

PART IV

CHAPTER I

DIRECTORATE OF MARKETING

1. *Formation* :- The Directorate of Marketing was formed with the merger of the Propaganda and Marketing Departments into one integrated department. The Propaganda Department which was originally functioning as a part of the Secretariat was separated from the Secretariat and constituted into a distinct department in 1945-46. The CCMO functioned as Ex-officio Director of Propaganda also for some time. In 1958 a separate post of Director of Propaganda was created and the Propaganda Department was placed under his charge with the object of carryint out the publicity and promotional activities under the re-oriented propaganda policy drawn up on the closure of the India Coffee Houses. The fact that the marketing and propaganda activities of an organization are linked up with each other, came to be realized more and more, with a greater understanding that the Marketing seeks to serve the field created by Propaganda. The idea that the amalgamation of the Propaganda and Marketing Departments into one well-knit unit would be conducive to the securing of a maximum measure of efficiency, economy and effectiveness in the implementation of publicity, promotional and marketing activities designed for the present and for the future gained more and more strength.

2. The Expert Committee, constituted by the Government of India with the object of 'Reviewing the Marketing system adopted by the Coffee Board and making appropriate recommendations', had in their report dated 19th June 1959, inter alia, recommended that propaganda and Marketing Departments be merged into a single Directorate.

3. The Government of India had conveyed their orders on the Expert Committee's report to the Board in their letter No. 5(1) plant (B)/58, dated 28-2-1961 and communicated their acceptance of the merger of the two departments.

4. The Re-organisation Sub-Committee of the Board, which went into the working of the Marketing and Propaganda Departments, dwelt on the need for the amalgamation of these two departments.

5. The Board at its 61st meeting held on the 25th June 1965 approved the recommendations of the Marketing, Propaganda and Executive Committees, on the subject of merger of the two Departments – Marketing and Propaganda into a single Directorate.

6. The main features of the merger scheme of the Propaganda and Marketing Departments into the Directorate of Marketing are :-

- (i) that the Head of the Directorate of Marketing will be the CCMO;
- (ii) that he will be assisted at headquarters by one Director of Sales (currently designated as Sr. DCCMO), one Deputy Director of Sales (present DCCMO) and two Assistant Directors of Sales (presently designed as ACMOs) to look after the marketing of coffee in India and abroad. On the promotion side, he will be assisted by a Director of Promotion, (presently designated as Director of Propaganda) one Deputy Director of Promotion and One Assistant Director of Promotion (presently designed as Assistant Director of Propaganda).
- (iii) that the three Regional DCCMOs as Assistant Directors of Marketing ;
- (iv) that the ACMOs will be designated as Assistant Directors of Marketing;
- (v) that the field staff of the Propaganda and Marketing Departments be integrated into 2 cadres viz., (a) DMs/CCIs/SOs and (b) ADMs/ACIs/Sos;
- (vi) that the status quo will continue with regard to the staff strength both on the Marketing side and Propaganda side in the Head Office except that one Regional Officer of the rank of Asst. Director of Propaganda saved as a result of reorganization of areas will come over to Headquarters on the Marketing side;

- vii) that the temporary posts of one Stenographer, one Senior Clerk and two Junior Clerks in the Statistical Section be placed on a permanent footing;
- viii) that the sanctioned posts of Head Clerk be filled up in the offices at Delhi, Bombay and Calcutta;
- ix) that all the Class IV staff of the Board irrespective of departments to which they are attached would form a common cadre and one Common Gradation List drawn up; for Men (General) and other Class IV staff in India Coffee Houses and India Coffee Depots of the Propaganda Department, another list will be drawn up;
- x) that the ratio of 3:2 as between the field and ministerial cadres respectively be fixed for promotion to the cadre of Assistant Directors;
- xi) that the Accountants posts be thrown open to the field staff possessing the requisite qualifications;
- xii) that a Common Gradation List be prepared for officers and field staff of the two Departments ; and

xiii) that as most of the Propaganda work is done in the north and marketing work in South, a debit of 25% of the expenditure to marketing in the north and 25% to propaganda in the south, where the Assistant Directors of Marketing perform both the duties of Marketing and Propaganda, be fixed.

7. The Marketing and Propaganda Departments of the Board have been merged into Directorate of Marketing with the CCMO as the Head of the Directorate with effect from 21st December 1965 (SE. 9341 of 11-11-1965).

8. It may, however, be mentioned that in due course consequent on the necessity to handle the increased volume of work, more number of senior officers' posts have been created on the Marketing side, such as, OSD(E), OSD (SMS), QCO and SS & MRO and one more post of DCCMO at Headquarters.

9. On the Propaganda side, 2 more posts of Asst. Directors of Propaganda have been created at headquarters.

10. Although the Marketing and Propaganda Departments of the Board have been merged into the Directorate of Marketing with effect from 21-12-1965 (vide SE 9341 of 11-11-1965), it may be mentioned that the full integration is yet to be attained, including the change of designation, as some of the change of designations require amendments to the Coffee Rules which have not yet been effected.

11. Administrative Chart of the Directorate of Marketing (Latest) is given in *Appendix I*.

CHAPTER II

MARKETING DEPARTMENT – HEAD OFFICE

12. The Marketing Committee, which is constituted every year in accordance with Section 7 of the Coffee Act and Rule 18 of the Coffee Rules, shall discharge all the functions of the Board in regard to the Coffee Marketing Scheme, as set forth in the Act and Rules framed thereunder, subject to such restrictions as may be imposed.

13. The Chief Coffee Marketing Officer, who is appointed by the Government of India, under Section 9 of the Coffee Act, is the Head of the Directorate of Marketing and responsible for administration, marketing of coffee in the surplus pool and coffee promotion under the directions of the Chairman. He is assisted on the administration side by one Sr. DCCMO one OSD(E), one OSD (SMS), QCO SS&MRO, SO 2 DCCMOs, 3 ACMOs and one AMRO (Exports) at the Head Office. For administrative convenience Regional Offices in charge of Deputy Chief Coffee Marketing Officers have been established at Mangalore, Mysore (Headquarters Bangalore) Coimbatore, Vijayawada and Bombay. Divisional Offices in charge of Assistant Coffee Marketing Officers are functioning at Chikmagalur, Hassan, Mysore, Mercara, Mangalore, Kozhikode, Kalpetta, Coimbatore, Salem, Batlagundu, Madras and Vijayawada.

14. Consequent on the formation of Directorate of Marketing, the following changes in the designation of officers are contemplated from a date to be notified:

- (i) Sr. DCCMO to be designated as Director of Sales;
- (ii) DCCMO (HQ) to be designated as Deputy Director of Sales;
- (iii) ACMOs at Headquarters to be designated as Assistant Directors of Sales;
- (iv) Regional DCCMOs to be designated as Deputy Directors of Marketing;
- (v) Divisional ACMOs to be designated as Assistant Directors of Marketing;

15. Sr. DCCMO is in overall charge of the administration of the Marketing department under the control of the CCMO as the Head of the Directorate of Marketing. He is assisted by 2 DCCMOs who in turn are assisted by 3 ACMOs.

16. OSD (Exports) is in charge of the work relating to Export Section and certain other specified items of work relating to ICA and exports of instant coffees. He is assisted by AMRO (Exports).

17. OSD(SMS) who is assisted by an ACMO (Accounts) and OSD (Registration) is in charge of the work relating to the inspection of the various Curing Works and all the Departmental Units functioning in

different parts of the country, both in the Marketing and Propaganda side. He is also in overall charge of the work relating to the registration of estates and other connected matters.

18. QCO is in charge of the Quality Control Division which comprises Classification Section and Cup-Tasting Unit. QCO is assisted by 2 ACTs in the Cup-tasting Unit and one ACMO who is currently looking after the work of Classification Section.

19. The Senior Officers mentioned above are directly responsible to the CCMO in the day to day performance of the duties and take orders from him.

20. SS & MRO is in charge of the Market Research Division & Statistical Bureau. He is assisted by an AMRO on the Market Research Division side and by a Statistical Officer on the Statistical Section side. The Market Research & Statistical Bureau comprises the Statistical Section and Market Research Division. SS & MRO functions under the supervisory control of Sr. DCCMO.

