous sanction of the Central Government, no expenditure shall be incurred which is in excess on the allotment under any head in the budget sanctioned by the Government;

Provided further that the Central Government may by standing instructions permit such expenditure generally within limits that may be laid down by it.

(1) (a) The Board may delegate the powers under Sub-Rule (1) to the Chairman or any of its committees or its officers.

(2)(a) Re-appropriations within and between the head of expenditure specified in sub-clause (i) to (vi) of clause (g) of sub-rule (2) of Rule 33 may be made by the Board and the Board may delegate its powers in this behalf to the Chairman or to any of its Committees to such extents as it may think fit.

(b) Re-appropriations within and between the other heads of expenditure shall not be made save with the previous sanction of the Central Government or within such limits as may be laid down by its in this behalf.

(3) Subject to such restrictions as may be imposed by the Board the Executive Committee shall exercise all powers of the Board in regard to the control and disposal of the General Fund and the Marketing Committee shall exercise all powers of the Board in regard to the control and disposal of the Pool Fund; other Committee shall also exercise all powers of the Board in regard to the control and disposal of such fund as are placed by the Board at their disposal.

33. Budget Estimate: (1) The Board shall in each year prepare a budget for the General Fund for the ensuing financial year and shall submit it for the sanction of the Central Government on or before such date as may in this behalf be appointed by that Government.

(2) The budget shall be in such form as the Central Government may direct and shall include a statement of:-

- (a) the estimated opening balance
- (b) the estimated receipts from the Custom Duty on all coffee levied under Section 11
- (c) the estimated receipts from issue of licences and from other sources
- (d) loans received from Central Government under **Rule 38A**
- (e) recovery of loans granted under Rule 38-B;
- (f) interest of other charges on loans;
- (ff) recovery of advances granted under sub-rules **(4A) to (4D) or Rule 31**
- (g) the proposed expenditure classified under the following heads or such other heads as the Central Government may direct namely :

- i. Administration of the Board,
- ii. Development,
- iii. Research,
- iv. Propaganda,
- v. Publicity in India,
- vi. Publicity outside India,
- vii. Labour welfare,
- viii. Pension,
- ix. Works,
- x. Payment of advance under Sub-rule (4A) to (4D) of Rule 31,
- xi. payment of loans granted under rule 38-B,
- xii. interest or other charges on loans taken from the Central Government
- xiii. repayment of loans taken from the Central Government,
- xiv. others.

(3) The Proposed expenditure under each head shall be further classified under the following Sub- heads.

- (i) Pay of Officers
- (ii) Pay of Establishment
- (iii) Allowances, honoraria etc
- (iv) Other charges, contingencies etc

(4) Supplementary estimates of expenditure, if any, shall be submitted for the sanction of the Central Government in such form and on such dates as may be directed by it in this behalf.

- (5) The High Commissioner for India may function as Agent of the Board for promotion of sale of coffee in the United Kingdom, and may be authorised by the Board to incur such expenditure as he deems fit subject to the budget provision for the purpose. He shall be supplied with funds by the Secretary by remittance from the General Fund Account, before the close, of each year he shall prepare budget estimates for the ensuing year showing the opening balance, receipts expenditure and closing balance and send them to the Secretary for adoption by the Board and submission to the Central Government for approval.

34. Accounts of the Board:- The Board shall maintain separate accounts for the General and Pool Funds.

- (1) **General Fund:-** (i) In respect of General Fund relating to each year for which budget estimates are prepared, the Board shall maintain accounts of receipt and expenditure in such form as may be prescribed.
- (ii) The audited statement of receipts and expenditure for each period together with the auditor's report therein shall be submitted to the Central Government.
- (iii) After the close of each year, the High Commissioner shall send to the Secretary and audited account of his receipt and expenditure. The Secretary shall place the statement before the Board and afterwards transmit it to the Central Government.
- (v) The accounts of the receipts shall be shown under the following heads:-
- a) Moneys received under Section 13(1);
 - b) Moneys received and the Provision to Section 32 (2);
 - c) Loans received from the Central Government under Rule – 38A;
 - d) Recovery of loans granted under Rule 38-B;
 - e) Interest or other charges on loans;]
 - f) Fees levied and collected by the Board under the Act]
 - ff) Recovery of advance granted under Sub-rules (4/a) to (4D) of Rule 31;]
- (vi) The opening balance if any, shall also be stated as such separately;
- (vii) Accounts of expenditure shall be shown under the following heads:-
- a) Administration of the Board.
 - b) Measures taken for promoting the cultivation and curing and/or processing of Indian Coffee.
 - c) Measures taken for promoting the sale and increasing the consumption in India and elsewhere of India Coffee.

