

RESEARCH DEPARTMENT

ORGANISATION AND CONTROL

History of the Department

1. The Indian Coffee Market Expansion Ordinance 1940 as amended by the Coffee Act (VII) of 1942 and the Coffee Rules 1955, envisaged prosecution of technological research by the Coffee Board for the improvement of the industry by the dissemination of the results of research to the planters.

2. The Research Department of the (then Indian) Coffee Board came into being when the Indian Coffee Market Expansion Board financed the Coffee Quality Scheme, which was originally sponsored and subsidized by the Imperial (now Indian) Council of Agricultural Research. The Coffee Research entered into a new phase with the transfer in 1946 of the Coffee Experimental Farm in Balehonnur to the (then Indian) Coffee Board. Since then the scope and the activities of the Research department of the Board have considerably expanded.

3. Under the Act, a Research Committee is constituted every year in accordance with Section 7 of the Coffee Act and Rules 18(d) of the Coffee Rules. It discharges all the functions of the Board in relation to promotion of agricultural and technological research in the interest of the Coffee industry in India.

4. The Research Department of the Coffee Board was constituted as a separate department in 1946. It has its administrative headquarters and the main Research Station at Balehonnur (Karnataka State) where research on fundamental and applied problems of coffee is conducted and the results of such investigations, translated to pot, plot and field trials for standardization and dissemination to the planting community. The research work is dissemination to the planting community. The research work is carried out in the disciplines of Agronomy, Botany, Chemistry, Plant Physiology, Entomology and Plant Pathology.

5. In the Sub-Station at Chethalli (Coorg) where the results of fundamental research at Balehonnur, are implemented and demonstrated

field and zonal problems of importance to Coorg and neighbouring South West Zone are also investigated.

6. The Liaison Staff located in the various Coffee Zones, act as a link between the Research Stations and the planting Community and help in disseminating the results of research, in conducting on the spot field scale trials, in private holdings both for demonstration and exploration and bringing to the Research Department the zonal and overall problems of these several areas.

A- RESEARCH WING

Organisation

7. The organizational set up of the Research Department as on 1-7-1977 is at *Appendix I*.

8. The activities of the department may be broadly classified into (i) Administration and (ii) Research.

9. Chairman:- The Chairman of the Board as the Principal Executive Officer of the Board exercises administrative control over the department and the officers.

10. Director of Research:- The Director of Research is appointed by the Executive Committee of the Board subject to the approval of the Govt. of India. He has his headquarters at the Central Coffee Research Institute, Balehonnur, and is the Chief Officer of the Research Department.

11. He is responsible for the administration of the department, the husbanding and channeling resources, financial and otherwise, for the timely and proper execution of plans and programmes as approved by the Research Committee and the Board, subject to the overall administrative control of the Chairman. In particular, he is responsible for:-

- (a) Planning and guiding of research;
- (b) Planning, directing and co-ordination of all works, exploratory, demonstration, methods and test trials, plant protection etc., in the various Liaison divisions;
- (c) Co-ordination of work of the different Research, Extension and Development Wings ;
- (d) Contacts with planters and collection and study of their problems;
- (e) Contacts with State and Central Governments through the chairman, Coffee Board ;
- (f) Control over expenditure under General Fund (Research) within budget provision;
- (g) Correspondence with the board and the State Governments on policy matters, and
- (h) Representing the Board on technical and scientific institutions.

12. He will inter alia visit different Coffee Zones at periodic intervals and contact in particular planting associations, groups of planters and co-operatives, to review the Zonal problem and enunciate methods of approach and solution . He will also undertake visits to problem area.

13. He will keep in close touch with the Department of Agriculture, Development, Revenue and allied Officers of the State in their extension work to help in obtaining maximum results. He will contact district and divisional officers of the various departments of the States during to their areas and discuss common problems requiring solution and State aid.

14. He will exercise overall administrative control on all the personnel employed under him, subject to the powers of the Chairman and the Board and direct and guide their relationship with the public and private sectors.

15. He will prepare and put up notes and memoranda for meetings of the Research and Executive Committee and the Board on all matters pertaining to Research Department.

16. The Director of Research is assisted in his functions – (i) on the administrative side by an Administrative Officer and his ministerial staff and (ii) on the research side by the Heads of Divisions of Agronomy, Botany, Entomology/Nematology, Plant Physiology and Plant Pathology, (iii) by Assistant Farm Managers and Farm Assistants in the Management of estates attached to this department, (iv) by a Junior Liaison Officer (located at Bangalore) functioning as a Co-ordinator between the Research Department and the Head Office, and (v) on the accounts side by an Administrative Officer (Accounts) and his staff also located at the headquarters offices at Bangalore.

17. The financial and administrative powers of the Director of Research are given in *Appendix II – Part II – (Secretariat)*.

18. The administrative Officer assists the Director of Research in all the administrative functions and exercises a general supervision over the Establishment, Stores purchase and General Stores, Mechanical Section and Dispensary. He is in addition responsible for all the incoming and outgoing mails; safe keeping of confidential records under his charge, personal files and records of prime importance, routing of all papers and notes to be submitted to the Director, verification of records, cash and stocks at the subordinate offices and at the main and sub-station under the specific orders of the Director.

19. *Noting by Section Officers :-* All correspondence emanating from the various sections at the Central Coffee Research Institute in so far as they relate to question of policy and of important nature will issue under the signature/concurrence of the Director of Research, routine papers being dealt with by the Section Officers.

20. The research wing consists of six Sections/Divisions viz., Agronomy, Botany, Chemistry, Entomology, Mycology, Plant Physiology and Plant Pathology.

21. The Heads of Sections/Divisions are responsible in collaboration with each other and under the guidance of Director of Research for the planning, guidance and execution of the approved programmes assigned to them; for the efficient working of each Section/Division effective control over the assistants in their Section/Divisions; for the preparation of monthly, annual and routine advisory reports; for the planning and execution of field experiments at the Research Stations, the Regional Centres and on private estates; to plan and direct field surveys for special projects, for the preparation of budget estimates in accordance with the approved technical programmes and for the proper utilization of the funds allotted to the Sections/Divisions. They are responsible for all the valuable equipment and materials in their Sections/Divisions; shall invariably maintain a complete and exhaustive inventory of all equipment and materials in their Sections/Divisions and properly account for. This inventory shall be produced at the time of periodical physical verification.

MECHANICAL SECTION

22. The Assistant Estate Officer assisted by a complement of Assistant Mechanic, Mechanical Attenders and Helpers is in charge of a small workshop attached to the main station. He attends to maintenance and repairs of machinery, vehicles, buildings and other equipments. He is also in charge of water supply. Power and gas, town planning and sanitation in the main station will be looked after by him under the immediate guidance and supervision of the Administrative Officer. The Assistant Estate Officer will attend to new electrical installations, wiring work and also prepare estimates and execute building construction (petty construction). The forms of agreement for construction work is given in *Appendix II*. He will also take the measurements of the constructions and works carried out by Contractors and prepare bill. Periodical checking of equipment, water system, power and gas supply at the Sub-station shall also be attended to by him.

23. He will ensure that the Log Registers are maintained by the Drivers of the concerned vehicles, furnishing the details in the prescribed form. The entries in the Log Register and the condition of the engine, body, tyres etc., should be examined and certified by the Asst. Estate Officer on arrival of the vehicle at the Station, after every long trip (tour) and the register put up once in every month for inspection of the Director before the

5th of the succeeding month an abstract of Log Register in the prescribed form together with the petrol and oil stock account registers and Log Register.

24. He shall be responsible for the preparation, submission and safe custody of all records relating to maintenance of – (i) Power and water supply, (ii) Machinery in use on the station, (iii) Community radio, (iv) Motor vehicles, (v) Buildings and equipments in laboratory, (vi) Town Planning and sanitation (under the direct guidance and supervision of Administrative Officer). He should prepare budget estimates in respect of maintenance, repairs and replacement of mechanical, electrical and other equipment of the department; and puts up to the Director through the Administrative Officer.

FARM SECTION

25. *Administration:-* The Asst.Farm Manager at the Central Coffee Research Institute and an Officer-in-charge (not below the rank of Senior Liaison Officer/Junior Class I Officer) at the Sub-Station, Chethali, assisted by suitable staff will be responsible for all estate operations as in the calendar drawn up and approved by the Director; for all accounts in consonance with the schedule of operations drawn up in consultation with the various research divisions for indents, for manures, insecticides, fungicides, seeds etc., in consultation with research divisions, for the conduct of field experiments under the guidance from the proper officer, for harvesting the crop on the estate, its processing, storage, transport to the Pool and Accounts thereon. The two officers are responsible in respect of all estate operations, for efficiency and economy.

26. They will be responsible for all dealings, with the labour force employed on the estate, such as preparation of labour bills and allocation of charges to defferent sections for lent labour, disbursement of wages to labourers, inspection of labour lines, Creche, maintenance of discipline and good behaviour among the labourers, maintenance of Provident Fund Account, leave wages and other records like details of service, ex-gratia payments one-way expenses, reprimands to mazdoors, as also any other record pertaining to labour, submission of returns to local authorities, Labour Commissioner and Regional Provident Fund Commissioner. The preparation of weekly, monthly and annual reports, daily muster chits, work

outturn sheets, etc., shall also be attended to by them. The rules of discipline for employees in Coffee Research Station and Sub-station appear in *Appendix III*.

27. *Wages to Labourers:-* Wages to the labour employed at the Research Stations of the Coffee Board shall be in accordance with the recommendation of the Karnataka Planters' Association, in matter of payments, holidays, one-way expenses, leave wages, maternity benefits, etc., (read with Plantation Labour Act, Minimum Wages Act, and Payment of Wages Act) for the labour force – vide decision of the Research Committee on 15-5-1948. It is in accordance with this decision that the Labour employed on the stations are paid at rates fixed by the Karnataka State Planters' Association through labour agreements entered into by them, from time to time. As per Karnataka Industrial Establishments Act, (National and Festival) Amendment, 1975, 8 holidays are declared each year, viz., 26th January (Republic Day), 15th August (Independence Day), 1st May (May Day) and 2nd October (Gandhi Jayanthi) as National paid holidays and four paid festival holidays to be decided by the Management in consultation with Labour Department.

28. *Labour Strength:-* The 26th meeting of the Research Committee held on 20-10-1953 have fixed the maximum labour strength at Central Coffee Research Institute and Coffee Research Sub-station as 175 and 130 respectively. Note must however be taken to keep the minimum labour force required, carefully assessing the need of labour and the labour-saving advices as and when experience is gained. By total labour force it shall be understood to cover general farm, mechanical section, mazdoor helpers or any daily rate workers on the Stations.

29. The proper maintenance of live-stock of the estate, nursery, fences and boundaries also form part of the Farm Section duties. As far as possible, the entire area should be exploited for better returns.

30. This section shall also be responsible for the preparation of budgets for estate requirements, careful utilization of funds, attending to Audit Party and answering to audit queries.

31. The Asst. Farm Manager in main station will obtain from various research sections their requirements of labourers during the ensuing week, consolidate these along with requirements of Farm Section and submit

on Saturday preceding the week for which indents are made the consolidated indent to the Director of Research for approval:

32. *Labour Deployment: Allocation of Mazdoors:-* Mazdoors allotted to sections and sub-sections for the day shall remain under the complete control of the section concerned.

33. *Nett Earnings of Mazdoors –Settlement of:-* The nett earnings of mazdoors of any single month shall be paid on or before 7th day of the succeeding month. Weekly payments- hotte-karchu- shall however, be made against the wages earned during the preceding week and will be treated as advance and adjusted in the monthly settlement of accounts. All advance granted shall be recovered in the nett earnings of the mazdoors per agreement or written undertakings of the mazdoors.

34. *Check Roll:-* The Asst.Farm Manager or the Farm Assistant who marks attendance will initial the pocket roll daily. The pages of the check roll should be serially numbered. Corrections and over-writings in the check roll must be counter-signed at the sub-station by the Officer-in-charge and at the Main Station by the Administrative Officer/Director of Research once a month. Sick leave granted to mazdoors will be recorded in the prescribed register and leave granted to mazdoors will be recorded in form No.14 prescribed under Sub-Rule (1) of Rule 83 of Plantation Labour Act, 1951 and the Karnataka Plantation Labour Rules, 1956.

35. *Mazdoor Indent – Signing of:-* All indents should be in the prescribed form and signed by the Heads of the Divisions/Sections and presented for compliance to the Farm Section, at the muster daily. The minimum labour required for the particular work shall be assessed and indent drawn. General task work for the estate is available in the Farm Section, which will be a guide to assess the labour requirement for regular estate cultural operations. If the work is of a general nature, the concerned section should intimate the Farm Section to undertake the work.

36. *Verification of Mazdoors:-* Any of the senior officers not below the rank of a Junior Class I Officer may be authorized by the Director of Research to make a surprise check of Mazdoors at work, at any selected spot, once a month and send to him a confidential report on labour verification. Labour deployment particulars for various sections and for general Farm work shall be made available, pasted on the notice board of the

estate, daily by the Farm Section. This should form the basis against which surprise checks at one point or various points shall be taken.

37. *Disbursement of Wages:-* The Superintendent/Officer-in-charge shall be present at the disbursement of wages to mazdoors to cause check verification and proper disbursement.

38. *Provident Fund:-* Provident Fund for the Estate Mazdoors has been Instituted in accordance with the provisions of the Employees' Provident Fund Act 1952 of the Government of India, with effect from 1st May 1957, taking into consideration the amendments that are issued from time to time.

39. *Workmen's Compensation Act:-* It is in force and covers all labour in the station.

CHAPTER II

ADMINISTRATION

40. The Administration wing of the department consists of Establishment, Central Stores/Technology, Mechanical Section and Dispensary. These sections are under the overall supervision of the Administrative Officer who is responsible for the proper working of these sections, the assignment of duties, the routing of files and tappals and co-ordinating the work of the Sections.

41. The Office working hours are from 9.00 hours to 12.30 hours and from 14.00 hours to 17.00 hours. Sundays and Second Saturdays are closed holidays.

ESTABLISHMENT SECTION

42. *Duties:-* This Section will deal with all matters relating to (i) establishment such as appointments, postings and transfers, leave; (ii) preparation of pay bills; (iii) returns and reports with regard to Provident Fund, Income-Tax, Leave and Pension contributions; (iv) Insurance of buildings, vehicles, labour insurance etc., (v) sanction of expenditure of all sections in the research station and the sub-offices; (vi) Correspondence with different departments of the Board, government and other organizations; (vii) Public and private advertisements; (viii) periodical verification of Stock Registers; and (ix) registration and dispatch of inward and outward mail.

43. *Register of Sanctions:-* Each section shall maintain a Register of Sanctions with appropriate headings, certified with index on the first page, wherein sanctions for works to be executed, purchased to be made and costs thereof shall be entered.

44. Proposals for works shall, whenever necessary, be first put up with plans and estimates, in triplicate for Director's approval and thereafter sanction obtained by an order in the Register of Sanctions.

45. The several items for sanction should be grouped as per budget head involved (copies of budget shall be furnished to all sections) and adequate number of pages set apart for making all the entries that arise during the year under that head e.g., (i) Wages and DA, (ii) Contingent Labour, (iii) Food grains, etc, in order to gauge the proportionate total of expenditure including Commitments as on date, and to enable formulation of the proposals for sanction.

46. A memorandum of sanction will be issued in the prescribed form to take appropriate action and Accounts Section will book the charges as finalized under Stock Certificate and/or completion certificates.

47. A register indicating the abstract of progressive expenditure booked (commitments included) for each head of account and of saving or excess over sanction, making a note to the effect in the remarks column, shall be maintained in the office. These figures shall be tallied with the Register of Sanctions of the Sections once a fortnight and brought up to date. A monthly statement of accounts will be sent to all Heads of Sections/Divisions for their reference and record to enable reconciliation.

CENTRAL STORES/TECHNOLOGY SECTION

48. The Central Stores of the Research Department was formed in September 1960, with the merger of the Stores and Technology units under the direct charge of the Stores Assistant. The Administrative Officer exercises overall supervision of the Central Stores.

49. *Functions of Technology Section:-* The following are the functions of the Technology Section:-

- (1) Consolidating the requirements of all the Scientific Divisions, Farm Section, Mechanical Section, and Sub-station etc., of capital nature, consumable articles and other miscellaneous articles.
- (2) Initiating correspondence and obtaining proforma invoices etc., from firms Abroad to ascertain the value of scientific equipment apparatus manufactured by them.

- (3) Calling for quotations from different firms for chemicals, glasswares, Fertilizers and plant protection chemicals and other miscellaneous items and preparing comparative statement of quotations received.
- (4) Preparing notes indicating the lowest quotations, consistent with quality, the Financial implication and submitting to the Director of Research or the Chairman, as the case may be, for financial sanction.
- (5) Placing orders with the firms with dispatch instructions.
- (6) Correspondence with Government of India (Plantation B) Ministry of Commerce, New Delhi, for ad hoc release of foreign exchange on items to be imported from abroad.
- (7) Correspondence with the Government of India, Ministry of Commerce (Development Wing) /Director General of Technical Development, New Delhi, for issue of import licences.
- (8) Correspondence with the Assistant Director (Co-ordination) Development Wing, Ministry of Commerce, Government of India, New Delhi, for issue of 'Not Manufactured in India Certificate'.
- (9) Correspondence with the Government of India, Ministry of Education, New Delhi, for issue of Duty Exemption Certificate.

- (10) Correspondence with the clearing agents for clearance and forwardal from ports.
- (11) Correspondence with the Customs Appraising Department for release and clearance of parcel.
- (12) Correspondence with Insurance Companies for damages, shortages etc., respect of stores imported.
- (13) Correspondence with the Postal Appraiser/Assistant Collector of Customs, regarding refund of Customs Duty etc.
- (14) Correspondence with the Government of India, Ministry of Finance, Department of Revenue, New Delhi, regarding appeals filed for refund of Customs duty and/or for ad hoc exemptions.
- (15) Putting up of notes etc., to the Committee/Board on matters pertaining to this Section and
- (16) Correspondence with Public Works Department on construction of buildings undertaken by them.

Functions of Stores Section:- The following are the functions of the Stores Section:-

- 1) Arranging clearance of consignments for which way bills have been received.
- 2) Receiving and opening of parcels, counting, measuring, Weighing of materials received with reference to dispatch notes and bills.

- 3) Placing materials in the appropriate place indexing etc., in
The stock tally cards.
- 4) Taking the materials into stock and making necessary entries
In the stock registers.
- 5) Intimating the different sections about the arrival of
Materials.
- 6) Furnishing stock certificates on the bills and transmitting
Them to the Accounts Section for payment duly counter-
signed by the Administrative Officer of Director of
Research.
- 7) Correspondence with the firms regarding breakages,
Shortages etc.
- 8) Issue of materials on indents duly approved by the Director
Of Research and recording on the stock tally cards.
- 9) Maintenance of stock registers, attesting of entries etc.
- 10) Timber – Procedure of issue.
- 11) Maintenance of stores, proper preservations of stores in
efficient condition and arrange for rectifying defects.
- 12) Periodical verification of materials, putting up proposals
for write-off of shortages, breakages, damages,
shrinkages etc.
- 13) Disposal of unserviceable obsolete articles.
- 14) Arranging for physical verification of stocks once in a year.
- 15) Answering Audit objections and maintaining files thereon.

50. *Consolidating the Requirements:-* The annual requirements of the Scientific Divisions, Farm and Mechanical Sections, Sub-station, etc., both of capital and consumable nature, during the financial year should be called for at the beginning of the year. The indenting officer should furnish the requirements with proper specification, quantity required to be procured, together with the amount estimated/provided by them while furnishing the budget estimates. This list should be put up to the Director of Research for perusal and approval of the requirements furnished by them.

51. *Obtaining proforma invoices for procuring scientific equipment:-* For procuring scientific equipment/apparatus/spares which have to be imported, the firms abroad have to be addressed requesting them to send a proforma invoice, indicating the cost of material, packing, forwarding, postage, insurance etc.

52. *Obtaining quotations on articles available from indigenous sources required for Scientific Divisions:-* Scaled quotations for supply of stores required by the department should be called for in the prescribed form on items required and approved by the Director of Research, giving full particulars, as far as possible. Sufficient time, say 2-3 weeks, should be allowed to the firms for sending their quotations for items like chemicals, glasswares and other laboratory miscellaneous articles. Quotations should be called for from reputed firms and firms already supplying such articles. In regard to items like fertilizer plant protection chemicals, implements etc., quotations should be called for from reputed firms once or twice in a year. Normally quotations/tenders should be called for once in a year. It would be preferable to obtain the quotations on rate contract basis for a year. Quotations for supplementary and/or unforeseen items, should be called for only with the specific approval of the Director of Research, in the manner stated above.

53. *Compliance of tenders/quotations:-* On expiry of the last date of receipts of tenders/quotations they should be brought to the notice of the Director of Research/Officer-in-charge/Administrative Officer as the case may be for opening. Tenders received after the due date, as a rule may not be considered. In cases of quotations received after the due date, specific

approval of the Director of Research should be obtained for opening them and considering the quotations.

54. Tenders should be tabulated, as early as possible and submitted for orders. Quotations received in respect of laboratory equipments/ glassware/ chemicals/ fertilizers and plant protection chemicals and miscellaneous articles after tabulation should be forwarded, together with the quotations, to the Sectional/Divisional Officer who has indented for procurement, for suggesting/marketing other requirements as per specification furnished by them earlier. The Sectional/Divisional Officer should justify the selection whenever purchase from a higher source is selected/suggested.

55. On receipt of the suggestions from the Sectional/Divisional Officer, the tabulation sheets should be scrutinized again, and in cases where selections have been made from the costlier sources without being substantiated, they should be referred back to the Sectional/Divisional Officer for justification. Based on the quantity furnished by the Division, notes should be put up for acceptance of quotations and financial sanctions, to the appropriate authority, indicating the budget position. All proposals for procuring articles of capital nature and articles of consumable nature involving more than Rs.100/- should be put up through the Accounts Department, for according financial sanction. Cases which need sanction of Committee/Board, should be put up after obtaining approval of Director of Research and Chairman.

56. *Placing/confirming an order:-* After acceptance of quotations and obtaining financial sanction for purchase by the appropriate authority, a firm order for supply should be placed with the firm whose quotation has been accepted. While placing order the details of the material/article to be supplied, rate at which supply is to be effected, the mode of dispatch, i.e., whether supply by passenger/goods trains, lorry service, covering the insurance risk etc., should be specifically indicated in the prescribed form. Copies of such orders placed for supply should be sent to the sections concerned (on whose indent orders are placed), Accounts and Stores Sections, indicating the amount sanctioned by the competent authority and budget head to which the expenditure is chargeable. In cases of non supply

of materials within the stipulated time reminders should be issued once in a fortnight.

57. *Import of articles*:- (a) Articles, which are proposed for import from abroad, should have been included in the list furnished to Government, Ministry of Commerce, for an allocation of foreign exchange. After receipt of this allocation necessary import application should be filed.

58. The proforma invoices when received from the dealers/manufacturers, of the goods/articles which are proposed for import, they should be referred to the Sectional/Divisional Officer, who has indented for procurement, for his opinion. His suggestion should be put up to the Director of Research for acceptance of the quotation. On acceptance of the quotation, necessary application should be filed in the prescribed proforma (*Appendix IV*) with the Director General of Technical Development or with the Ministry of Commerce, Government of India, New Delhi, for clearance on the non-availability of the material from the indigenous angle, and for recommending the application to the Chief Controller of Imports and Exports, New Delhi, for issue of Import licence.

59. On receipt of import licence, necessary action should be taken in obtaining financial sanction from the competent authority and orders placed with the firm abroad. Necessary precaution should be taken in issuing dispatch instructions, such as nearest port of entry and to insure the articles to cover the insurance risk up to the destination consigned.

60. As the institution is recognized by the Ministries of Education and Finance, Government of India, New Delhi, as an approved research institutions, for obtaining exemption from payment of customs, necessary certificates should be obtained for duty free clearance of the articles imported. For clearing an imported material without levy of duty, 'Not Manufactured in India Certificate' and 'Customs Duty Exemption Certificate' in respect of the item imported should be obtained from the Asst. Director (Co-ordination) Development Wing, Ministry of Commerce and Ministry of Education, Government of India, New Delhi, respectively.

61. Immediately on receipt of the import licence, necessary applications should be filed in the prescribed proforma (*Appendices V (a) and (b)* and VI (a) and (b) in quintuplicate filling up all the columns properly, with the authorities concerned (as indicated in above).

62. *Clearance of Imported Articles from the ports:-* On receipt of dispatch instruction/confirmation and necessary documents like Bill of Lading, Invoice, Insurance Certificate, etc., care should be taken to see whether negotiable bill of lading (Original) has been received for arranging clearance. Port Trust Authorities and/or agents of the ships/airlines should be contacted immediately to enable clearance without levy of wharfage/demurrage charges. Documents like invoice, bill of lading (duly endorsed), certificate of origin, insurance certificate, comprehensive literature of the material imported, import licence, not manufactured in India certificate, customs duty exemption certificate, etc., should be sent together with local transmission instructions to the approved clearing agent for arranging clearance from the port.

63. When a material or article is imported as post parcel, documents mentioned above should be sent to the postal appraiser for its release.

64. *Payment of Duty and obtaining its refund:-* In cases where customs duty has been paid on articles imported for want of necessary certificates, instructions should be issued to the clearing agent to lodge a protest to enable the Department for claiming the refund.

65. For obtaining refund of customs duty, an application should be filed with Assistant Collector of Customs of the region within 3 months from the date of payment, by forwarding the necessary documents. In case the refund is not ordered and the claim is rejected, an appeal should be filed with necessary Court fee stamp within 6 months from the date of receipt of the order, to the Collector of Customs for reconsideration. If the appeal is also rejected by the Collector of Customs, an appeal should be filed with the Revenue Division, Ministry of Finance, through the Ministry of Commerce, Government of India, New Delhi, within 2 months for reconsideration.

66. *Correspondence with Insurance Company for damages:-* Articles imported from abroad, if found short on opening the parcel and/or received apparently in damaged condition; should be reported to the nearest office of the Insurance Company from/on whom the policy is obtained, for survey etc., and also to the supplying firm, duly drawing up a 'Mahazar' and insurance claimed from the Insurance Company.

67. *Export of instruments for repairs:-* The following procedure should be adopted in respect of instruments/equipments which are to be exported for repairs by the manufacturers.

68. The Regional Agents or Sole Representative firms of the manufacturers should be contacted to ascertain whether the defects noticed could be rectified in India itself. If the instrument could not be repaired indigenously, the Industrial Adviser, Development Wing (Engineering), Ministry of Commerce, New Delhi, should be approached for issue of an Export and Re-import Certificate in the proforma (*Appendix VII*). An invoice in the form mentioned in para 51 should be obtained for rectifying the defects from the firm abroad from whom the instrument is proposed to be got rectified and on obtaining the proforma, an application should be filed for obtaining an import licence. Soon after receipt of the Import Licence, an application has to be filed with the Reserve Bank of India, Madras, for issue of a 'No Objection' Certificate for exporting and re-importing the instrument. On receipt of the 'No Objection' Certificate from the Reserve Bank of India, the instrument to be exported should be produced before the customs authorities for issue of an 'Identification-Certificate' and then exported. The documents mentioned in para together with the above certificates should be produced at the time of re-importation.

69. *Putting up Notes to the Committee/Board on matters pertaining to the Section:-* Notes which are to be put up to the Coimmittee/Board on matters which need financial sanction/approval and which are to be brought to the notice for information should be sent duly approved by the Director of Research.

70. *Effecting Local Purchases:-* The following points are to be noted:-

- a) Local Purchase may be effected if the requirement of the material is urgent and the need unforeseen. The Sections requiring such materials should submit the proposals to the Director of Research through the Stores Section, in the prescribed form for sanction.
- b) When such proposals duly sanctioned by the Director of Research are collected in sufficient number, the Stores Asst. or the Officer effecting the purchases, should arrange for purchase of such articles.
- c) For effecting local purchases, quotations may be obtained and Purchase effected from the cheapest source consistent with quality. In case quotations are not forthcoming in writing, oral enquiries should be made and the purchase made from the cheapest source consistent with quality and a certificate furnished on the bill accordingly.
- d) After effecting the purchase the balance if any, should, be remitted To the Accounts Section and the Accounts rendered in the prescribed form within 3 days on return to Head Quarters.

FUNCTIONS OF STORES SECTION

71. (1) *Forwardal of way bills:-* As soon as the way bill is received the particulars will be entered in the way bill register and clearance arranged at the earliest.

(2) *Opening of parcels and precautionary measures to be taken thereof:-* The stores Asst. should make a record in the way bill in toke of having received all the parcels. If any parcel mentioned in the way bill is not received, the fact should immediately be brought to the notice of the Clearing Agents, for its forwardal.

72. The parcels which contain Scientific Apparatus of capital nature and which are sent duly insured, should be opened in the presence of two or three responsible officers. It should also be ensured that the material supplied by the firm is in conformity with the specification sent and all the

spare parts are intact with the instrument/apparatus by checking the same with the catalogue and the dispatch note sent. The packing material like straw, etc., should be carefully examined to ensure that no small and tiny parts like screws and nuts, etc., are left in it. In case of any damages to the equipments or missing parts or stores received, a 'Mahazar' should be prepared and the facts should be intimated to the firm concerned by sending the copy of the Mahazar in order to rectify the defects/claim damages from the Insurance Company. This procedure applies to articles procured indigenously also.

73. The parcels which contain chemicals, glasswares and materials of hazardous nature, should be opened very carefully. All the items are to be carefully checked with the reference to the packing slip and ensured that the quantity supplied is correct.

74. If the quality supplied is not up to the specification and or/of a different product, the same may be retained in consultation with the Sectional/Divisional Officer and with the approval of the Director of Research. In the case of any short supply or the supply made is not upto the specification the fact should be immediately brought to the notice of the firm concerned. In case of short supply/breakages, it should be ascertained from the firm whether to deduct the cost of the materials. Action should be taken to deduct the cost of the materials with other incidental charges from the bill and intimate the firm accordingly, in case of failure to comply with their request.

3. *Storage and indexing:-*

- (a) Chemicals received are to be categorized under 'organic', 'Inorganic' and 'Stains and Indicators' and stored and arranged in alphabetical order, in separate racks.
- (b) Glasswares are to be stored, as far as possible, in packing material itself in order to avoid breakages.
- (c) Fertilisers and plant protection chemicals should be stacked and stored separately in different stores.
- (d) Pipes and fittings are to be graded and stored according to the sizes.

- (e) Poisonous and highly explosive chemicals like Hydrogen Peroxide, Liquor Ammonia, etc., should be Kept in cases containing sawdust, as far as possible.
- (f) Highly poisonous chemicals like Potassium Cyanide have to be sealed and kept under lock and key. These are to be issued in the presence of a responsible officer. After issue of the material the bottle should be resealed And stored in its original place under lock and key.
- (g) Articles thus stored should be properly indexed and receipt entered in the stock tally cards noting down the date of receipt.

75. *Taking the articles into stocks:-* Materials received and stored should be taken to stock immediately and entries made in the concerned registers furnishing full particulars, i.e., date of receipt, invoice number and date, name of the firm from whom received, quantity received, the rate and its total cost, Sales Tax and other incidental charges should also be noted in the register, as far as possible. All the entries made should be attested by the Stores Assistant.

76. *Intimation to sections:-* Soon after the materials are taken to stock the duplicate copy of the bill should be circulated to the sections concerned to enable them to indent the required material in terms indent forecasted and approved by the Director of Research.