21. DCCMO (I) at Headquarters is in overall charge of the work relating to Internal Sales, FCD Section and certain items of work relating to Export Section.

22. DCCMO (II) at Headquarters is in overall charge of the work relating to General Section, Establishment Section, Inspection cell and other general matters.

23. ACMOs at Headquarters will assist the DCCMOs in dealing with the papers relating to the various sections under their control and they are in direct supervisory charge of the sections attached to them.

24. *Disposal of files :-* Procedure :- Drafts of the communications which do not require the approval of the Chairman, but which pertain to subjects which are important or fairly complex, should be put up to the CCMO, through ACMO/DCCMO/Sr.DCCMO in case they emanate from the sections. DCCMO Headquarters, will put up files requiring orders of the CCMO through Sr. DCCMO. Particularly files relating to the matters of policy and internal sales, fixation of dates, quantities etc., should be routed through Sr. DCCMO. ACMOs will put up files requiring orders of the higher authority to the DCCMO/Sr.DCCMO. Fair copies of the communications to the Government will be signed normally by CCMO or Sr. DCCMO and when they are absent, DCCMO will sign.

25. The routine matters such as, reminders, calling for information from other departments, Regional/Divisional Officers or Pool Agents relating to disposal of files or furnishing of information to other departments, sections, signing of classification statements, etc., will be attended to by the ACMOs in-charge of the respective section.

26. OSD(E) and OSD(SMS) and QCO will submit papers directly to CCMO other than those on policy matters unless they feel that they should be routed through Sr. DCCMO, SS & MRO will normally submit papers to CCMO through Sr. DCCMO.

27. Whenever the CCMO is away from Hqs, or on tour or on Casual Leave, papers normally marked to him will be attended to by Sr. DCCMO.

28. In the absence of Sr. DCCMO, files requiring orders of CCMO will be put up direct to CCMO by DCCMO.

29. If the CCMO, Sr. DCCMO/DCCMO are absent from Hqs, on tour or on Casual Leave, ACOMO (HQ) will seek orders of the Chairman, in cases where they cannot wait for the return of CCMO/Sr.DCCMO/DCCMO (HQ).

30. Inspection reports received in HQ will be examined by the Inspection Cell which is under the charge of an ACOMO and will be put up to the higher authorities if there are reports of adverse nature and if any action is called for.

31. The CCMO is responsible for the contents and manner of presentation of cases and matters for discussion to the relevant Committees/Board. Each section will put up, well in time, papers relating to the Committee/Board meetings to the Section Officer who in turn will check up and submit them to the CCMO through DCCMO/Sr.DCCMO.

32. *Administrative and financial powers of Officers :-* Administrative and financial powers of various officers in the Marketing Department (Refer to *Appendix II – Part II Secretariat*).

Sections at Head Office and Functions of Each Section

33. The Marketing Department at Head Office consists of the following Divisions/Section/Cell :-

- i) Establishment Section;
- ii) Sales (Internal) Section;
- iii) Sales (Export) Section;
- iv) General Section;
- v) Inspection Cell;
- vi) Registration Cell and Spl. Mobile Squad;
- vii) Fair copy and Despatch Section;
- viii) Quality Control Division;
- ix) Market Research and Statistical Bureau.

34. The sanctioned strength and functions of each of the above, are dealt with in the following paragraphs under the respective Heads. The functions of the Quality Control Division which comprises classification Section and Cup-Tasting unit, and those of the Market Research & Statistical Bureau which comprises Market Research Division and Statistical Section are dealt with separately under Chapter III and Part III respectively.

Establishment Section – Marketing

35. The sanctioned strength of this section as on 30.6.1977 is as under: -

i)	Head Clerk	...	1
ii)	Junior Assistant	...	1
iii)	Senior Clerks	...	4
iv)	Junior Clerks	...	4

36. *Functions* :- The following are the subjects dealt with in the section:

- i) Staff,
- ii) Stores,
- iii) Accommodation, and
- iv) General

37. *Staff* :- All Staff matters relating to the Marketing Department will be handled by the section, but files dealing with promotions, inter-departmental transfers, filling up of vacancies and such other matters on which the sanctioning, approving authority is the Chairman, should be sent to the Secretariat, with a note for obtaining the Chairman's orders/approval.

38. *Postings and transfers* :- Transfers of Ministerial and Field Staff are governed by the general principles laid down in Part I-B-Office Procedure, Chapter XVI. Transfer of staff outside the region of the regional DCCMOs are made by the CCMO.

39. *Request for sanction of additional posts* :- Request from regional offices, divisional offices or different sections in Head Office, for increase in the strength of the staff, temporary or permanent, will be examined from the point of view of work-load, actual need and economy. When a temporary post is required either for a period exceeding six months or when a permanent post has to be created, proposals should be put up after examination of merits, to the Executive Committee through the Marketing Committee.

40. A register showing separately the permanent and temporary posts sanctioned, etc., should be maintained as detailed in Part I-B Office Procedure, Chapter XVI.

41. *Gradation List* :- The material for gradation list of officers, ministerial and field staff should be prepared annually as outlined in Part I-B Office Procedure, Chapter XVI.

42. *Preparation of staff list* :- The list should be prepared in the following form on the 1st January of each year and copies sent to Accounts Officer. A certificate should be recorded therein that entries in the list have been checked with Service Books and found to agree.

Sl. No.	Name	Designation	Scale of pay	Date of entry into Service
1	2	3	4	5

Sl. No.	Name	Date of entry into Present post	Present pay	Date from which present pay is drawn	Remarks
1	2	6	7	8	9

43. Procedure relating to fixation of pay, grant of leave, increment, advances like conveyance, Provident fund, etc., and preparation of pay bills, etc., is given in Part I-B, Office Procedure – Chapter XVI.

44. *Maintenance of personal files service books etc.*, :- Personal files, service books and leave account of all officers in Head Office and those of regional DCCMOs, Class III and Class IV staff at Head Office will be maintained in the Section. Procedure regarding maintenance of service books is given in Part I-B-Office Procedure – Chapter XVI.

45. *Maintenance of confidential reports* :- Statement showing the officers authorized to write and review confidential reports is given in Part I-B – Office Procedure – Chapter XVI.

46. *Last Pay Certificate* : On transfer of an official, the section will prepare a last pay certificate and after verification by the Accounts Department, sent it to the Regional /Divisional Office or department to which he is transferred. In the case of Class IV staff the last pay certificate should also show the number of sets of uniforms supplied and the date of supply.

47. *Advance tour programmes*:- Advance tour programmes of the regional DCCMOs will be scrutinized and put up to the CCMO for approval. Orders of the CCMO will then be communicated to the regional DCCMOs concerned.

48. *Diaries and reports* :- Diaries and reports of the regional DCCMOs will be examined by the Sr. DCCMO and put up to the CCMO.

49. *T.A. Bills* :- The T.A. bills of the regional DCCMOs/Security Officer will be scrutinized with the advance tour programmes and diaries and put up to the CCMO for counter signature before forwarding them to Accounts Department for payment. The T.A. Bills of ACMOs/DCCMOs/other Senior Officers in Head Office are counter-signed by DCCMOs/Senior DCCMO/CCMO respectively.

50. *Medical Bills* :- Claims for reimbursement of medical expenses incurred by the officers and staff in Head Office will be scrutinized by the section and also by the Accounts Department and put up to the officers empowered to sanction as per delegation of powers.

51. *Grant of advances* :- Applications for pay and T.A. advances from the staff at Head Office (except applications for tour advances from the staff of the Accounts Department which will be sanctioned by the Accounts Officer) should be scrutinized and put up to the competent authority for sanction and thereafter forwarded to Accounts Department for payment.

52. *Festival Advance* :- Applications received from the staff in Head Office will be scrutinized with reference to the procedure in force and put up to the competent authority for sanction.

53. *Security Deposit* :- The section should take action for obtaining security, in any of the forms prescribed in the General Financial Rules, from the staff handling cash in Head Office. The nature of security offered will be examined and orders of the CCMO obtained for its acceptance, through Accounts Department. For details refer to Part I-B – Office Procedure Chapter XVII.

54. *Identity Cards* :- Identity cards are issued to the executive staff of the Marketing Department to enable them to establish their identity if and when required in the course of discharge of their duties. Provision has been made in the card for affixing the card-holder's photograph. Fresh

photographs should be affixed to the identity cards every five years and two copies retained at the Head Office.