- d) Measures taken for promoting agricultural and technological research in the interest of coffee industry in India.
 - e) Statistics.
 - f) Grants under Section 31 (2)(c) and (e),
 - g) Payment of loans granted under Rules 38-B,
 - h) Repayment of loans taken from the Central Government under Rule 38-A.
 - i) Payment of interest or other charges on loan.
 - j) Miscellaneous.
 - jj) Payment of advances under Sub-rules (4A) to (4D) of Rules 31;
- viii) The closing Balance of the year shall be shown at the foot of the accounts of the expenditure side.

2. Pool Fund : (1) The accounts of the Pool Fund shall be maintained separately for each, season and in such form as the Board may direct and shall show inter alia -

- a) The amount realised on account of the sale of coffee from surplus pool.
 - b) The total sum distributed to registered owners,
 - c) The expenditure on account of curing coffee received in the surplus pool,
 - d) The amount spent in purchasing coffee from registered owners.
 - e) []
 - f) Expenditure on account of the administration of the surplus pool for which budget estimates are prepared and got approved by the Board, and
 - g) Expenditure on account of the marketing of coffee deposited in the surplus pool.
- (2) The audit report on the account of the Pool Fund together with the explanatory notes shall be put up to the Board for approval.

35. Deposit of Funds of the Board in Banks and the Investment of such Funds :

(1) Money required for current expenditure of the Board with exception of petty cash and surplus moneys shall be kept in an current account in such Banks as the Central Government may approve.

(2) Any funds not required for Current Expenditure of the Board may be placed in deposit with the Central Government in public Account of India or invested, with the State Bank of India, its subsidiaries or any other nationalised bank and such funds of the Boards as are not derived from the Central Government grants or from the Collection of (Duty of Customs referred to in Section 11) of the Act may also be deposited with such other banks as may be approved by the Central Government for this purpose. Provided that the moneys in the Board's Provident

fund and Pension fund not required for current expenditure may be invested in any of the Government Securities or kept deposit with the State Bank, its subsidiaries or any other nationalised banks. Explanation for the purpose of this sub-rule 'Nationalised Bank' means of corresponding new banks as defined in the Banking Companies (Acquisition and transfer of undertakings) Act, 1970 (5 of 1970).

(3) The placing of the money in deposit with the Central Government or in any of the banks referred to sub-rule (2) shall require the sanction of the *Secretary*.

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

(5) The cheque referred to in Sub-Rule (4) and all orders for making deposits or investments or for the withdrawal of the same or for the disposal in and other manner of the General Pool Funds of the Board shall be signed;

(i) in respect of the General Fund by the Chief Accounts Officer or any other officer duly authorised by the Board in this behalf and countersigned by the *Secretary* or any other officer duly authorised by him.

(ii) in respect of the Pool Fund by the Chief Accounts Officer or any other officer duly authorised by the Board in this behalf and countersigned by the *Secretary* or any other officer duly authorised by him.

(6) The *Secretary* may also authorise withdrawal from the General or Pool Fund account for opening subsidiary current account in Banks approved by the Central Government in the official designation of the Director of Research or any other officer authorised by the Director of Research or other Marketing Officers to enable them to make payments.

36. *Contracts* : *The Secretary may enter into contracts for the discharge of the duties entrusted to him subject to the provisions of the General Financial Rules of the Central Government as amended from time to time.*

Provided that every contract which involves expenditure in excess of fifty lakh rupees shall require the previous sanction of the Central Government.

36-A. *Financial Transactions in General* : Except as otherwise provided in these rules the provisions of the Central treasury Rules and the General Financial Rules of the Central Government shall, as far may be and subject to such modifications or adoptions as may be made by the Board therein, apply to all financial transactions of the Board".

CHAPTER VI Powers of the Board and its Chairman

- 37. Restriction on Delegation of Powers:-** The Board shall not delegate any of the following powers to the Committees:-
- a) the power to sanction non-recurring expenditure in excess of Rs.2,00,000 in respect of any single item and recurring expenditure which involves an outlay of more than Rs.2,00,000 in a year (on any single item)
 - b) the power to adopt the budget estimates of the Board on its behalf;
 - c) the power to sanction expenditure to be incurred outside India in excess of Rs.10,000 in respect of any single item;
 - d) the power to re-appropriate estimated savings in excess of Rs.20,000 in the case of any single item ; and
 - e) the power to write off or waive recoveries in excess of Rs.10,000 in any case.
- 38. Borrowing Powers:-** The Board shall have power to take money on loan from a bank or banks approved by the Central Government against the securities held by such banks on behalf of the Board or against the security of Pool Fund or on the security of the coffee delivered or treated as delivered for inclusion in the surplus pool for purposes for which it is authorised to expend money from the General Fund or the Pool Fund upon the following conditions namely:-
- (a) no such loan for the General Fund or the Pool Fund shall be taken without the matter being placed before the Executive Committee of the Board in respect of a loan obtained for the General Fund and before the Marketing Committee of the Board in respect of a loan obtained for the Pool Fund;
 - (b) every such loan shall be repaid with two years from the date on which it was taken; and
 - (c) the total of such loans outstanding at any one time shall not exceed rupees. Two hundred Seventy Five Crores.
- 38-A** The Board shall also have power to take money on loan from the Central Government on which terms and conditions as may be determined by the Board and said Government for the purposes for which it is authorised to expend money from the General Fund under Clauses (b) to (d) of Sub-Section (2) of Section 31;
- Provided, however, that no such loan shall be taken without the matter being placed before the Executive Committee.