77. *Furnishing stock certificate:-* The Stores Assistant should furnish stock certificate on the bills after satisfying himself that the rate claimed, quantity and quality supplied are as per the orders placed. He should also satisfy himself that the folio number of the register in which the material is taken to stock, sanction number and date and the head of account to which the expenditure is debitable is correctly recorded. In case of items of capital nature, a certificate should be obtained in the bill from the Head of the Section/Division to whom the material is issued, to the effect that the material is as per specification and is in good working condition. These bills should be sent to the Accounts Section duly counter signed by the

Administrative Officer/Director of Research for arranging payment within a reasonable time unless there are any specific reasons to withhold such payment.

78. *Issues to stores:-* Materials are to be issued from the stores strictly on indents approved by the Director of Research. When the material is issued, the issuing Officer/Stores Assistant and the receiving officer should sign on the indent in token of having issued the material and received the same respectively. All the indents are to be carefully preserved and filed section-wise for audit purposes. In case of issue of scientific apparatus of capital nature it would be essential to obtain proper acknowledgement from the receiving officer in the stock register itself. The Sectional/Divisional Head to whom these apparatus are issued should bestow great attention in keeping them in good working and efficient condition. The Sectional/Divisional Heads will keep an inventory of all articles drawn from stores section and properly account for them in the registers in prescribed form.

79. Care should be taken to issue and dispose of the earlier stock held by the stores first, and then the fresh arrivals. Issues made should be recorded in the stock tally cards immediately they are removed from the place of storage.

80. In case of stores issued for which the value is recoverable from a party or department, a letter should be addressed to them for remitting the amount, giving full particulars of stores issued, the rate and the total value chargeable. A copy of the letter should be made available to the Accounts Section for effecting the recovery or adjustment.

81. *Maintenance of Stock Registers:-* All the stock registers should contain a certificate indicating the number of pages it contains and also whether the opening balance have been correctly brought over from the previous stock register.

82. Every stock register should contain an index showing the names of the articles shown in the register.

83. Day-to-Day issues are to be posted in the stock register with reference to the indents and the entries attested.

84. *Alcohol Stock Register:-* When Alcohol is issued to the sections, the quantity issued should be immediately entered in the stock register and the balance struck. This register should be made available to the official deputed by the Excise Department/Deputy Commissioner/Superintendent of Police, for verification and attestation.

85. On the 1st of each month, a statement of stock position of Alcohol should be sent to the Deputy Commissioner, Chikmagalur, Sub-Inspector, Koppa and Police Daffedar, Jayapura, for their information in the prescribed form – *Appendix VIII*.

86. *Timber:-* Timber sawn to sizes, reepers and planks are to be handed over to the Stores for accounting purposes.

87. *Maintenance of Stores:-* The responsibility for maintaining the Stores in proper and efficient condition rests with the Stores Assistant. He should inspect the Stores, from time to time, and satisfy himself that there is no deterioration of stocks. He should take all precautionary measures to protect them from loss, damage and deterioration. In case of unavoidable losses, damage and deterioration, breakages, shrinkage and shortage, the fact should be brought to the notice of the Director of Research in writing explaining the circumstances for such occurrences and orders obtained for write-off from the competent authority.

88. Action should be taken for periodical servicing of the machines and other equipment, on such reports received from Technical/Scientific Sections, with the approval of the Director of Research. If any defects are also noticed and reported on the working of the machine/ equipment/ apparatus, etc., action should be taken to get them rectified by entrusting the work to the firms which have supplied them. Each equipment sent for repairs should be noted down in a register maintained for the purpose.

89. *Disposal of old unserviceable and obsolete articles:-* Old, unserviceable or obsolete articles should be first got written off by the competent authority and treated as scrap articles. These articles are to be transferred to the unserviceable stock register. As and when these articles are accumulated, action should be taken to dispose of the articles by auction.

90. *Physical verification of stocks:-* All articles in the Stores including items of capital nature should be arranged for physical verification once in a year. This verification should be done preferably by an officer unconnected with the administration of the Stores. The officer for such verification will be nominated by the Director of Research.

91. Verification will be on a detailed check of all items. The stock verifying officer will note in the stock register in his own handwriting, in ink, the actuals found on verification and initial each entry or group of entries in it, as the case may be. The issue of stores may, if necessary, be stopped during the period of stock taking and the Stores Assistant should help the stock verifying officer in completing the work, as early as possible. The Stock verifying Officer should submit a report enclosing the excess and deficiency statement. For further details vide Part I – B – Office Procedure – Chapter XIV.

92. The stocks of equipment, apparatus and chemicals held by each section should be cross verified by other sections and their report sent to the Director of Research once a year.

93. *Answering queries in Stock Verification Report and Audit Report:-* All queries emanating from the stock verification report and the audit report should be immediately attended to and necessary action taken to regularize the discrepancies.

Receipt and dispatch of Mails – Disposal of files

94. *Main Station*:- The inward mail shall be opened by the Administrative Officer/Head Clerk and put up to the Director immediately, or, in his absence on tour, to the senior most officer.

95. The Administrative Officer shall then arrange for their registering, diarising and routing to the sections so marked.

96. Routine matters shall be disposed of by the concerned officers and the files put up to Director after disposal for his information. In all other matters, the case should be processed and notes and draft replies should be furnished for Director's orders before the reply is issued.

97. Routine matters such as reminders, calling for information from other departments, sections etc., will be attended to by the Heads of Research Sections/Divisions and the Administrative Officer, depending on the nature of the subject-matter whether technical or administrative and financial. Heads of Research Sections/Divisions will dispose of all routine advisory and other matters referred to them. In all cases where financial sanctions or administrative or executive directives are necessary, the Heads of Sections/Divisions will put up the cases to the Director for orders.

98. Immediately on his return to headquarters, abstracts of the action taken on all the letters received during his absence on tour shall be furnished by Heads of Sections/Divisions, Administrative Officer to the Director.

99. In putting up files, Sectional Officer should briefly summarise the case, record their remarks and offer suggestions regarding action to be taken.

100. Emergent papers requiring the Director's attention or orders shall be sent to him with a brief noting of the case.

101. Weekly arrear lists are to be put up by the Head Clerks of the Administrative and Accounts Sections and Stores Assistant to the Administrative Officer who will examine causes for delay and give suitable instructions. Heavy arrears in respect of any particular individual should be brought to the notice of the Director for orders.

102. The Administrative Officer shall be responsible for the proper registering and dispatch of all outward mail.

103. All sections shall send to the Despatch Section outgoing mail at least two hours before the dispatch time.

104. *Sub-Station:-* The mail shall be opened in the presence of the Officer-in-charge of the Sub-station and marked by him to the concerned sections and returned to the Head Clerk for registering, diarising and routing to the sections so marked. All outgoing mails must be submitted to the Officer-in-charge and shall be dispatched only after his scrutiny and approval. In his absence on tour and in case of emergency the Superintendent will take such action as is necessary subject to ratification by the officer-in-charge.

Dispensary

105. The administrative Officer will be in overall charge of the dispensary and will be assisted by a Senior Compounder-cum-Store Keeper and Nurse-cum-Midwife in operating the dispensary. He will get the requirements of the dispensary drawn up twice yearly and get them checked and certified by the visiting doctors. The indents will be put up for sanction to the Director subject to the budget provision.

106. The Government doctor attached to the Balehonnur Hospital visits the Station once a week and a lady doctor once a month regularly.

General

107. *Tour programmes and periodical returns and reports:-* Tour programmes of all officers at Headquarters and the Soil Chemists, S.T.L. Mysore, will be approved by the Director of Research.

108. Monthly reports, work reports and diaries of all officers shall be furnished to the Director.

109. Diaries and reports of Junior Staff in the sections will be sent to their respective Heads of Sections/Divisions who will include a brief summary in their reports to the Director.

110. The Administrative Officer shall periodically verify the calendar of periodical returns and reports. He shall bring to the notice of the Director all cases of delays.

111. *Staff Cars and other Vehicles:-* Rules regulating the use of estate cars, estate van and motor cycles of the department are at *Appendix III* Part II – Secretariat.

112. *Rest Houses:-* Rules governing the occupation of Rest Houses at the Research Stations are at *Appendix IX*.

113. *Exhibitions:-* A senior officer will be in charge of exhibitions.

114. He will prepare programmes and notes well ahead of time, in consultation with other Sectional Officers at headquarters, the Sub-Station and in the Districts, he will arrange with the assistance of the artist provided to the department to get the chart, posters and other display material prepared according to the programme approved by the Director.

115. He will prepare estimates for expenditure and account for the proper utilization of the sanctioned grants.

116. Sectional Officers will place at his disposal such staff as may be required during the exhibitions.

117. *Specimen forms:-* Specimen of the forms lease deed, form of Transport agreement for manures parcels etc., form of Contract for Orange crops of season and form of Tender Notice are at *Appendix X to XIII*.

CHAPTER III

LIBRARY AND READING ROOM

118. The Reference Library is in the charge of the Senior Librarian – cum – Technical Assistant.

119. The standing rules of the Reference Library are given in *Appendix XIV*.

120. The Librarian will be responsible for the working of the Library as also for the stock of books, periodicals, reprints, furniture, etc., that are received in the Library, from time to time.

121. Suggestions and requests for purchase of books etc., shall be sent by different scientific sections at the Institute, Sub-Station and Liaison Zones to the Librarian who shall compile them and put up to the Director of Research for sanction, subject to the availability of funds.

122. The Reference Library will arrange procurement of scientific publications either on purchase or exchange basis, or as gifts and will arrange subscription in respect of journals received in the library.

123. Reference Library shall arrange purchase of books/subscriptions to journals on behalf of the sub-offices of the Department.

124. The sale of departmental publications is arranged in the Reference Library and in the Offices of the Liaison Officers and the Coffee Research Sub-Station, Chethalli.

125. The Librarian will attend to all correspondence concerning Library matters.

Publications

126. A senior research officer will be in charge of publications and publicity.

127. Journals and periodicals are circulated to sectional officers at headquarters, at the Sub-Station and the districts, who will prepare abstracts of general and technical interests and return them to the Officer-in-charge. He will collect, compile, edit and put up the final list to the Director.

128. He will also collect and edit all notes, papers and other material received from the section or other interested agencies and arrange for their publication.

129. He is also responsible for the compilation and editing of the annual, technical and periodical reports to the Boards, the Government of India and other organizations.

CHAPTER IV

B – EXTENSION WING

GROWTH

130. The Extension Service of the Board which started in 1949 with one-man service as a wing of the Research Department, has grown into a vast network, disseminating and demonstrating the technical know-how to planters and transmitting their problems to the Research Laboratories for solution.

131. Expansion of areas in Coffee and enlargement of the scope and activities of the Extension Wing resulted in the Extension centers becoming unwieldy. The Evaluation Committee appointed by the Board in 1973/74 to study, among other things, the set-up and functions of the Extension Services, recommended separation of the Extension Wing from the Research Department to become an independent functionary and suggested reduction in the areas of operation for each Liaison division, with a view to render effective service to growers and accelerate the pace of development for achieving productive efficiency. As a culmination of this recommendation the Extension Wing has become a new-oriented, viable and independent unit from the 1st April 1977 with the Senior most Extension Officer as the Head of the Extension Wing.

Organisations and Functions

132. The recognized set-up consists of 30 Liaison divisions, with restricted and realigned jurisdictions, 9 Senior Liaison Officers and 3 Deputy Directors (Extension) and a complement of Liaison Assistants and Field Assistants to assist Liaison Officers in their work.

133. The functions of the Extension Wing are controlled and guided by the Chairman and the Research Committee constituted by the Board every year in accordance with Section (7) of the Coffee Act read with Rule 18 (d) of the Coffee Rules.

134. The Extension Wing has its administrative Headquarters temporarily in the Coffee Research Sub-Station, Chethalli, North Coorg (Karnataka) headed by the Senior-most Deputy Director (Extension) designated as the Head of Extension, whose jurisdiction extends over the three traditional coffee states of Karnataka, Tamilnadu and Kerala. The Extension Wing maintains close link with Research Wing and works in liaison on research and field practices and problems.

135. The organizational set-up of the Extension wing as on 1-4-1977 is at *Appendix – I*.

136. The activities of the Wing may be broadly classified into (i) Administration (ii) Extension and Liaison and (iii) Development.

137. *Chairman:-* The Chairman of the Board, as the principal executive officer of the Board, exercises overall administrative control over the Extension Wing and its officers.

138. *Head of Extension:-* The Head of Extension is the Officer of the Extension Wing responsible to the Chairman and to the Board. He is also the Chief Co-ordinator of all development activities undertaken by the Extension Wing.

139. He is responsible for the administration of the Extension Wing, the husbanding of financial resources, planning of manpower, and directing, and co-ordinating plans and programmes as approved by the Research Committee and the Board subject to overall administrative control of the Chairman. In particular, he is responsible for:-

- (a) Planning directing and regulating of all Extension activities – Exploratory, advisory, demonstration, methods and test trials, plant protection etc., in the various Liaison Divisions.
- (b) Guiding and supervising proper maintenance of Coffee Demonstration Farms.
- (c) Close contacts with planters and study of their problems in Conjunction with Research Wing, as the case may be ;
- (d) Contacts with State and Central Governments through the Chairman, Coffee Board ;
- (e) Preparation and administration of separate budget for the Extension Wing.
- (f) Inspection and review of a cross-section of field work of Different coffee zones at periodic intervals, assessing zonal problems and enunciating methods of approach and solution. He will also undertake visits to problem areas.
- (g) Preparation and distribution of disease-resistant, high yielding Varieties of seed coffee through the network of Extension Offices.
- (h) Maintaining close report, with the departments of Agriculture, Development, Revenue, Irrigation, Ground Water etc., of the states for common approach to the planning, exploration and Aid programmes as well as general problems.
- (i) Exercising overall administrative control on all the personnel Employed under him, in accordance with the powers delegated.
- (j) Preparing and putting up notices and memoranda for meeting of the research and executive committees and the Board on all matters pertaining to Extension Wing.

140. The financial and administrative powers of the Head of Extension are given in *Appendix II (a)*.

141. *Deputy Directors (Extension)*:- The Headquarters of the 3 Deputy Directors (Extension) are at Chetthalli, Chikmagalur and Coimbatore. Each Deputy Director (Extension) will be in overall charge of the extension activities in his jurisdiction responsible to the Head of Extension for the proper planning, co-ordination and execution of the various items of work.

142. *He will be responsible for the following*:-

- (a) Review of progress of plan works in the Liaison Divisions and Districts and for check inspections.
- (b) Effective monitoring of development plan and achievement of the targets fixed for his respective areas in regard to execution of loan-aid schemes. He will sanction loans to coffee growers under various loan-aid schemes of the Development Plan, subject to condition laid down, and the delegation of powers.
- (c) He will be in overall charge of the administration the various Offices and personnel in the jurisdiction. He will inspect offices in his jurisdiction at regular intervals as per schedule drawn up by the Head of Extension and furnish reports. A quarterly statement of review of inspections will be furnished by him to the Head of Extension.
- (d) Furnishing to the Head of Extension a monthly summary of the Progress of work relating to his area.

143. The financial and administrative powers of the Deputy Directors (Extension) are mentioned in *Appendix II (b)* and those in relation to Development Functions in *Appendix II (c)*.

144. *Senior Liaison Officers*:- The functions of the Senior Liaison Officers are supervisory in nature and they are responsible for co-ordinating

and implementing the plans and programmes in their Divisions. They are directly responsible for all extension and development activities in their respective areas. They are responsible for proper maintenance of Coffee Demonstration Farms/Regional Field Experimental Stations to which they are posted as part of their work in addition to the routine supervisory/ advisory work. They will be responsible for taking effective measures in respect of problem areas and guide the Liaison Officers under their control in such measures. Consequent on the decentralization of developmental functions the Senior Liaison Officers are responsible for development schemes in their divisions.

They are particularly responsible for:-

- i) Promotion of development schemes among the planting community;
- ii) Processing of applications and forwarding the same to development Department/ Deputy Directors as the case may be;
- iii) Liaison with the Banking institutions and State Revenue Departments in the matter of loan-aids;
- iv) Arranging for execution of deeds and agreements for loan-aids;
- v) Periodical inspection of loanee estates to ensure proper utilization of loans to carryout all operational programmes according to schedule;
- vi) All follow-up measures including timely recovery of loans in conjunction with the Marketing and Development Departments, as the case may be.

145. Each year they will check at least 50% of the exploratory, test and method demonstrations and plant protection operations in their divisions. They will review the pest and disease position in their areas and issue advisory notes from time to time about the method of control or as a measure of warning if any untoward occurrence should happen.

146. During their tour they will arrange to contact groups of planters, planting Associations and others interested in the industry and discuss zonal problems. Their assessment of problems will be referred to their Deputy Director for necessary guidance.

147. The Senior Liaison Officers will consolidate the reports of the Junior Liaison Officers on exploratory trials, method demonstrations, seed collection and propagation, development loan-aid schemes, Extension Centres, selection, collection and transmitting of quality samples to the Research labs and submit a summary report to their Deputy Directors.

148. They will assist the Head of Extension in Land utilization programme and exploration of ground water resources.

149. Administratively, they will be responsible for the good conduct and proper deployment of all officers under their control. They will conduct quarterly inspection of the offices of Liaison Officers under their control and send reports to the Head Extension. They will be responsible for assessment of financial material requirements of their divisions for demonstration and other purposes.

150. Financial and administrative powers are at *Appendix II (b)*.

151. *Junior Liaison Officers:-* The main duties of the Junior Liaison Officers in their respective district charge, are to establish contacts with planters; issue advisory and cautionary notes to them; transmit problems confronting the planters to the concerned authorities and help in speedy solution; carry out the field experiments in co-operation with the Research Wing; lay out demonstration and reorientation blocks; survey and assay of land utilization for coffee; advice on the mechanics and methodology of use of nutritional protective chemicals and equipment; and submit technical programmes and monthly reports to the respective Deputy Director through the Senior Liaison Officers concerned.

152. They will promote Development schemes among planting community, obtain application from planters, inspect estates to assess their suitability for loan aids and submit technical/feasibility reports to the concerned authorities. They will also supervise the effective utilization of loans and aids, when sanctioned. They will liaise with Banking institutions and sponsor loan applications for sanction and help in timely recovery of loan instalments from planters.

153. Work connected with preparation and collection of seeds from registered seed blocks under the instructions of the Head of Extension and their distribution according to indents from planters registered in their offices will be attended to by them.

154. They are responsible for proper functioning of their respective offices.

155. Each Junior Liaison Officer is assisted in his work by field and ministerial staff. He will draw up a monthly programme of work for each of the field staff, guide them in the execution of field trials and demonstrations laid out in their jurisdiction and supervise their work at least once in two months. At least 60 percent of the trials, demonstration plots and problem areas should be inspected quarterly.

156. He is responsible for the good conduct and proper deployment of all field staff under his charge.

157. Financial and Administrative Powers are at *Appendix II (b)*.

158. *Duties and functions of the Liaison Assistants:-* Refer to *Appendix III*.

159. *Duties and functions of the Field Assistants:-* Refer to *Appendix IV*.

160. *Procedure for receipt of mail and its disposal in the office of S.L.O./J.L.O.:-* The inward mail shall be opened in the presence of the officer (S.L.O or J.L.O) while at headquarters, who shall initial and mark it to the concerned field or administrative section, who in turn, will register, diaries and arrange for the proper routing. In the absence of the S.L.C./J.L.O on tour, the head of the ministerial section shall open the mail and arrange for its registering, diarising and distribution. The concerned field and administrative staff shall process the filed and put them up to the SLO or JLO concerned, for further orders and instructions. The routine papers may be disposed of by the officer on tour but such disposal should be brought to the notice of the officer concerned immediately on return to headquarters for ratification. Such replies, reports and returns should be issued on the official designation of the officer concerned and superscribed "By Order" with the designation of the official properly indicated.

161. Detailed instructions and guidelines relating to development work required to be carried out by the Liaison Officers are given in Appendix V (a) (b) and (c).

162. Guidelines and schedule for submission of Reports and Returns by JLOs/SLOs/DDEs is given in Appendix VI.

163. Other aspects, functions and items of work as amended from time to time and as appearing in the chapter "Research Department" will apply to the functions, duties and responsibilities of the Extension personnel *nutatis mutandis*.

PART VIII

PROJECTS WING

1. *Formation and present set up :-* The ICO (A) Cell was constituted in the Board during the year 1969, in fulfillment of institutional framework suggested by the International Coffee Organisation for carrying out certain duties assigned to it. In the first instance, a National Coffee Policy Plan was prepared and sent to the ICO duly approved by the Government. Consequent on the approval of the Coffee Policy Plan during 1970, a programme of projects to be financed from the Diversification Fund of the ICO was prepared and forwarded to them. The Projects for agricultural development of small coffee farms and Coffee Census were approved and financed by the ICO for a period of 5 years commencing from the 1st October 1971 and 3 years commencing from April 1972 respectively. Another project viz., 'Project on Warehousing' was also got approved and this was also financed by the ICO. Under this Warehousing Project, the construction of a warehouse at Willingdon Island, Cochin is completed at a cost of Rs. 10.52 lakhs, keeping in view the need for preservation and storage of coffee for export at the Port prior to shipment.

2. The construction of warehouse at the Port at Mangalore, is in its initial stages of work.

3. With a view to increase coffee production for achieving the targeted levels, in the short span of the remaining years of the fifth plan period, two Coffee Projects viz., (1) Project on Extension of coffee by small farmers and (2) Development of coffee in backward hilly tracts were formulated and sent to the Govt. of India, for approval during they year 1975. Based on the encouraging results obtained under the Project on Agricultural development of small coffee farms, Govt. of India agreed to continue the Project and also to initiate the Project on development of coffee in backward hilly tracts under the centrally sponsored Fifth Plan Schemes with effect from the 1st October 1976, and provided finance for implementation. Thus, the projects that were financed by the Diversification fund of the ICO, on the expiry of the period on 30-9-1976 came under the plan expenditure of the Govt. of India.

4. Consequent on the re-organisation of the Research Department with effect from the 1st April 1977, the Cell which was financed hitherto as ICO (A) Cell was redesignated as Projects Wing. The successful implementation of the Coffee Extension Projects is the function of the Projects Wing.

5. The Projects Wing is headed by a Chief Co-ordinator and Head who functions under the administrative and financial control of the Chairman of the Board.

6. *Finances for Programmes and Projects:-* The funds released by the ICO Diversification Fund have come out of the Government's contribution to the fund for export of coffee, over and above one lakh bags, under Articles 54 of the International Coffee Agreement. The amount received is kept separately with the Board for purpose of implementation of the projects approved by the International Coffee Organisation and the Govt. of India. Separate bank account is maintained in this regard. The Chief Accounts Officer of the Board is in-charge of the accounting work of the Projects Wing and he is assisted by an Accounts Assistant. The receipts and payments are being audited by the Accountant General of Karnataka, as in the case of other Funds of the Board. The procedure followed in all transactions are similar to those followed in other departments of the Board.

7. *Under the Project I the following offices function:-*

1) JLO (P), Siddapur, 2) JLO (P), Mallandur, 3) JLO, S.Battery and 4) JLO (P), Pannaikadu. However, these officers function under the administrative control of the Head of Extension Wing from 1-4-1977.

8. *Under Project II, the following offices function:-*

1) Office of the Special Officer, Non-traditional area, Vishakapatnam, 2) Office of the SLO, Paderu, 3) Regional Research Station, Chintapalli, 4) Coffee Demonstration Farm, Assam and 5) Coffee Demonstration Farm Orissa. However the Regional Research Station and Demonstration Farms

mentioned above are in the formative stage. These offices under Project II are directly under the administrative control of the Chief Co-ordinator & Head.

9. Office of the Chief Co-ordinator & Head has got the following Officers and staff at its Head Office –

a) Chief Co-ordinator & Head	1
b) Extension Officer (P)	1
c) Administrative Officer	1
d) Head Clerk	1
e) Technical Assistant	1
f) Accounts Assistant	1
g) Senior Stenographer	1
h) Junior Stenographer	1
i) Senior Clerks	2
j) Junior Clerks	3
k) Drivers	2
l) Group 'D' Staff 3 including one Jamadar.	

10. The Head Office of the Project Wing has three sections, namely, (1) Establishment Section (2) Accounts Section and (3) Technical Section.

11. *Establishment Section*:- The Establishment Section deals with all staff matters, supplies, maintenance et. The section should maintain all the relevant registers connected with staff matters, supplies and maintenance. The section indents for annual supply of stationery and printed items from the Secretariat, receives and issues to the staff, maintaining proper registers

in this regard. Uniform and footwear for the Class IV and Drivers is also got supplied from the Secretariat and issued.

12. The register indicating the capital assets like car, typewriter, jeep, facit calculator machine and furniture should be maintained. Inventory of stocks should also be maintained and checked up annually. The establishment section also maintains a bills register relating to telephones etc., in addition to the register for maintenance of vehicles.

13. Diarising of letters received and dispatch of letters emanating from the Projects Wing is done in this section, keeping an account of service postage stamps used. The establishment section should also arrange for subscriptions for newspapers, periodicals and also attend to the disposals of old papers as per rules in force.

14. *Accounts Section:-* The Accounts Section deals with all matters connected with the receipts of money and payments maintaining proper registers for the purpose. The section, in addition, prepares the annual budget of the Projects Wing. The expenditure incurred on the officers and staff of the Project I is reimbursed to the Extension Wing by Accounts Section after proper scrutiny. Preparation of the final accounts and reconciliation are also to be attended by the Accounts Section.

15. *Technical Section:-* The Technical Section attends to preparation of plans, submission of returns to various Governments whenever due and also attends to the correspondence thereon. The matters relating to implementation of the various projects are also attended to by this section. In addition, the material for annual report is also prepared and sent to the Secretariat.

16. Monthly reports received from the Project Centres will be consolidated and sent for publication in Indian Coffee.

PART IX – A

ACCOUNTS

CHAPTER I

GENERAL

1. *Organisation:-* The Accounts Department of the Coffee Board is headed by a Chief Accounts Officer, who is in complete charge of the Accounts of the Secretariat, Propoganda, Research, Development, Projects Wing and Marketing Department. The administrative and financial powers of the Chief Accounts Officer are at *Appendix II* Part II Secretariat. CAO is directly under the control of the Chairman. He is responsible for the proper maintenance and upkeep of the accounts of the various departments. In his work, he is assisted on the marketing side by an Accounts Officer, three ACMOs (Accounts) and one Sales Tax Officer; on the Propaganda side by one Asst. Director of Propaganda (Accounts); on the Development side by one Accounts Officer (Development); on the Research side by an Administrative Officer (Accounts); on the Projects Wing side by an Administrative Officer (Accounts) and on the Secretariat side by an Assistant Secretary (Accounts). The various officers mentioned above in the different departments are assisted by ministerial staff.

2. As per the Coffee Act, the Board should maintain two separate Funds viz., (i) General Fund and (ii) Pool Fund. The scope of these funds has been given in Section 31 and 32 of the Coffee Act and they are dealt with in detail elsewhere. The accounts of the Secretariat, Propaganda, Development, Research and Projects Wing come under the General Fund and those of the Marketing Department under the Pool Fund. The Office set-up dealing with the accounts of the different funds/departments are given in the respective chapters.

3. *Scope*:- Section 30 of the Coffee Act requires that the Board should maintain two separate funds : (1) General Fund and (2) Pool Fund. The scope of these funds has been explained in Section 31 and 32 which are excerpted below:-

“Section 31”

- 1) To the General Fund shall be credited:
 - a) all amounts paid to the Board by the Central Govt. under Sub-Section (1) of Section 13;
 - b) any sums transferred to the General Fund under the proviso to Sub-Section (2) of section 32; and
 - c) All fees levied and collected by the Board under this 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 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.

Section 32:

- 1) To the Pool Fund shall be credited all sums realized by sales by the Board of Coffee from the Surplus Pool.

- 2) Subjects to the provisions of Sub-Section (4) of 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 Coffee delivered by them for inclusion in the surplus pool;
 - b) the costs of storing, curing and marketing coffee deposited in and of administering the surplus pool; and
 - 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 the previous sanction of the Central Government, transfer the whole or any part of such excess to the credit of the General Fund).

4. The various measures referred to in Section 31 are administered by different departments of the Board, viz., Secretariat, Propaganda Department, Research Department and Development Department. The transactions under 31 (1) and the measures under 31(2) (a) and (e) are dealt with in Secretariat, those under 31 (2) (b) in Research Department, 31 (2) (c) in Development and 31 (2) (d) in Propaganda Department.

5. The Pool Fund is dealt with in Marketing Department.

6. The accounts of the General Fund are maintained in respect of each financial year from 1st April to 31st March. The Budget Estimates should be prepared by the concerned administrative departments by August each year, in respect of measures administered by them. The Accounts Sections shall render all necessary assistance such as furnishing the actuals for the last 3 years, actuals for the current year under the various budget heads of account. After adoption by the committees concerned, the Executive Committee and the Board, the Budget Estimates shall be sent to Government for sanction.

7. The accounts of the Pool Fund shall be maintained separately for each season and in such form as the Board may direct (Coffee Rule 34 (2)).

8. *Maintenance of accounts, check of bills etc.*:- The main instructions in regard to the maintenance of accounts check of bills etc., are embodied in this chapter. Subsidiary instructions having particular bearing on the accounts of the different departments are detailed in other chapters.

9. *Cash Books*:- Cash books should have their pages machine numbered. A certificate of count of the number of pages of the cash book should be recorded on the back of the cover over the signature of the officer. As far as possible, no line in a page should be left blank, but if any page in the cash book has to be left blank, a diagonal line may be drawn to cancel the blank space so that no subsequent entries may be made therein.

10. All receipts and payments of cash should be entered in the cash book, as soon as they occur, strictly in the order of their occurrence. Cheques, demand drafts etc., received should be entered in the cash book on the dates of their receipt, though encashed only later on. Similarly self-cheques drawn for recouping the cash balance should be entered in the payment side and receipt side in the 'bank column' and 'cash column' respectively, on the date of drawing, though the cheques may not be encashed on the same day.

11. *Receipts*:- When money is received by any officer on behalf of the Board, it should at once be brought into account and a receipt should invariably be issued without delay to the payer.

12. Before an officer signs the receipt for the cash received by him, he should see that the receipt of the money has been duly recorded in the cash book and the entry in the cash book should be initialed and dated at the same time in token of the cheque. When the officer is absent on tour, and the receipts are signed by the Head Clerk, the entries in the Cash Book should subsequently be checked by the officer on return from tour, with reference to the counterfoils of the receipts.

13. *Payments:-* All payments should be made only on a pay order, signed and dated by a responsible officer. This order should be signed in hand and in ink and should specify the amount payable both in words and figures. After the payment is made, the voucher should be stamped 'Paid'; if it is paid by cheque, the cheque number and date should also be written on the voucher. No cheques should be drawn unless it is intended to be paid away. The endorsement on the voucher should be initialed by the disbursing officer at the time of verification. Vouchers should be serially numbered and filed in a guard file and the corresponding entries in the cash book should bear the same numbers under the appropriate column.

14. Every entry in the cash book must be concise. The date, the number of the voucher; if any, and a brief narration specifying the nature of the transaction must be entered against each item. An entry once made in the cash book should, under no circumstances be erased. Any mistake discovered, should be corrected by drawing the pen through the incorrect entry and inserting the correct one in red ink between the lines. This disbursing officer should initial all such corrections and invariably date the initials. When the error is discovered too late for correction in this way, and the accounts of the month have already been closed and the balance struck and recorded, correction of errors in amount should not be made, but another entry should be made for the necessary correction in the month in which the error is detected, giving reference to the previous entry and recording a suitable remark in red ink against the original erroneous entry in the cash book.