55. On receipt of a request from the ACMO for the issue of an identity card to any member of the field staff, a blank identity card Appendix II together with necessary particulars in form (Appendix III) will be sent by the section to get the entries filled up by the official concerned. A copy of the photograph of the card-holder should be affixed to the card and also in the form of particulars to be filled in. The entries in the card and the form will be duly attested by the ACMO and forwarded to the HO along with a third copy of the photograph. After scrutiny, CCMO's signature will be obtained on the card and the Board's seal affixed on it and the card returned to the person concerned through the ACMO and acknowledgement obtained. The spare copy of the photograph will be retained at Head Office.

56. The identity card should be kept in the personal custody of the official concerned. In case of loss, the person concerned should remit Rs.3/- to the Head Office for issue of a duplicate card with the spare copy of the photograph that will be available at Head Office. The department will meet the cost of the photograph (subject to a limit of Rs.5/- once in five years). All identity cards should be taken back by the Board as soon as the office ceases to be a servant of the Board or when he is transferred to a post where it is not necessary, or when he goes on long leave. It can be re-issued to him on return from long leave or when he is again posted to a place where its use is needed.

57. *Stores* :- Indents for stationery, furniture and other office articles from Head Office and out-station establishments :-

The procedure regarding supply of stationery, office equipments, furniture, etc., has been dealt with in detail in Part I B – office procedure – Chapter XIV. As a rule, supplies will be arranged by the Secretariat. But, where the article is urgently required, after getting sanction of the competent authority, the Marketing Department can arrange for its purchase in limited quantities. In this case, enquiries should be made of two or more dealers and a note put up with the rates quoted for acceptance. All quotations should be in writing. When purchases are effected, the Accounts Department will be informed by sending a copy of the order placed. These purchases should also be taken to stock register.

58. A sum of Rs.100/- is kept as petty cash with the Senior Clerk in charge of Stores, for meeting contingent expenditure such as clearing of parcels, sending of parcels, transport, conveyance, etc., and reimbursement claimed from the Accounts Department after rendering accounts each time.

59. *Inventory*:- An inventory of the articles at Head Office should be maintained in the prescribed register. As on 1st July, every year, the inventory should be prepared. Similar lists should be called for from the regional DCCMOs Offices and checked with the previous year's list and purchases effected during the year. Discrepancies, if any, should be pointed out and clarification obtained from the concerned officers.

60. The total value of all the items of permanent assets should be arrived at and communicated to the auditors through the Accounts Department together with a statement of stocks.

61. *Accommodation* :- Buildings for Board's use are generally taken on lease, for a period of 3 years with an option to renew the lease for a further period of 3 years on the same terms and conditions. A provision for vacating the building before the expiry of the period of lease in the event of Board's decision to close down the office/depot earlier has also been incorporated in the lease deed.

62. Action will be taken on reports received from the regional DCCMOs in respect of cases where new buildings are to be taken up or increase in rent arises and the files put up to the CCMO/Chairman for sanction.

63. Procedure relating to execution of lease deeds, terms and conditions, etc., is given in Chapter IV Regional Office.

64. *Inspection Cell* :- An Inspection Cell has been created in the Head Office from May 1976 with the following staff :

ACMO	...	1
Head Clerk	...	1
Chief Inspector	...	1
Senior Clerk	...	1

Junior Clerk	...	1
Class IV	...	1

65. The following items of work are attended to by the Inspection Cell:-

- (i) Assisting the CCMO/Senior DCCMO in the inspection of Offices of the Regional DCCMOs/ACMOs.
- ii) Inspection of Local Sale Dealers/Co-op. Societies;
- iii) Surprise inspection of Depots;
- iv) Collection of Coffee Market Reports at Bangalore;
- v) Detection of cases of adulteration of coffee, and
- vi) Supervision of fumigation of coffee.

The inspection reports received in Head Office from various Offices in the field as well as from those in Head Office should be scrutinized and proper action taken. This section should also ensure that the schedule of inspection for various offices in the field and in Head Office are drawn up well in time and got approved.

66. Returns 'due in' and 'due out' relating to E.B. Sections – vide *Appendix IV*.

67. Registers to be maintained in EB Section – vide *Appendix V*.

Sales Internal Section

68. The sanctioned strength of this section as on 30-6-1977 is:
Head Clerk – 1, Senior Clerk – 4 and Junior Clerk – 1.

69. The main items of work dealt with in the section are –
- (i) Allotment of coffee to Co-operative Societies;
 - (ii) Allotment of coffee to Propaganda Department;
 - (iii) Registration of Pool Sales and Local Sales Dealers;
 - (iv) Arranging for conduct of Pool Sales; and
 - (v) Price fixation.

70. This section consists of different sub-sections, such as,
(i) Allotment Branch, (ii) Registration Branch, (iii) Pool Sales Branch,
(iv) Local Sales Branch, (v) Price Branch and (vi) Despatch Branch.

71. *Allotment Branch* :- Allotment of coffee to Co-operative Societies: Vide Chapter XIV. Monthly statements of quota allotted to Societies and quantity of coffee tendered by Pool Agents during each month should be sent to the Accounts Department and Statistical Section respectively by the first week of the succeeding month.

72. Excise Duty statement showing the duty payable on the above should also be prepared and sent to the Accounts Department in the first week of the succeeding month.

73. *Allotment of coffee to Propaganda Department :-* Vide Chapter XIV.

74. Similar statements as in the case of Co-operative Societies should be sent to the Statistical Section and Accounts Department.

75. Indents from Propaganda Department are received in the General Section who indicate the sources from where stocks can be supplied. Based on these indications, the section issues allotment advices to various Pool Agents/Storage Depots. After issue of allotment advices this section sends a note to Accounts Department to establish Letter of Credit towards payment of excise duty ex-various Pool Agents/Storage Depots from where coffee is allotted.

76. A statement showing the amount to be credited to the Current Account with the Collector of Central Excise, Madras, Bangalore, Cochin, towards the allotments made from the 1st to 20th and 21st to the 2nd of the month is also sent to Accounts Department on the 21st of the month and 1st of subsequent months respectively.

77. The reports of inspections of the accounts of the Co-operative Societies received will be examined and suitable action taken thereon.

78. *Registration Branch* :- This Branch attends to (i) registration of the dealers participating in the Pool and Local Coffee Sales, (ii) issue of permits and (iii) renewal or cancellation of the permits as the case may be. For details Vide Chapter XIV.

79. The section issues circular in December asking all the dealers in Bombay, Delhi, Calcutta and Vishakapatnam to apply for the renewal of their permits. For details Vide Chapter XIV.

80. Applications for renewal received from the above dealers and also those received through the Regional DCCMOs are examined in this branch and put up to the CCMO for approval.

81. Applications received from the dealers for cancellation of permits are also processed in this branch.

82. On receipt of reports from the Regional/Divisional Officers or any other Inspecting Officers against registered dealers convicted for adulteration of coffee, action is taken in accordance with the conditions of the permit.

83. At the close of each month, based on the stock statements of the Pool Sales Dealers received from the Regional Offices, stocks held by the Pool Sale Dealers are compiled and communicated to General Section for

incorporation in the monthly report to be sent to the Government of India and also to the Statistical Section of the Board for analysis.

84. Action, where necessary, is taken or pursued on inspection reports relating to Pool Agents, Pool Depots and Pool Sales Depots.

85. *Pool Sales Branch* :- Work relating to fixation of dates for the various pool sales is attended to by this section. Orders regarding fixation of dates are taken from the CCMO. On fixing the date, advertisement in regard to the same is arranged to be issued to the Advertising Agents for further action in notifying in the concerned newspapers. The Pool Sale Dealers are also individually informed of the dates of the sales. The section also assist the DCCMO, Mysore Regional (Sale conducting Officer) in the matter of issue of catalogue of lots to the dealers and later at the time of auction in writing the bid forms and getting signatures of the dealers in whose favour the lots are declared. The section also assist the sale conducting officer in regard to the work connected with the declaration and issue of results.

86. After the auctions are over, the range of prices obtained in the auction is compiled and put up to the CCMO/Chairman for information.