(2) The amount borrowed as aforesaid shall be credited to the General Fund.

38-B (1) The Board may on such terms and conditions as may be laid down by it from time to time and approved by the Central Government.

(a) lend moneys to registered owners, to planters, pulping co-operative societies and to co-operative societies for processing or curing coffee, and

(b) purchase shares in the societies referred to it Clause (a)

(2) The Board may delegate its powers under Sub-Rule (1) to the (Development Committee) the Chairman or any officer of the Board to such extent and upon terms as may be fixed by it.

38-C (1) The Board may fix a schedule for each year for payments to be made under Section 34 for coffee delivered by any registered owner for inclusion in the surplus Pool and may, on the request of any registered owner, make any payment in advance of the date when it falls due under the schedule so filled, but in the case of any such advance payment to a registered owner, he shall be required to pay interest at such rate as may be determined by the Board until such payment falls due in accordance with schedule.

(2) The advance or accelerated payment so made (together with interest due thereon) shall be first charge upon the moneys incoming into the hands of the Board at the credit of the registered owner (guarantee of this aid) and shall be recoverable there from by deduction and appropriation.

39. Powers of the Chairman:- *The Chairman shall preside over the meetings of the Board.*

39A (1) *The Secretary shall –*

a) be the chief executive officer of the Board and shall have administrative and financial power and control over all departments and officers of the Board;

b) sanction expenditure for contingencies, supplies and services and purchase of articles required for the working of the office of the Coffee Board ;

c) be responsible for implementation of all Schemes of the Coffee Board ;

d) exercise such administrative and financial powers as may be necessary for the smooth functioning of the Coffee Board ;

e) issue receipts on behalf of the Board for all moneys received under the Act;

- f) *cause all important papers and matters to be presented to the Board as early as practicable ;*
- g) *maintain a proper record of the proceedings of the meetings of the Board and decisions of those meetings ;*
- h) *issue direction as to the method of carrying out the decisions of the Board ;*
- i) *be responsible for preparation of draft annual report on the working of the Board and its submission to Central Government after approval by the Board on a date not later than the date specified in this behalf by the Central Government ;*
- j) *attend all the meetings of the Board and assist Chairman in implementing the decisions of the Coffee Board ;*
- k) *have power to inspect by himself or by any officer of the Board authorized by him in his behalf or appoint agents for the purpose of inspecting any registered estate or licensed curing establishment or any place where coffee is stored or exposed for sale and to examine the books of any such estate or establishment or place ;*
- l) *have power to check the composition blends manufactured by different roasters and to issue certificates to them indicating the composition and to inspect himself or to authorize his subordinate officers to inspect any roasting establishment and to examine accounts and records of any such establishment and to collect samples of blends for inspection ;*
- m) *have power to issue a permit for the re-importation of Indian coffee to India;*
- n) *have power to issue licenses to curing establishment ;*
- o) *have power to require the Board or any committee to defer taking action, pending a reference to the Central Government, on any decision and*
- p) *have power to sanction honorarium for meritorious work or special item of work forming a part of one's official duties in accordance with rules or instructions made by the Central Government in this behalf.*

(2) The Secretary may, for the purpose of carrying out the functions of the Board, assign duties to the officers and employees of the Board.

(3) In addition, the Secretary shall have such powers as may be delegated to him by the Central Government or the Board or Chairman in accordance with provisions of the Act.

Provided that where a matter has to be disposed of by the Board or a Committee and the decision cannot wait till a meeting of the Board, or the appropriate committee, as the case may be, is held or till completion of circulation of papers, the Secretary may take a decision himself and after taking decision thereon, he shall formally place the decision so taken before the Board or the Committee, as the case may be”.

CHAPTER VII Marketing & Licensing

40. Purchasing and Selling Coffee by the Board in the internal market : The Board may, and if so directed by the Central Government shall purchase coffee from the Indian Market, when the Board, or as the case may be the Central Government is satisfied.

(i) that the amount of coffee available for sale in the Indian market exceeds or is likely to exceed the estimated demands the Indian market to such an extent as to cause or threat a serious fall in prices ; or

(ii) that there is not enough coffee of the kind or quality in the surplus pool to enable the Board to fulfil the demands for the export of coffee.