15. *Verification of entries in the cash book:-* All the entries in the cash book should be checked by the officer concerned as soon as possible, after they are made and he should initial with date. He should compare each entry of payment with the gross amount chargeable as shown in the voucher ensuring that it bears a pay order of a competent authority. It should also be ensured while examining the postings of the entries on the payment side, that all deductions from vouchers are posted as receipts on the receipt side of the cash book. He should also verify the totals of the cash book or have this done by a subordinate other than the one who made entries in the cash book.

16. The actual physical balance of cash should be verified daily. When the officer is present at his headquarters, he should himself verify. A certificate of verification of the cash balance at the end of the month should be recorded specifying the balances both in words and figures and also indicating denominations. The balance in the bank as shown in the bank column of the cash book should be reconciled with the pass book entries and the fortnightly statements received from the banks. This reconciliation should also be recorded in the cash book at the end of the month over the signature of the officer.

17. If at any time on verification of cash, balance as per cash book is found different from the actual cash balance, it must, unless the error could be detected and set right at once, be made to agree with the actual counted balance, by making the necessary entries on the receipt or payment side. If cash is found surplus, an entry 'suspense cash found in excess Rs.-----' should be made on the receipt side of the cash book, if actual cash found is deficit an entry 'suspense cash found deficit Rs.-----' should be made on the payment side. It should be determined that these entries are only provisional and the error responsible for the difference in cash balance should be detected and rectified promptly. The action that should be taken on the occurrence of a deficiency will depend upon the nature of each case.

18. *Payment of Cheque:-* If the validity of a cheque has expired due to non-presentation to the bank within six months after the date of its issue, it should be recalled, Bankers intimated and a new cheque issued in lieu of it. The fact of the cancellation of old cheque and the number and date of the new cheque should be recorded on the counterfoil of the old cheque and the number and date of the old cheque that is cancelled should be entered on the counterfoil of the new one. The fact of the issue of new cheque should be entered on the date of issue in red ink in the cash book, but no amount need be entered in the column for payment, a note being made at the same time against the original entry in the cash book.

19. When a cheque is cancelled, the cancellation should be recorded on the counterfoil and it should be recorded as a 'minus' entry on the

should be kept with the Officer in charge. The duplicate key of the safe should be kept duly sealed either in the bank or at the Head Office in the custody of another department. The duplicate keys should be called back yearly for verification, resealed and sent back again for custody. A register of duplicate keys should be maintained for the purpose.

22. The persons entrusted with the custody of cash furnish security or be covered by fidelity guarantee policy. Where large sums are to be remitted to the bank or withdrawn therefrom, a cash-in-transit policy should also be taken out. An escort should accompany the person carrying heavy cash.

23. The balances in the imprest account as well as in the Pool Fund Cash Book of ACMOs, Depot Managers, etc., should be kept to the minimum requirements. Sale proceeds of coffee received from dealers should be remitted to the bank daily.

24. The above instructions will apply mutates mutandis when the receipt and payment of cash are accounted for in other registers like Pool Advance Register, C1/C2/C3 Register, Sale Registers etc.

25. *Compliance of accounts:- Ledger:-* The ledger is the record of the accounts of the departments classified under various heads of accounts. The main classifications are revenue heads, expenditure heads and debt heads (advances, suspense, deposits, etc.,) One or two folios in each ledger should be allotted for each head of account. The heads of account should conform to those in the Budget Estimates. It is enough if one column is opened for money transactions relating to revenue and expenditure heads, as the balances under these heads are not carried forward to next year's accounts. But in the case of debt heads, two columns, one for credits and one for debits, should be opened.

26. The ledger is to be posted from the cash book and the journal. The transactions should be posted in chronological order. The particulars of the transactions need not be entered in the ledger against each entry but it is sufficient, if a reference to the cash book folio in which the particulars are available is given therein. All debits to the revenue heads should be posted in the ledger as 'deductions' from receipts and credits to expenditure heads as abatement of charges. In the case of debt heads, the payment should be posted in the debit column and the receipts in the credits column. In certain departments like Secretariat and Provident Fund Branch, an abstract of the cash books summarized according to heads of account is prepared after the close of each month and the ledger is posted from this abstract.

27. *Journal*:- Journal entries are prepared in the following cases: (i) to rectify errors in classification of transaction in the original accounts, (ii) to adjust an item of debit or credit outstanding under a debt head, e.g., advances, suspense etc., and (iii) to make monthly adjustments in respect of certain transactions. In all these cases, journal vouchers are prepared showing the debit and the credit head of account and the purpose for which the journal voucher is prepared and passed by the Officer concerned and then incorporated in the journal. From the journal, the transaction should be taken to the ledger under the relevant heads.

28. *Trial balance*:- After all the transactions recorded in the cash book and the journal for the month have thus been posted in the ledger, a trial balance showing the debits and credits under various heads of accounts, including the cash balance in the office and banks should be prepared once a month to see whether the balance under debits and credits tally. This trial balance is intended to prove the accuracy of the postings in the ledger for the month. After the trial balance for the month is prepared and found to tally, the signature of the Accounts Officer should be obtained. After the year's accounts have been closed, the balances under the various debt heads, at the end of the year, should be carried forward and posted as opening balances under the relevant heads in the ledger for the next year.

29. *Suspense Register*:- A Suspense Register should be maintained for the record of transactions under various debt heads, e.g., advance, deposits, etc. The register should be maintained in the following form:-

Sl. No.	Particulars	Opening	Monthly		Closing
		balance	Debits	Credits	balance
					(with 12 monthly Columns)
1	2	3	4	5	6

30. The transaction in the register should be posted from the original records, i.e., vouchers, cash receipts, etc., e.g., payment of advances of Pay or TA will be posted from the vouchers in the case of divisional officers and in the case of Head Office, as and when the bills are passed for payment, and the recoveries from the vouchers. Credits under deposits will be posted from the cash receipts or from the deduction shown in the bills. At the end of the month, the monthly debits and credits so posted, under each head of account, in this register should be tallied with the figures in the ledger and any difference should be analysed and adjusted in the next month's account.

31. These registers closed as above should be submitted to the officer-in-charge. The items outstanding for long periods should also be reviewed and action taken for their prompt adjustment.

32. In respect of certain transactions like conveyance purchase advance, security deposits, etc., the acceptance of the balance outstanding at the end of each year against each party should be obtained from him and filed.

AUDIT PROCEDURE

33. *Audit of sanctions:-* The audit of sanctions is conducted to see that (i) the sanction has been accorded by the competent authority in accordance with the powers delegated, (ii) the sanction is worded in precise terms, and (iii) the sanction is not in conflict with any financial rules or orders issued by higher authorities. It is the primary duty of the administration concerned, while putting up proposals in respect of any transaction, to indicate the authority who is competent to sanction the transaction. Copies of the sanctions should always be sent to the Account Branch with endorsement “sanction accorded by-----“. All sanctions to expenditure accorded by competent authority should be noted and properly attested in a prescribed register or other record against which the audit of expenditure will be conducted. This register or record may preferably be maintained according to budget heads and the budget provision noted against each head of account, for watching the progress of expenditure against appropriation. If it is known that the charge will entail a recovery from another party, e.g., advances, electricity charges etc., a note of the payment should also be made in a suitable register so that the recovery may be watched.

34. All proposals involving financial commitments affecting receipts and expenditure should be routed through the Accounts Branch for their remarks (Office Order No. S. 1034 dated the 15th September 1955).

35. *Audit of expenditure:-* The main points to be noted in the audit of expenditure are (i) the expenditure has been sanctioned by the authority competent to sanction it and has been incurred by the party competent to incur it, (ii) the payment has been made to the proper person and so acknowledged and recorded that a second payment on the same account is impossible, (iii) the expenditure has been correctly brought to the account, (iv) the rates paid for the work done or supplies made are in accordance with the scale or schedule prescribed by the competent authority, (v) the expenditure sanctioned for a limited period has not been incurred beyond the period without further sanction, (vi) the claims are in accordance with rules and in proper form, and (vii) there is provision for funds for expenditure duly authorized by the competent authority.

36. The Accounts Officer has, in the course of audit, the power to disallow and to order recovery of any over payment or of any expenditure which has not been sanctioned by a competent authority or which is in excess of the sanction or which is not in accordance with the rules and regulations; also any expenditure which in his considered opinion violates the canons of financial propriety and any expenditure in the nature of a penalty or fine levied on the Board due to the negligence of the authority concerned in effecting prompt payments, on the due dates prescribed in the statues or other regulations or in taking delivery of goods, such as penalty for belated payments of Sales Tax, Electricity Bills, Telephone reconnection charges, demurrage.

37. *Audit of receipts*:- In all cases of outgoing of Board's property such as issue of stocks, sales of coffee, etc., it should be seen that the amounts due have been correctly recovered and brought to account. It should also be seen that no amounts due to the Board are left outstanding in the books without sufficient reason. Whenever any dues appear to be irrecoverable, the administration concerned should be addressed to obtain orders for their adjustment. Ordinarily no sums should be credited to the accounts by debits to a suspense head. Credit must follow and not precede actual realization.

38. *Audit of Vouchers*:- The following instructions should be followed in the audit of vouchers in support of payment. Ensure that :

- (a) the details of the vouchers work up to the totals and the totals are shown in words as well as figures,
- (b) they are numbered,
- (c) they have a pay order signed by the officers concerned,
- (d) they are stamped 'Paid' and that sub-vouchers contain notes of dates of payment.

Note:- Cash Memoranda which do not contain an acknowledgement of the receipt of money from persons named therein are not receipts within the meaning of Section 2 (23) of the Indian Stamp Act (II of 1899). Further, the mere writing of the purchaser's name and address on a

memorandum, for delivery purposes does not transform it into an acknowledgement of the purchaser that the money has been paid. Cash Memoranda will not, therefore, be regarded as sub-vouchers in audit unless they contain an acknowledgement of the receipt of money from the person named therein (with stamps affixed when the amount exceeds Rs.20).

The Cash Memoranda submitted in support of the claim for reimbursement of the cost of special medicines purchased from the market under the Medical Attendance Rules, need not, however, be stamped or bear the suppliers' acknowledgement.

- (e) there are no erasures and that any alterations in the totals are attested by the officer concerned as many times as they are made,
- (f) the stamps are affixed to all vouchers for amounts exceeding Rs.20.

Note:- The limit of Rs.20 up to which receipt is not required to be stamped, should be applied to the net amount payable on a bill and not the gross claim preferred therein.

- (a) Provident Fund and Income Tax deductions have been correctly made and
- (b) the number and date of the sanction is quoted on the voucher.

After check, the voucher should be recorded with the word 'checked' over the initials of the clerk concerned. If any objections taken on any voucher, the note of the objection should be recorded therein, in sufficient fullness, to make it clearly understood.

39. *Extent of Audit*:- The percentage of check exercised by the Clerk, the Head Clerk and the Officer concerned should be prescribed by the Accounts Officer.

40. *Audit of pay bills*:- A staff list of each Officer, for which separate monthly pay bills are prepared, should be obtained from the Administration Section, showing the sanctioned strength (permanent and temporary) of each

category of staff, particulars of the names of the incumbents, scales of pay, the pay drawn by them as on 1st January, the date of next increment etc., with a certificate 'checked with the service book and found to agree' duly recorded therein. The staff list should be the basis for check of the pay bills. If any increment is drawn in the bill in respect of any person, the fact should be noted in the staff list as follows:-

E.g., Jr.Clerk-Rs.110-3-131-4-155-EB-4-175-5-180 Shri X Rs. 131 from 1-3-1966 (Increment certificate attached to Voucher No.---- of April 1966)

If a person is transferred from one office and Last Pay Certificate issued to him, the fact should be noted as follows:-

E.g., Shri X transferred from Divisional Office, Coimbatore on 10-2-1966-Pay for 1st to 9th drawn in Coimbatore Divisional Office Pay bill in Voucher No.----- of March 1966.

Similarly, the relevant particulars should be noted in the staff list of the office to which he is transferred, from the L & C. This should be checked with the staff list of the office from which the incumbent is transferred.

41. *Temporary establishments*:- Separate bill should be prepared for temporary establishments. The number and date of the sanction and the period of sanction of the temporary establishments should be quoted on the bills:-

42. The following are the main points to be observed in the check of establishment bills:-

- i) that the arithmetical calculations in the bill are correct,
- ii) that the absentee statement is attached to the bill or 'no leave' certificate is attached and that the sanctioned strength is not exceeded.
- iii) that the enhanced pay of officiating incumbents is in accordance with the rules,

- iv) that a last pay certificate is furnished for the staff transferred from another establishment,
- v) the date of making over or receiving charge is stated, joining time is checked in accordance with relevant rules and found to be in order, and that the average pay calculation sheets are attached where necessary.
- vi) Whether the relevant certificate regarding House Rent Allowance and Cycle Allowances, etc., are furnished in the bill for drawal of allowances during duty, leave and joining time,
- vii) Whether rent has been recovered in respect of occupation of Board's quarters,
- viii) Whether acquittances (with date) have been obtained in the bills for the payments, and
- ix) in the case of leave salary sent by M.O., whether the M.O. receipt is attached, and, where the leave salary is paid to another member of the office staff the requisite authorization-cum-receipt for the payment has been obtained from the absentee.

43. *Arrears bills:-* Arrears of pay and allowances should not be drawn in the main pay bill for the month, but should be drawn in separate bills. The arrears bill/s and the original bill should be cross-referenced as a safeguard against a second claim.

44. *Increment Certificate:-* Increment Certificates in respect of broken periods of duty should be sent to the Accounts Branch for check before they are sanctioned.

45. *Audit of T A Bills:-* TA Bills of officers and establishment are pre-audited by the Accounts Branch before payment is made thereon. It is the duty of the counter-signing officer concerned to see that the tours have been sanctioned by the competent authority and are in accordance with advance tour programme already approved. The check prescribed in SR 195 should also be exercised before the bills are put up to the officer for his counter-signature by the Administration. In the case of peons or Personal Assistants

or other Clerks, accompanying officers, the TA bills will be certified by the officer under whose instructions journeys were performed.

46. When TA bills are received in the Accounts Branch, they should be checked to see that the claims are in accordance with the rules and that the necessary certificates are furnished. The railway fare should be checked with the help of the Railway Time-Table. In the case of transfer TA, it should be seen that necessary certificates regarding transport of personal effects and the members of the family who accompanied the official and their relationship to him are furnished.

47. *Contingent bills:-* The main points to be seen in the check of contingent bills are (i) that in the case of purchase of stores, the relevant certificates that the purchases have been taken to stock accounts have been furnished, (ii) that the purchases are in accordance with rates and sanctioned, (iii) that when purchases are made in the market without calling for tenders, the rates are not extravagant, and (iv) that sanction memo number and date for the purchase are quoted therein.

48. In the case of recurring charges such as rent of buildings, electricity charges, etc., all the payments should be entered in a separate register for the purpose, as a safeguard against double payment. The recovery of the rent or electricity charge from the staff should be watched through this register and note of recovery made therein.

49. *Audit of stores and stock accounts:-* The instructions regarding the custody and accounting of stores and stocks have been embodied in Part I-B Office Procedure-Chapter XIV. The following instructions are to be followed in the check of these accounts.

50. Opening balance for the year should be checked with the closing balance of the previous year. All the bills for purchase of stores should be reviewed to ensure that the purchases have been taken into account as receipt. In the case of issues, it should be seen that (i) there is an authority for every issue, e.g., approval of indent, sanction to write off, etc., (ii) if any scale has been fixed for the issue of any particular kind of stores, the scale has not been exceeded and (iii) in the case of issues to parties, there is an acknowledgement from them for receipt of stores, and, when the value of store issued is recoverable, necessary recovery has been effected.

51. The arithmetical accuracy of the account should be checked. The accounts should also be reviewed to see that (i) the balance on hand does not exceed the maximum limit, if any, prescribed by competent authority and is not in excess of the requirements for a reasonable period, (ii) prompt action has been taken for the disposal of the surplus, unserviceable and obsolete stores, to avoid waste of labour and space, (iii) there is periodical physical verification of the stores and the reports on such verification do not disclose any serious irregularities or defects in the system of control, and (iv) action has been taken on the reports in regard to shortage or excesses disclosed on verification.

52. In the case of priced stores such as stores charged to 'suspense' it should be seen that the issue price has been correctly fixed, that all issues have been correctly charged off to the work or head of account concerned, and that the numerical balance of the stock materials valued at issue rates, tallies with the value balance in the General Ledger under 'suspense'.

53. *Objection book*:- All objections issued as a result of audit should be entered in an objection book and the replies thereto watched. The replies to the objections should be entered against the relevant item of entry in the objection book, which should be closed monthly and submitted to the officer-in-charge.

PART IX – B

CHAPTER 1

INTERNAL AUDIT PARTY

1. *Organisational Set-up:-* An Internal Audit Party was constituted by the Executive Committee of the Board at its meeting held on 12th September 1962 on a temporary basis, for the internal check of financial and accounts records of the Head Office and other offices to ensure better efficiency in the maintenance of these records. It was made permanent vide Executive Committee's Proceedings dated June 1964.

2. The staff strength as on 30th September 1977 of the Internal Audit Party consists of – Assistant Secretary (One), Head Clerks (Three), Senior Clerks (Twelve) and Junior Clerks/Typists (Two).

3. The Internal Audit Party which functioned as part of the Accounts Department under the overall control of the Chief Accounts Officer, has since been made independent of the Account, Department and functions directly under the Chairman. The reports of the Internal Audit Party will be put up to the Chairman through the Director of Finance who will note the salient features, if any, and submit the same to the Chairman. The staff matters relating to the Internal Audit Party will be dealt with by the Secretariat. These arrangements are as per Proceedings No.----- dated ----- of the Chairman.

4. *Functions:-* The main work of the Internal Audit Party of the Board is as follows:-

- (a) To check the accounts maintained at Head Office in respect of the General Fund, Provident Fund and Pool Fund and to give suggestions for improving the efficiency and working of the

sections concerned with reference to rules, regulations and orders governing their functions.

- (b) To check the accounts of the Research Stations at Balehonnur and Chethalli maintained at Head Office including the Imprest Accounts of the various Units of the Research Department.
- (c) To check the accounts of the Divisional Offices and the field units and send reports of such inspection to the concerned authorities.
- (d) To inspect the accounts of the Pool Agents and send reports thereon in the form of inspection reports.
- (e) To check the Stock Accounts and Service Books (including Leave Accounts) maintained at Head Office and various Regional Offices or Divisional Offices.
- (f) To review the suspense accounts and render such help as may be necessary for their reconciliation etc.,
- (g) Such other work as is entrusted to it by the Chairman from time to time in so far as audit and accounts work is concerned – chiefly of review in character.

5. *Audit work at headquarters:-* The following items of work in general will be taken up in batches for scrutiny by the Internal Audit Party each season/year. The extent of Audit scrutiny is indicated against the items.

6. The number of man-days required for completing audit, in each of the departments of the Board, is indicated against them. These are provisional and likely to undergo changes depending on actual working in future.

(a) Marketing (5,650 man-days)

- | | |
|--|--|
| 1. Pool Fund Cash Book | Transactions of 2 months selected at random to be |
| 2. Imprest Cash Book | checked 100% - General scrutiny in respect of other periods. |
| 3. Check of Pay, TA, Medical reimbursement | |

*****To type from 610 to 613**

7. Apart from the above items of work the Internal Audit Party will attend to the general correspondence relating to audit of accounts, referred case files, inspection reports of internal audit party and other departments and special assignments given by the Chairman.

8. *Work entrusted (Field)*:- The accounts of different branches of the Board's organization are now being covered by audit once in two years. This will be stepped up and the target of covering all the branches once in a year will be achieved by the end of 1978 based on the assessments of the actual time required for the quantum of work to be completed in audit in each offices/unit. For this purpose audit party headed by the Assistant Secretary of the Internal Audit Party will move out of the headquarters from time to time according to phased programmes. This audit is different from the inspections of accounts which Chief Accounts Officers/Accounts Officer undertakes as hitherto, for which the Chief Accounts Officer may co-opt any official from the Accounts Department.

9. The observations made in audit reports issued by the Internal Audit Party will have to be compiled with, within 3 weeks of receipt of the reports.

10. The Internal Audit Party will submit to the Chairman on the 10th of every quarter (i.e., January, April, July and October of every year) a report showing salient points noticed in internal audit during the previous quarters. This will be submitted through the Director of Finance.

11. The time schedule for the check of the accounts of the Pool Agents, Divisional Offices, Depots and other Units by an Audit Party comprising one Officer and two Senior Clerks is fixed as follows (excluding transit time taken). The strength of the Audit Party will be suitably increased or decreased by one Senior Clerk depending on the volume of work. With the opening of new offices and increase in the volume of work, the time now allowed will be reviewed and if necessary, amended in due course.

	Per Unit
1. 12 Asst. Coffee Marketing Officers	36 days at 3 days
2. 5 Dy. Chief Coffee Marketing Officers	10 days at 2 days
3. 1 Security Officer	2 days at 2 days
4. 3 Asst. Security Officers	6 days at 2 days
5. 30 Pool Agents	90 days at 3 days
6. 20 Pool Sale Depots	40 days at 2 days
7. 43 Pool Collecting Depots	43 days at 1 day
8. 3 Warehouses	6 days at 2 days
9. 5 Propaganda Offices	5 days at 1 day

10. 12 Coffee Houses	24 days at 2 days
11. 3 Coffee Vans	3 days at 1 day
12. 1 Coffee Research Sub-Station	8 days
13. 1 Soil Testing Laboratory	2 days
14. 25 Coffee Demonstration	50 days at 2 days

Farms/Senior Liaison Officers/

Jr.Liaison Officers/Project Office/

DDR, Chikmagalur.

Total	_____
	325 days

12. The Statistical information/factual position regarding certain aspects of specific work, relating to field offices, are to be collected in a questionnaire for record. These 'Questionnaire' are given in Appendix I. The Audit will invariably prepare this, get it approved and kept on record, for future reference.

13. *Liaison work between the Board and the Accountant General:-* The Assistant Secretary of the Internal Audit Party as a member of the panel constituted vide Office Order No.SE/8042, dated 3-8-1977 of the Secretariat, to process the replies to the audit paragraphs forwarded by the Accountant General, will receive the draft reply with all the relevant material from the related departments, edit them to suit the requirements of the case, wherever needed, before the replies are issued. The departments to whom extracts of inspection reports of the Accountant General are forwarded will therefore furnish the draft of the reply to the Assistant Secretary/Internal Audit Party along with the case files and documents in support of the facts, figures and findings mentioned in the proposed reply. The ultimate responsibility for the correctness of the facts contained in the proposed replies would be that of the departments only, though the Internal Audit Party will consolidate the

replies with suitable alterations, wherever necessary, and with the approval of the Head of Department. It is, therefore, essential that only upto date and accurate facts are made over to the Internal Audit Party together with the views of the Department for this purpose.

14. Replies to Resident Audit Party/Senior Deputy Accountant General (In-charge)/Accountant General/Government dealing with the audit observations will issue from the respective departments with copy to the Internal Audit Party.

15. *Cases to be referred to Internal Audit Party for opinion:-* Important cases involving interpretation of rules and regulations may be referred to Internal Audit Party by various departments of the Board.

16. Simple cases of fixation of pay, calculation of leave salary etc., which do not involve any difficulty in interpretation of rules or orders need not be referred to Internal Audit Party for remarks. Such cases should normally be dealt with by the Administrative and Accounts Sections themselves.

17. All pension settlement cases, will however, invariably be referred to Internal Audit Party for prior scrutiny, before the issue of Pension payment orders.

PART IX – C
CHAPTER 1
GENERAL FUND

1. *Objects:-* This fund is credited with the amounts received by appropriation from the consolidated fund of India under section 13 of the Coffee Act, and is applied towards the objects specified in Section 31 (2) of the Coffee Act.

2. *Classification:-* For facility of administration and control over expenditure, the accounts of the General Fund have been split up into (i) General Fund (Administration), (ii) General Fund (Research), (iii) General Fund (Propaganda), (iv) General Fund (Overseas Propaganda) and (v) General Fund (Development). The amount received from the consolidated Fund of India is credited to the account of the General Fund (Administration) and the Funds required for expenditure of the other departments are met from this account. The accounts maintained by the various departments are dealt with separately.

PART IX – D

CHAPTER 1

ACCOUNTS OF THE GENERAL FUND – ADMINISTRATION

1. The Accounts of General Fund (Administration) is under the supervisory control of an Assistant Secretary (Accounts) who is assisted by one Head Clerk and 4 Senior Clerks relating to its accounts.

2. *Functions:-* The main functions of the Section are as follows:-

- (i) Compilation of Coffee Board General Fund Budget, for approval of the Government of India and obtaining funds from the Government against grants to the Coffee Board voted by Parliament and disbursement thereof to Research, Propaganda, Development Department and Project Wing of the Board;
- (ii) Maintenance of accounts relating to General Fund No. 1 Account viz., Administration, Advances to employees and Labour Welfare measures;
- (iii) Maintenance of proforma account of Cess on Coffee credited to consolidated Fund of India under sections 11 and 12 of the Coffee Act; and
- (iv) Submission of various periodical returns to Government e.g., performance budget reports (quarterly); delegation of powers to the Commodity Boards on the basis of the recommendations of the Administrative Reforms Commission and Monthly Expenditure Statements, even distribution of expenditure during the year etc.

3. *Opening of current account and withdrawal of funds:-* The surplus funds in respect of this account are kept in current account, mainly with the State Bank of India, Bangalore. For meeting the expenditure on the pay and

allowances of the Staff, a current account is also opened with the State Bank of Mysore, Vidhana Veedhi Branch, Bangalore.

4. Withdrawal of funds from the bank account should be made by cheques signed by either the Chief Accounts Officer or the Assistant Secretary (Accounts) and counter-signed by the Chairman or the Secretary or Deputy Secretary or Assistant Secretary.

5. Instructions to open current accounts with approved banks will be by the Chief Accounts Officer on the Assistant Secretary (Accounts) and counter-signed by the Chairman or the Secretary, Coffee Board (Resolution of the Board at its meeting on 30th August 1955).

6. *Cash Book*:- A cash book having separate columns for 'cash' and 'bank' giving the dates, particulars of receipts, payments and balances, should be maintained. The amounts received in cash should be accounted for under the 'cash' column, and those received by cheques or demand drafts under the 'bank' column, and sent immediately to the bank for realization. Subscriptions received for the 'Indian Coffee' and other receipts which are received by Money Order should be entered in a separate Money Order Register giving the details of daily receipts. The total amount received by Money Order in a day, should be transferred as a single entry to the cash book. Reference to cash book folio should be given in the Money Order Register. In all cases, individual receipts should be issued to parties. The receipts in respect of subscriptions for monthly bulletin should be signed by the Assistant Secretary, while the Chief Accounts Officer/Asst.Secretary (Accounts) shall sign all other receipts.

7. All payments are to be made on bills drawn by the Secretary/Deputy Secretary/Assistant Secretary and passed for payment by the Chief Accounts Officer. The cash book should be closed daily and the daily balance verified by the Asst.Secretary (Accounts). The cash balance at the end of the month is verified by the Chief Accounts Officer. After the cash book is closed for the month, the balance in the 'bank' column should

be reconciled with the bank pass-book and a certificate of reconciliation recorded over the signature of the Asst. Secretary (Accounts).

8. *Ledger*:- The ledger should be posted from the entries in the cash book as well as from the journal voucher. One or two folios should be allotted for each head of account.

9. *Journal book and journal voucher*:- A journal voucher be prepared for mistakes noticed in the classifications of the accounts and for making adjustment entries. After the journal voucher is passed by the Chief Accounts Officer, it should be entered in the journal book and the transactions taken therefrom to the ledger.

10. *Advance Registers*:- A separate register for each type of advance, viz., House Building Advance, Conveyance Purchase Advance, Advances for purchase of equipments such as Table Fan etc., should be maintained consisting of separate columns for each of the 12 months from April to March showing separately the debits and credits against members of the staff who have drawn advances.

11. Recoveries of advances and interest thereon, on the due dates, in accordance with the provision of the relevant rules, e.g., General Financial Rules, House Building Advance Rules, etc., should be made by the respective departments in the pay bills. Monthly statements showing the details of amounts recovered against each type of advance, together with the cheques for the amounts should be sent to the Secretariat Accounts Branch by the departments concerned. Recoveries should be duly noted against each name in the concerned registers. The totals of debits and credits columns be reconciled each month with the figures in the General Ledger. At the end of the year, balances outstanding against each officer should be communicated to him for acceptance thereof.

12. *Disbursement of Advances:-* On receipt of a pre-receipted bill for the amount of advance sanctioned to an officer, in the Secretariat Accounts Branch, duly counter-signed by the Secretary/ Asst.Secretary, it should be noted in the relevant register, after satisfying that the prescribed conditions are fulfilled and then put up to the Chief Accounts Officer, for pay order together with a copy of the sanction order. The payments made should be intimated to the departments concerned for effecting recoveries of advance and interest as prescribed under the relevant rules.

13. *Deduction of insurance premia from salary:-* Under Rule 31 (4C) of the Coffee Rules, 1955, deduction may be made from the salaries of officers or other employees of the Board with the written authorization of such officer or employee, for payment of any premium on his life insurance policy to the Life Insurance Corporation of India established under the LIC Act, 1956.

14. Every month, the LIC sends a demand list, in duplicate, separately for each department of the Board, a copy of which is received in the respective Accounts Branches, indicating the amount of premium to be recovered from the pay bill of each officer/employee. While the Administrative Branch of each department receives the original of the demand list it should be sent to the concerned Accounts Branch along with the pay bill after making necessary deductions therein. The Accounts branch should remit the amount so deducted, to the LIC during the first week of every month, together with the original of the demand list duly reconciled to indicate the additions/deductions made therein.

15. *Annual accounts of the General Fund:-* After the account for the year of all the departments pertaining to General Fund are audited, an annual statement of the accounts in the form prescribed by Government under Coffee Rules 34 (ii) should be prepared and, after certification by Audit, sent to Government of India for publication in the Gazette.

16. *Monthly accounts of the General Fund:-* With a view to watching the progressive expenditure of the General Fund as against the sanctioned budget and determining the amount of payment to be made to the General Fund by Government, by appropriation from the Consolidated Fund of India, a monthly statement of the accounts should be sent to the Government of India in the prescribed form. For this purpose, a statement of monthly accounts should be obtained from the various departments (Propaganda, Research and Development), consolidated, and a monthly statement prepared.

17. The Customs Duty on coffee levied under section 11 of the Coffee Act will be adjusted by the Collectors of Customs under the Head “ I Customs – Customs Duty on Coffee” vide Ministry of Commerce and Industry’s letter No.12 (1) P 1/54, dated 23-3-1956. The Excise Duty on coffee released for consumption in India by the Board from the Surplus Pool (Section 12 of the Coffee Act), will be paid monthly by the Accounts Branch of the Marketing Department to the Reserve Bank of India for adjustment under the head “II Union Excise Duties – Excise Duty on Coffee-Cess on Coffee”. The payments to the Board from the Consolidated Fund of India for financing the General Fund will be debited in Government Accounts to the head “43-Industries and Supplies – Payment to Coffee Board out of collection of Cess., on Coffee”.