87. In the event of any pool sale dealer failing to pay for and take delivery of the lots declared in his favour, within the stipulated time and if any reports are received from the Regional Officer, the matter is pursued and appropriate action taken by obtaining orders. If there is any request for extension of time for payment and taking delivery of the lots declared, the same is processed and orders obtained and communicated to the concerned.

88. *Local Sale Branch* :- This Branch deals with the indents received from PSDs for stocks for the ensuing months Sales/allotments and scrutineses the same. The Pool Agents/Pool Depots are instructed to dispatch the required stocks to the concerned PSDs. This work is attended to in consultation with the General Section.

89. This branch also deals with the work connected with the calling of tenders, receiving and finalizing of the same in respect of transport contractors for transport of coffee to PSDs. The tenders are opened and finalized by the CCMO or such other officer as authorized by him.

90. Accounts received from the Propaganda Department, Head Office in respect of expenditure incurred by the ADPs at Bombay, Delhi and Calcutta from out of the funds under their control, in running the PSDs in those places are scrutinized by this branch and forwarded to the Accounts Department for arranging reimbursement of the amount to the Propaganda Department.

91. Proper watch is made of the returns due from the different ADPs and if not received, they are called for. A register showing the particulars of these returns received and forwarded to the Accounts Department is also maintained.

92. The procedure relating to registration of Dealers, issue of permits, conduct of Pool Sales, payment etc., is dealt with in Chapter XIV.

93. *Price Branch* :- This branch attends to compilation and supply of information relating to wholesale and retail prices of coffee seeds as well as powder at various select places based on the weekly reports received from the Divisional ACMOs, Pool Sales Depot Managers and Sales Officers.

94. The reporting officers should furnish the ruling prices of the specified types and grades of coffee with reasons for fluctuation in prices, if any as on Friday each week which should reach Head Office not later than the following Monday. Where coffee is required to be sold at prices fixed by the Board through Co-operative Societies and Propaganda Units, they should report both the Board's rates and open market rates.

95. The particulars regarding prices should be posted, as and when received in a register maintained for the purpose.

96. This branch compiles the market reports received from the various centers weekly and a consolidated statement put up to CCMO for information. It circulates a review on the prices to the members of the Marketing Department.

97. A note is also sent to the Statistical Officer every fortnight showing the average wholesale and retail prices of different types of coffee at select centers for preparing price graphs.

98. The quantities put up and sold in Pool Sales and the quantities allotted and actually lifted by Local Sale Permit Holders and average prices

realized in Pool Sales is furnished to General Section for incorporation in fortnightly statements issued from that section.

99. Despatch Branch :- Letters received from FCD Section are diarised and distributed among other branches of the section. Despatch of letters issued from the section is also attended to in this Branch.

100. Returns 'due in' and 'due out' – Vide *Appendix VI*.

101. Returns 'due in' and 'due out' – Vide *Appendix VII*.

Sales Export Section

102. The sanctioned strength of this section as on 30.6.1977 is; Head Clerk – 1, Senior Clerks – 7; and Junior Clerks – 2 and this section is under the supervisory control of Asst. Market Research Officer (Exports). The Asst. Coffee Market Research Officer (Exports) disposes of such of those files which he is competent to dispose of at his level and other papers/files will be put to the DCCMO/OSD(E)/Sr. DCCMO, as the case may be depending upon the nature of importance, and urgency of the paper/file concerned.

103. *Functions* :- The section deals with the following subjects :

- (i) Registration of Exporters;
- (ii) Arranging sales of coffee for export;
- (iii) Issue of export permits for coffee not specifically sold
For export;

- (iv) Extension of time for shipment;
- (v) General correspondence with the Government of India, Embassies etc., regarding export promotion;
- (vi) International Coffee Agreement;
- (vii) Export duty and allied correspondence;
- (viii) Instant Coffee exports;
- (ix) Trade Enquiries regarding exports;
- (x) Work relating to Direct sales-Green and Instant coffees;
- (xi) Shipping problems and freights;
- (xii) Correspondence relating to Membership of IIFT, FIEO, TDA, Board of Trade etc.,

- (xiii) Registration of Coffee Board as an Export House;
- (xiv) Blanket foreign exchange;
- (xv) Export project – opening of foreign offices etc.,
- (xvi) Instant Coffee plants – Setting up of and General Correspondence.

104. *Registration of exporters and correspondence with them:-* Vide Chapter XV – work relating to registration of exporters, issue of permits, renewals, cancellation, etc., is attended to by this section. Enquiries received from regd. Exporters and from others regarding payment of Central Excise Duty, Sales Tax, Customs Duty, supply of samples, etc., are also dealt with.

105. Suggestions received from the Exporters' and Curers' Association regarding conduct of export auction are examined and placed before the Marketing Committee, wherever found necessary. Correspondence relating to export contracts, amendment of clauses etc., is also attended to by this section.

106. *Arranging sales of coffee for export:* The procedure relating to conduct of export auction, payment etc., is given in Chapter XV.

107. *Issue of export permits for coffees not specifically sold for export:-* The work relating to issue of export permits, except in the case of quantities specifically sold for export is attended to in the section.

108. *Extension of time for shipment :-* The section will deal with all applications received from the exporters requesting for extension of time beyond the free period allowed. The scale of penalties to be charged for periods of extension is given in Chapter XV.

109. The periodical returns such as (i) weekly statements showing exports to quota and non-quota countries and (ii) fortnightly statements showing quantities purchased, shipped and balance with exporters are received in the section and data compiled.

110. General correspondence with the Govt. of India, Embassies etc., regarding export promotion: The section attends to the work relating to export of coffee by post, air and as ship's stores, as also trade enquiries received as a result of Board's participation in exhibition and fairs abroad

and correspondence with foreign Embassies, Consulates and Trade Commissions and through them with some of the leading firms in coffee in order to expand the foreign market.

111. *International Coffee Agreement* :- The section deals with all matters pertaining to the International Coffee Agreement which include keeping a record of documents issued by the International Coffee Organisation (ICO), furnishing of statistical returns to them and also correspondence with the Government of India and the High Commissioner for India in London on these matters. For details regarding ICA work-please refer to Chapter XVI.

112. *Export Duty and allied correspondence* :- The work relating to enhancement/reduction of export duty as and when notified by the Government of India is dealt with by the section.

113. *Instant Coffee exports* :- If exporters who manufacture instant coffee are unable to get the required quantity in export auction, they are given allotment of raw Coffee for manufacture of instant coffee and export thereof at the prices determined by the Board from time to time with prior approval of the Marketing Committee.

114. *Trade enquiries regarding exports* :- General trade enquiries relating to the procedure of exports of coffee etc., received from Indian/Foreign firms are dealt within the section.

115. *Work relating to Direct Sales of Green Coffee and Instant Coffee:* - Offers received from the various countries directly for export of green/instant coffee are processed and put up for effecting direct sales. Correspondence with the Pool Agents, Regional DCCMOs/ACMOs etc., in respect of direct sales effected to foreign firms are handled in the section. Contracts are drawn up and entered into with the firms. Correspondence relating to insurance till shipment of coffee sold is also handled by the section. For details Vide Chapter XVI.

116. *Shipping problems and freights :-* Problems relating to shipment of coffee and correspondence thereon with the exporters, shipping corporation of India and other Conference Lines are dealt with by the section. Information about the freights on shipment of coffee to various destinations, import levies etc., are collected for purposes of comparing world coffee prices in various centers with prices at which Indian Coffee is sold in the export market. Problems relating to shipments etc., are referred to respective Export/Import Advisory Committees after calling for required data from the exporters.

117. *Correspondence relating to Membership of TIFT, FIEO, TDA, Board of Trade etc., :-* Correspondence with the above relating to Membership renewal, meeting and training course etc., are dealt with in the section.

118. *Registration of Coffee Board as an Export House* :- Application for registration of the Board as Export House, renewal and allied correspondence with the Government are dealt with in the section. The section also furnishes quarterly and annual returns.

119. *Blanket foreign-exchange* :- To meet the expenses in connection with the attending ICO meetings, exploration of new markets, foreign tours undertaken by the officers of the Board etc., release of blanket foreign exchange, to the Board is taken up with the Government/Reserve Bank of India.