2) The Board may release coffee from the surplus pool for sale in the Indian market in its discretion and shall do so:-

(i) When it is satisfied that the amount of coffee available in the internal market according to its kind and quality falls short of the requirements of the Indian market ; or

(ii) When necessary directions are issued by the Central Government.

(iii) ["The Board shall sell the coffee from the surplus pool by common Auction for internal market and for export purpose at such intervals and on such dates as the Board may fix in this regard.

Provided that the interval between any two auctions, except with the prior approval of the Central Government, shall not exceed thirty days"]

41. Appointment of Agents : The Board may appoint any person or body of persons to act as its agents for all or any of the following purposes: namely:-

a) Marketing of coffee in the Indian market for export

b) Storing of coffee which is in the custody of the surplus pool

- c) Supervising the curing of coffee by licensed curing establishments and the deliveries of cured coffee by such curing establishment to the surplus pool.
- d) collecting of coffee from planters for delivery to the surplus pool; and
- e) Making payments from the funds received from the Board to planters on coffee delivered.

42. Remuneration to Agents : The Board shall fix the remuneration to be granted to the agents for the services rendered by them.

43. Licence for sale of Uncured Coffee from an Estate : The Licence to be issued by the Board for the sale of uncured coffee for the whole amount of coffee covered by free sale quota of the estate or for any lower quantity shall be in Form A. No fee shall be payable for the licence".

44. Export of Coffee : (1) The Board may authorise the export of coffee under Section 20 under such terms and conditions as it may deem fit in any of the following cases, namely:

- (i) [coffee sold by the Board in pursuance of its functions under Section 26;
- (ii) roasted or prepared coffee .
- (iii) "coffee of free sale quota allotted to the estate under Section 24.
- (iv) coffee exempted from inclusion in the surplus pool under the second proviso to sub-section (1) of Section 25".]

(2) The Board shall issue orders for the export of coffee and permits for re- importation of exported coffee in Forms C and D respectively.

45. Licensing of Curing Establishment:- (1) An application by curing establishment for a licence under Section 28 shall be accompanied by a fee of rupees five.

Provided that the Board may exempt from payment of licence fee any estate which hulls its own coffee on the estate.

(2) (i) A licence to operate as curing establishment shall be in Form E and subject to such conditions as may be specified therein.

(ii) The Board may, at any time, after giving a reasonable opportunity to the curing establishment to be heard, cancel a licence, if it is satisfied that the curing establishment has committed a breach of the provisions of the Act or of these rules or of the conditions of licence issued.

- (3) Licence issued by the Board under Section 24 or Section 28 shall be in numbered forms of which counterfoil shall be maintained by the Board. Such licence shall not be transferable.
- (4) Every curing Establishment shall at such times or at such intervals as may be required by the Board send by registered Post to the Board statements showing the amount of cured coffee sold by its on behalf of each estate with which it was dealing for the year as defined in Clause (n) of Section 3 and such other particulars as may be prescribed.

CHAPTER VIII

Miscellaneous

46. [Returns from registered estates : Every estate owner, subject to the provisions of sub-section (1) of section 14 shall, in respect of ach estate owned by him, send by hand delivery or by registered post to the Board, :-

- a) before 31st December of each year, a return in Form B describing therein the required information. If a [free] sale quota is allotted for a Crop Season by the Board, the estate shall state whether it desires to have a licence for the sale of uncured coffee and if so the quantity for which such licence is required,
- b) only from such registered owners as are required to do so by the Board before 31st July each year, a return in Form H,
- c) before 31st July of each year return in Form I.

47. Inspection of Records by Growers:- (1) a registered owner shall be entitled on application to be Board at any time during business hours to inspect entries in so far as they relate to the estate of which he is the owner and in respect of which application is made in all or any of the following books :

- (a) Register of growers
- (b) Register of estates
- (c) Pool Fund account

(2) On payment on such copying charge (as is prescribed below), any registered owner shall be entitled to obtain copies of any entries which he is entitled to inspect under Sub-Rule (1) Such entries shall be certified as correct by an official of the Board authorised in this behalf.

[Rs.2 for each application for copies of records for the current year and Rs.3 for each application for copies of the records of each of the previous years]

- 47-A. Inspection of Records by Dealers:-** The Board may, on receipt of such charges as it may fix also grant any dealer participation, in export pool or local sales copies of account of coffee secured by him in export, pool and local sales. Such entries shall be certified as correct by an official of the Board authorised in this behalf.]
- 48. Re-delegation of Powers:** The powers delegated to the Chairman, any Committee or any of its officers may, with the previous approval of the Board, be further delegated by the Chairman or such Committee or officers to any other officers.