18. Though the above receipts and payments are adjusted to Revenue Heads in Govt. Books and the balances are not carried forward, the Ministry of Commerce maintains a proforma account showing (i) the total credits to the consolidated fund, (ii) the payments therefrom to the Board for financing the expenses in the General Fund, and (iii) the balance available for future payments. The Ministry also sends a quarterly statement of this proforma account in the following form to the Board. (Ministry of Commerce and Industry letter No. 12 (1) Pl./54, dated 22-5-1956):

i) Balance brought forward	... Rs.
ii) Collection of Customs Duty from (say 1-4-1965 to 30-6-1965)	... Rs.
	<hr/>
	... Rs.
iii) Deduct cost of collection at 2%	... Rs.
	<hr/>
iv) Net amount payable to the Board (ii – iii)	... Rs.
v) Amount of cess on internal sale credited to the Consolidated Fund of India by the Coffee Board from (1-4-1965 to 30-6-1965)	... Rs.
vi) Total amount payable to the Board (i) + (iv) + (v)	... Rs.
	<hr/>
vii) Amount paid to the Coffee Board till (30-6-1965)	... Rs.
	<hr/>
viii) Balance lying in Consolidated Fund of India (vi) – (vii)	... Rs.
	<hr/>

CHAPTER II

ACCOUNTS OF PROVIDENT FUND

19. Coffee Board Provident Fund is constituted under the Provident Fund Act, 1925 (XIX of 1925).

20. Prior to the introduction of Pension and DCRG benefits for Board's employees with effect from 1-4-1963, all permanent employees were entitled to contributory provident fund benefits and the Board's provident fund constituted for the purpose was in existence. When the pension and DCRG benefits were extended to the board's employees vide Govt. of India, Ministry of Commerce, Notification No. 9 (2) Plant (B)/63, dated 18-1-1965 amending the Coffee Rules 1955 (Rule 31 A) all employees who were in service on 1-4-1963 and continued to be in service on 18-1-1965 were allowed to opt in writing, either for Pension and DCRG benefits. The amounts of subscription to the credit of such of the employees who opted for Pension and DCRG benefits were retained in the existing Provident Fund and the amount of Board's contribution to their credit in the Provident Fund was transferred to the newly constituted Pension Fund while both the amount of subscription and Board's contribution to the credit of such of the employees who opted for retention of contributory Provident Fund benefits were continued in the existing Provident Fund.

21. *Applicability:-* All temporary servants of the Board, after a continuous service of one year and all permanent servants of the Board, other than those who retained the Board's Contributory Provident Fund benefits under the Provisions of Rule 31A of the Coffee Rules, 1955 come under the purview of Coffee Board General Provident Fund Rules, 1965 and shall compulsorily subscribe to the Board's Provident Fund benefit come under the purview of the Coffee Board Provident Fund Rules and shall continue to subscribe to this fund. Re-employed pensioners also may subscribe to this Fund at their option.

22. Rules relating to General and Contributory Provident Fund are published separately. Any change in the rate of subscription or modification in the rules and procedures relating to advances and withdrawals in the General Provident Fund (Central Services) Rules, 1960 and Contributory Provident Fund Rules (India), 1962 notified by the Central Government shall apply to the Board's Provident Fund also. The work relating to this fund is dealt with in the Secretariat 'Provident Fund Section' under the overall control of the Chief Accounts Officer.

23. *Subscription:-* The subscription to the fund is compulsory and the amount of subscription shall be fixed by the subscriber himself/herself. It shall be expressed in whole rupees and shall not be less than 6 per cent of the subscriber's emoluments in respect of the employees who join the Board's service after 18-1-1965 while it shall not be less than 8 $\frac{3}{4}$ per cent of emoluments in respect of the employees who were subscribing to the Fund earlier than 18-1-1965. It shall not be more than the subscriber's total emoluments. The amount of subscription may be reduced once at any time during the course of the year or may be enhanced twice during the course of the year.

24. As soon as an employee completes one year of continuous service, he/she should intimate the Chief Accounts Officer through the Controlling officer concerned, the rate at which he/she proposes to subscribe to the fund. The controlling officer while remitting the subscription shall indicate in the schedule against the employee's name that the employee has completed the prescribed service and qualifies to subscribe to the fund. On receipt of this information, the PF Section will send a set of nomination forms to the controlling officer concerned who will return it after getting it duly completed by the subscriber. The nominations when received shall be scrutinized and recorded in the prescribed register for preservation.

25. *Advances:-* Applications for advances from PF should be sent by the subscribers in the prescribed form through their controlling officers who will forward them to the appropriate sanctioning authority with their recommendations. The recommending authority shall satisfy himself of the

correctness of the facts mentioned therein before recommending and record a certificate and the application that he is satisfied of the genuineness and the advance is recommended for sanction. The applications for advances received by the Chief Coffee Marketing Officer/Director of Propaganda/Development Officer/Secretary/Chief Co-ordinator & Head/Regional Deputy Chief Coffee Marketing Officers shall be processed by the concerned Establishment sections. While particulars regarding the amount at credit, the date of repayment of the previous advances, the number of advances so far drawn by the applicant etc., may be obtained from the Secretariat (PF Section) by post in respect of applications received by the Regional Deputy Chief Coffee Marketing Officers, this information in respect of the applications received in the Head Office should be obtained by the case worker in the Establishment Section of the concerned department. The departments, while putting up an application to the appropriate sanctioning authority for grant of an advance, shall route it through the Chief Accounts Officer (PF Section) for scrutiny of financial propriety. The sanction memos shall be issued by the concerned departments/regional deputy chief coffee marketing officers with a copy to the secretariat (PF Function) and a stamped pre-receipt for the amount from the grantee of the advance it shall together with the original application and concerned papers be passed on to the secretariat PF Section who shall arrange to issue the cheque to the party direct, under advice to the concerned departments/regional deputy chief coffee marketing officers and the controlling officers.

26. The applications for advances in respect of the Research and Extension Wings duly recommended will be processed by the Secretariat Establishment Section.

- (i) The authorities empowered to sanction the advances from PF under Rule 13 (1) of the Coffee Board General PF Rules are given below:-

- (1) Chairman ... Group A Officers
- (2) Chief Coffee Marketing Officer/
Deputy Chief Coffee Marketing
Officer/Secretary/Director of Pro-
paganda/Director of Research/

Development Officer/Chief Co-ordinator and Head, Project Wing/
Head of Extension Wing. ... Group B Officers

(3) Deputy Chief Coffee Marketing Officer/Deputy Secretary/Deputy Director of Propaganda/Deputy Development Officer/Deputy Director of Extension/Sr.Liaison Officer ... Group C & D Officers

(4) All Group B Officers empowered to sanction advance of TA to their staff on transfer - do -

NOTE:- Group A:- Pay or scale of Pay (Maximum) being not less than Rs.1,300/-

Group B:- Pay or scale of pay with a maximum of not less than Rs.900/- but less than Rs.1,300/-

Group C:- Pay or scale of pay with a maximum of over Rs.290/- but less than Rs.900/-

Group D:- Pay or scale of pay the maximum of which is Rs.290/- or less.

(ii) All advances for special reasons under Rule 13(2) shall be sanctioned by the Chairman only.

27. The stamped pre-receipt together with the concerned papers received in the PF Section shall be put up to the Chief Accounting Officer for pay order, together with the personal ledger noting the amounts of withdrawal at the appropriate columns therein. After the pay order is passed, the payment shall be made by cheque and noted in the "Advance Register" maintained in PF Section. The concerned pay drawing officer should maintain a register for this purpose and watch the recovery of the advances.

28. *Recovery of advance and interest thereon:-* According to Rule 15(3) (A) of the PF Rules the rate of interest fixed is $5\frac{1}{2}\%$ per month or broken part of a month of the principal. Thus if an advance of Rs.300/- has been repaid in 20 instalments of Rs.15/- each, the amount of interest that will be payable is $5\frac{1}{2} * 1/100 * 300 * 20$. If an advance repayable in 20 instalments has been actually paid in 22 months, due to non-payment in any particular month on account of the subscriber having been on leave, then the interest should be calculated as $5\frac{1}{2} * 1/100 * 300 * 22$.

29. *Accounts:-* The monthly amount of subscriptions and advances recovered from the pay bills should be remitted by each department to the PF Section by a cheque/demand draft drawn in favour of "Coffee Board PF Account" not later than the 10th of the succeeding month, accompanied by a schedule in the prescribed form showing the names of the subscribers, their emoluments, the amount of subscription, amount of advance recovered and their Account Numbers. A certificate should also be furnished in the statement that the emoluments shown thereon have been checked with the pay bills and found correct.

30. *Contributions:-* The amount of Board's contribution creditable to the PF account of each subscriber who has retained the contributory PF benefits calculated @ $8\frac{1}{3}\%$ of his annual pay is payable each year by the departments concerned before 25th March of that year. While the marketing department accounts section will send the amount by a cheque drawn in favour of the "Coffee Board PF" direct to the PF Section along with the particulars of the emoluments drawn by each employee during the years i.e., April to March, other departments of the Board financed by the Board's General Fund will furnish such particulars to the Secretariat Accounts for remittance of the amount to the PF.

31. *Ledger:-* The accounts of the subscribers are maintained in the prescribed ledger form. One folio should be allotted to each subscriber. (The ledgers are maintained in the form of loose leaf ledgers). Separate ledgers should be maintained for each department. An Index Register should be maintained giving the name and the account number of each

subscriber. When a subscriber is transferred from one department to another, his/her folio should be detached from the ledger of that department and transferred to the ledger of the department concerned. After the ledger leaves are completed the loose leaves shall be given in the Index Register of the ledger of the department from which he/she is transferred, and corresponding entry made in the Index Register of the ledger to which he/she is transferred.

32. The subscription as well as the recoveries of advance noted in the statements received from the departments should be posted in the ledger against the month concerned to the credit of the subscribers account. Payment of the advances from the PF to the subscribers should be entered in the ledger against the month in which the advance is paid at the time the bill is passed for payment.

33. At the end of the year, after the subscription and the contributions for March are received and posted, the interest creditable to the subscriber's account on his/her subscription as well as on the Board's contribution should be worked out and posted in the ledger, and the balance to his/her credit at the end of the year worked out separately for subscriptions and contributions. A statement of accounts for the year in the form prescribed should be sent to him/her, through the department concerned in accordance with PF Rule 21. The rate of interest to be credited to subscriber's account will be at such rates as may be determined for each year by the Central Govt. for the General PF (Central Services) and Contributory PF according to the method of calculation prescribed from time to time by them.

34. Incentive Bonus Scheme for subscribers who do not withdraw from their accounts during the year, introduced by the Govt. of India vide Ministry of Finance, O.M. No. F.20 (7)/-EB (B)/75, dated 30-7-1975 has been introduced by the Board also with effect from 1975-76. Under this Scheme, Incentive bonus calculated at the rate of 3 percent for employees drawing emoluments upto Rs.500/- p.m. and at 1 percent for employees drawing emoluments above 500 p.m. will be credited to such of the subscribers accounts who do not withdraw any amount from their PF during

the year. Incentive bonus is calculated only on the amount subscribed during the year.

35. *Broad-sheet:-* A Broad-Sheet in the form prescribed should be maintained separately for each ledger. This Broad-sheet will be posted from the ledger from the monthly credits and debits to the subscriber's account (subscriptions and recovery of advance). The total of the amounts credited to the accounts of the subscribers as per this broad-sheet be tallied with the figure in the monthly accounts. Any difference between the two figures should be reconciled and necessary action taken for its adjustment in the subsequent months. Similarly in March, the contribution received from the departments should be posted from the subscriber's account at the end of the year should be posted in the accounts of the subscriber and the total reconciled with the figures in the final accounts for March. The closing balance to the subscriber's account should then be struck and carried forward as opening balance in the next year's broad-sheet.

36. *Final Settlement:-* As soon as a subscriber is retired/resigned/deceased from the service of the Board, the concerned department will furnish the Last Pay Certificate together with the present address of the employee. On receipt of the requisition from the Claimant and the LPC, the PF account is finalized and forwarded to Internal Audit Party for scrutiny. Further, the subscriber/nominee as the case may be will be informed to furnish a pre-stamped receipt for the amount certified. On receipt of the pre-stamped receipt, necessary pay order is obtained and the PF account is settled by a crossed cheque/demand draft.

37. *Cash Account:-* Surplus moneys of the PF are kept in current account with the SBI, Bangalore City and State Bank of Mysore, Vidhana Veedhi Branch, Bangalore styled "Coffee Board PF Account". Withdrawals therefrom are made by cheques signed by the Chief Accountant Officer/ Asst.Secretary (Accounts)/ Asst.Director of Propaganda (Accounts) and counter-signed by the Chairman/ Secretary/ Deputy Secretary/ Asst.Secretary.

38. The funds in the Board's PF not required for current expenditure shall be invested as stipulated in proviso to Rule 35 (2) of the Coffee Rules 1955. At the beginning of each month, balance of cash which is available for investment shall be worked out and orders of the Chairman obtained for its investment. An Investment Register shall be maintained for all such investments made from the PF Account. Instructions to the bank regarding investments shall be signed by the Officers authorized to operate on the account.

39. All the securities shall be kept in safe custody with the bankers and a certificate containing details of securities held in safe custody obtained from the bank as at the end of each year.

40. *Cash Book*:- A cash book showing the opening balance receipts, payments and closing balance should be maintained. All the remittances received from the departments by cheques/demand drafts towards subscriptions and advances shall be credited in this book and the cheques/demand drafts sent to the banks for credit of our account with them. Advances from the PF are paid by cheques/demand drafts only. The balance in the cash book at the end of each month shall be reconciled with the bank statements and certificate of reconciliation recorded over the signature of the Asst. Secretary (Accounts). An abstract of transactions under each of the heads, both under receipts and payments, shall be drawn up and recorded in the Cash Book at the end of each month's transaction.

41. *General Ledger*:- From the abstract statement of account recorded in the cash book at the end of each month, entries shall be made in this ledger. The main heads of accounts are 'Subscriptions', on Investment Account, Members Account, Interest on subscriptions, Subscriptions, Advances and Final settlement accounts shall be maintained department-wise and entries made therein reconciled month-wise with the entries in the broad sheet pertaining to respective department vide para 35 above. Differences, if any, noticed are recorded in the broad sheet, and adjusted by a journal entry, if necessary. The balance held in subscriptions, advances,

final settlements as on 31st March of each year, shall be transferred to Members' Accounts (subscription).

42. *Journal*:- Entries requiring rectification (such as over payments, short remittances, etc.,) and crediting of interest to members' account are passed through the journal and taken therefrom to the ledger under the heads concerned.

43. *Audit and annual accounts*:- Annual accounts should be compiled and furnished to audit by September (for the year ending preceding March) of each year. A receipt and payment account, income and expenditure account and a balance sheet should be compiled from the General Ledger and furnished to audit. The report and the audited statement of accounts shall be place before the Board.

44. The Head Clerk in-charge of the PF Section should conduct a 10% test-check of interest calculations.

45. *Review*:- The Head Clerk should also review 10% of the postings in the ledger during each month. The review should be so arranged that every subscriber's account is checked at least once a year.

46. In addition to the monthly review, a review of the PF accounts should be conducted at intervals of three years by the Head Clerk. The scope of the review would be (i) to see that there are no cases of omissions to open ledger accounts, subscribers; (ii) to examine generally the credits in the ledger accounts and satisfy himself on the reasons for non-recovery, and in the case of irregular action has been taken for its regularization; (iii) to see that the balances are correctly carried forward; (iv) to see that the accounts of the subscribers who have ceased to be in service are promptly closed and refunds authorized; (v) where amounts have been unclaimed for over three accounting years, they have been transferred to 'Lapse and forfeiture

account', and (vi) to verify that the subscriptions are within the maximum and minimum limits.

47. *Application of Employees' PF and Family pension fund Act 1952:-* The employees of the Board working in the Board; Coffee House/ Coffee Rooms/ Vans come under the purview of this Act so long as they continue to work there. The Govt. of Karnataka have exempted the Board from the operation of the provisions of the Employee PF Scheme Under Section 17 (1) (b) of the Act subject to certain conditions. As required therein, the PF Section shall submit the prescribed monthly returns and pay inspection charges at 0.09% to the Regional PF Commissioner, Bangalore. Similarly Employers Contributions at 0.5% Linked Insurance Scheme along with prescribed return shall also be sent to the Regional PF Commissioner every month by the PF Section.

CHAPTER III

ACCOUNTS OF PENSION FUND

48. This Section is under the charge of the Asst. Secretary (Accounts) who is assisted in the work by one Head Clerk and 3 Senior Clerks.

49. *Coffee Board Employees' Pension Fund*:- By virtue of Rule 31-A of the Coffee Rules 1965 (introduced by the Coffee [Second Amendment] Rules 1965, in the Notification dated 18-1-1965) all Board's employees, other than those who have elected to retain the benefits of the Contributory PF Scheme in accordance with the first proviso to Rule 31-A of the Coffee Rules, 1955, and Officers on deputation to the Board, are eligible from 1-4-1963, from which date it came into force, to Pension and Death-cum-Retirement Gratuity (including family pension extraordinary pension and commutation) as admissible to Central Government Employees under the Liberalised Pension Rules, from time to time.

50. Those who were in the Board's service on 1-4-1963 but had ceased to be in such service on 18-1-1965, either on account of retirement, or superannuation or death and whose PF Account had not been settled before 18-1-1965, were deemed to have opted for the Pension Scheme.

51. To meet the expenditure on Pension and Death-cum-Retirement Gratuity, a separate fund has been constituted called the Coffee Board Employees' PF. The rules governing the Fund are given in Appendix XXVI of part I-B-Office Procedure (Chapter XVI-Para 401.)

52. The main functions of the Section are:-

- (i) Administration of Board's PF and maintenance of accounts thereof;

- (ii) Settlement of Pension and Death-cum-Retirement Gratuity Claims of the Board's Employees retired/ resigned/ invalidated/ deceased ;
- (iii) Disbursement of monthly pensions.

53. *The section should attend to the following items of work:-*

- (a) Verification of services,
- (b) Reporting of pension, DCRG, Service Gratuity, etc., and compassionate gratuity cases,
- (c) Applications for commutation of pension,
- (d) Receiving of monthly pension bills and family pension bills and effecting payment,
- (e) Maintenance of the accounts of the Coffee Board Employees' PF
- (f) Ensure that the departments of the Board make contribution to the Fund without delay at such rates as may be laid down by the Board under the Relevant Rule of the PF Rules, and
- (g) Watch the current and prompt recovery of pension and leave salary contribution in respect of all the Board's employees on foreign service with other institutions of Central/State Govts.

54. *Compilation of Pension Records:-* The administrative section of each department should initiate action, well in time, for the completion of pension records and documents. The detailed instructions under Article 907 Chaudhuri's Compilation of C.S. Rs. (Volume 1) may be referred to and followed. The service of statement should be finalized at least six months before the date of retirement of the officer, and got verified from the Pension Section.

55. *Register of applications for pension:-* On receipt of an application for pension or gratuity, the clerk in-charge should register it at once in the applications register. He should see that necessary action on each

application is taken immediately. Application for pension and Death-cum-retirement Gratuity are invariably to be treated as urgent, and their speedy disposal should be ensured.

56. *Document to accompany for Pension:-* Every application for pension should be accompanied by the following:-

- a) Formal application for pension from the Banker's employee (in the prescribed form),
- b) The Pension application in the proper form,
- c) Memo of service and leave,
- d) Invalidation certificate (if the claim is for invalid pension),
- e) Two specimen signatures or in the case of illiterate persons 2 slips bearing the left hand thumb and finger impressions duly attested,
- f) Memorandum of average emoluments,
- g) Declaration of non-receipt of any other pension,
- h) Three copies of joint photograph with wife,
- i) Memo of calculation of pension and Death cum-Retirement Gratuity,
- j) Service books together with leave account,
- k) Last pay certificate,
- l) Declarations for grant of Anticipatory Pensions and Gratuity,
- m) Confidential Rolls where the Pension sanctioning authority is different from the receiving authority, and
- n) Address of the Board servant after retirement.

57. *Procedure for payment of pension bills in cases where a pensioner is unable to appear in person for receiving payments:-* The claim should be supported by a life certificate issued by any of the following:-

- 1) A Magistrate under the Criminal Procedure Code (Act V of 1898);
- 2) Any Register or sub-register appointed under the Indian Registration Act 1908;
- 3) Any Pensioned Officer who before retirement exercised the powers of a Magistrate;
- 4) Any gazetted officer or a Munsiff or a Police Officer not below the rank of a Sub-Inspector in-charge of a Police Station;
- 5) A Post Master, a departmental Sub-Post Master, or an Inspector of Post Offices;
- 6) A Class I Officer of the Reserve Bank of India or a Staff Officer or a Staff Assistant of the State Bank of India.

58. *Pledge of retirement benefits for obtaining loans:-* The retirement benefits like pension, gratuity, family pension, etc., are at the direction of the Coffee Board and should not be pledged in anticipation by the Board's servants.

59. As regards nominating the LIC of India to receive the retirement benefits like Pension, Gratuity, PF amount etc., the respective rules regarding nomination do not permit such a course when the Officer has a family (vide Office Memorandum No.50/18/64 Ests (A), dated 30-10-1965 issued by the Ministry of Home Affairs.

60. *Nomination for death-cum-retirement gratuity and family pension:-* It is compulsory for every Board servant borne on the pensionable establishment to make a nomination in one of the prescribed forms A, B, C or D as the case may be (vide Appendix II (a), (b), (c) and (d).

61. If at the time of making the nomination, the Officer has a family, the nomination shall not be in favour of any person or persons other than the members of his family.

62. Where the Officer has no family, the nomination can be made in favour of a person or persons, or a body of persons, corporate or incorporate.

63. Every nomination made by a Board's servant should be sent to the Accounts Officer through the Head of his/her office. Immediately on receipt of a nomination, the Head of the Office shall counter-sign it indicating the date of receipt before forwarding the same to the Accounts Officer.

64. The Board servants should preserve copies of the nominations made by them in their personal custody also in the interest of their nominees.

65. *Officers of the Board who are empowered to sanction Pension or Death cum-Retirement Gratuity:-* Pension and death cum-retirement gratuity to Class I and II Officers of the Board will be sanctioned by the Chairman with the approval of the Govt where the appointments are made by Central Govt under section 9 of the Coffee Act. In respect of Class III and IV staff of other departments of the Coffee Board, the following Officers are empowered to sanction pension/death cum-retirement gratuity:-

- 1) Chief Coffee Marketing Officer,
- 2) Director of Propaganda,
- 3) Director of Research,
- 4) Development Officer, and
- 5) Secretary.

66. The procedure relating to maintenance of cash book, general ledger and journal is detailed in Part IX –A Accounts Chapter I.

67. *Audit and Annual Account*:- The payments from the Pension Fund and investments of moneys not needed for current expenditure will be test checked by the Internal Audit Party to the extent prescribed, to ensure (1) that payments have been made to the person(s) entitled to receive them, (2) that proper acknowledgements for the payments made have been obtained (3) that proper accounts have been maintained and (4) that investments are in accordance with the rules.

68. *Cash Accounts*:- Moneys of the PF are kept in current account with the State Bank of Mysore, Vidhana Veedhi, Bangalore, styled “Coffee Board Employees’ PF”, withdrawals therefrom are made by cheques signed by the Accounts Officer/ Asst.Secretary (Accounts) and counter signed by the Chairman/ Secretary or theAsst.Secretary. (Resolution of the Board at its 61st meeting held on 25th and 26th June 1965).

69. Under Rule 6 of the Coffee Board Employees’ PF Rules, the amount in the PF not required for current expenditure is to be invested in the same manner as provided in the Coffee Rule No.35.

70. Payment of Pension by Postal Money Order shall be made in accordance with the procedure prescribed in Rules 360 and 361 of the Central Treasury Rules. The words ‘Treasury Officer’ and “Collector” used in those rules would mean, in so far as the Board is concerned, the Accounts Officer.

71. Where the age of the pensioner is known to be over 70 years, the continued existence of the Pensioner may be tested by Special Enquiry (Compare Rule 372 of Central Treasury).

PART IX – E

CHAPTER – I**ACCOUNTS OF GENERAL FUND – PROPAGANDA**

1. The accounts of the Propaganda General Fund is under direct charge of an Asst. Director of Propaganda (Accounts) and he is assisted in the work by one Head Clerk, 3 Jr. Assistants, Six Senior Clerks and three Junior Clerks.

2. The Propaganda Accounts Branch consists of 3 sections, namely:-

1. Budget Section
2. Banking Section
3. Vouching Section

3. The work of each section is given in the following paras:-

1. BUDGET SECTION

The main function of this section are to collect correlate and consolidate the final accounts of the Department, prepare monthly accounts for submission to the Propaganda Committee/Board and the Govt. in the manner required by them as per Coffee Rules, compile annual accounts for rendering to the Audit and to attend to the work connected with the Audit Report on the accounts.

4. The section maintains registers as detailed below:-

- | | | |
|-------------------------------------|---|---|
| a) Journal | } | The maintenance of these Registers has |
| b) General Ledger | } | been dealt with in Chapter I, Part IX A |
| c) Register of the Trial
Balance | } | Accounts |

5. *Classified abstracts*:- The receipts and payments shown in Form I of each Propaganda Unit should be entered in these abstracts under the appropriate heads; other expenses, if any, chargeable to the units by ways of transfer of stocks or cost of articles supplied (like raw coffee/powder, printed registers, etc.) should also be accounted on the strength of the journal slips to arrive at the actual financial position of the unit. Care should be taken to see that the amounts remitted to the Propaganda Units and the Asst. Directors of Propaganda are accounted for as receipts in Form 1, that remittance of surplus funds is made regularly to the bank by the units and the balance at the end of the month in Form No.1 which should be as low as possible tallies with the debit balance in the ledger against the account of the unit.

6. *Register of receipts and payments*:- The total receipts and payments of Propaganda Units posted in the classified abstracts, should be consolidated, and posted to this register to arrive at the grand total of receipts and payments of all propaganda units under the appropriate heads.

2. BANKING SECTION

7. The section maintains of the Bank Accounts at the various Banks. Payments of bills relating to Head Office and of supplies to the Propaganda Units are also dealt with by this section. The following registers are maintained:-

- a) Bank Ledger

- b) Register of cheques and drafts
- c) Register of bills
- d) Register of cheque books
- e) Register of security deposits
- f) Register of FOR freight, etc., charges
- g) Raw Coffee Payment register, and
- h) Supply of Imprest Register

8. *Bank Ledger*:- All financial transactions of the Propaganda Department are carried on through the SBI, where the Department is having its accounts, in all the places in which the Propaganda Units are functioning, as per Coffee Rules 35 (1). In such places where the SBI is not having a branch of their own, accounts are opened with one of its subsidiary banks. Instructions for opening of current accounts are issued by the Chief Accounts Officer or the Asst. Director of Propaganda (Accounts) and counter-signed by the Chairman or the DP or the DDP or the ADP (Headquarters). Cheques, Memos of transfer of funds etc., are signed and counter-signed by the Officers mentioned above. The Asst. Secretary (Accounts). The Propaganda Units should remit the sale proceeds and other surplus moneys into these accounts daily. Payment of imprest to Propaganda Units and of rent in most of the cases is generally made by cheques, the letter being sent to the landlords through the Sales Officers concerned. The total remittances made by the Propaganda Units as per the challans received from them should be verified with those entered in Form 1. All the entries in the Ledger should be attested by the ADP (Accounts). At the end of the month, the balances in this register should be reconciled with those in the Statement of Account sent by the Bank and a certificate of reconciliation recorded and attested.

9. For payment at HO, a cash book showing the dates and particulars of receipts and payments should be maintained by the Senior Clerk handling cash. The daily balances should be verified by the ADP (Accounts) and

once a month by the Chief Accounts Officer. The staff who handle cash should furnish security deposit, etc., as detailed in Part I – B - Office Procedure- Chapter XVII.

10. *Register of cheques and drafts:-* Cheques and drafts received for credit of account should be entered in this register and posted to the Bank Ledger before sending them to the banks concerned for credit.

11. *Register of bills:-* Bills received in the section duly passed for payment by the Administration Sections should be entered in this register under the Budget Heads and put up to the Chief Accounts Officer for pay order after a thorough check.

12. *Register of Cheque books:-* Particulars of cheque books received from the Bank are entered in this register. These are attested by the ADP (Accounts) and a certificate incorporated in the cheque book to the effect that the cheque book have been used in full before taking up a new cheque book.

13. *Register of deposits:-* Amounts received as Security Deposit from Agents for Coffee, tenders for supply of consumable articles etc., should be entered in this register. Particulars of refund as and when made should also be entered. All entries should be attested by the ADP (Accounts). The outstanding balances at the end of the year as per this register should be reconciled with the balance under security deposits in the ledger.

14. *Register of FOR charges freight, etc., charges:-* Bills of Pool Agents, transport contractors etc., for FOR and freight charges received in this section duly passed by the Administration for payment are entered in this register and put up to the Chief Accounts Officer for payment order after thoroughly scrutinizing the bills. Particulars of payment such as cheque

number and date are recorded on the bills immediately after payment is made.

15. *Raw Coffee Payment register*:- Copies of invoices received from Pool Agents, Storage Depots, etc., in respect of dispatches of coffee to the Propaganda Units, are received in this section from the Pool Agents/ Storage Depots direct. These are posted to this register and payment to the Marketing Department arranged once in a month. Particulars of payment such as cheque number and date, amount etc., are recorded in this register. Payment is made by cheques after the administration passes the demand for payment and the payment order issued by the Chief Accounts Officer.

16. *Imprest Register*:- The imprest amounts for the Propaganda Units and the Divisional Offices are sent from this office once a month. Additional amounts, as and when indented for by them are also arranged. These are recorded in this register and the imprest arranged after a pay order is issued by the Chief Accounts Officer. The usual monthly imprest is however, arranged in consultation with the Administration.

17. This section should, in addition, maintain a reimbursement register to watch and record the amounts reimbursed on sundry items such as recovery of telephone charges from the staff, and such other items which are not recorded in the register maintained by the Vouching Section.

3. VOUCHING SYSTEM

18. This section deals with the following items of work:

- (a) *Imprest Accounts*:- Imprest Accounts, received from the Offices of the ADP, are checked thoroughly in the section.
- (b) *Pay Bills*:- Pay bills received from the various units should be checked with reference to the sanctioned strength of each unit and

other relevant records such as leave sanction memo, increment certificate, orders regarding drawal of allowances, etc., objections issued in cases of discrepancies noticed while checking and adjustments watched. Pay bills relating to HO establishment received from the Establishment Section should be checked and returned to that section for passing for payment.

(c) The following registers are maintained, in this connection:-

- (i) *Register of PF recoveries*:- The PF subscriptions and recoveries towards advances are entered in form 68. The divisional offices should send the pay bills and the form 68 of their office and Propaganda Units in their jurisdiction, duly checked, to the HO before the due date. The recoveries should be reconciled with Form 1 and pay bill, and entered in this register. A copy of the form 68, with the necessary remittance, should be entered in this register and linked with the credits and the monthly balances to the credit of PF Suspense, analysed and reconciled.
- (ii) *Register of Pay Advance*:- Pay advances made to the staff on transfer should be noted in this register, and recoveries watched while checking the pay-bills.
- (iii) *Register of Festival Advance*:- Advances made on this account should be entered in this register and recoveries watched through pay bills.
- (iv) *Register of Conveyance Purchase Advance*:- Advances given to the staff for purchase of vehicles should be noted in this register and the recoveries effected should be remitted to the Secretariat.
- (v) *Register of Warm Clothing Advance*:- Advances given to the staff working in cold regions to equip themselves with warm clothing should be entered in this register and the recovery through the pay bills watched.
- (vi) *Register of House Building Advance*:- Instalments recovered from the staff against House Building Advances drawn by them should be entered in this register and the amounts reimbursed to Secretariat.