120. *Export Project – Opening of foreign Offices etc.,* :- Correspondence with the Government of India on the subject of opening of foreign offices is also dealt with in the section.

121. *Instant Coffee Plant – setting up of and general correspondence* :- Work relating to the setting up of Instant fee plants and allied correspondence thereon are attended to by this section.

122. *Export of roasted and ground Coffee* :- Correspondence relating to export of roasted and ground/Instant Coffee is dealt with in the section. For details Vide Chapter XVI.

123. Returns 'Due in' and 'Due out' are at *Appendix VIII*.

124. Registers maintained are at *Appendix IX*.

General Section

125. The sanctioned strength of the section as on 30-6-1977 is: Head Clerk – 1, Junior Asst. – 1, Senior Clerks – 5 and Junior Clerks – 4.

126. The section consist of two branches viz., (1) Stock Branch and (2) General Branch.

127. *Stock Branch:-* This branch deals with statistics of coffee receipts, disposals and balances in the Pool and helps to plan release of coffee in internal and export markets.

128. *Returns of stocks and sales :-* Fortnightly returns of stocks and sales from the Pool Agents (RR 12, 13 and 14), Pool Depots (Account No.5) and Pool Sales Depots (ACC. 9) are due on or before the 5th and 20th of the month for the first and second fortnights respectively. These will be checked, posted in the type-wise stock statements and progressive totals of receipts, disposals and balance struck. Discrepancies in these returns, if any, are pointed out.

128. *Bi-weekly returns showing receipts of coffee :-* Soon after the commencement of the season, the deliveries of coffee into the pool will be heavy especially during the period of December to May. In order to enable the Board to watch the progress of receipts into the Pool Vis-à-vis the crop estimates at frequent intervals, bi-weekly returns showing arrivals of coffee

are received from all Pool Agents and Depots as on every Tuesday and Friday and the receipts into the Pool are compiled on the basis of these returns. These figures are utilized to guide the Marketing Committee to frame policies on allocation of coffee for export and internal market out of the season's crop.

130. *Statement of Pool stocks and sales* :- This statement is compiled from the stock statements received from the Pool Agents/Depots and issued within five or six days from the date of receipt of the returns of stocks and sales. The total outturned quantity, total receipts of Estate Pounded Coffee, plus balance uncured coffee with Pool Agents and Depots are taken into account to compile the total receipts into the Pool. The formulae adopted for converting uncured coffee into cured is as under :-

Arabica Parchment	...	80	forlits per tonne
Arabica Cherry	...	115	do
Robusta Parchment	...	80	do
Robusta Cherry	...	106	do

131. *Review of stock position* :- The stock position is constantly reviewed by this Branch to assess the latest trends in receipts and disposals of coffee. Statements showing stocks, agent-wise and gradewise, will be prepared every month to facilitate monthly released under each grade. The stock position on the West Coast is reviewed continuously from January to ascertain the quantities that will have to be moved to the inland centers before the onset of the monsoon.

132. Correspondence relating to movements of surplus stocks from West Coast to inland centers, from inland curers to coast for monsooning and fixing the quantity of Arabica Cherry and Robusta Cherry to be set apart for post-monsoon curing are also attended to.

133. Weekly statements of stocks for the purpose of valuation of stocks to be sent to the bank for purposes of the Board's overdrafts account with the Bank are compiled and sent to the Accounts Department in the prescribed form.

134. Statements of shortages of coffee in transit and storage received from the Regional Offices in respect of shortages recorded above 1% are examined and put to the CCMO for orders. Shortages of 1% and below are examined in the Divisional Offices of the ACMOs and Regional Offices of DCCMOs. Shortages upto 0.5% are adjudicated by ACMOs and above 0.5% and upto 1% orders are passed by the Regional DCCMOs. For details Vide Chapter V.

136. *General Branch* :- The subjects dealt with in this branch are:

- (i) Pool Agency;
- (ii) Collecting Agency;
- (iii) Reserve Price;
- (iv) Rates for payment to small growers;
- (v) Central Excise;
- (vi) Prophylactic Treatment and fumigation of coffee;

- (vii) Coffee Research Scheme at Central Food Technological Research Institute, Mysore;
- (viii) Matters of General nature;
- (ix) Issue of hulling licences; and
- (x) Seizure cases

137. *Pool Agency* :- Correspondance relating to the appointment of Pool Agents, drawing up of Agency Agreement, Schedule of charges, etc., are attended to each year, before the commencement of the season. For details regarding the procedure of appointment of Pool Agents, Agency Agreement, etc., Vice Chapter IX.

138. Rates for items of work generally attended to by the Pool Agents are determined by the Marketing Committee on the recommendation of a Sub-Committee appointed by Marketing Committee to go into the Pool Agency remunerations. An Officer of the Cost Accounts branch in the Ministry of Finance, Government of India examines the subject and furnishes his report/findings to the Sub-Committee. The accepted rates are specified in the Schedule of Charges attached to the Pool Agency Agreement.

139. For work involving the use of gunnies, rates are fixed quarterly, taking into consideration quotations received from M/s. Binnys Ltd., Madras, who are the approved firm for collecting quotations for gunnies. These rates are communicated to all Pool Agents, Collecting/Storage

Depots/Regional DCCMOs and ACMOs. Based on the rates for new gunnies, rates for once used gunnies, are also revised quarterly. As and when change in the policy governing the computation of rates occur, the Marketing Committee's prior approval is sought.

140. *Minimum Release Price* :- The minimum release price for release of coffee in the Internal market will be laid down periodically by the Marketing Committee and the Board. The price fixation per point, is communicated to the Ministry of Commerce for their approval. The work connected with preparation of the minimum release price for pool sales and allotment etc., for each grade of coffee and communicating the same to the members of the Board/Pool Agents/Regional DCCMOs and Divisional ACMOs is dealt with.

141. *Rates for payment to small growers* :- The rates for payment to small growers are also based on the minimum release price and notified by October of each year.

142. *Central Excise* :- (a) Grant/Renewal of Licences – Necessary particulars from Divisional ACMOs/Pool Agent in respect of depot premises/Pool warehouses, in Duplicate in forms AL-2 and AL-5 are called for and action taken for the grant/renewal of licences. From the year 1977, the Licences are renewed once in three years. The applications for renewal should be sent to the concerned Central Excise Authorities to reach them on or before 20th November.

143. *Bonds* :- This branch also deals with execution of bonds with Collectors of Central Excise for storage and despatch of exciseable coffee from Warehouses for internal releases and for export.

144. *Clearance in February* :- Necessary action is taken in approaching the Government of India by November each year with a request to relax the restrictions for releases in February. The overall quota for clearance fixed by the Central Board of Customs and Revenue will be allocated among the various Pool Agents and Depots.

145. Applications for Central Excise Licences should ordinarily be signed by the DCCMO (HQ), General Section on behalf of the CCMO and in his absence, the ACMO attached to General Section may sign them.

146. For details regarding Central Excise on coffee Vide Chapter XII

147. *Fumigation*:- Fumigation is a process applied to coffee to prevent infestation by weevils and this includes prophylactic treatment, etc., to prevent re-infestation and this is done in consultation with Central Food Technological Research Institute.

148. The stocks of coffee to be fumigated will be generally in places like Mettupalayam, Karamadai, Salem and monsooned coffee at Mangalore, Tellicherry, Kozhikode, etc., with the Board's Pool Agents/Depots.

149. The work of prophylactic treatment to prevent infestation and fumigation to eradicate the attack by weevils will be entrusted to a

contractor appointed by the CCMO after calling for tenders from the firms dealing in such matters. The contractor will have to attend to the above work at such time and at such places as directed by the Board, from time to time, and completed promptly at each stage to its full satisfaction, as per detailed instructions laid down in *Appendix X*.

150. The successful tenderer should execute an agreement in the prescribed form (*Appendix XI*) for completion of work satisfactorily.

151. *Central Food Technological Research Institute, Mysore* :- The items of work entrusted to them, so far, are detailed in Chapter XVII.

152. *Curing licences* : - When an application for curing licence is received from a party, six sets of questionnaire forms are sent to him for duly filling in and returning them to Head Office. When these are received, a copy each is forwarded to the Divisional ACMO/Regional DCCMO for his remarks and report. On receipt of such a report from the Divisional Asst. Coffee Marketing Officer through the Regional DCCMO, the report together with the application of the party is put up to the CCMO for orders for placing it before the Marketing Committee for a decision.