- (vii) *Salary Savings Scheme:-* A Register showing the amounts of premium recovered from the staff in their pay bills should be entered in this register, and reimbursed to LIC with a copy of their demand list duly reconciled.
- (viii) *Income Tax Register:-* The recoveries of income tax amount from the officers and staff are entered in this register and remitted to the IT Department.
- (ix) *Recoveries of amounts due to the Bangalore Coffee Board Employees' Co-operative Society Ltd.,:-* The amounts recovered from the staff on this account are entered in the register and remitted to the Co-operative Society.

A report on the progress of the checking of the pay bills should be submitted to the Chief Accounts Officer every month.

19. *TA Bills:-* The TA Bills receive in this office are checked with reference to relevant rules and posted to the TA Check Register. The TA bills of all the officers and of the staff in the HO should be got counter-signed by the competent authority and forwarded by the Administration after checking to the Accounts Department for payment.

20. *Register of TA Advance:-* This register is maintained at the HO, Divisional Office and the Propaganda Units to note the TA Advance paid to the staff on tour or transfer and to watch the subsequent adjustment. In the case of transfer the advance drawn by an official is recorded in the Last Pay Certificate which is sent to the unit to which the official stands transferred.

21. *Rent Recovery Register:-* Register is maintained at the HO to record the particulars of rent to be recovered based on the particulars furnished by the Administration Section in respect of staff-quarters. The recoveries are watched through the pay-bills and recorded in this register.

22. *Rent Register*:- This register which is maintained by the Administrative Section in the HO, records the particulars of the buildings taken on rent, name of the owner, rent payable, period of lease, if any, etc. Where payments of rent are made by cheque, the register is sent to the Accounts Section for recording particulars of payment every month.

23. *Register of recoverable deposits*:- Deposits made with electricity department, landlords, if any, etc., either by HO or by the Propaganda Units, should be recorded at the end of each year should be obtained from the concerned authority.

24. *Credit Sales Register*:- Sales of coffee powder issued on credit to some institutions are entered in this register. Recoveries of amounts due are watched and recorded in this register. Similar registers are maintained at the Propaganda units where such credit sales are in vogue.

25. *Audit Objection: Registers*:- For details refer to the instructions in Part IX – A Chapter I.

Accounts of the General Fund
Propaganda (High Commissioner)-
(Overseas Propaganda)

26. *Remittance of funds*:- The High Commissioner for India in the UK acts as an agent of the Board there, in accordance with Rule 33 (5) of the Coffee Rules, 1955. He is authorized to incur such expenditure as he deems fit subject to the budget provision. Funds are arranged to him from the General Fund (Propaganda). He frames budget estimates and sends them to the HO for adoption by the Board.

27. *Expenditure*:- The main items of expenditure by the High Commissioner are:-

(1) Contribution to the Coffee Publicity Association,

- (2) Contribution to the Common wealth Producers' Organisation, and
- (3) Petty contingent expenditure.

28. At the close of the year, in compliance with the provisions of Rule 34 (iii) the High Commissioner sends an audited account of receipts and expenditure. This audited account is placed before the Board and afterwards transmitted to the Central Govt. and also published in the Indian Coffee. The accounts are not subject to further audit here.

CHAPTER II

SALES TAX

29. The following procedure is in vogue in respect of collection and payment of sales-tax in the propaganda department.

30. *Karnataka State*:- Sales Tax is paid to the Sales Tax Department every quarter. The returns collected from all the units are compiled and a consolidated return of turnover and sales tax is prepared for every quarter and rendered to the Sales Tax Department along with a cheque for the amount of sales-tax by the scheduled date (viz, 30th of the month succeeding the quarter).

31. *Tamil Nadu*:- The returns are filed monthly before the scheduled dated viz., 25th of the succeeding month. A consolidated cheque for all the propaganda units is sent along with the returns to the Sales Tax Department through the ACMO, Madras.

32. *Andhra Pradesh*:- The procedure as detailed in the case of Tamil Nadu State is followed in this also. The return and the cheque for sales tax (comprising the collections of all propaganda units in the state and pool sales and local sales) are sent to the Sales Officer, ICD, Hyderabad, who will file the return and remit the amount to the Commercial Tax Officer, Hyderabad, before the scheduled date. The sales tax remittance in respect of pool sales and local sales is got reimbursed from the Marketing Department.

33. *Kerala State*:- The returns are filed monthly for each month before the 25th of the succeeding month in respect of this state also. A cheque for the entire collections of sales tax is sent to the authorities through the Asst. Coffee Marketing Officer, Kozhikode, who will file the return before the scheduled date.

34. *Jammu and Kashmir*:- The Sales Officer, India Coffee House, Srinagar, will file the return monthly along with the remittance of sales tax by cash. He will send a copy of the return to HO for verification and scrutiny.

35. *Delhi*:- The Asst. Director of Propaganda, New Delhi will prepare the return in respect of the Propaganda Units in Delhi (including the allotments to local sale permit holders) and file the return every quarter along with the remittance of sales tax amount by cash within 30 days from the expiry of each quarter. The amount of sales tax paid on behalf of Local Sales permit holders are got reimbursed from the Marketing Department.

36. *Uttar Pradesh*:- Payment of sales tax is made once a quarter. The returns are consolidated at HO and a consolidated return along with a cheque for the amount of sales tax is sent to the sales tax authorities through the Sales Officer, India Coffee Depot, Allahabad. The return is to be filed before the last day of July, October, January and April for the quarters ending June 30, September 30, December 31 and March 31, respectively.

37. *Bihar State*:- The procedure as in vogue in respect of Allahabad is followed in this case also. The return of, sales tax and the cheque in respect of all Propaganda Units in the State are sent to the Sales Officer, India Coffee Depot, Jamshedpur, who will file them before the Scheduled date. The returns are filed quarterly withing 30 days from the expiry of each quarter.

38. *Orissa*:- Procedure as detailed in respect of Bihar State is followed in this case also. The returns are filed quarterly. The Sales Officer, India Coffee Depot, Rourkela, to whom the return and cheque for sales tax are sent from the HO will file them before the scheduled date, viz., within one calendar month of the expiry of each quarter of a year.

39. *West Bengal*:- The returns are filed quarterly. The ADP, ICH, Calcutta, will prepare the sales tax return (including the sales tax collections in respect of allotment to local sales permit holders at Calcutta) and file the return within 30 days from the expiry of each quarter along with the Sales Tax remittance in cash. The sales tax remittance in respect of allotment to local sales permit holders is got reimbursed from the Marketing Department. Copies of returns are sent to HO which are verified at the HO and a certified statement sent to the ADP, ICH, Calcutta.

40. *Maharashtra State*:- Returns are filed quarterly. Each such return shall be furnished on or before the last day of the month immediately succeeding. Statements received from ICD, Bombay (as also of allotments to Local Sale permit holders in Bombay) are compiled at HO and a

consolidated statement with the cheque sent to the Sales Officer, ICD, Bombay, who will file them before the scheduled date. As far as ICD, Nagpur, is concerned, the Sales Officer, ICD, Nagpur, will file the return and remit the amount. These are sent from the HO.

42. *Gujarat*:- The returns are filed quarterly. These are compiled and sent from the HO to the sales officer, ICD, Baroda, along with a cheque for the amount of sales tax. He will file the returns before the scheduled date, viz., on or before the last day of the month immediately succeeding.

43. *Goa*:- The returns are filed quarterly. These are sent from the HO with a cheque for the amount of sales tax to the Sales Officer, ICD, Panjim, who will file the returns within one month from the expiry of each quarter.

44. The dates for filing the returns and making remittance specified in the above paragraphs are based on the dates prescribed in the Sales Tax Rules by the respective State Govt. If the period for which the returns should be filed and the date before which it should be filed is changed by a notification by the State Govt. the modifications would prevail. All such changes should be immediately brought to the notice of the HO.

PART IX – F

CHAPTER 1

ACCOUNTS OF GENERAL FUND - DEVELOPMENT

1. The accounts of the General Fund (Development) are under the direct charge of an Accounts Officer (Development) who is assisted by one Head Clerk, 4 Senior Clerks (one temporary Senior Clerk) and 4 Junior Clerks.

2. The details of the work done in the Development Accounts (General Fund) is given in the following paragraph:-

3. Separate accounts are maintained in respect of Development administration branch and loan accounts.

4. The Expenditure on administration is financed by General Fund in accordance with Section 31 (c) of the Coffee Act. Funds for the estimated expenditure are obtained by indents on Secretariat. They are credited to “General Fund – Development” current account with the SBM, Vidhana Veedhi, Bangalore City. Withdrawals are made by cheque signed by the Chief Accounts Officer or Accounts Officer (Development) or Asst. Development Officer (Accounts) and counter-signed by Chairman/ Development Officer/ Deputy Development Officer/ Asst. Development Officer.

5. The following accounts are maintained:-

i) Cash Book:- This is maintained in a prescribed form, with separate columns for accounting transactions in cash and through bank. The transactions are posted daily and attested by the Asst. Development Officer (Accounts)/Accounts Officer (Development). At the end of every month cash balance is verified by Accounts Officer (Development) and a certificate recorded to that effect. The Bank balance is reconciled with the statement received from the bank,

reconciliation recorded in the cash book over the signature of Accounts Officer (Development). The regional Officers of the department, if functioning will send their indents for monthly expenditure by the 20th of preceding month. Funds are remitted to them by cheques or Demand Drafts drawn on banks situated locally.

- ii) Journal:- The regional officers of the department if functioning, will send their monthly accounts of expenditure supported by vouchers. These are checked and the transactions journalized. The journalized entries are then entered in the ledger.

The journal is also used for rectification of mis-classifications in accounts and also for adjustment of items accounted under suspense heads.

- iii) Ledger:- This is posted from cash book and the journal and closed monthly.

A separate trial balance register is maintained wherein receipts and expenditure for the month, together with progressive totals upto the end of the month is also recorded.

- iv) Subsidiary register:- A separate register is maintained to indicate the monthly recoveries of PF Suspense, Festival Advance, Pay Advance, LIC premium, House Building Advance, Conveyance Purchase Advance, recoveries and accounts of amounts due to co-operative societies, Income Tax, Profession Tax etc., both debits and credits pertaining to these are recorded in the register.
- v) Travelling Allowance Register:- A separate register to record the disbursement of TA claims is also maintained. In addition, a TA Advance register is also maintained to record the details of advance made and its adjustment.

6. Revised estimates for the year and Budget estimates for the subsequent year are prepared and after approval of the Development Committee/Executive Committee and the Board are submitted to the Govt. of India through the Board's Secretariat for sanction.

7. *Annual Accounts of development administration:-* These accounts for the period from April to March are compiled and furnished to audit by the end of July every year.

8. *General Fund Development Loan Account:-* The monies required for payment of loans to planters and for other items of recoverable expenditure under the development plan are obtained by the Board as a loan from the Govt. of India. A budget estimate is prepared every year indicating the details of loan amounts to be disbursed under each loan scheme, amounts to be remitted to Govt. towards payment of earlier loans and interest on loans, as also the estimated receipts on account of repayment of loans by the planters together with the amount of interest to be realized on such and the net amount required as loan from Govt. of India. Based on this, the Govt. of India convey their sanction for the amount of loan for each year.

9. An indent for funds required is usually placed with the Govt. every quarter, indicating therein the estimated receipts in each quarter and the balance amount required by the Board. On receipt of the indent for funds, sanction is accorded by the Govt. for the amount to be released and authorizing the Central Pay and Account Officer, Ministry of Commerce to disburse the amount to the Coffee Board. On receipt of the loan sanction order, an undertaking to the Govt. in the prescribed form (GFR. 32) duly signed by the Chairman (vide decision of the Development Committee) is submitted to Govt. Thereupon the amount sanctioned is remitted by the Central Pay and Accounts Officer, Ministry of Commerce, by means of a demand draft drawn on Central Bank of India, Bangalore. The demand draft when received, is remitted either to the SBM, Vidhana Veedhi Branch or SBI, Jayachamarajendra Road, Bangalore city, for credit to General Fund Development Loan account with them. A stamped receipt in the prescribed form is also submitted to Govt. after receipt of the amount.

10. *Bank Accounts:-* The Coffee Board General Fund Development Loan Account, to account the recoveries of loans from planters and disbursement of loans are maintained at the following banks:-

- i) State Bank of Mysore, Vidhana Veehi Branch, Bangalore City;
- ii) State Bank of Mysore, Hassan;
- iii) State Bank of Mysore, Somwarpet;

- iv) State Bank of Mysore, Mudigere;
- v) State Bank of India, Jayachamrajendra Road, Bangalore City;
- vi) State Bank of India, Mercara;
- vii) State Bank of India, Coimbatore City;
- viii) State Bank of Travancore, Kalpetta;
- ix) Syndicate Bank, Gandhinagar, Bangalore;
- x) Syndicate Bank, Chikmagalur.

11. *Procedure for disbursement of loans:-* A copy of the loan sanction order is endorsed to the Accounts Section. In addition, a release order authorizing disbursement of each instalment of the loan is also issued. On receipt of the loan sanction order an account will be opened in the personal ledger indicating the following details:-

- 1) Account number;
- 2) Name and address of the loanee;
- 3) Total amount of loan sanctioned;
- 4) Rate of interest;
- 5) Name of the estate and Registration No.;
- 6) Details of yearwise disbursement of instalments and also the schedule of repayment yearwise;
- 7) Total acreage of the estate;
- 8) Acreage for which loan is sanctioned;
- 9) Name of the Pool Agent or Pool Collecting Depot where planter proposes to deliver his coffee to the pool.

12. Separate personal ledgers will be maintained in respect of different types of loans – viz.,

- i) Intensive Cultivation Loan;
- ii) Crop Hypothecation Loan;
- iii) Hire Purchase Term Loan;
- iv) Replanting Loan;

- v) Special purpose loan (for construction of drying yards, digging of wells, bunding for construction of tank etc.,
- vi) Extensive Cultivation Loan.

13. Action will be taken by the Accounts Section to make payment to the loanee after receipt of a Memo from Administrative Section actually releasing the payment (viz., 1st instalment in the case of Intensive/Extensive Cultivation Loan, Replanting Loan and the Special Purpose Loan) and in the case of Crop Hypothecation Loan, whole amount, if the amount is less than Rs. 10,000/- and in instalments if it exceeds the same. A debit slip will be put up to the Accounts Officer with personal ledger showing the entry of payment to be made. After the debit slip has been passed for payment by the Accounts Officer and on receipt of a stamped receipt from loanee for the amount authorized, the amount will be paid to the loanee by means of a cheque of demand draft duly crossed account payee, drawn on the nearest branch of the SBI or SBM or State Bank of Travancore or Syndicate Bank to the place where loanee resides. In case the loanee desires for issue of a cheque at Bangalore, this is also issued. In the case of disbursing II, III and IV instalments as the case may be, the above mentioned procedures is repeated. After effecting the payment, the details of cash book folio and voucher number or date, cheque number and date are entered in the personal ledger against each payment, to facilitate a cross check with the cash book. Each entry in the personal ledger is attested by Asst. Development officer (Accounts/Accounts officer (Development)).

14. *Subsidy under the Replanting Loan Scheme:-* The amount required for the payment of subsidy under the replanting loan scheme is provided in the budget estimates submitted to Government. It is being paid by the Government out of cess collections and released to the board quarterly along with the funds for administration expenses. The amount received by the Development Department quarterly on this account is transferred to General fund development loan account and all payments made from the same.

15. A separate alphabetical index register is maintained showing the name of planter, estate name, coffee Registration No. for each kind of loan.

16. *Recovery of loans (Principal and Interest):-* Please refer to Part VI-Development-Chapter IV.

17. *Recovery of over due amounts:-* A defaulters' list showing interest and principal outstanding from loanees on the 31st March of each year, in respect of all loanees should be circulated to Pool Agents/ Pool Collecting Depots before 31st October, with instructions to recover the arrears from Pool payments on coffee delivered by the defaulters into the pool.

18. Copies of the above circulars should be sent to all Regional Deputy Chief Coffee Marketing Officers, Divisional Asst. Coffee Marketing Officers, Deputy Directors (Extension) Sr. Liaison Officers, Jr. Liaison Officers, Asst. Coffee Marketing Officers/ Chief Coffee inspectors attached to Pool Agents.

19. *Calculation of interest on loans:-* Interest is always calculated from the date upto which it was paid previously upto the date on which the amount is received (excluding the date of receipt). In the case of receipt of amounts at HO, the date of receipt will be the date as mentioned in the Rubber Stamp. In the case of remittances at SLO/JLO, the date mentioned in the receipt issued by the office will be the date of receipt. In the case of amounts recovered by Pool Agent/Pool Collecting Depots, the date on which the amount is recovered by the Pool Agent will be the date of receipt.

20. *Repayment of loans to Govt.:-* Loans taken from the Govt. of India are repayable as follows:-

- i) Loans drawn upto end of 1975-76:- In 5 equal annual instalments commencing from the 9th financial year from the one in which the loan is drawn.
- ii) Loans drawn from 1976-77 onwards:- In 8 equal annual instalments commencing from the 6th financial year from which the loan is drawn.

21. *Payment of interest and loans to Govt. of India:-* The interest is payable annually to the Govt. of India on all outstanding loans. For purposes of repayment, loans drawn during a year on different dates are consolidated on the 31st March each year and treated as one loan.

22. *Mode of Payment:-* As per Letter No. CPAO/Loan /Coffee Board/77/78/12, dated 21-5-1977 of the Central Pay and Accounts Officer, Govt. of India, Ministry of Commerce, the amount due towards the repayment of loans and interest on outstanding loans are to be remitted to the Central Bank of India, Parliament Street, New Delhi, together with a separate memorandum of remittance towards repayment of principal/ payment of interest and by means of separate demand drafts payable in the name of Pay and Accounts Officer, Ministry of Commerce (viz., one demand draft for repayment of loan amount and one demand draft for payment of interest). These remittances must reach the Central Bank of India, Parliament Street, New Delhi, sufficiently early before the close of the financial year, viz., 31st March so that the amount is realized and credited to the Govt. Account within the due date.

23. Under the existing arrangements all the demand drafts to be issued by the Development Department are issued at par by the SBM, Vidhana Veedhi Branch and the above demand drafts can be had at par.

24. *Registers maintained:-* The following registers will be maintained:-

- i) Registers of loans from Govt.:- The Register will have columns for entering the number and date of loan sanction order, amount sanctioned, date and amount received from the Govt. (with the demand draft number and date, together with the date of posting) interest accrued and paid, repayments falling due and effected and balance.
- ii) Cash Book:- This book is to record transactions of all amounts received in cash and small amounts upto Rs.20/- are refunded to planters by Money Order towards repayment of excess amount received. The balance amount is remitted to the SBM, Vidhana Veedhi Branch, B'lore city, for credit of Coffee Board General Fund Development Loan Account.
- iii) Money Order Registers:- All money orders received in the Office are entered in this register indicating therein the name of remittance, amount remitted, receipt number and date issued, cash book folio wherein it is entered.

- iv) Bank Ledger:- This register is maintained in columnar system providing separate columns for each bank where the account is maintained, both under receipts and payments. All cheques/demand drafts received at HO are sent to the banks for credit of General Fund Development Loan Account. Besides, remittances are also made by the SLO/JLO to the credit of these accounts either at the place where the Board maintains the account (at Mudigere, Somwarpet, Mercara, Kalpetta, Chikmagalur) or by mail transfer for credit of Board's account with the SBM, Vidhana Veedhi Branch or SBI, B'lore city. As and when credit advices are received these remittances are accounted in the ledger.
- v) a) All amounts to be disbursed to the planters towards loans sanctioned/refund of amounts received in excess (except where the amount exceeds Rs.20/-) and the amounts due to suppliers for supply of equipment under Hire Purchase Scheme are effected by means of cheque/ demand drafts duly crossed Account Payee and accounted in this year.
- b) At the end of each month, the balance amount held in each bank is struck and reconciliation of the same with the bank statement received from the bank is recorded over the signature of Accounts Officer (Development).
- vi) Cheques/ demand drafts collection register:- All cheques/ demand drafts received at the HO are entered in this register and the same forwarded to the bank. The register indicates the name of person/firm from whom the cheque is received, cheque/demand draft No. and date, place (bank) on which it is shown, where credited, amount received, the receipt No. and date issued, the Bank Ledger Folio where the same is entered.
- vii) Journal:- Vouchers for rectification of errors due to misclassification and adjustment of entries are recorded.
- viii) Analysis Register:- This register is written up from entries in the cash book and the bank ledger. All the entries in the cash book/ bank ledger are extracted in this register according to head of account both under receipts and payments. Separate folios are set apart to record the transactions of each bank. The totals of each

Head of account duly struck and the receipts/ payments reconciled each month. After reconciling the figures, the totals under each Head of Account are taken to the General Ledger under the respective Head of Account.

- ix) General Ledger and Personal Ledgers:- The General Ledger will be posted from the analysis register and journals. The General Ledger will have folios allotted for the following heads of receipts and payments:-

RECEIPTS	PAYMENTS
1. Loans from Govt of India.	1. Repayment of loans to Govt. of India.
2. Amounts received towards subsidy under RPL Scheme.	2. Interest and loans to Govt. of India
3. Repayment of loans from planters	3. Loans disbursed
i) Intensive Cultivation Loan.	I) Intensive Cultivation Loan.
ii) Crop Hypothecation Loan.	ii) Crop Hypothecation Loan.
iii) Replanting Loan.	iii) Replanting Loan.
iv) Special purpose loan.	iv) Special Purpose Loan.
v) Hire Purchase term loan	v) Hire Purchase term loan
vi) Extensive Cultivation Loan.	vi) Extensive Cultivation Loan.
4. Interest on Loans recovered from planters	4. Replanting Loan Subsidy
i) Intensive Cultivation	5. Miscellaneous Suspense.

- | | |
|---------------------------------|--------------------------------|
| ii) Crop Hypothecation Loan. | 6. Incidentals |
| iii) Replanting Loan | 7. Transfer of funds. |
| iv) Special Purpose Loan | 8. Remittance of cash to bank. |
| v) Hire Purchase Term Loan. | |
| vi) Extensive Cultivation Loan. | |
5. Earnest Money Deposit.
 6. Miscellaneous Suspense.
 7. Transfer of funds.
 8. Remittance to banks.

The personal ledgers will contain accounts of individual planters who have been granted loans and will be posted from the Cash Book, indicating therein the cash book folio/receipt no. in respect of each entry.

- x) Trial Balance:- A separate trial balance register will be maintained indicating therein transactions under each head of account both under payments containing the figures for the month, as well as progressive expenditure upto the end of the month. The register duly reconciled will be put up to the Accounts Officer for information.
- xi) Replanting Scheme Subsidy Register:- A separate register is maintained to record the amount received from the Govt. of India for disbursement of subsidy and the actual disbursement to each estate and the balance amount held on this account. The entry in this register will be in addition to the entry in the respective personal ledger folios of the planter concerned.
- xii) Legal Charges Register:- In accordance with the decision of the Executive Committee at its meeting held on 13-2-1973 legal charges are collected from the planters in respect of loans sanctioned. Further, please refer to Part VI – Development – Chapter IV.

The amounts received are to be reimbursed to the Legal Advisers, who scrutinize the files for considering loan applications. A separate register is maintained indicating the name of the planter from whom the amount is collected CBF where it is entered and also the name of the Legal Adviser to whom the amount is reimbursed and the relevant voucher no./date with the CBF.

Some of the remittances received under this Head of Account are received under General Fund Development Loan Account, but such remittances are transferred to General Fund Development Accounts and payments to Legal Advisers made from that account.

xiii) Broad sheet:- A broad sheet of loans paid and recovered will be maintained in a register with columns for every month. The total payment and receipts according to the Broad Sheet will be tallied with the totals in the General Ledger. Separate broad sheet will be maintained for Intensive/ Extensive Cultivation Loans/ Replanting Loans, Crop Hypothecation Loans and Special Purpose Loans.

CHAPTER II

ACCOUNTS RELATING TO SCHEME – (SUPPLY OF EQUIPMENT ON HIRE PURCHASE SCHEME)

25. The maintenance of accounts under the above Scheme is dealt with in the Development Accounts Section.

26. The funds required to implement the scheme are provided from the loan obtained from the Govt. of India to implement plan as a whole.

27. For payment schedule of loans under this Scheme and repayment of loan and interest thereon, please refer to Part VI – Development – Chapter IV.

28. Remittance towards interest and principal will be received either at HO or at the Liaison Officers in the field. In the latter case, the monies received are to be remitted to the Coffee Board General Fund Development Loan Account with the SBM, viz., in the cases of the Office at Mudigere, Somwarpet and at SBI, Mercara in respect of JLO at Mercara, Siddapura, and at Sunticoppa. In respect of transfer either to the SBM, Vidhana Veedhi, B'lore City, or the SBI, J.C.Road, B'lore City, as the case may be. In other centers where Mail Transfer facility is not available the amount relaised may be remitted to the Accounts Officer (Development) by obtaining a DD drawn in favour of Coffee Board General Fund Development Loan Account, payable at B'lore. Full particulars of the receipt will be furnished by the JLO/SLO in a monthly statement to be sent to the Development Officer with a copy to Accounts Officer.

29. The following register will be maintained in the Accounts Section:-

i) Cash Book / Ledger Book:- This will be common to all the loan schemes. Entries regarding remittances received and transferred by Liaison Officers will be made only on receipt of credit advice from the bank.

ii) General Ledger:- This will be common to all the loan schemes.

iii) Personal Ledger:- Separate accounts will be opened in this register for individual planters who have been sanctioned items of equipment. The register will have columns for –

- 1) Name and address of the planter;
- 2) Name of the estate and Coffee Registration No.;
- 3) Acreage of the estate;
- 4) Rate of interest;
- 5) Amount of loan sanctioned;
- 6) Loan Sanction Order No. and date;
- 7) Amount paid to the firm supplying the equipment, together with the name of the firm, Bill No. and date;
- 8) Earnest money deposit collected from the planter;
- 9) Balance amount to be recovered from the estate;
- 10) Details of recoveries towards interest and principle;

In the columns 'Cost' not only the bill value of equipment be entered but also the incidental expenses, if any, incurred in connection with the supply.

iv) Bill Register:- A register showing bills of suppliers received for arranging payment in the Accounts Section is maintained. The Register will provide columns to show:-

- 1) Serial No.
- 2) Date of receipt of the bill in Accounts Section;
- 3) Bill No. and date of supplier;
- 4) Name of the planter to whom the supply is effected;
- 5) Supplier's name and address;
- 6) Amount of the bill;
- 7) Personal Ledger folio where the bill is entered;
- 8) Voucher No. and date, cash book folio and cheque No, and date as per which payment is effected.

The total amount of bills received every month is recorded every month, commencing from April each year and a progressive total amount of bills received is also recorded at the end of each month.

v) Earnest Money Deposit:- The amounts received from the planters towards earnest money deposit is entered in this register indicating:-

- 1) Serial No.;
- 2) Name of the Planter;
- 3) Receipt No. and date;
- 4) Cash book folio;
- 5) Amount received, and
- 6) Details of amounts adjusted yearwise.

30. The amount received towards earnest money deposit are totaled up each month and the same tallied with the total under the Head of Account “Earnest Money Deposit Received” in the General Ledger.

31. Orders for supply of the equipment will be placed by the development officer. A copy of the said order will be sent to Accounts Section. Bills for supply will be sent to the Accounts Section with a certificate from the SLO concerned to the effect that the equipment has been taken to stock and issued to the planter in good condition. The bill will also bear the counter – signature of the development officer, quoting particulars of sanction order under which the supply was arranged. On receipt of the bill in the accounts section, it will be verified with the copy of the order placed for supply of equipment and the bill put up with a pay order to be signed by the accounts officer. An endorsement will be made in the copy of the order placed with the firm for supply of equipment, about the bill number and date received together with the amount of the bill. The payment will be made by cheque direct to the supplier and the cost debited to Planter’s Account.

CHAPTER III

DISBURSEMENT OF LOANS THROUGH THE REGIONAL OFFICERS OF DEPUTY DIRECTORS OF EXTENSION – ACCOUNTING PROCEDURE

32. The accounting procedure in respect of disbursement of loans through the Regional Officers of the Deputy Directors of Extension is detailed in the following paras:-

33. *Opening of the Bank Account:-* To facilitate the accounting of the funds received, a current account in the name of “Deputy Director of Extension, Coffee Board” is to be opened at the respective places. The account will be operated by the Deputy Director of Extension and in his absence by the Asst. Development Officer.

34. *Maintenance of Cash Book/Bank Ledger:-* A separate Cash Book/ Bank Ledger should be maintained to account the amounts received and disbursed on account of loans. As and when amounts are received from HO, towards disbursement of loans, a receipt for the amount is to be issued and an entry made in the receipt side of the Cash Book.

35. *Receipts:-* Whenever any planter remits the amounts at the office of the Deputy Director of Extension towards repayment of loans either by cash or cheque, a receipt should be issued for the amount received and the amount so received must be entered in the cash book on the receipt side giving therein the full particulars of the amounts received. All such amounts received from the planters towards repayment of loans are to be credited to the Coffee Board General Fund Development Loan Account maintained at the respective places either the same day or the next day. The details of such remittances made should be sent to the Chief Accounts Officer, Coffee Board, B’lore, in the prescribed form Appendix IV. The receipts on this account should be as “Loan Recoveries” and also the payment side on “Loan Recoveries” remitted to HO. Thus, on the last day of the month both receipt and payments on account of loan recoveries should tally except for the amount received, if any, on the last day of the month. This remittance statement will be necessary, as the amounts will have to be accounted in respective loan accounts and an intimation letter sent to the planter about the manner in which the remittance is accounted.

36. *Indent for funds for disbursing the loan amounts:-* At the beginning of each month the Deputy Director of Extension will forward to the HO at B'lore an indent for the amount required by him during the month to disburse loan amounts. On receipt of the indent, action will be taken to transfer the amount to his account. If the amount is exhausted in the middle of the month, an additional indent for the amount required may be placed.

37. *Disbursement of loans:-* As and when the loan is sanctioned the documents are completed, a debit slip (Appendix V) for the amount due to the planter is to be prepared and a pay order recorded on the same. If any amount is due to the Board, the amount due is to be deducted and the balance payable indicated in the voucher. Thereafter a cheque for the amount due to be paid, is to be prepared and an entry made in the Cash Book, on the payment side, with full particulars of payment such as nature of loan, to whom paid, Cheque No. and date etc. The deductions made in the voucher is also to be shown in the cash book separately below the cheque, amount disbursed and a corresponding entry made on the receipts side, indicating therein the details of recoveries made. A receipt for the amount deducted is also to be further to the planter.

38. All disbursement of loan amount should be made by means of cheque crossed 'Account Payee'. On no account cash should be drawn from the bank and kept in the Office for disbursement in cash at the Office itself.

39. In respect of all disbursements, a covering letter (Appendix VI) enclosing the cheque is to be sent to the planter indicating therein the details of amounts disbursed to him and also any deductions made from the amounts with the full details of deductions.

40. In case the amounts due to the planters are remitted by means of a bank demand draft, obtained on the place where planter is residing, the bank commission for obtaining such a demand draft is to be deducted out of the amount payable to the planter and must not be charged to Board's Account.

41. *Vouchers:-* The voucher consisting of stamped receipt and the Pay Order signed by the Deputy Director of extension/ Asst. Development Officer must be given a continuous serial no. for the entire year in the order of payment and filed in the serial order. Even though the cash book/ bank ledger is closed every month, the Voucher No. must be continued.

42. *Attestation of entries in Cash Book/ Bank Ledger:-* The entries in the ledger must be attested as and when effected, by the Asst. Development Officer and in his absence by the Deputy Director of Extension himself.

43. *Closing of Cash Book/ Bank Ledger at the end of each month:-* The Cash Book/ bank ledger should be totaled up on both the receipts and the payments side and duly closed indicating at the end of the payments side, the closing balance of cash and balance at bank. Then the total struck on both Receipts/ Payments side of the cash book. In case there is any cash balance at the end of the month's account, a certificate should be recorded indicating the denomination to make up the closing balance. This certificate is to be attested by the Asst. Development Office or in his absence the Deputy Director of Extension. Further one or two pages after closing each month's account is to be set apart for reconciling the bank account with the bank statement.

44. The bank generally furnishes a statement of account of the transactions every month. The balance held as per Cash Book/ Bank Ledger, is to be tallied with the balance shown in the bank statement. For difference if any, reasons should be indicated.

45. An abstract statement of monthly transactions is also to be furnished every month in the form at (Appendix VII).

46. *Maintenance of Loan Ledgers:-* This will be maintained at the HO. The entries in the loan ledger about disbursing of loan amount will be made at the HO from the monthly loan disbursement statement received from the Office of the Deputy Director of Extension. The form in which this statement are opened, the Account No. and ledger folio allotted to each loan will be intimated to the DDE's Office who will make a note of the same in the respective loan file. Whenever any references are made to HO, the account number must be furnished invariably.

47. The DDE's office will maintain a loan disbursement register in the prescribed form at Appendix IX to facilitate disbursement of instalment amounts properly and to avoid over-payments.

48. *Disbursement of amounts towards equipment supplied under Hire Purchase Terms:-* The bills of suppliers against orders placed, with necessary stock certificate have to be forwarded to the HO for arranging

payment as at present. The payment will be made from HO after opening accounts and due scrutiny. This is necessary, as most of the suppliers are situated in different places in South India, and payments to them at their respective places can be arranged as far as possible from this end.

PART IX – G

CHAPTER I

ACCOUNTS OF THE GENERAL FUND RESEARCH

INTRODUCTION

1. The Accounts of the Research Department of the Board comprising the Research, Extension and Project Wings are centralized at HO, B'lore, under the overall control of the Chief Accounts Officer. The staff strength of the Research (Accounts) at HO consists of Head Clerk (One) Sr. Clerk (three) Jr. Clerk (four) Class IV (two) under the direct supervisory control of the Administrative Officer (Accounts).

2. The duties and functions of the Accounts Section are:-

- i) Maintenance of Cash Book and Bank Ledgers,
- ii) Maintenance of General Ledgers, Advance Registers and other registers.
- iii) Preparation of monthly trial balance of the account,
- iv) Scrutiny of the Imprest Accounts, Pay Bills and other accounts received from the CCRI, CRSS and STL and other 40 units of the Research, Extension and Project Wings,
- v) Remittance of Imprest amounts to all the above offices,
- vi) Checking of bills received and payment of bills thereof including works bills,
- vii) Preparation of consolidated statement of account at the close of the year on 31st March of each year for audit and attending to the Audit reports,

viii) Compilation of the Budget Estimates received from the Director of Research and Head of Extension Wing,

ix) Disbursement of salaries to the staff of the Accounts Section.

CHAPTER II

CASH BOOK, BANK LEDGER, OPERATION OF BANK ACCOUNT, ETC.

3. *Cash Book*:- (i) Cash Book is maintained for cash transactions, recording therein all receipts such as the amounts drawn from the banks, direct receipts in the office and all payments under the Expenditure side of the book. As and when funds are required the amount required will be drawn from the SBM, V.V.Branch.

(ii) (a) Receipts are issued in respect of all amounts received.

(b) Revenue remittances in cash are entered and receipts issued.

(iii) For all payments made, vouchers shall be obtained and entered in the Cash Book indicating thereon the voucher number and date. Such vouchers shall be arranged to be stitched either monthly or inconvenient size for handling.

(iv) On the last day of the month the Cash Book shall be closed, the balance verified and recorded with its denominations, over the signature of the Chief Accounts Officer. The cash balance shall also be verified daily.

4. *Bank Ledgers*:- The Research Department of the Board maintains the Bank Account in the name of “Coffee Board Fund Research Account” with the following banks and a ledger with 4 columns both on the receipt side and expenditure side is maintained facilitating accounting of all transactions in one book.

(i) State Bank of India, Vidhana Veedhi, B’lore.

(ii) State Bank of India, B’lore City.

(iii) State Bank of India, Mercara.

(iv) Canara Bank, Cunnigham Road, B’lore.

5. All amounts received from General Fund No.1 Account as per Section 31 (2) (b) of the Coffee Act and the amounts realized by the sale of coffee sent to the pool by the CCRI, CRSS, and the CDF’s are credited to these Bank Accounts, as per instructions given from time to time.

6. The other receipts monthly are from the Sub-Offices towards revenue receipt i.e., amount realized by sale of seed coffee, charges for testing of samples, realization by sale of other produce such as orange crop etc.

7. Except for cash payments towards salary etc., almost all the payments towards settlement of the bills are made by cheques through any one of the banks referred to above.

8. The accounts are totaled up at the end of each month and the balance thereof duly received.

9. *Bank reconciliation:-* Statement of Accounts in respect of Bank Accounts maintained by the Dept. are received from the banks at the end of each month. The bank balances are duly reconciled with the balance as per the ledger itself after each month's account.

10. *Operation of accounts with the Bank and other instructions:-* In accordance with the delegation of powers by the Board, all cheques and other instructions to the Bank are drawn and signed by the Administrative Officer (Accounts) and are duly counter – signed by the JLO (Co-ordinate) or JLO (Development), B'lore.

11. *Watching of revenue realizations of the Department:-* The responsibility for watching the realizations of amounts due on account of coffee sent to the Pool, sale of seed coffee, etc., will be that of the Farm Superintendent for which purpose a subsidiary register, showing the amounts due and sums realized should be maintained by him.

12. *Safe Custody of cheque books, receipt books:-* Vide Part IX – A – Chapter I.

13. When indents are received from Sub-Offices for supply of receipt books, an entry is made in the register against the book number indicating the name of the Sub-Office to which it is supplied and the same forwarded by registered post to the concerned office.

14. *Cheque Collection Register:-* A separate register is maintained to enter the cheques/ demand drafts received in the Office and its transmission to the banks, after issue of necessary receipts.

15. *Money Order Register*:- As and when Money Orders are received the same are first entered in the register and the MO form/s duly acknowledged. The relevant official receipt issued is also noted in the register.

CHAPTER III

IMPREST ACCOUNTS

16. *Imprest of Sub-Officers – Accounting of expenditure:-*

(i) The indents for amounts required by the Director of Research, Head of Extension, Dy. Directors of Extension, Chikmagalur and Kalpetta STL, Mysore, SLOs and JLOs for the ensuing month should be sent so as to reach the Accounts Section, HO, B'lore, before the 20th of each month in the prescribed form. After a check of these indents, funds required are arranged to be remitted by means of a demand draft payable at the nearest Office of the SBI, SBM and State Bank of Travancore and Canara Bank as the case may be.

(ii) The remittances to the Head of Extension, Chethalli, JLOs, Mercara and Senticoppa are generally made by means of cheques on the SBI, Mercara.

(iii) Each imprest holder should maintain a Cash Book for accounting moneys and expended by him. The imprest received should be accounted as a receipt in the Cash Book and expenditure on account of pay and allowances and other contingencies as payments in order of occurrence.

(iv) Besides the above, the Sub-offices are also receiving amounts from the planters on account of Development Loan Recoveries/Scheme V Hire-Purchase Recoveries, etc., These amounts are to be accounted in a separate Development Cash Book as 'Suspense Development Loan Recoveries', 'Scheme V Recoveries' as the case may be. The amounts received on this account are to be remitted in full to the credit of Coffee Board Development Loan Account, with the banks where the Development department is having accounts. The amount of Commission and miscellaneous expenditure if any, is debited to the Research account and entered in the Research Imprest Cash under incidentals.

(v) The imprest holder should render an account of his Imprest Account in the prescribed form, inter alia, showing the opening cash balance, receipt on account of Imprest, Suspense Recoveries, Other Revenue Receipts under 'Receipts' and the aggregate expenditure incurred during the

month, under each head of account. The closing balance of the imprest account plus the total expenditure should tally with total receipts.

vi) The imprest account should be sent to reach the Accounts Section, HO, B'lore, within the 25th of the succeeding month. An extract of the Cash Book maintained at the Sub-office should also be enclosed to the Imprest Account.

vii) The voucher for pay and allowances (Pay bills in original) should be sent to accounts section, HO, B'lore, in advance of sending of the Imprest Account. The Pay bills are preserved in accounts section, separately after check, imprest holder-wise.

viii) TA Bills:- A separate register is maintained to record the bills received. All TA bills received are pre-audited and passed for payment in the Accounts Section and returned to the Imprest Holder for payment by registered post. These vouchers will be sent along with the imprest accounts.

17. The other items of expenditure shown in the imprest account should also be supported by appropriate vouchers.

18. *Checking of Imprest Accounts in Accounts Section and consolidation of accounts:-* (i) Each of the imprest Accounts are checked with reference to the vouchers enclosed and the relevant pay bills.

(ii) Each account is separately journalized, accounting the debits and credits under the appropriate Head of Account.

(iii) A consolidated journal for each month showing therein all the imprest accounts imprest holderwise, is prepared, separately indicating both receipts and expenditure under each Head of Account. The total of the journal is struck under each of the columns. The correctness of the journal is also checked as follows:-

Total of Opening balance Rs.
Total of remittance on account of ImprestRs.

Less:	
Net Expenditure (Expenditure for the month less direct receipts) Rs.

Nett Closing Balance (to be agreed with the total of this column in the journal)	_____

CHAPTER IV

COMPILATION OF MONTHLY ACCOUNTS

19. A general ledger with separate folio for each Head of Account provided in the budget estimate is maintained. The entries to this Ledger are made from the Cash Book/ Bank Ledger, inter alia, furnishing the cross reference of respective folios in each of the books.

20. Further, the entries to the ledger are made from the consolidated Imprest Journal, by posting each of the items to respective folios of budget head.

21. A journal register is also maintained wherein Imprest Accounts of CCRI, JLO (Development), B'lore and STL, Mysore, are recorded after checking and the debits and credits from each of the journal entries are posted to the General Ledger.

22. When the postings are completed, total expenditure against each Head of Account for the month is struck and the total under each Head extracted in the prescribed form for rendering monthly account under the column 'during the month'.

23. For the total of receipts during the month, the closing balance of the previous month is added and the total of receipts arrived at. For the total of expenditure during the month, the closing balance as per Cash Book and the Bank Ledger are added indicating the balances under each account and the total struck.

24. Thus the total of receipts and expenditure for the month are duly agreed.

25. A column is provided in the prescribed form for rendering the monthly account to record the progressive total expenditure against each Head of Account. By adding the totals up to the end of previous month, to the receipts/expenditure during the month, the progressive total of expenditure is recorded. This will also enable watching the progress of expenditure against the sanctioned estimates.

26. In the column provided for abstract statement of expenditure under the major heads such as Pay of Officers, Pay of Establishment, Allowances/Honoraria, Other Charges, Works including Capital, etc., the expenditure of the entire Research/ Extension/ Project Wings are incorporated.

27. The monthly statement of account of the entire research/ extension/ project wings are sent to Secretariat Accounts, every month, for the preceding month.

CHAPTER V

BILLS, MAINTENANCE OF REGISTERS ETC.,

28. *Payment of Bills:-* The Bills are received duly passed for payment by the Administration. All the bills should be entered in the Bill Record Register maintained in the following form, recording on the bill the serial number of the register in Red Ink as 'B.R....'

	Date of receipt in Accounts Section	Bill/ in-voice No. date	From whom rece-	Brief parti-culars of the claim	Amount Rs./P.	Ini-tials	Parti-culars of pay-Voucher No / Date	Remarks
1	2	3	4	5	6	7	8	9

29. The bills are taken up for scrutiny with reference to copy of the sanction order no. and date and admitted for payment, duly noting on the copy of sanction Memo received in Accounts Section, the 'B.R. No. and the amount admitted thereof'. The particulars of the amount admitted for payment, etc., are noted in the Register and put up for payment.

30. *Register of Appropriations:-* A separate register is also maintained wherein the bills passed for payment, are entered separately under each Budget Head so as to ensure that the expenditure does not exceed the sanctioned Budget amount.

31. Pay bills of Accounts Section, HO, B'lore, are prepared and checked in Accounts Section on the basis of the leave sanction memos, increment certificate etc., issued by the Director of Research/ Head of the Extension Wing/ Projects Wing.

32. A separate pay-audit register is maintained in regard to disbursement of pay of officers.

33. *Labour acquittance roll or the weekly wages payment register:-* This register is combined with the attendance of the labour force on the estate and is prepared every Friday for period ending each Thursday and sent to Accounts Section for scrutiny and payment of Saturdays. Only an advance of wages is paid every week and the total of advances made is duly adjusted in the overall wages for the month and net amount paid after deducting the subscriptions towards the Employees' PF and other deductions on the first Saturday of the succeeding month. The payment is made in the Farm Section after obtaining the acknowledgement of the labour concerned in the presence of the official of the Farm Section. A certificate is also recorded by the Officer present at the time of disbursement "Identified and disbursed in my presence" with his signature.

34. *Maternity allowance/sick allowance:-* A separate register is maintained by the Farm Section. As in the case of weekly payment of wages the amounts due on this account are disbursed after due scrutiny of the claims.

35. *Payment of wages for casual labour employed:-* Whenever unscheduled items of work such as annual repairs of buildings, petty constructions etc., are taken up and fresh labour who are not on regular rolls are employed after obtaining due sanction, wages are disbursed at the end of the week after preparing casual labour check roll by the Mechanical Section, inter alia, quoting thereon the sanction and the nature of work for which for which the labour is engaged.

36. *Medical Bills – Reimbursement of:-* All applications received for reimbursement of medical expenses are recorded in a separate register maintained in the prescribed proforma. The claims registered are verified and put up for sanction. Sanction Memos are issued by the competent authorities to the Sub-Offices for making payments. The original applications together with the relevant vouchers and sanction thereof are filed separately.

CHAPTER VI

CONTINGENT ADVANCES

37. For making urgent purchases required by the department, for purchase of petrol and oil when the staff car is provided for officers on tour, advances are drawn by the concerned official after obtaining sanction of the Director of Research/ Head of Extension Wing/ Projects Wing. A statement of expenditure incurred with relevant vouchers is prepared and the formal sanction for the expenditure incurred obtained; the vouchers duly counter – signed are forwarded to the Accounts Section for necessary adjustment. The amount of advance not utilized is refunded to the Accounts Section immediately and a receipt obtained for the same.

38. *Other advances*:- Separate registers are also maintained to watch the recoveries against TA, Pay, Festival, Winter Clothing Advances and advances made to the labour at the main station.

CHAPTER VII

ACCOUNTS OF COFFEE RESEARCH SUB-STATION CHETHALLI

39. The Accounts relating to the Sub-Stations are also maintained by the Accounts Section, HO, B'lore, on the basis of the remittance of Imprest Amounts and Accounts received from the CRSS.

40. *Bank Accounts:-* A separate bank account is opened in the name of "Head of extension Chethalli" with the SBI, Mercara and is operated by the Agronomist and the officer-in-charge. As and when funds are required by the Sub-Station, the amounts are provided by transfer from Coffee Board General Fund (Research) Account at Mercara to the Sub-Station, Account.

41. *Cash Book:-* A consolidated cash book is maintained at the Sub-Station, wherein all the accounts pertaining to cash and bank transactions are recorded. The cash book is totaled up and closed daily.

42. *Maintenance of accounts:-* (i) The vouchers and other records pertaining to the transactions of the Sub-Station are maintained separately there itself and audited separately.

(ii) A statement of Account, in duplicate, is rendered monthly within the 10th of succeeding month to the Head Quarters Station.

(iii) Any payments made by the Head Quarters Station and/ or receipts by the Head Quarters Station on behalf of the Sub-Station, are adjusted by a Journal, on receipt of a monthly statement of such transactions furnished by the Head Quarters Station.

43. *Pool Payments:-* The sale proceeds of coffee delivered to the Pool by the Sub-Station are remitted by the Pool Agents to the credit of Coffee Board General Fund Research Account with the SBM, Chikmagalur/ SBI, Mercara, as the case may be. The details of such remittances are advised to the Sub-Station monthly by the headquarters Station for accounting them in their accounts.

44. *Remittances- P.F., E.P.F., Insurance Premium, etc.:-* The recoveries on account of PF, Insurance, EPF, made at the Sub-Station are remitted directly to the concerned offices by the Sub-Station.

PART IX – H

CHAPTER 1

POOL FUND

1. *Scope:-* The Scope of the Pool Fund is defined in Section 32 of the Coffee Act and detailed in Part IX – A Chapter I.

2. *Form of Account:-* Coffee Rule 34 (2) provides that the accounts of the Pool Fund shall be maintained separately for each season, in such form as the board may direct, and shall show interalia:-

- a) the amount realized on account of the sale of coffee from the 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) amount of the duty of excise paid on coffee that may be released by the board from the surplus pool for sale in the Indian market;
- 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.

The accounts maintained in respect of the above transactions are transactions with banks (vide Rule 35 of the Coffee Rules) and dealt within the succeeding Chapters.

3. Accounts branch of the Marketing Department, HO, consists of 6 distinct units, each in-charge of a Head Clerk and the work handled in different units relate to Pool Fund transactions.

Accounts I Section (Imprest Pay Bills, T.A. Bills, Budget Preparation etc.)

4. *Staff Section*:- The Staff Strength consists of Head Clerk (One) and Sr.Clerk (8) under the supervisory control of ACMO (Accounts).

5. *Functions*:- The main functions are as detailed below:-

- a) Providing imprest to all ACMOs/ DCCMOs/ Security Officer after scrutiny of indents.
- b) Maintenance of Pool Cash, disbursement of salary to all officers/ staff of Marketing Department, after verification of pay bills.
- c) Recovery and remittance of PF subscription, CDS, Insurance, Income Tax and dues to the Coffee Board Employees' Co-operative Society and Housing Society.
- d) Verification of TA bills, Medical reimbursement claims of all staff of the Marketing Department, Head Office.
- e) Preparation of budget estimates/revised estimates after consolidating the figures received from Sub-Offices and placing it before the Marketing Committee Board meeting. Review of Budget, monthly, before providing imprest to imprest holders.
- f) Suspense clearance of old and current seasons accounts.
- g) Checking of imprest accounts of DCCMOs/ Security Officer/ Depot Manager, (Auctions), B'lore.
- h) Reimbursement of expenses – Local sales and other departments.
- i) General correspondence with the Accountant General concerned regarding services, terms and conditions of Officers deputed from State Govt. on foreign service to the Board (Leave Salary/ Pension Contribution/ Financial aspects).
- j) Preparation of Annual Report – Inspection Report Answering of Audit objections.
- k) Preparation of 'B' Journal in respect of HO and DCCMOs and checking of 'B' journals of ACMOs and their field staff.

ACCOUNTS II SECTION (POOL ADVANCE, POOL PAYMENTS, PROHIBITORY ORDERS AND INSURANCE)

6. *Staff strength:-* The staff strength consists of Head Clerk (One) Legal Assistant (One) Sr. Clerk (Three) Jr. Clerk (One) under the supervisory control of an ACMO (Accounts).

7. *Functions:-* The main functions of the sections are as under:-

- a) Providing letters of credits to all the Pool Agents/ Collecting Agents/ ACMOs, after scrutiny of their indents from time to time.
- b) Review of weekly withdrawal statements of Pool Agents and Fortnightly returns to keep a close watch on the balance amounts held by the Pool Agents/ Collecting Agents on Pool Account.
- c) Withholding of Pool payments as per Court Order, change of CRCs, Issue of Instructions to all Pool Agents as per prohibitory Orders releasing of Pool Payments etc.,
- d) Issue of Pool Payments circular, maintenance of check register, reconciliation of Pool Payment account.
- e) Reconciliation of Pool advance account and furnishing to Accounts IV Section for finalisation of accounts.
- f) Furnishing of information to Registered Owners/ Agricultural Income Tax Officer etc.,
- g) Renewal of Fire Risk and Cash-in-transit, Insurance, Fidelity guarantee insurance for persons carrying cash and settlement of bills. Forwardal of declaration statements of Pool Agents to the Insurance Company and furnishing of statement of valuation of stocks to the SBI.
- h) Follow up of inspection reports preparing matter for annual report, and replying to audit objections etc.,
- i) Verification of Agency remuneration claims including checking of bills of Collecting Agents in Kerala.
- j) Calling for outstanding payments lists from Pool Agents, ACMOs, and compiling and Forwarding to Accounts IV Section for finalisation of Accounts.

Accounts III Section (Bills and Sales Tax)

8. *Staff Strength:-* The staff strength consists of Head Clerk (One) Sales Tax Assistants (Two) Sr. Clerk (Six) Jr. Clerk (Two) under the supervisory control of a Sales Tax Officer.

9. *Functions:-* The main functions are as detailed below:-

- a) Payment of bills pertaining to Curing charges, Agency remuneration, return on capital, transport charges, contingency bills – recovery of income tax and payment to Govt – issue of sales tax certificates to pool agents – payment of all miscellaneous bills of pool agents.
- b) Maintenance of Sales registers and other ledgers regarding sales of coffee effected by the Board through the pool agents/ sales depots, storage depots by different channels.
- c) Preparation of sales tax returns – verification of sales tax payments and issue of clarification in regard to a sales tax rules in various states and to attend to sales tax assessments and appeals thereon, if any.
- d) Work connected with payment of Board's duty of excise on internal sales to the Consolidated Fund of India and furnishing of progressive sales, monthwise for publications in the monthly Bulletin 'Indian Coffee' and
- e) Preparation of various schedules/ statements in respect of declaration of final payment and furnishing the same to the Compilation Section for closing of the Accounts of the season.

Accounts IV Section (Compilation of Pool Fund Accounts of each season)

10. *Staff strength:-* The staff strength consists of compilation Assistants (six) Head Clerk (One) Sr. Clerk (One) under the supervisory control of an ACMO (Accounts).

11. The main functions of the sections are detailed below:-

- a) Analysis of cash book entries and preparation of abstract and posting these to the ledger, preparation of the trial balance, Income and Expenditure statement and balance sheet.
- b) Preparation of final stock statements in respect of the coffees handled by the Pool during the season.
- c) Payment of Excise Duty for clearance of coffee by establishing letters of Credit in favour of the Unit.

- d) Preparation of necessary account in respect of allotment of coffee to the propaganda department, and
- e) Consolidation of account in respect of administration expenses to help the preparation of budget relating to administration of Marketing Department.

Accounts V Section (Noting of Liens)

12. Staff Strength:- The staff strength consists of Head Clerk (One) Legal Assistants (Three) Sr.Clerk (One) and Jr. Clerk (One) under the supervisory control of an ACMO (Accounts).

13. Functions:- The main functions of the Section are detailed below:-

- a) Scrutiny of lien documents (Power of Attorney and Letter of Authority and communication of liens to all concerned.
- b) Cancellation and intimation of liens.
- c) Correspondence with ACMOs and Development Department. Issue of 'No Objection' Certificate to ACMOs, on proper scrutiny and verification regarding change to CRCs and,
- d) Returning lien documents to the lien holders after expiry of the period of lien.

Accounts VI Section (Banking)

14. Staff Strength:- The staff strength consists of Head Clerk (One), Jr. Assistant (One), Sr. Clerks (Two), Jr. Clerks (Two) under the supervisory control of ACMO (Accounts).

15. Functions:- The main functions of the section are as under:-

- a) Maintenance of Bank Accounts entries of challans, cheques, monthly reconciliation with Bank Statements and correspondence thereto.
- b) Typing of cheques and entry in the bank registers.
- c) Transferring of funds from one bank to another whenever necessary.
- d) Receipts of deposits from dealers/ contractors etc., Issue of receipt and refund of deposits.
- e) Furnishing of periodical statements the SBI, B'lore City, and

- f) Keeping a close watch on the overdraft balances and making the best use of credit balances, if any, with the SBI, B'lore City, for placing surplus funds in short term deposits.

CHAPTER II

ACCOUNTING OF AMOUNTS REALISED ON ACCOUNT OF SALE OF COFFEE IN THE SURPLUS POOL

(Section 32(1) of the Coffee Act and Rules 34 (2) (i) (a) of the Coffee Rules)

16. Sales of coffee from the pool are conducted through different channels detailed in Part IV Marketing Chapters XIV and XV.

17. *Deposits by and refunds to dealers:-* The deposits either by cash or by demand draft are noted in a register and the refunds when effected are also recorded against each entry. The deposit register should show the total liability of the Board in respect of deposits, Local Sale dealers and registered exporters do not carry interest and are liable for refund on the expiry of the validity of permits and/or cancellation of the same. Before any refund is made care should be taken to see that the amounts ordered to be forfeited/adjusted, if any, for contravention of conditions of sale are first adjusted and the balance amount standing to the credit of dealer is alone refunded on the strength of refund certificate issued by the competent authority.

18. Before effecting refunds the stamped receipts issued by the office and also a pre-stamped receipt from the dealer, for the amount to be refunded should be collected; where the original receipt issued from the office is reported missing, a certificate to that effect should be obtained from the dealer concerned.

19. *Sale proceeds and Sales Registers:-* Detailed instructions regarding collection and remittance of sale proceeds, rendering of sales registers etc., by the Pool Agents are given in Part IV – Marketing – Chapter IX.

20. Separate sales registers for each season, monthwise, should be maintained at HO for different categories of sales by posting the consolidated entries from the Sales Registers rendered by the Pool Agents/ Storage Depots/ PSDs/ ACMOs. Monthly abstract of sales are prepared from these registers. Individual personal account of each Pool Agent is maintained in the general ledger at the HO.

21. In respect of sales effected ex-departmental Depots/ Offices of the ACMOs, Sales registers are recorded by the DM/ ADM/ ACMO once in a month. For details vide Part IV – Marketing Chapters V and VIII.

22. Procedure relating to the collection of Sale proceeds, rendering of sales registers, etc., by Pool Sales Depots in respect of Local Sales/ allotments is detailed in Part IV – Marketing – Chapter XIII.

23. The value of coffee accounted for in the Sale Register, is reconciled with the explanatory statements of collection and remittances attached to the Sales Registers. In respect of allotment of coffee to the Propaganda Department, the particulars of invoices issued by the Pool Agents/ Pool Depots are periodically verified with the entries in the Sales Registers separately forwarded by them every month.

24. *Refunds of excess amounts remitted by the dealers:-* Amounts in excess of the value of coffee sold are at times remitted by dealers by demand draft due to wrong calculations. Excess remittances also arise on account of short delivery of coffee.

25. In the case of excess remittances, resulting from short deliveries the Pool Agents/ ACMOs/ Depots concerned should prepare a refund order in the prescribed form and forward it to the ACMO who should verify, counter – sign and forward it to the HO.

26. As regards excess remittances on account of wrong calculations, the Accounts Section will verify and refund the amount. Refunds arising out of short deliveries, are effected on receipt of Refund Orders duly counter – signed by the competent Officer.

27. Refunds made to the dealers are noted in the Sales Registers against respective columns.

28. *Allotment of coffee to Propaganda Dept:- Remittance of value:-* Immediately after despatch of coffee to the Propaganda Units, the Pool Agents prepare a statement in Form RR 16 (B) and submit it to the Accounts Department HO with copies to the ACMO concerned and the Propaganda Department. Proforma invoices are also sent by the Pool Agent/ ACMO, to the Propaganda Units, while dispatching the coffee. On receipt of stocks, the Sales Officers of the Propaganda Units record a certificate for the

quantity of coffee received by dispatching centre and forward the invoices to the Director of Propaganda. The remittances towards the value of coffee supplied to the Propaganda Department are made periodically to the Marketing Department by Director of Propaganda. The remittances thus received should be noted in RR 16 (B) under the appropriate columns. The subsidy granted from the Pool Fund on the sale of coffee powder from the Propaganda Units as also a portion of the Administration charges of the Propaganda Units to be met from the Pool Fund, as directed by the Marketing Committee are periodically adjusted by the Propaganda Department.

29. *Supply of Coffee to the Southern Railways – Remittance of value:-* The railways keep a standing deposit with the Board. Coffee is supplied to Southern Railway against letter of allotment advices. The Pool Agent/ACMO account for the coffee delivered to the Railways in RR 16 (A) indicating that the payment be made direct to HO. The amount payable for the coffee supplied is adjusted, under advice to the Sales Section, from the amount deposited by the Railways. A statement of account is also rendered to the Southern Railways, every month for their confirmation of balances in the deposit account. The Railways replenish funds to the credit of their deposit account with the Board, from time to time, to cover the value of supplies to be made in future.

30. *Statement of average prices realized:-* A statement showing the monthly releases of coffee from the Pool and average prices realized thereon, together with progressive figure at the end of respective months, from the commencement of sales of a particular season's crop, should be furnished to the Director of Propaganda every month for publication in the 'Indian Coffee'. An abstract of the monthly totals showing the total quantity sold under each category and the amount realized thereon during the month exclusive of Central Excise Duty and Sales Tax is compiled from the Sales Register. The average prices realized per 50 Kg. are thereafter worked out.

CHAPTER III

PAYMENTS TO REGISTERED OWNERS FOR COFFEE DELIVERED BY THEM TO THE POOL

(Rule 34 (2) (b) and (d) of the Coffee Rules)

31. *Pool Advance*:- Indents are made by the Pool Agents and ACMOs normally once a month for funds required for disbursement of payments to coffee growers. They also make supplementary indents, as and when required. The amounts so indented for by them, are made available to them by establishing Letters of Credit in their favour, for the amounts required on each bank, after satisfying about the reasonableness of the indent. Funds required for payments to small growers are supplied by establishing Letters of Credit while in the case of Large growers, this arrangement is followed until such time as they are asked to prefer claim statements, on the basis of the Coffee Valuation Reports received by them, Funds for payment to large growers are disbursed by cheque drawn in favour of the Pool Agents/ Pool Depots, on such banks and for such amounts as they may indicate. Similar procedure is adopted in respect of small growers who opt for payment on point basis.

32. Letters of Credit are established through the SBI, B'lore City only. They are made payable to the Pool Agents/ ACMOs on the branch of SBI or its subsidiaries as desired by the Pool Agents/ ACMOs.

33. The Pool Agents should send weekly statements of accounts, showing the amounts drawn, etc., as detailed in Part IV – Marketing – Chapter IX. Collecting Agents are required to send such weekly statements to the ACMOs having jurisdiction.

34. *Pool Payments to large growers*:- The initial payments and the subsequent two or three payments are generally made to large growers on uncured basis/ at rates fixed per forlit and for 50 Kg. unit for estate pounded coffees. When substantially large quantities of the season's crop have been cured assessed and coffee valuation reports issued, payments to large growers are declared on point basis. Claim statements are called for and payments made after adjusting, all the previous payments made to the planters, curing charges and any other amount debitable to their account.