153. *Hulling licences* :- When the application is received from the party, the same is processed and put up to the CCMO for orders and his orders are communicated to the Regional DCCMO for further action. The hulling licence is issued by the CCMO.

154. *Correspondence relating to seizure of Coffee* :- All intricate and policy matters referred to by the Regional DCCMOs to HO are examined and put up to the CCMO for orders. Correspondence relating to seizure of coffee with the Collector of Central Excise at Madras, Bangalore and Cochin, are dealt with. Miscellaneous correspondence on matters such as transportation charges on seized coffee, coffee seized without valid permits, etc., are also attended to in the section. Monthly seizure statements are prepared in the abstract form on the basis of the consolidated statements received from the Regional DCCMOs and put up to the CCMO/Chairman for information.

155. *Rewards for Board's staff for seizure of coffee* :- Rewards are payable to the Board's staff responsible for seizure of coffee. Cases referred to by the Regional DCCMOs are examined and put up to the Senior DCCMO/CCMO for orders and his orders are communicated to them for further needful.

Inspection Cell

156. An Inspection Cell has been created in Head Office as per the decision of the Marketing Committee at its meeting held on 30-3-1976 to co-ordinate the inspections conducted by the Officers in Head Office and inspections by the Regional and Divisional Officers, and to take follow up action. The Cell started functioning from May 1976.

157. The composition of Cell is Assistant Coffee Marketing Officer (One) Head Clerk (One) Senior Clerk (One) and Junior Clerk (One). The Chief Inspector, Head Office is also attached to the Inspection Cell.

158. Apart from co-ordinating the inspection of office as at Head Office and Regional and Divisional Officers, the services of the ACMO(Inspection) and Chief Inspector are drafted to check the accounts of local sale permit holders and Co-operative Societies. The ACMO (Inspection) as well as other officials in the Inspection Cell assist the Senior DCCMO/CCMO at the time of inspection of Sub-offices and Regional Offices.

Special Cell (Registration)

159. A Census of all the coffee estates conducted by the Coffee Board during 1974-75 revealed that there were more than 34,000 estates remaining unregistered. In order to ensure that all the unregistered estates are registered as quickly as possible, a special drive was undertaken by the Board and towards this end, a Special Cell (Registration) was formed in the Marketing Department under the control of a Special Officer (Registration). The items of work attended to by this Cell are as follows:-

- i) Identification and definition of the problems involved in expediting the process of registration of coffee estates which have applied for registration;

- ii) To persuade as many of the estates as have not applied for registration, to do so after identifying the reasons for non-application for registration;
- iii) Sponsoring concrete proposals for tackling problems of estates regarding registration within time-bound schedule;
- iv) Initiating appropriate action with the concerned authorities;
- v) To prepare and maintain a comprehensive list of all the coffee estates in the country;
- vi) Correspondence with the State Governments on the special measures to be taken to expedite registration of estates; and
- vii) Updating data on registration of coffee estates.

160. The Special Cell (Registration) functions under the overall charge of the Officer on Special Duty (Special Mobile Squad). The tenure of the Special Cell as at present is upto the end of February 1978. A proposal is under consideration to form a separate Estate Section for updating the information regarding registration of estates and all other data regarding the estates by maintaining files in respect of all the regd. And unregistered estates. It is also proposed to form a separate Census Section to continue the unfinished work of Census in part of Kerala State.

161. If the proposals for the revival of Estate Section and formation of Census Section to continue the Census work in Kerala are finalized, it is expected that the present staff of the Registration Cell would be distributed among the two sections.

162. All work connected with the estate files and correspondence matters such as, registration of estates, issue of permits for domestic use/seed purposes etc., are dealt with in this cell.

Special Mobile Squad

163. A Special Mobile Squad headed by a Senior Officer assisted by one Assistant Accounts Officer and one Senior Stenographer is constituted and functions at the Head Office Vide Proceedings No. SE/268 dated 7-4-1972.

164. The functions of the Squad are mainly to conduct surprise inspections of the various Curing Works, Pool Coffee Depots/Pool Sales Depots/India Coffee Depots and other units. The Special Officer, Mobile Squad will conduct inspections and submit inspection reports from time to time. If any irregularities are noticed, action will be initiated by him wherever he could do so and on other matters, the concerned sections will pursue and deal with them. The Squad should plan its visits/inspections of the Curing Works, Units in such a way that there would be proper coverage of the various units during the course of the year. In regard to the Pool

Agents particularly, as far as possible, there should be no two inspections in the course of the year.

165. In addition to the above, whenever the Chief Coffee Marketing Officer directs to do any special check or investigations on receipt of certain allegations/complaints, the same would be undertaken by the Officer on Special Duty (SMS).

Preventive Work

166. The Board has organized Preventive work with one Security Officer, 3 Asst. Security Officers and 3 Preventive Squads in the field.

167. The preventive work is headed by the Security Officer whose headquarters is at Chikmagalur, and his office consists of one Head Clerk, one Senior Clerk, one Junior Clerk/Typist and two peons. He is assisted by three Assistant Security Officers – One each at Hassan, Batlagundu, and Kalpetta. The Assistant Security Officers have under them one Preventive Squad each consisting of one Chief Coffee Inspector and a couple of Assistant Coffee Inspectors and Group ‘D’ Officials functioning at the same headquarters.

168. The main functions of the Security Wing organized as above, is to prevent smuggling of coffee and illicit movements of coffee. In short, they should be on the constant vigil to unearth any coffee trying to evade the pool and entering the open market. A few Check-posts have been located at

different points through which movements by road could be checked and if any unauthorized transport is taking place, seizure could be effected.

169. It is up to the Security Officer and his subordinates to establish healthy co-operation and to get assistance from the different State Government Police Officers and the Central Excise Department officers, to have effective functioning and thereby minimize unauthorized movements of coffee for the purpose of illicit dealings.

170. The preventive staff will put up informants, who will pass on to these officers, information regarding any authorized storage of coffee/illicit movement of coffees and such other transactions. Cash rewards are given in deserving cases to these informants by the department. Whenever coffees are seized, mahazars should be drawn up in the correct manner without giving any loop-holes and the case reported to the Central Excise Officer concerned and the seized coffees deposited in the nearest pool warehouse, pending adjudication of the case. The reports of the seizure should also be sent to the departmental officers concerned.

171. The Security Officer, Assistant Security Officers and the Preventive Squad are provided with departmental conveyance to attend to this preventive work.

Fair Copy and Despatch Section

172. *The sanctioned strength of the Section as on 30-6-1977 is: -*

Senior Stenographer – 1; Junior Stenographers 2; Typist/Jr. Clerks – 10, Telex Operator –1; Duplicating Operators – 2. In addition, there are also 6 Senior Stenographers; who are designated as Pas to CCMO, Sr. DCCMO, CAO, OSD(E), QCO and OSD (SMS).

173. This section is divided into two branches, viz., Fair Copy Branch and Despatch Branch.

174. *Fair Copy Branch :-* The entire typing work of the Marketing Department at Head Office is done in this branch. The Stenographers, in addition to attending to dictation and transcription work, will attend to such other duties, as may be assigned to them from time to time. The PAs attached to the officers mentioned above will attend to work entrusted to them by the respective officers.

175. *Despatch Branch :-* This branch deals with the work in respect of receiving and dispatching of tappals.

176. Detailed instructions regarding the opening, registering and diarising of the daily tappal are given in Part 1-B – Office Procedure – Chapter II.

177. A franking machine is maintained in this branch which is common to all the departments in Head Office. A pre-determined amount is paid in advance to the Postal Accounts Department and an Inspector of the Posts and Telegraphs Department sets the Franking Machine and seals it. Further remittances are made before the amount originally remitted and set on the machine is used up.

178. The Marketing Department will close the post by 4 p.m. and sort out the closed covers of each department separately into groups, according to denominations of postage, and franking is done on each group of letters changing the denominations in the machine after each group is franked. The franking should be completed by 4.15 p.m.