35. *Pool Payment claim statements*:- The claim statements in respect of deliveries through Pool Agents are prepared by the Pool Agents in triplicate; the originals are sent to the Regional DCCMOs and the duplicate copies to the Ho, B'lore, to reach by the specified date. The Regional DCCMOs check the quantity and the points shown against each estate in the claim statements and forward the claim statements to Account Section, HO, along with a certificate of the total quantity and points in the prescribed form within the scheduled dates. The Accounts Section in the Ho after further scrutiny of the amounts payable to each estate, amount to be withheld if any, etc., arranges payment of the amounts indicated in the claim statements by cheques and post them simultaneously to all the pool agents on specified dates. The Pool Agents in turn credit the proceeds of cheques to a separate Bank Account maintained by them and then disburse the amounts to the individual planters. Similar claim statements are called for, in the case of deliveries of coffee by the large growers at the Pool Depots, payment due to large growers delivering coffee at the Pool Depot, Kottayam, are made by the Pool Depot, while in the case of Pool Depot, Narasipatnam, a cheque for a consolidated amount of the claim statement is sent to the Divisional ACMO, Vijayawada.

36. After verifying the claim statements at HO, entries are made in pool payment/ cheque register and attested and put up with the pay order. The amounts withheld by the Pool Agents in accordance with the instructions issued to them from the HO from time to time are recorded in a separate register called "Pool payments withheld register". Releases of the withheld amounts, as and when effected are also recorded in this register. Similarly amounts refunded by the Pool Agents by cheques drawn in favour of the Coffee Board Pool Fund Account are also entered in this register.

37. The Pool Agents should send stamped receipts for pool payments made to registered owners/ lien holders signed either by registered owners/ lien holders themselves or by the Pool Agents as stated in Part IV – Marketing – Chapter IX.

38. Instructions regarding maintenance of Pool Fund Cash Book, accounting of moneys received, etc., are detailed in Part IV – Marketing – Chapter V and IX.

39. These accounts are open to inspection by the CCMO, Sr. DCCMO, DCCMO, CAO, AO, concerned ACMO or any other officer, duly authorised by the CCMO or CAO.

40. *Accounts rendered by the Pool Agents:-* For initial and further payments made to a large growers and first and supplementary payments made to small growers, the Pool Agents will prepare the fortnightly returns RR 15 and RR 15 – A in triplicate and forward the original to Divisional ACMOs and duplicate to HO by the prescribed dates. ACMOs will check the figures with reference to RR. 20, 23, 24 and 25 and 26 and forward the same to HO duly verified and counter – signed. On receipt of the original, the duplicate copy will be returned to ACMO for record. Prompt submission of these returns should be ensured by the Divisional ACMOs, also and suitable action taken whenever necessary. For other returns to be submitted by the Pool Agents, refer to Part IV – Marketing – Chapter IX.

41. *Payments for small growers' 'coffee on cured basis':-* The accounting procedure to be followed in this regard is detailed in Part IV – Marketing – Chapter IX.

42. *Accounts of the ACMOs:-* The ACMOs should maintain a Pool Fund Account Cash Book in the form prescribed. All Pool Fund advances placed at the disposal of the ACMOs and disbursement to the various depots by them should be shown in this register. The ACMOs will render to the HO fortnightly pool fund cash account in the prescribed form supported by the abstract statement of the receipts and disposals of monies, in respect of each Pool Depot in their jurisdiction. It is the responsibility of the ACMOs to ensure that needlessly heavy balances are not retained by the Pool Depots in their jurisdiction. They should similarly ensure that they do not draw amounts from Letters of Credit, in excess of the requirements of the depots and that they do not retain any balance with them either in cash or in their current account. The instructions regarding maintenance of the cash book (vide Part IX – A Chapter I) are to be adhered to in this regard also.

43. *Monthly statement of accounts of Pool payments:-* The monthly statements of accounts of amounts received from the Board towards the Pool payments and disbursements made to planters should be sent to HO by the Pool Agents in the form prescribed (vide Appendix L Marketing).

44. *Noting of liens of the Board, Pool Agents and Banks over the pool payments made by the Board to the registered owners:-* Loans are granted to the planters by the Board, pool agents, co-operative institutions and banks, on the security of the pool payments payable by the Board, to them on coffees delivered to the pool. For this purpose, liens are created in favour of creditors. The procedure for noting of liens in these cases by the Board is given below:

45. *Liens in favour of the Board:-* Where the owner of an estate is granted loan by the Board, under the Development Scheme, the amount advanced and interest due thereon are treated as the first charge on pool payments. As and when loans are sanctioned, a copy of the loan sanction order is sent by the Development Department to the Accounts Section (Marketing Department), for noting in the Lien Register, and for advising the growers that the liens noted are subject to the conditions that the amount of principal and interest due on the loans granted by the Development Department shall be the first charge on the pool payments.

46. *Liens in favour of Banks/Co-operative Institutions/Pool Agents:-* The Board is registered liens in favour of Banks/Co-operative financing institutions/ Pool Agents on the pool payments of coffee delivered/ to be delivered. The documents necessary for registering lien and the conditions governing the registration of lien are detailed at Appendix X.

47. In accordance with the decision of the Marketing Committee at its meeting held on 6-4-1977 the Board has stopped noting of liens of the private banks/ private parties with effect from 1977-78 season.

CHAPTER IV

ACCOUNTS OF COLLECTING DEPOTS PAYMENTS TO GROWERS

48. *Mode of Payment and fixation of rates:-* The procedure relating to mode of payment is given in Part IV – Marketing – Chapter V.

49. *Funds:-* Detailed instructions regarding indenting of funds, accounting of moneys received, disbursement of amounts to the Pool Depots, etc., by the ACMOs are given in Part IV – Marketing – Chapter V.

50. *Submission of Accounts:-* The accounts to be submitted by the Pool Depots to the Divisional ACMOs are detailed in Part IV – Marketing – Chapter VIII.

51. *Check exercised by the Depots on payments:-* The procedure in connection with the check to be exercised by the Pool Depots and various registers to be maintained by them is given in Part IV – Marketing – Chapter VIII.

52. *Collecting Agents:-* The procedure regarding maintenance of registers, payments etc., to be followed by the collecting Agents in Coorg, Wynaad, Yercaud and Travancore is given in Part IV – Marketing – Chapter VII.

53. *Collecting Agents in Kerala and other Pool Agents:-* The collecting Agents in Kerala other than the Pool Agents, collect coffee from estates and make payments to the small growers from their own funds initially and obtain receipts from the planters. The coffee is delivered to the departmental depots, along with the receipts and reimbursement of amounts obtained from the depots. A different type of receipt has been provided for these collecting agents. These depots should maintain C1/ C2/ C3 Registers in the same manner as other departmental depots. These Collecting Agents are entitled to a fixed remuneration on the value of coffee, calculated on the initial payment amounts only.

54. *Check exercised in Divisional Office:-* Instructions relating to the quantum of check to be exercised in regard to the fortnightly accounts of the

Depots and Collecting Agents are detailed in Part IV - Marketing – Chapter V.

55. *Checking of Coffee receipts C1, C2, and C3 registers etc.,:-* Procedure detailing the checking of coffee receipts, C1/ C2/ C3 registers, advance registers, etc., received from the Pool Depots/ Collecting Depots/ Pool Agents is given in Part IV – Marketing – Chapter V.

CHAPTER V

DUTY OF EXCISE LEVIED UNDER SECTION 12 OF THE COFFEE ACT

(Rule 34 (2) (e) of the Coffee Rules)

56. *Rate of Duty of Excise:-* Under Section 12 of the Coffee Act a duty of excise shall be levied, at such rate not exceeding Rs.11.80 per quintal, as may be fixed by the Central Government, on all coffee released for sale in India by the Board from the surplus pool. The duty currently in force is Rs.9.50 per quintal.

57. *Collection:-* Duty of Excise on the quantity of coffee sold in the internal market is calculated on the quantities accounted in the Sales Register received from the Pool Agents/ Pool Sales Depots/ Storage Depots etc.

58. *Remittance:-* The amount payable towards duty of excise is remitted once a month to the Reserve Bank of India, B'lore, for credit to the Consolidated Fund of India, under the head of Account 'Cess on Coffee' minor head 'Coffee' subordinate and Major Head 'II Union Excise Duties a cheque for the total amount together with a challan in duplicate is forwarded to the RBI, B'lore. After realisation of the cheque a copy of the receipted challan is passed on to the Coffee Board by the Bank.

CHAPTER VI

ACCOUNT OF THE EXPENDITURE ON ADMINISTRATION OF THE SURPLUS POOL FOR WHICH BUDGET ESTIMATES ARE PREPARED AND APPROVED BY THE BOARD

(Rule 34 (2) (f) of the Coffee Rules)

59. *Budget:-* The funds for the administration of the Surplus Pool are drawn from the Pool Fund and separate accounts are maintained for expenditure incurred thereon. The budget estimates and revised estimates for expenditure under this Head for the year from 1st July to 30th June, should be prepared in time, and approval of the Board should be obtained at its half yearly meeting. The expenditure in respect of each year is debited to the Pool Fund Account of the season concerned. For example, the expenditure from 1-7-1975 to 30-6-1976 will be debited to 1975-76 season's Pool Fund Account.

60. *Accounting of expenditure:-* The expenditure under Administration of Marketing comprised of establishment and contingent charges incurred by the Marketing Department, at the HO and the various field formation in accordance with the provisions in the budget. The expenditure incurred towards handling charges on coffee and for running of Pool Depots and PSDs is initially accounted for under Administration of Marketing, but is transferred at the end of each year to the Head of Account 'Transport Storing and Marketing of Coffee'.

61. *The method of accounting adopted for cash payments made by the HO is as follows:-* Establishment and contingent charges at the HO are made from funds drawn from the Pool Fund Account with the Bank. The receipt of cash by drawals from the bank and payment therefrom are recorded in the 'Administration of Marketing Cash Book' maintained at the HO. Cheques issued on account of payment of bills, for services rendered and purchases made at the HO, are entered chronologically with dates, in the "B" journal under the appropriate columns showing the budget heads. These payments are debited to 'Advances for Administration of Marketing' in the bank cash book.

62. Funds for meeting of the expenditure of the regional offices, divisional offices and field staff will be arranged by the HO, on receipt of

indents in the prescribed form from the regional DCCMOs and the divisional ACMOs.

63. *Imprest:-* The procedure relating to indenting of imprest amounts by DCCMOs and ACMOs is given in Part IV – Marketing – Chapters IV and V. After a check of these indents the imprest amounts are remitted to each of the regional DCCMOs and divisional ACMOs.

64. The imprest amounts so remitted each month are entered in a register. A consolidated cheque on the SBM, VV Branch, B'lore – 1, will be drawn from the administration of Marketing Account, maintained purely for the purposes of administration of Marketing. For the amounts required by the DCCMOs and ACMOs, demand drafts are being obtained and forwarded not later than 28th of every month (vide Circular No. Ac. 116(4)/564, dated 26-11-1960). The DCCMOs and ACMOs are authorised to open current accounts in approved banks for credit of these remittances and operating on them.

65. For crediting of the imprest amounts, disbursement of the funds to the imprest holders etc., by the ACMOs, please refer to Part IV – Marketing-Chapter V.

66. Procedure relating to maintenance of Imprest Account, accounting of moneys received and expended, rendering of the imprest accounts etc., is debited in Part IV – Marketing – Chapters IV and V.

67. *T.A.Bills:-* All the TA Bills of the HO, the regional DCCMOs and the security officer and the ASOs are pre-audited and passed for payment by the HO. All the other TA Bills are pre-audited at the Offices of the regional DCCMOs and sent back to the concerned for taking further action in making payments.

68. *Centralised accounting at the Head Office:*

a) *Books of Accounts:-*

i) 'A' Journal:- This is maintained for passing adjustment entries and entries for correcting misclassification in accounts.

ii) 'B' Journal:- This is maintained columnwise with budget heads printed horizontally in the form of a register for the transactions made at HO only. The transactions made by the imprest holders are entered in sheets by the ACMOs for the Field Staff and forwarded to HO direct. For the transactions in respect of the divisional ACMOs the sheets are prepared by the DCCMOs and sent to HO, and for the transactions in respect of the regional DCCMOs the sheets are prepared at HO (AC.I No. 2903, dated 22-6-64).

iii) 'A' Ledgers:- This is a ledger for imprest accounts of the ACMOs, advance and suspense accounts, and for accounting for receipts and expenditure outside the budget.

iv) 'B' Ledger:- This is maintained column wise with budget heads printed vertically, with columns for twelve months, and also columns for progressive totals after each month printed horizontally for consolidating all items of expenditure under the budget heads by posting from journals.

v) Subsidiary Register:- TA Advance, Pay Advance, Festival Advance and Suspense Accounts are all record herein.

vi) PF, Conveyance Advance and House Building/ Purchase Advance Accounts:- Statements of recoveries effected in the pay bills towards PF subscription, PF Advance, Conveyance Purchase Advance, and House Building Purchase Advance are received in the HO (Secretariat Accounts) from the regional DCCMOs Offices, and divisional ACMOs Offices in the form of statements every month, accompanied by a cheque for the amount. Total amount recovered in respect of HO only is remitted to the Secretary by a Cheque along with the statement of recoveries. PF contribution payable by the Board each year, ending March in respect of the officials who have opted for GPF is worked out at HO in the PF Contribution Register and the total contribution payable by the Marketing Department remitted to the Secretary before the end of March.

b) *Accounting Procedure:-*

i) The Imprest account of each regional DCCMO and divisional ACMO in the "A" Ledger is debited with the Amount remitted.

- ii) The cash payments and recoveries at the HO are summarized in the 'B' Journal from the "Administration of Marketing Cash Book" every month, according to the Heads of Account and the total struck. The total of the payments by cheques at HO entered under the respective budget heads on a separate folio in the 'B' Journal is then carried forward and entered below the entry of total, on the folio for cash transactions for the month. A grand total is then struck and the figures which are the consolidated amounts of expenditure at the HO for the month, are posted to the 'B' Ledger on the folio for 'Head Office'.

- iii) The details of expenditure incurred and the recoveries effected by the Regional Offices, Divisional Offices, Inspectorate and Depot Staff (PSDs and Pool Depots) are extracted from the concerned Imprest Accounts entered in the 'B' Journal under the proper Head of Account, in the HO in respect of the DCCMOs, by the DCCMOs in respect of ACMOs in respect of Inspectorate/Depots and PSDs of the jurisdiction respectively, by showing separate totals of Divisional Office, Inspectorate staff, Depot staff and each PSD separately. The totals of expenditure are posted from the 'B' journal to the 'B' ledger on the folio for the regional DCCMOs, ACMOs Inspectorate Staff, Depot Staff and PSDs of the division as the case may be.

- iv) The total of recoveries at HO, Regional DCCMOs' Offices, divisional Officers, Inspectorate Staff, Depot Staff and Pool Sales Depots, which will be shown, under recoveries in the 'B' Journal are posted to the appropriate heads in the 'A' ledger.

- v) Under the column 'Net Expenditure' a single total is then struck or the entire division and imprest account of the regional DCCMOs and ACMOs of the division in the 'A' Ledger is created with this amount.

- vi) The total imprest during the month sent to the regional DCCMOs and ACMOs and shown in the register, the total of each drawn from the Bank and shown in the cash summary in the 'B' Journal, the total of cheques issued towards payment of bills at the HO and shown in the 'B' Journal, are credited to the 'Advance from Pool Fund' in the 'A' Ledger.

- vii) The credits to the Head 'Advance from Pool Fund' are reconciled with the corresponding debits raised by the bank section under 'Advance to Administration of Marketing'.
- viii) After all the postings are made totals in the 'B' Ledger and balances in the 'A' ledger are struck. The balances in the imprest accounts, in the 'A' ledger are reconciled with the balances in the imprest accounts submitted by the regional DCCMOs and divisional ACMOs. The trial balance for the month is then drawn up in the prescribed form.
- ix) The balance in the Advance Registers in which details of 'Dr', 'Cr' and 'Balance' are shown against each individual, are tallied with the balances in the 'A' Ledger. The balances in the Suspense Account are likewise tallied with the Suspense Register. The balances in the register are reviewed and action taken for the adjustment of outstanding items.
- x) At the end of the year, the accounts are closed and the final balance struck in the ledgers. Schedules are prepared for the balances in the advance and suspense accounts to be given to Audit along with the final accounts for the year.

Merger of the Marketing and Propoganda Departments of the Coffee Board into Directorate of Marketing – Accounting Procedure

69. Consequent on the merger of the Marketing and Propaganda Departments, 12 ½ % of the expenditure on Divisional Offices in the South would be a charge on General Fund (Propaganda). Marketing Department will claim each month reimbursement from Propaganda Department. Correspondingly 12 ½% of the expenditure on the divisional offices in the North is to be borne by the Marketing Wing and the Propaganda Department will claim the sum from the Marketing Wing.

70. The expenses on account of payment of salary to staff and rentals on buildings on account of allotments to Local Sale Permit holders at Bombay, Delhi and Calcutta, shall be initially met out of the General Fund (Propaganda) subject to reimbursement from Pool Fund.

71. The bills for the reimbursement of medical expenses of the staff of the HO, regional DCCMOs, Security Officer, and ASO will be pre-audited and returned to the concerned for making payment. All the other medical bills will be pre-audited and disposed of at the Offices of the regional DCCMOs.

CHAPTER VII

EXPENDITURE ON ACCOUNTS OF THE MARKETING OF COFFEE DEPOSITED IN THE SURPLUS POOL

(Rule 34 (2) (g) of the Coffee Rules)

72. *Pool Agent's duties and remuneration payable:-* The duties of the Pool Agents appointed by the Board and the remuneration payable to them are given in the Pool Agency Agreement and the schedule of charges attached thereto.

73. The Pool Agents claim through bills the charges payable by the Board for the services rendered by them.

74. The bills for the charges incurred by the Pool Agents, transport contractors, etc., are generally forwarded in duplicate, the original bill sent to the Officer-in-charge of the receiving end and duplicate to HO. On receipt of the duplicate at HO, an entry of the particulars of the bills is made in the prescribed register and the original awaited for payment. On receipt of the original at HO duly checked and verified by the receiving end as well as by the ACMOs/ADSP having jurisdiction, they are taken up for payment after entering the date of the receipt of the bill in the bill record register. The bills are scrutinized and put up to the Accounts Officer for payment order. Payment is made by an Account Payee cheque and particulars of the cheques are recorded in the bill record register.

75. *Curing Charges/Agency Remuneration bills of the Pool Agents:-* Immediately on receipt of the duplicate bills with the relative statement and copies of out-turn, they are checked at HO and 95% of the value of the bills paid. The balance of 5% with adjustments, if any, will be paid on receipt of the original bills duly checked and counter signed by the ACMO having jurisdiction. In respect of the deliveries of Estate Pounded Coffees the claims for agency remuneration are admitted after obtaining a certificate from the divisional ACMOs that the quantity on which Agency remuneration claimed is accounted for in RR.23/RR.24. Separate accounts are maintained in respect of large and small growers.

76. All the other bills of the Pool Agents are paid only on receipt of the original bills duly checked and counter signed by the ACMOs, concerned. Agency remuneration is not payable on coffee transferred from a collecting depot or from another pool agent.

77. *Bulking Charges Bills:-* To reduce bulking charges to a minimum the pool agents are instructed not to take for bulking, normally, out turns of five tonnes and above, but to put up such outturns as one or more lots in Pool Sales. Before forwarding the bulking charges bills to the HO, the ACMOs, will verify and certify on the originals of the bills that bulking has been done in accordance with the above instructions. However, for export purposes or for transfer to inland centers for storage over monsoon, the pool agents may bulk lots of 5 tonnes and above according to their discretion.

78. *Bills for handling, receiving and weighing charges:-* The Pool Agents may claim these charges on coffee received from other Pool Agents/ Collecting Agents/ Depots at the rates specified in the schedule of charges attached to the Pool Agency Agreement. These claims are admitted for payment after ensuring that the quantity accounted for is correct.

79. *Pool Agents' claim on returns on capital:-* These charges are payable to the Pool Agents at rates approved by the Marketing Committee. The Pool Agents may prefer claim on the actual quantity of coffee cleared from their godown in a month from out of the coffee received by them from the growers direct. In respect of coffees received from sources other than direct from the growers, the Pool Agents are entitled to only 1/3 of the remuneration payable.

80. *Transport Contractors bills:-* The transport of coffee from collecting depots to pool agents or main pool depots is done by the transport contractors appointed by the Board for the purpose for each year, at rates incorporated in the transport agreement between the contractor and the Board.

81. The contractors submit their bills through the ACMOs concerned, duly certified by the receiving pool agent depot for the receipt of coffee. The bills, when received at HO, are checked with the relevant coffee receipts issued by the Pool Agents/ Depot and the claims admitted thereafter. Where there is a shortage in the coffee transported, the value thereof will be withheld and the balance amount alone paid to the contractors. The question

of acceptance of otherwise of the shortage noticed will be referred to the Administration Section and the withheld amounts are reimbursed to the Contractors to the extent of the value of shortages admitted by Marketing Administration.

83. *Legal Charges:-* The Board has appointed Legal Advisers in Bangalore and Madras, on payment of a retainer fee. The retainer fee is paid against the bills received from the legal advisers. Their charges for actual conduct of cases in the Courts or for certain special consultations, etc., which services are not covered by the retainer fee, are sanctioned by the Chairman or the Committee concerned on separate bills.

84. *Charges for advertisement:-* The Board's advertisements are published in the newspapers approved by the Govt. of India through the authorised Advertising Agency and are to be paid at authorised rates, notified by the Govt. The bills of charges are to be accompanied by the voucher copy duly counter-signed by the DCCMO/ACMO, as the case may be. The bills are then scrutinized at the HO and payment made by cheque to the authorised Advertising Agent.

85. *Miscellaneous Bills:-* Bills of pool agents not covered by the schedule of charges and all other miscellaneous bills are paid after they are thoroughly examined and orders obtained from the CCMO/DCCMO.

86. *Insurance of Pool Stocks:-* The Pool coffee stocks are insured against risks of fire, riot and strike, under a declaration policy taken out with the United India Fire & General Insurance Company Ltd., B'lore, for each calendar year. The United India Fire & General Insurance Co. Ltd., B'lore, are supplied with the particulars and the sketch of the godowns indicating the amount of cover required for each godown. 75% of the premium on the face for which the various godowns are covered is attached to the Insurance Policy. As and when the value of stocks in a particular godown exceeds the insured limit, the United India Fire & General Insurance Co. Ltd., B'lore, is advised, who, on receipt of such advises, passes endorsements noting corresponding enhancement in the insured amounts. The additional provisional premium (75%) payable on such endorsements is paid to the Insurance Company on receipt of their endorsement to that effect together with statement of account.

87. The rate of premium ranges from Rs.1.20 to Rs.3.70 per mille according to the construction, nature of the godown and the place.

88. The weekly declaration statements showing the average value of the stocks held at each godown, in the form and manner prescribed, are furnished to the United India Fire & General Insurance Co. Ltd., B'lore, at the beginning of each month. The actual premium is being charged on the basis of the average value of the stocks shown in the statements.

NOTE:- With the introduction of the weekly form of declaration statement recording values of stocks held on Saturdays only, it is likely that any increase in the value of stocks over and above the insured limit occurring in the interim period may go unnoticed, it is very essential that the pool agents/depots should keep a close watch over the daily arrivals of coffee in order to ensure that the pool coffee stocks are always adequately covered and advise the Insurance Company by telegram as soon as there is any need for increasing the insured limit. For this purpose, it may be necessary to maintain a record of daily value of pool stocks.

89. On the expiry of the policy, the final statement of account is made on the basis of the total premium payable on the average value per month, of the stocks held during the year and any excess premium paid by the Board is refunded.

90. *Fidelity Guarantee Insurance*:- The employees of the Board who are entrusted with the custody of the pool cash/coffee stocks are insured under a floating Fidelity Guarantee Insurance Policy for a sum of Rs.2,25,000/-.

91. The premium is calculated at $\frac{1}{2}\%$ on the sum assured plus Rs.5/- per capita premium. The United India Fire & General Insurance Co. Ltd., B'lore, have allowed to the Board a special discount of 10% over the premium. If the name of an employee is deleted from the policy on his transfer to another post, etc., proportionate refund for the period is allowed on a pro rata basis by the United India Fire & General Insurance Co. Ltd., B'lore.

92. *Cash – in – transit Insurance:-* A cash in transit insurance policy for the estimated total amount of cash carried in a year is taken with the United India Fire & General Insurance Co. Ltd., B'lore, to ensure the safety of Board's money while in transit. The cash is carried only by persons covered by the Fidelity Guarantee Policy. The initial provisional premium is paid on the face value of the policy.

93. On the expiry of validity of the policy, the premium, on the basis of the actual amount carried during the currency of the policy, is worked out by the United India Fire & General Insurance Co. Ltd., and differences, if any, are adjusted by way of refunds to or payments by the Board.

94. *Insurance of persons carrying cash:-* The Board's employees who carry cash to depots and banks are covered under a Group Insurance Scheme Policy taken out with the United India Fire & General Insurance Co. Ltd., B'lore, for a sum of Rs.50,000/- in the case of ACMOs, DMs, CCIs and HCs and Rs.25,000/- in respect of ADMs and Clerks.

95. *Payment of premiums by the Coffee Board:-* In exercise of the power conferred on the Board under Rule 32 (a) of Coffee Rules, the Board has decided that the provisions of 274(VII) of the General Financial Rules be relaxed to the extent that it shall not be made applicable in respect of the following Insurance Policies taken by the board:-

1. Floating Fidelity Guarantee Insurance Policy.
2. Insurance of persons carrying cash.
3. Cash-in-transit insurance.

Consequently, the insurance premium on these policies will be continued to be met by the Board.

96. The United India Fire & General Insurance Co. Ltd., B'lore, will, subject to the terms and conditions pay to the insured the admissible amount if the person sustains bodily injury caused solely and directly by violent, accidental, exterior and visible means, during the performance of cash carrying duties.

CHAPTER VIII

ACCOUNTS WITH BANKS

(Rule 35 of the Coffee Rules)

97. *Opening of Pool Fund Accounts:-* Under Sub-Rule (1) of the Rule 35 of the Coffee Rules 1955, moneys required for current expenditure of the Board, with the exception of petty cash and surplus moneys, are to be kept in a current account, in such banks as the Central Government may approve. Instructions to approved banks to open Pool Fund Current Accounts should be signed by the CAO or the AO and counter-signed by the Chairman or the CCMO or the Sr.DCCMO or the DCCMO.

98. All Pool Agents, Divisional Officers, Pool Depots and Pool Sales Depots are informed at the time of opening a fresh Pool Fund Account with the banks, the names of the banks and places at which such accounts are opened to facilitate their making pool remittances.

99. *Opening of separate bank accounts for each season:-* Separate current accounts are opened to account for the receipts and disposals of each crop season's transactions. These accounts are given consecutive serial numbers, e.g., the 1975-76 crop season's account is assigned as Pool Fund Account No.32; 1976-77 season's account as Pool Fund Account No.33 and so on. The account is opened on 1st January each year. Funds required to open the accounts are transferred from the prevailing season's current account and the amounts so transferred, reimbursed from the new season's account to the previous season's account at a later date.

100. *Operation of the Pool Fund Account:-* Cheques and all orders for making or withdrawal of deposits or investments, or for the disposal in any other manner of the Pool Fund of the Board are to be signed by the CAO or such other Officer as may be authorised by the Board, and counter-signed by the Chairman or any other Officer duly authorised by him – vide sub-rule 5 (ii) of Rule 35 of the Coffee Rules. In addition to the CAO and Chairman referred to in this Sub-Rule, the Board has also authorised the AO, or the ACMO (Accounts) to sign and the CCMO or the Sr. DCCMO or the DCCMO or the ACMO to counter-sign the cheques and all such orders referred to above.

101. The cheques, etc., are signed by (a) the Accounts Officer, (b) in his absence by the ACMO (Accounts) and in the absence of both, the CAO and counter-signed by (a) the DCCMO, (b) in his absence by the ACMO, in the absence of both by the Sr.DCCMO and in the absence of the above 3 officers, the CCMO; in the absence of all the above 4 officers, by the Chairman.

102. In exercise of the powers conferred under Sub-Rule (6) of Rule 35 of the Coffee Rules, 1955, the Chairman has authorised the opening of subsidiary current accounts with the approved banks in the official designation of the DCCMOs and ACMOs, to enable them to make payments towards purchase of Coffee at collecting Depots, in their respective regions, divisions and also for purpose of remittances of imprest amounts to the staff in their jurisdiction.

103. *Transfer of Funds:-* The SBI, and its subsidiaries, i.e, SBM and State Bank of Travancore, have extended the facility for the transfer of funds free of charges from any branch of theirs to any other and from one bank to the other whenever funds are required to be transferred. Whenever funds are required for making payments on a particular branch office of a bank where the Board has its Pool Fund Account, they will be transferred from another Branch Office of the same bank which may have surplus funds. Surplus funds at the various outstation banks are transferred to the Pool Fund account with SBI, B'lore City. Transfer of funds is normally effected by telegram. The instructions issued regarding the transfer of funds are recorded in a register maintained in the form shown below:-

Pool Fund Account

(Transfer of funds from one Bank to another)

Date P.F.	From	P.F. A/c. No.	To	P.C. A/c No.	Amount	Initials
1	2	3	4	5	6	7

Outward No.	Date	Date of Debit Advice	Initials	Date of Credit Advice	Initials
8	9	10	11	12	13

The dates of debit and credit advices received from the paying and receiving branch offices are recorded in the columns provided for in the register and duly attested by the ACMO (Accounts).

104. *Cash Credit Account:-* The Board is empowered to borrow funds from the banks approved by the Central Govt. on the security of coffee delivered or treated as delivered for inclusion in the Surplus Pool Vide Rule 38 of the Coffee Rules. The maximum limit of the Board's borrowing powers has been fixed at Rupees Thirty five Crores – vide Sub Rule (c) of Rule 38 of the Coffee Rules. In accordance with the above, a cash credit account will be opened with SBI, B'lore City.

105. The SBI, B'lore City, with whom the cash/credit account is operated levied interest on the cash credit balances. The present rate of interest charged being 14 ½% per annum. The SBI, B'lore City, has allowed the Board to operate a packing credit account upto a limit of Rs.20 crores out of the cash credit limit of Rs.35 crores on transactions relating to the exports of coffee direct by the Board. The rate of interest charged at present on the balance in the packing credit account is 11 ½% per annum.

106. Arrangement is in force with the SBI, B'lore City, for the establishment of Letters of Credit enabling the Pool Agents/ACMOs to draw amount from the Board's Pool Fund Accounts at the respective places, as and when required by them, for making the initial and subsequent payments on coffee delivered for inclusion into the pool.

107. *Bank Register:-* This is a rough form of the Cash Book and is maintained separately for each season, the transactions with each bank being recorded therein separately.

108. The Pool Agents receive demand drafts from buyers, drawn in favour of Coffee Board, which are to be remitted for credit of Board's current account with banks situated in different places. The bank issues a

credit advice for the amount so credited by the Pool Agents. The Board has also introduced a system of challans in quadruplicate in respect of remittances to SBI and its subsidiaries. These have been supplied to all pool agents and board's regional and divisional officers. Instructions regarding use of these challans are at *Appendix XI*. The receipts in the Bank register are entered on the strength of these credit advices received from the banks. The value of coffee sold through local coffee sales is received from the buyers by drafts drawn in favour of the CCMO on a bank in B'lore or on a bank at the place where the sale is conducted, provided the Board has pool fund account at that place. The demand drafts received on B'lore branch are sent direct to the SBI, B'lore city, by the depot manager, concerned for credit to the Boards pool fund account. The entry for having remitted the amount to the bank should be made immediately in the Bank register without waiting for the receipt of the receipted challan from the bank. All the entries in the Bank register are to be attested by the ACMO (Accounts).

109. With a view to expedite credit of the proceeds of the demand drafts with the SBI, B'lore city, and reduce the interest payable by the Board on the cash/credit operated with the said bank, all the pool sales dealers and registered exporters have been instructed (vide SLEX/75/1676, dated 4-3-1975 and SLIN/75/1029 dated 18-3-1975) that the value of the coffee purchased by them should be remitted by demand drafts payable ACMOs have been instructed to arrange these demand drafts according to Bank, prepare challans and forward them to the SBI, B'lore city, either on the day of the receipt of the demand or on the next day at the latest.

110. In regard to the shipments of coffee to the overseas countries by the Board direct, the foreign buyers establish with the SBI, B'lore City, an irrevocable Letter of Credit, for an amount not less than the value of the coffee in question. Immediately on shipment of the coffee and presentation of the documents with the SBI, B'lore city, the Banks draw an amount equal to the value of coffee from the said Letter of Credit and credit the Board's Pool Fund Account/Cash Credit Account with them.

111. Payments from the HO are generally made by cheques, except for certain petty and incidental items, immediately after the cheques are drawn, they are entered in the Bank Register with the help of the comptograph and put up to the officer along with the cheques for signature. The balance with each Bank at each stage is accurately recorded in the Bank Register by the use of comptograph.

112. *Cheque Collection Register:-* This is maintained to record the cheques, postal orders and demand drafts received at the HO and forwarded to the Bank for crediting the proceeds to the Board's Pool Fund Account. The particulars of the demand drafts and cheques are entered in this register immediately on receipt and entries attested. They are sent to the bank for credit of the account and entry made in the cash book folio.

113. *Bank Ledger-Pool Fund:-* Separate sets of folios are allotted in the Bank Ledger for each Bank Account. All the transactions both under receipts and payments, transacted with each bank are recorded each day. The credit advices, receipted challans, the payment vouchers, cash receipts and cheque collection register form the material for writing the bank ledger. The entries in the bank ledger are to be attested by the officer specified after verifying the correctness of the Head of Account and fully satisfying with the narration furnished for the transaction. The reconciliation of the Bank Statements with the Bank ledger is made at the end of each month, after the balances are struck and recorded in the Bank ledger which is attested by the Officer specified.

114. *Security Deposits:-* Deposits such as (i) Local Sales Deposit, (ii) Pool sales deposit, (iii) Export deposit and (iv) Miscellaneous deposits such as for transport contract, sale of gunnies, etc., are entered in separate registers maintained. The receipts of these deposits are credited to the latest season's Pool Fund Account.

115. Orders for refunds of deposits are prepared by the concerned section/offices in the prescribed form after ascertaining from the accounts, whether the amounts are available for refund. Refund orders are to be signed by the DCCMO or CCMO as the case may be, after verification of credit entries, and forwarded to the Accounts Section along with the receipt issued to the party at the time of deposit and a pre-stamped receipt for the amount. Refund order is put up to the Accounts Officer and after obtaining pay orders; cheques for the amounts are drawn after entry of the particulars of refunds in the Deposit Register against the party's name duly attested. The refund Rubber-Stamp should also be affixed. The original receipt issued to the party is also discharged with the refund rubber stamp. An abstract of refunds is maintained for noting the refunds made on each day, with full particulars. Along with the refund cheque, the discharged receipt is also returned to the party.

116. *Forfeiture of Deposits:-* When forfeiture of a deposit is ordered, the concerned section informs the party with copy to Accounts Section. On receipt of this advice in the Accounts Section, a journal voucher is preferred and passed debiting the 'Deposit Account' and crediting 'forfeiture of deposit account'. The full particulars of such forfeiture will be incorporated in the Deposits Register in the space provided for refunds and duly attested. Another abstract is also maintained to record full particulars of forfeiture.

CHAPTER IX

SALES TAX ON COFFEE

117. At present (October 1977), sales of coffee by the Board are liable to a single point Sales Tax at the rate of 10% in the State of Karnataka and 6% in the States of Tamilnadu, Kerala and Andhra Pradesh.

118. Additional sales tax at 10% on the amount of sales tax collected is levied in Karnataka and at the rate of 7% in the state of Tamilnadu. A surcharge at the rate of 8% on the sales tax collected is levied in Kerala. This additional sales tax/surcharge is to be paid by the dealer, (the Board) since the levy cannot be passed on to the buyer under the Act.

119. In Andhra Pradesh in addition to 6% Sales Tax levy, there is also an additional Sales Tax levy of 6% on the Sales Tax collected. In addition to this, a 25 paise per cent is also levied as Turnover Tax. The Board is collecting the sales tax on sales tax and also the turnover tax from the buyers. In other words, a consolidated levy of 6.64% is collected combining all the three items.

120. A surcharge on sales tax at the rate of 5% is levied in Tamilnadu at the declared places viz., Madras, Trichy, Coimbatore, Madurai and Salem. This is being collected by the Board from the buyers along with the sales tax.

121. The Board is the first dealer of pool coffee and hence, collects the tax from the dealers at the time of release of coffee at the rates prevalent in the different states in which the pool warehouses are situated and from which, coffee is delivered; as the Board's sales are on Ex-bags, Ex-works terms. This is so, whether the coffee is meant for internal consumption or for export outside through registered exporters. However, coffees directly sold by the Board to the foreign buyers, the terms being on F.O.B. basis, the question of Sales Tax does not arise.

122. *Registration as dealer and renewal of licence:-* The Sales tax laws require that a dealer having business at more places than one in a State, should declare one of them as the principal place of business; that place of business is responsible for taking out a dealers registration, submission of

sales tax returns, payment of sales tax and for compliance with other provisions of the Sales Tax Act and rules. In compliance with other provisions, the ACMO at Madras and Calicut, the Board's HO at B'lore and the Sales Officer, ICD, Hyderabad, are registered as dealers in respect of the pool transactions in the States of Tamilnadu, Kerala, Karnataka and Andhrapradesh respectively. But ultimate overall responsibilities for verification of the returns from the pool agents, ACMOs, PSOs and ensuring that the divisional offices/units registered as dealers, conform strictly and promptly with the provisions of the Sales Tax Act and Rules of the respective States rests with the HO.

123. *Submission of returns and payment of tax:-* The registered dealers should file the returns and pay the tax in the form and manner prescribed by the states concerned. The individual returns of the pool agents, Asst. Coffee Marketing Officers, Pool Sales Depots, and India Coffee Houses/Depots/Vans situated in Kerala and Tamilnadu are to be consolidated and filed before the 25th of the succeeding month by the ACMOs at Kozhikode and Madras, respectively, before the sales tax officers having jurisdiction. The amount of sales tax collected during the month is also established with the SBI, Kozhikode and Madras in favour of the ACMOs there, to facilitate prompt payment of sales tax by drawals from these funds.

124. In Karnataka State, the returns are to be filed monthly by the HO. The marketing and propaganda departments file the monthly returns separately in this state for administrative convenience. Individual returns of the Pool Agents, ACMOs etc., are checked and consolidated returns filed before the 25th of the month to which the return relates to and Sales Tax collected paid to the Asst. Commissioner of Commercial Taxes (Assessment No.1, B'lore).

125. The Sales Officer, ICD, Hyderabad, who has been registered as the dealer in Andhra Pradesh, including in his monthly returns (to be submitted before the 25th of the Succeeding month to which it relates), the turnover of pool sales depots in Andhrapradesh. The Sales Tax amount payable by him is paid by sending a demand draft drawn on the State Bank of Hyderabad, in favour of the Commercial Tax Officer, Company Circle, Hyderabad.

126. In all the states, in addition to filing the monthly sales tax returns, a consolidated annual return is to be filed immediately after the assessment year is over. The finalisation of assessment is normally taken up on submission of the annual returns.

127. *Production of books of accounts:-* On receipt of notice from the Assessing Officer, books of accounts are to be produced in support of the returns filed. Where the Board does not agree with the assessment order, the assessment orders are taken in appeal, in consultation with the legal adviser.

128. *Definition of Inter-State Sales – applicability to Board's transactions:-* The Central Sales Tax Act which purports to define Inter-State sales and sales in the course of exports came into force with effect from 1-7-1957. Under this Act, the rate of sales tax on Inter-State sales is 4% from 1-7-1972.

129. In the case of the Board, the terms of sales are ex-bags, ex-works and the coffee does not move from one state to another as part of conditions of sale. The legal position is that the Board's sales do not come under Inter-State trade as defined in the Central Sales Tax Act.

130. Therefore, the Board collects only the sales tax of the respective states in which delivery is effected by the board. A departure, is however, necessary in respect of allotments to co-operative societies where coffee is offered on F.O.R for destination basis (decision of the marketing committee on 17/18 – 3-1958).

131. The form in which the Inter-State returns are to be filed, the manner of payment of sales tax collected and the other provisions to be compiled with are detailed in the rules prescribed by the states concerned.

CHAPTER X

FINAL ACCOUNTS – POOL FUND

132. The maintenance of registers pertaining to the Pool Fund Accounts, registers and the returns received from the divisional offices and the pool agents, the extent of checks effected both at the divisional offices and at HO in respect of the accounts have all been dealt with in detail in the preceding chapters.

133. This chapter explains how the trial balance is prepared which forms the basis for the preparation of final accounts, namely, the Income and Expenditure Account and the Balance Sheet.

134. *General Ledger:-* The General Ledger contains all the accounts pertaining to Pool Fund, and this gives broadly a true picture of the nature of the transactions that are made in respect of Pool Fund Account.

135. The postings to the General Ledger are made every month from the following subsidiary registers:-

- 1) Bank Ledgers – Analysis Register
- 2) Pool Fund Cash Book
- 3) Pool Advance Appropriation Register
- 4) Pool Payment Check Register
- 5) Head Office – Sales Register
- 6) Central Excise Duty Register
- 7) Journal

136. *Bank Ledger – Analysis Register:-* Receipts and payments that appear in Bank Ledger are analysed under different Head of Accounts and the monthly totals of receipts and payments are recorded with the opening and closing balances in the form of an abstract for each bank account every month. The monthly total of receipts and payments recorded in the abstract are posted to the credit and debit of the respective Head of Account in the General Ledger.

137. *Pool Fund Cash Book:-* Monthly cash transactions both under receipts and payments made during the month are recorded in this book. They are posted to the respective Heads of Account in the General Ledger every month.

138. *Pool Advance Appropriation Register:-* Withdrawals by Pool Agents and ACMOs under Letter of Credit established in their favour of the individual personal account are debited to the Pool Advance Account of the respective Pool Agents and ACMOs through the Bank Ledger Analysis Register. The entries in respect of the appropriation to be made against the advances drawn by the Pool Agents/ACMOs are recorded in these registers seasonwise every month. Appropriation entries debiting the respective Heads of Accounts of respective Pool Agents/ASMOs are made every month.

139. *Pool Payment Check Register:-* This register is written up from the pool payment claim statements received from the Pool Agents. This register contains all the particulars in respect of initial and the subsequent payments made to large growers by their Pool Agents and adjusted in the claim statements, the curing charges adjusted and the remittance made to the Pool Agents from Head Office, for payment to large growers which are directly debited to 'Pool Payment Accounts' from the Bank Ledger. The short and excess payments made to the large growers due to rounding off of fractions of a rupee are also recorded in this register.

140. A monthly abstract is prepared from the particulars of the above records. The monthly totals of the adjustments of (i) initial payments made to large growers and (ii) curing charges adjusted, are all posted to the debit of 'Pool Payment Account' by crediting them to Pool Advance Account of individual Pool Agent and 'curing charges account' respectively. The excess and short payments due to rounding off of payments of fractions of a rupee to large growers are credited or debited to 'Pool Payments Account' and debited or credited to 'Incidentals' on Pool Payments account.

141. *Central Excise Duty – Statements and Register:-* The Pool Agents and ACMOs send to the HO every month Excise Duty Statement No.1 and 2, Excise Duty Statement No.1 contains the quantity of coffee released from bonded warehouses for sale, and the amount of excise duty payable on coffee so released (separate statements are sent for each season's coffee). Particulars in respect of excise duty collected from buyers, excise

duty payable in respect of supplies of coffee to Propaganda Department, PSD etc., are given in excise duty statement No.2. The amount of duty to be adjusted towards samples etc., sent to ACMO and HO is also given therein.

142. Letters of Credit are established in favour of the Pool Agents/ Pool Sales Depots/ ACMOs for payment of Central Excise Duty on coffee released to be released in the internal market or on coffees moved from a Bonded Warehouse to a non-bonded warehouse, against indents received from the Administrative Sections in the HO. Amounts required for payment of excise duty are drawn against these Letters of Credit, remitted to Govt. Account with the Local Treasury and taken to the credit of the Personal Ledger Accounts of the Pool Agents/ Pool Sales Depots/ ACMOs.

143. The Pool Agents will send to HO a monthly central excise duty cash account and excise duty statement No.1 and 2 supported by recapitulation statements copies of these are marked to the concerned divisional ACMOs. The divisional ACMOs will verify and forward the statements to HO for final scrutiny and to incorporate the figures in the central excise duty analysis registers.

144. *Head Office Sales Registers:-* Monthly Sales Registers in the form RR 16-A and RR-16-B are rendered by Pool Agents/ ACMOs/ PSDs/ Storage Depots. They are entered in the HO Sales Register and monthly totals of quantify, value of coffee, interest, insurance and other charges received, excise duty collected, sales tax collected, deposit collected, deposit adjusted etc., net sales proceeds, are recorded in red ink in the HO Sales Register for each mode of sales separately. All the entries are posted to the General Ledger every month.

145. *Journal:-* This is a register wherein the opening entries (balances of the previous season) adjustment entries, and the closing entries, which do not appear in any other subsidiary register, are recorded. The debit and credit entries in the Journal are posted to the debit and credit of various heads of account respectively in the General Ledger according to the entries in the Journal.

146. After the postings from the subsidiary registers to the General Ledger are completed, the accounts in the General Ledger are totaled and the monthly balances taken out and recorded in a separate register known as the 'Trial Balance Register'.

147. The General Ledger Balance (both debit and credit), otherwise known as the 'Trial Balance', is prepared for every month till the season's accounts are completed. Generally, the season's accounts are said to be complete only when the entire coffee of the season is fully sold and the payments to small growers and large are almost complete. A provisional date is fixed for closing each season's account after the coffee of the season is completely sold and payments to growers are made.

148. Income and Expenditure account of the season, for the period from the commencement to the close of the season, and the balance sheet as at the closing date, are then prepared from trial balance, as on the closing date fixed for the season.

149. Before the income and expenditure account and the balance sheet are actually prepared, a provisional trial balance is prepared at the end of the season which forms the basis for the preparation of final accounts. The trial balance provisionally prepared is mainly to prove the arithmetical accuracy of the postings of the entries to various heads of accounts in the General Ledger under double entry system. It is, however, likely that the balances under the Heads of Account as shown in the trial balance may not always be correct. Errors are likely, due to wrong allocations and adjustments under different heads of accounts in the subsidiary registers, or due to wrong postings of entries from the subsidiary registers, to the General Ledger. The correctness of the balances shown in the provisional trial balance under each head of account is verified before the final accounts are prepared.

150. The income and expenditure account and the balance sheet give broadly a true picture of the nature and the source of income of the season, the main items of expenditure and the nature and the extent of the liabilities and assets relating to the season.

151. *The main sources of income of Pool Fund of the Coffee Board are as under:-*

- (i) Receipts by sales of coffee;
- (ii) Receipts on account of appeals against assessment of coffee by the assessors;

- (iii) Miscellaneous receipts, such as the fee received on account of furnishing statement of accounts to estate owners, fee for issuing duplicate permits, charges for supplying stationery such as claim statements pad, et., to the Pool Agents; and
- (iv) Interest insurance and godown charges etc., collected from buyers.

The main items of expenditure are as under:-

1. Payments to large growers;
2. Payments to small growers;
3. Excise duty on internal sales payable to the consolidated fund of India;
4. Administration of Marketing;
5. Agency remuneration;
6. Return on Capital;
7. Cost of Storing and Marketing;
8. Insurance;
9. Interest on Overdraft; and
10. Curing charges on Pool Account.

152. Besides the main heads of expenditure mentioned above, there are few other items on which amounts are expended, such as advertisement, audit fee, legal charges, incidentals, etc.

153. Statements or schedules substantiating the accuracy of the amounts under main head of income and expenditure account are prepared as under:-

(A) INCOME SIDE OF INCOME AND EXPENDITURE ACCOUNT

154. *Receipts by sale of Coffee:-* From the Sales Register in which particulars of all sales are recorded a statement is prepared showing the quantity of coffee sold by the Pool Agent under various heads of account, viz., auctions, allotment, exports, sales of coffee to Propaganda Units, sales by Pool Sales Depots, etc., and also the amount of sale proceeds received.

156. *Receipts by way of appeals:-* A statement showing the amount of appeal fee received, amount refunded, and the balance of amount which is creditable as income to Board's Pool Fund Account, is prepared from the Appeal Fee Register maintained for the purpose. The amount shown as income under the head 'Appeal Fee' in the income and expenditure account, should agree with the net amount creditable to Pool Account as per the statement prepared.

157. *Miscellaneous receipts:-* A statement showing the details of receipts under the head of 'Miscellaneous Receipts' is prepared from the subsidiary registers from which the General Ledger is posted.

(B) EXPENDITURE SIDE OF INCOME AND EXPENDITURE ACCOUNT

(i) *Payment to large growers:-* A statement showing the particulars of payment to large growers by each pool agent is prepared from the pool payment check register. This statement contains the quantity of coffee delivered by estate owners to each pool agent for the season, the number of points awarded on the deliveries of coffee, the amount payable to large growers by each pool agent based on the number of points awarded on the deliveries of coffee, and the final value per point for the season, the amount paid, and outstanding amount payable, if any. The amount paid to large growers as per General Ledger is verified with the total amount payable as per the statement prepared and then shown on the expenditure side.

(ii) *Payment to small growers:-* A statement showing the quantity of coffee delivered by small growers to each pool agent/ pool depot, the amount payable thereon, the amount so far paid and the amount still to be paid, etc., is maintained. The amount paid to the small growers by pool agents is extracted from the pool advance register. At the close of each season a statement is prepared showing the payment actually made based on the outstanding payment lists forwarded by the pool agents/ depots. The amount payable to small growers as per General Ledger is reconciled with the statement so prepared and is shown as an item of expenditure in the income and expenditure account.

(iii) *Duty of Excise on Internal Sales:-* The total quantity of coffee sold in the internal market is arrived at by extracting the details from the Sales Registers (RR 16A and RR 16B) rendered by Pool Agents/ Asst. Coffee Marketing Officers/ Pool Depots/ Pool Sales Depots. Duty of Excise at Rs.9.50 per quintal on coffee sold in the internal market is payable to the consolidated fund of India. The amount of Duty of Excise on the total quantity of internal sales during the season is provided for by debiting the Duty of Excise on Internal Sales Account. This amount would appear as an expenditure item in the Pool Fund Account.

(iv) *Administration of Marketing:-* (a) The total amount spent towards administration of the Pool Fund for one year commencing from 1st July to 30th June is shown as an item of expenditure in the Pool Fund Account. A separate set of books is maintained which is subject to Audit. Detailed statements are prepared in respect of the amounts spent on administration under various heads of account. The amount shown as expenditure under administration would represent the total amount spent on several heads of account detailed in the statement.

(b) The amounts advanced from the Pool Fund to carry on the administration are debited to the Advance for Administration of Marketing Account in the Pool Fund Books.

(v) *Remuneration to Agents – Charges Account:-* All charges accounted in the General Ledger except the account that comes under cost of storing, transport and marketing are analysed Pool Agentwise and checked with the entries in the Bills Register. Statements are prepared for each account separately furnishing the amounts paid and payable against each Pool Agent.

(vi) *Interest Account:-* The amount shown as expenditure under the above head of account represents the amount of interest paid to the banks on the amounts borrowed, from time to time for purpose of payments.

158. *Balance Sheet:-* After transfer of credit and debit balances of the provisional trial balance extracted from the General Ledger pertaining to income and expenditure account, the other items of credit and debit balances are shown in the Balance Sheet as Liabilities and Assets of the season. Some of the credit balances shown as liabilities are actual liabilities, being the amounts received from the parties on various accounts. Credit balance

representing the surplus, viz., excess of income forward from the previous seasons are also shown as a liability in the Balance Sheet.

159. The debit balances representing the amounts due are shown as an Asset in the Balance Sheet. Cash balances held by the banks on the last day of the season are also shown as an Asset in the Balance Sheet.

160. The main items of liabilities appearing in the Balance Sheet of Coffee Board are as under:-

- (i) Deposits received from parties
- (ii) Sundry Creditors.

161. *Deposits received from parties:-* Deposits are received from the parties on various accounts, viz., collecting agency deposits, contingency deposits, pool sales deposits, local sales deposits, sales-tax deposits, etc. All the amounts outstanding on the last day of the season under the item as above stated, are grouped together and should appear as one item "Deposits", with schedules attached.

162. The details under each head of item payable to the parties are prepared from the Deposit Registers separately maintained. The total amount of deposits payable under each head of schedule should agree with the amount shown in the annexure to the Balance Sheet.

163. *Sundry Creditors:-* The amount due to small growers on a particular season's crop deliveries, but not paid at the close of the season, are provided in the accounts of the season by debiting the 'small growers account' and crediting 'sundry creditors account' as per the outstanding statements received from the depots through the Asst. Coffee Marketing Officers and also from the Pool Agents.

164. Similarly, amounts are provided under 'Sundry Creditors' towards expenses such as remuneration to Agents, cost of storing and marketing etc. The bills received from the Pool Agents in respect of the above expenses at the close of the particular season which have not been paid, and also bills pertaining to the particular season but received after the close of the season will also be taken into account here.

165. The account under the above head, in the General Ledger, is analysed to find out the nature or particulars of liabilities while extracting the detailed schedule. The liabilities pertaining to the previous seasons accounts are also carried forward to the following seasons accounts. An Annexure showing the particulars of liabilities of each season, and the total amount of the liability at the end of the season, is attached to the Balance Sheet. Apart from this annexure which shows the liabilities under several heads such as liabilities for pool payments, liabilities for payment to small growers, agency commission, return on capital etc., of each season, a detailed statement showing the particulars of liabilities of each season, separately, parties to whom the amount is payable, the total amount of the liability for each season, is also prepared.

166. An Annexure showing the details of surplus amounts carried forward from previous season and the amounts transferred to the credit of surplus accounts, with details of such transfers and the amounts adjusted or appropriated from the surplus funds, and the balance or the net amount or surplus still remaining out of the previous season which is being carried forward to the subsequent seasons, is also prepared and attached to the Balance sheet.

167. The liabilities pertaining to previous seasons which have remained unpaid under Sundry Creditors account during the last two or three preceding the current season's accounts will be transferred to Miscellaneous Receipts account by debiting Sundry Creditors' account, as suggested by the auditors in their report on 1953-54 season's accounts.

168. If any claim is subsequently established in respect of the above liabilities it may be paid after verification and debited to the accounts of the current season.

169. *Assets:-* The main items of assets are:

- i) Sundry Debtors
- ii) Advances
- iii) Cash balances held at Banks as the end of the season.

i) *Sundry Debtors:-* Debit balances which are left over in the trial balance after the transfer of items of expenditure to income and expenditure account, are similarly grouped together and shown as 'Sundry

Debtors' for which an annexure showing the nature of assets, the extent of the asset pertaining to each season, etc., is prepared and attached to the Balance Sheet.

ii) *Advances:-* (a) The debit balance under the above head represents the nett amount paid and adjusted in the accounts pertaining to the subsequent season. Generally, funds available from the current season are transferred towards expenses pertaining to the next season for payment of administration, for advance amount payable to small growers, big growers, etc. The nett balance shown as an advance from the funds of the current season to the subsequent season is analysed from the ledger and a schedule of advance is prepared. The total amount advanced from the current season to the subsequent season, and the amount repaid from the subsequent to the current season, and other details adjusted through journal entries pertaining to each season, are shown together with the nett amount advanced.

(b) The debit balance appearing in one season's books under 'Season's Account' should appear as credit balance in the subsequent season's books.

iii) *Cash balances at Banks:-* A statement showing the cash balances at the bank at the end of the season is extracted from the Bank Ledger. The total amount held by the Banks at the end of the season should appear as an asset in the Balance Sheet.

170. *Pool Stock Registers maintained by the Pool Agents and Storage Depots:-* F1 Registers: Pool Stock Registers are to be maintained by the Pool Agents and Storage Depots in the form and manner prescribed, vide Chapter VIII and IX – Part IV Marketing.

171. *F2 Registers:-* These are maintained by Pool Agents and Storage Depots, in duplicate. The Asst. Coffee Marketing Officer receives one set of the F2 Registers once a fortnight from the Storage Depots, for check and return. As regards F2 registers relating to Pool Agents he will ensure checking of these registers regularly. The procedure followed by the Asst. Coffee Marketing Officer's Office for checking the registers is at Appendix XXVIII – Part IV – Marketing. At the end of the season all Pool Agents and Storage Depots will send to the ACOMO having jurisdiction over them the F2 Registers accompanied by the following statement:

- a) Receipts and Disposal statement for the entire season.
- b) Folio-wise statement – Extracts from F1 Register.
- c) A statement of receipts from Pool Collecting Depots of the Board furnishing the name of the Pool Depots, quantity of coffee received from each pool depot, its cured equivalent and the estate-pounded coffee received.
- d) Statement furnishing the details of coffee transferred to PSDs, Pool Storage Depots and Pool Agents.
- e) A statement furnishing the quantity of Coffee received from Pool Agents and Pool Storage Depots for monsoon storage.

172. When the season's accounts are closed and the F2 Registers are sent with the statements as detailed in para above, the figures therein are to be checked at the ACMO's Office as follows:-

1. Quantities on the Receipts side of the final receipt and disposal statement.

a) Large growers' deliveries with the quantities for which points have been awarded and payments made thereon as per claim statement.

b) Small growers' deliveries with quantities accounted as receipts in the RR 23.

c) *Coffee delivered for domestic use:-* The quantity of coffee delivered for domestic use should be accounted as a contra item both Receipt and Disposal side of the statement. While checking this item, it should be ensured that deductions are made in the quantity delivered by the growers and no pool payment was made on the said quantity.

173. *Quantities on the Disposal side of the Receipt and Disposal Statement:-* The quantities accounted against disposal by sales should agree with the final progressive total of the respective pool agent/ storage depots. Sales registers (RR 16A and 16B) rendered for different modes of sales.

174. After checking the above aspects, the statements will be forwarded by the ACMO concerned to HO for final consolidation along with the duplicate set of F2 Registers. Before consolidation, the HO will also check the above aspects once again.

175. A consolidated final statement of receipts and disposals of all pool agents, ACMOs, PSDs and Pool Depots is prepared at HO and sent to audit.

PART IX – I

AUDIT OF THE ACCOUNTS OF THE BOARD

CHAPTER I

Introduction

1. In exercise of the powers conferred by Section 45 (3) of the Coffee Act (Act VII of 1942), the Central Government have appointed the Comptroller and Auditor-General of India to audit the accounts of the Coffee Board. The Accountant General in Karnataka, Bangalore, acting on his behalf audits the accounts of the Board.

2. The Auditors have, under Section 45 (3) of the Act, the power to disallow any item of expenditure which, in their opinion, has been incurred otherwise than in accordance with this Act. The Central Government may, on an application by the Board, allow any item of expenditure disallowed by the Auditors {Vide Section 45 (4) }.

CHAPTER II

DEMAND FOR INFORMATION BY AUDIT

3. All authorities shall afford all reasonable facilities to the Audit Officer for the discharge of his functions and shall furnish fullest possible information required by him for the preparation of any official account or report. Any information, books or other documents required by the Audit Officer shall not be withheld. If the information, books or other documents, or a part thereof, are of a secret nature, they should be sent by name to the Audit Officer and he will deal with them in accordance with the standing instructions for handling and custody of such documents.

(Authority – Rules 10 and 11 of General Financial Rules)

CHAPTER III

PROGRAMME OF AUDIT

4. The accounts of the General Fund in respect of Development Department, Secretariat Department, Propaganda Department, Provident Fund and Pension Fund are subject to concurrent audit by the Auditors. The records needed by the Auditors should be furnished without delay – ordinarily within 3 days from the date of requisition. The accounts of the Research Department are test audited by them during local audit.

5. The Accounts of the Pool Fund are audited seasonwise (post audit) and not concurrently.

(Authority : Letter No. AP.SI. 5-9/20, dated 28-6-1961 and OAD/3/G/138/1963-64/AP/XI, dated 22/5/1963 from the Accountant General, Mysore, Bangalore – 1).

6. The dates by which final accounts should be furnished to audit are noted below :-

Department/Account	Due Date
A. General Fund Accounts :-	
(1) Development Department	... 31 st May
(2) Secretariat Department	... 15 th June
(3) Propaganda Department	... 15 ^h August
(4) Research Department -	
(a) CCRI, Balehonnur	... 15 th June
(b) Chettalli	... 15 th May
B. Pension Fund Account	... 10 th August
C. Provident Fund Account	... 15 th August

Department/Account	Due Date
D. Pool Fund Account :	
(a) Prior to 1966/67 Season	...
	Not later than June of the 3 rd succeeding year.
(a) From 1966/67 Season onwards	...
	Not later than the first day of April after the close of the season account. For example, the season's accounts for 1966/67 run from 1-10-1966 to 30-9-1968. Hence final accounts should be rendered to Audit not later than 1-4-1969.

7. During the course of concurrent audit or check of initial accounts, the Auditors issue Audit enquiries (Audit Objection statements) either asking for further information or holding a payment as irregular for want of sanction of the competent authority or disallowing certain payments. Such enquiries are addressed to the Chief Accounts Officer and received in the Accounts Department concerned through the Internal Audit Party. It is likely that some of the objection statements or some items in a statement relate to administrative sections. In such cases the relevant extracts should be sent promptly to the administrative authority concerned with a request to furnish the reply or show relevant papers to audit within a week. Replies to Audit Objection statements should be sent to the Auditors within a fortnight with a copy to the Internal Audit Party. The Chief Accounts Officer will co-ordinate the work in this respect and shall see that all objections are answered well in time. The Internal Audit Party should maintain a register to watch the disposal of Audit Objection Statements and submit them to the Chief Accounts Officer/Director of Finance periodically.

CHAPTER IV

INSPECTION REPORT

8. At the end of his check of the accounts for the year concerned the Accountant – General issues a report of his inspection (Inspection Report) setting forth the important points noticed by him during the course of his audit, with a request that the Board's replies, if any, to his observations may be furnished within a month from the date of its receipt in the Board. Prompt action should be taken to ensure that replies are sent within the time stipulated by the Accountant General. The replies to the Inspection Report should be got approved by the Chairman and, if possible by the concerned Committees/Board before sending them to the Auditors. The replies to the Inspection Report should not be withheld merely on the ground that they have not been approved by the Committee/Board. Where the replies to the Inspection Report have been sent to the Accountant General without prior approval of the Committee/Board, the Inspection report together with the replies as approved by the Chairman should be placed before the Committee/Board for ratification.

CHAPTER V

AUDIT REPORT

9. The audited statement of receipts and expenditure for each period together with the auditor's report thereon are submitted to the Central Government to be laid before the Parliament. The Auditors, in addition to certifying the correctness of the accounts generally, point out lapses or defects, if any, notice during the course of audit, suggest changes in procedure, if necessary, and also comment on the general working of the Board. All lapses, defects etc., should be rectified and change in procedure adopted after necessary examination. The reports are examined by the Ministry of Commerce and also by Parliament through its Committees such as Public Accounts Committee. Any enquiry from the Government in this regard should be attended to on priority basis and disposed of within 3 days of its receipt. The statement of Accounts shall be published in the Indian Coffee after they are placed before the Parliament.