179. All sections should send the letters to the Despatch Branch as they get ready, from the time the office opens for the day in batches, at regular intervals at 11.00 a.m., 1.00 p.m. and 3.30 p.m. Letters other than those of urgent nature, if ready for dispatch only after 3.30 p.m. be sent on the following day. Extremely urgent letters which are not got ready before 3.30 p.m. may be sent immediately as soon as they are ready. The urgency of such letters should be personally brought to the notice of this branch for necessary action.

180. The Despatch Branch will note the time of receipt of letters in the Despatch Register of the respective sections. The address on covers meant for parties other than Pool Agents/ACMOs/Regional DCCMOs and field staff should be written on them by the concerned sections. The outward numbers of the letters included in such covers should be written on

the top left hand corner of the envelopes. All letters going to the same addressee should be put in one or more envelope, as far as possible, to save postage and entries made in any one dispatch register regarding postage and reference given in the other registers.

181. The respective departments will collect the covers, immediately the franking is over, duly signing against the entries made in the register kept for this purpose. The entries will be made in the register according to the denominations franked and also total number of letters in each denomination. The departments themselves will make arrangements to take the franked covers to the General Post Office. The covers emanating from the Marketing Department which are duly franked will be sent to the post office in a post bag with the prescribed form duly entered at 4.45 p.m. for delivery at the GPO, Bangalore-1, before 5-00 p.m.

182. Registered letters for dispatch must be sent to the Despatch Branch by the concerned Sections/Departments before 2.00 p.m. on week days except on Saturdays, duly arranged in groups of denominations of postage. On Saturdays such letters should be sent not later than 1.00 p.m. Similar procedure in the case of ordinary letters will be adopted and the registered letters from other Departments will be taken back and those of the Marketing Department sent to the post office by the Despatch Branch. Despatch of registered letters received after 3.00 p.m. and which are of urgent nature on week days will be arranged by affixing late fee, stamps. This will be done only upto 3.30 p.m. on week days.

184. The register of postage will be closed on the last day of the month. A statement of postage account for each department will be prepared on the first of every month in quadruplicate – one for the department concerned, two for the Accounts Department and one to be retained as office copy. The statements relating to the departments concerned are sent to them under the signature of the Section Officer for arranging reimbursement of the amount. The Accounts Department should keep a careful watch about the reimbursement by the different departments.

185. *Service Postage Stamps :-* As the Service Postage Stamps cannot be used for foreign letters and for sending cables and telegrams, a sum of Rs.200/- is kept as imprest with Head Clerk of the section for use in emergencies. For maintenance of service postage stamps account vide Part I-B -Office Procedure – Chapter V.

186. Imprest Cash Book is also maintained. When the amount of imprest is expended reimbursement is obtained from the Accounts Department.

187. *Telex Service :-* At present, telex connections exist at 1) Head Office, Bangalore, 2) Regional DCCMOS office at Coimbatore, Mangalore and Bombay, 3) Divisional ACMOs Office Calicut and 4) Special Officer (P) Coffee Board, New Delhi.

188. All communications of urgent nature are sent over telex between the above stations connected by telex and other parties having telex connection.

189. Apart from this, all telegrams meant to the Board's Offices and constituents outside Bangalore may also be booked over "Telex" instead of sending the telegrams to the Telegraph Office on the usual telegram forms.

190. Therefore, all telegrams to be issued from Head Office should be got types in BLOCK LETTERS, double line spacing on blank paper, indicating them as " Telegram, Ordinary/Express ", above the matter to be telegraphed, and sent to the Telex Operator in the FCD Section, for booking them. The post copies of the telegrams may, as usual, be sent to the Despatch Branch for mailing.

191. Messages received over telex are passed on to concerned Section Officers by the Telex Operator through Local delivery book against acknowledgement.

192. In regard to accounting and getting reimbursement from other departments in respect of telegrams booked over the "Telex" system, procedure akin to the one prescribed for accounting etc., of franking is followed.

193. An Outward Register is maintained by Telex Operator to record all outgoing telex messages.

194. Registers to be maintained – Vide *Appendix XII*.

CHAPTER III

QUALITY CONTROL DIVISION

195. The Quality Control Division comprises of (i) Cup Tasting Unit and (ii) Classification Section. Quality Control Officer/Cup Taster is in direct charge of the Cup Tasting Unit. Classification Section is in charge of an Assistant Coffee Marketing Officer and the Quality Control Officer/Cup Taster is in overall supervisory charge of the work of this section.

196. Classification Section :- The sanctioned strength of the section as on 30th June 1977 is as under:-

i)	Head Clerk	...	One
ii)	Senior Clerks	...	Two
iii)	Junior Assistants	...	Two
iv)	Junior Clerks	...	Three

197. *Functions* :- This section deals with the following subjects :-

- i) Receiving and keeping in safe custody, of samples sent for assessment;
- ii) Receiving way bills and arranging for clearance of the parcels containing cup test samples:

- iii) Preparation and supply of standard FAQ samples;
- iv) Arranging for assessment panels, rendering of moisture contents in the samples in the presence of assessors and communicating assessment awards;
- v) Convening sittings of appeal panel;
- vi) Supply of sample tins/polythene bags to ACMOs/Pool Agents;
- vii) Bulking and disposal of assessment samples after assessment is over;
- viii) Work connected with revision of Price Differential Scale;
- ix) Dealing with the enforcement of quality control measures;
- x) Following up action regarding levy of penalty on planters and curers etc., consequent on remarks of assessors; and on account of under-dried coffee deliveries etc.,
- xi) Work connected with various standards of raw coffee, roasted and ground coffee etc.,
- xii) Correspondence with the Indian Standards Institution, New Delhi, and on Standards/Specification etc.,
- xiii) Work relating to Curing capacity.

198. *Receiving and keeping in safe custody of samples sent for assessment* :- The samples for assessment are usually received from December onwards. The section should arrange for clearance of the samples, opening of the parcels, verification with relative dispatch notes, entering in the prescribed sample register and arranging pool agent-wise on

the racks, in any orderly manner. All coffees received within the Bangalore City Corporation limits are liable for payment of octroi at the rates in force and hence, the above samples are also subject to payment of octroi. The Board is having a current account with the octroi authorities. The octroi statement is prepared monthly and sent to the Accounts Department for forwarding it to the Octroi Superintendent together with the octroi memos and remittances, if any.

199. *Receiving Way bills and arranging for clearance of cup test samples:* The section should also attend to the work of receiving way bills and clearing parcels received from different curing works meant for the Cup-tasting Unit. On receipt and verification with the relative dispatch notes, these samples should be sent to the Cup-Tasting Unit forthwith for further action.

200. A sum of Rs.300/- is kept as petty cash by the Head Clerk of the section for meeting expenses in connection with the clearance of samples etc., and reimbursement claimed by the Accounts Department after rendering accounts each time.

201. *Preparation and supply of standard FAQ samples :-* The Pool Agents at Mangalore, Tellicherry, Hunsur and Calicut, should be addressed for getting the samples required for the preparation of FAQ samples.

202. *Arranging for assessment panels, rendering of moisture contents in the samples, in the presence of Assessors and communicating assessment awards:* - After the preparation of FAQ samples, the section should arrange for regular assessment sittings. The Assessors for each sitting have to be nominated from among the panel of Assessors appointed by the Chief Coffee Marketing Officer. The sittings are to be held out of office hours. They are usually arranged at 9.20 a.m. and 5.10 p.m. The number of sittings to be held in a day will depend on the number of samples awaiting assessments. The Assessors and the staff attending to this work are entitled to such remuneration as might be fixed from time to time.

203. The Head Clerk/Senior Clerks attending to the work of assessment sittings should place samples before the Assessors without revealing the identity of the Curers and estates. The district growth will however be informed to the assessors. Marks are given for the samples placed before them and for this a score-card is being used. The Head Clerk/Senior Clerk will record the result of the assessment in the prescribed form which will be signed by the Assessors immediately after the assessment is over. He should also sign the form in which the results are recorded.

204. As samples relating to more than one Pool Agent might be assessed at each sitting, the awards relating to each Pool Agent should be extracted by the section in the prescribed form and sent to the Divisional Assistant Coffee Marketing Officer with copies to the Regional Deputy Chief Coffee Marketing Officers, and the Pool Agent concerned.

205. *Convening the sittings of the appeal Panel :-* Appeals against the award of assessors, received from growers or Pool Agents on their behalf, should be scrutinized for their admissibility. Necessary entries should be made in the appeals register and put up for admission. When sufficient number of appeals are received and admitted, a sitting of the Appeal Panel will be convened.

206. *Supply of sample tins/polythene bags to Assistant Coffee Marketing Officers/Pool Agents :-* The section should arrange before the commencement of each season, to ensure that stocks of sample tins of standard sizes of 750 gms., 250 gms., and 100 gms., capacity and polythene bags of suitable sizes are available in stock for supply to the Divisional Assistant Coffee Marketing Officers and Pool Agents in accordance with the estimated requirements for the season. Timely action should be taken in obtaining fresh stocks of tins/polythene bags from the manufacturers, by inviting tenders before the stocks held get exhausted.

207. *Bulking and disposal of assessment samples after assessment is over: -* The samples assessed should be bulked from time to time. Duplicate samples which are not required to be sent to the Cup-Tasting Unit should also be bulked after the appeal time has elapsed or after the appeals, if any, are disposed of. The bulked coffee should be sent to the Pool Sales Depot, Bangalore, for disposal.

208. *Work connected with revision of Price Differential Scale :-* The section should attend to the work relating to the revision of Price Differential Scale, rules governing sampling and classification of coffee etc.,

209. *Enforcement of quality control measures:-* The section should also deal with the measures taken to improve the various standards and quality of coffees. To serve as a deterrent against the delivery of under-dried coffee by the planters, penalties are levied on the planters who deliver uncured coffees weighing above the prescribed weight limits per forlit. The measures prevention of deterioration in the quality of coffee by a glut in the drying yards of the pool agents. A scale for the levy of penalty has been drawn up.

210. Standard of driage is fixed in terms of volumes/weight basis for delivery of coffee by the planters and the permissible moisture content of coffees outturned is also fixed at which the curer should render the outturns. A scale for the levy of penalty on the curers who render outturns with moisture above the prescribed limit has been fixed by the Board.

211. *Follow-up action regarding levy of penalty etc., consequent on remarks of assessors and on account of under-dried coffee deliveries etc., :-* The section should arrange to get from the Pool Agents concerned, a statement of underdried coffees delivered by the planters from time to time and take appropriate action in enforcement of the levy of the penalties. As soon as the statements are received by the Curers, it should be entered in a register prescribed for the same, processed on a note file and orders obtained

regarding the number of points to be deducted from the claim statements in respect of each estate.

212. *Work connected with various standards of raw coffee, roasted and ground coffee etc.,* :- The section should also deal with references received/work relating to various standards of raw coffee, roasted and ground coffee etc.,

213. Under the quality control programmes, samples subjected to experimental trials by the Research Department are sent to Cup-Tasting Centres at Bangalore and a few selected countries abroad. These research-oriented programmes help to bring about a close link between the quality in the cup and the experimental trials conducted by the Research Department of the Coffee Board.

214. *Work relating to Indian Standards Institution, Standards/Specifications etc., and Curing capacity* :- The Coffee Board is a member of the Indian Standards Institution, which formulates various standards/specifications for coffee in consultation with the Board. The Chief Coffee Marketing Officer and the Quality Control officer represent the Board on the Stimulant Foods Sectional Committee (AFDC-39) as the Principal and alternate members respectively. The Quality Control Officer represents the Board on the Sensory Evaluation Sectional Committee (AFDC-38).

215. The section should also assess from time to time the curing capacity fixed and deal with the applications received, if any, for enhancement of capacity taking into consideration the norms fixed by the Technical Committee and improvement/additions if any, effected by the Curers. The section should also watch and take suitable steps in retard to receipt of coffees by various Curing Works about the limits fixed.

216. *General* :- Report of the Divisional Assistant Coffee Marketing Officer/Chief Coffee Inspectors on test check of grades, and also report of verification of sieves in use at the Curing Works should be examined and put up to the Chief Coffee Marketing Officer for information and necessary action if any.

217. In addition to the visual assessment and award of points, Plantation and Robusta coffees which fetch FAQ and above on visual assessment are subject to cup-taste, for which the duplicate samples relating to this, on completion of appeal time should be sent to the Cup-tasting Unit.

218. The section should arrange for disposal of deal wood boxes by calling for tenders annually.

219. Coffees received back from the Cup-tasting Unit from time to time should be received, acknowledged and arrangements made for dispatching the same to the Pool Sales Depot for disposal.

220. Required statistical data and such other material for annual report should be compiled by the section. A statement of samples assessed typewise and the points awarded should be prepared and sent for publication in “Indian Coffee”.

221. Returns ‘Due in’ and ‘Due out’ – Vide *Appendix XIII*.

222. Registers to be maintained – Vide *Appendix XIV*.

Cup-Tasting Unit

223. To ensure the quality of Indian Coffee, the Coffee Board set up the Cup-tasting Unit at the Board’s Office in Bangalore in the year 1966. The sanctioned staff strength of the Unit as on 30th June 1977 is as follows:-

i)	Quality Control Officer/Cup-Taster	... One
ii)	Assistant Cup Taster	... Four
iii)	PA to Quality Control Officer	... One
iv)	Senior Clerk	... One
v)	Junior Clerk	... One
vi)	Attender	... One
vii)	Group ‘D’ Staff	... Three

224. The Quality Control Officer/Cup Taster is in direct charge of the Cup-Tasting Unit and is assisted by the Assistant Cup Tasters. The testing work is carried out by a panel of tasters.

225. Three schemes are in operation at the Cup Tasting Unit. One scheme is the selection and grouping of coffees on cup taste, for the preparation of bulks for export. This was implemented from the Coffee Section 1966-67. This Scheme ensures that only good quality coffees are exported from India and bulks are made up of more or less of uniform quality coffees. Samples are received by the Unit from various Coffee Curing Works. These samples are roasted, ground, cup-tasted and categorized into various groups, based on their cup quality. The concerned Curers are then advised about the results of cup-test to enable them to prepare bulks for inclusion in the catalogue for export.

226. Another scheme is cup test of samples, for award of premium points to Plantation Coffees. This was implemented from the Coffee season 1972-73. The purpose of the scheme is to give an incentive to the planters to produce good quality coffees. Under this scheme, Plantation coffee samples which receive an award of Average (FAQ) and above, on visual assessment, are cup-tested and extra premium points awarded, depending on the cup quality of the samples. This scheme of award of premium points was extended to Robusta Cherry and Robusta Parchment coffees from the Coffee season 1974-75. The duplicate samples for which the appeal time is over are made use of for this purpose.

227. A third scheme is cup-tasting of samples received from the Research Department, under the Quality Control Programme. Samples subjected to processing and manorial trials, breeding experiments, various cultural practices etc., are received from the Research Department of the Board for cup-tasting purposes. The raw, roast and liquor characteristics of these samples are evaluated at the Unit and the Research Department informed of the findings.

228. Proper accounts should be maintained for the samples received in the section, taken for roasting and also for disposal of roasted seeds and balance raw coffee. A statement of coffee samples received, roasted, roasted coffee dispatched to the Co-operative Society, raw coffee sent to Classification Section is prepared monthly. A statement showing roasted coffees handed over to the Society is sent to the General Section, for further action in recovery of the value from the Society.

229. Statistical tables for publication in 'Indian Coffee' are prepared and sent to Propaganda Department regularly at intervals of 3 months.

230. The section should handle expeditiously, the samples received for selection of coffee for exports, as otherwise it would result in delay at the Curing Works for preparation of bulks. The samples for award of premium points should also be handled without delay and should be completed in time, so that the cup-taste valuation reports can be issued well before the finalisation of the total number of points for the season and declaration of payments thereon.

231. The section should watch the progress of testing of samples every month and ensure that there is no accumulation of samples pending for tasting.

232. The Returns 'Due in' and 'Due out' of the Unit are at Appendix XV.

233. The registers to be maintained in the Unit are at Appendix XVI.

CHAPTER IV

REGIONAL OFFICES

234. *Creation of regional Offices :-* On the recommendation of the Reorganisation Sub –Committee accepted by the Board and the Government of India, three new Regional Offices covering the entire coffee growing areas with Headquarters at Mangalore, Coimbatore and Mysore (subsequently changed to Bangalore) and manned by 3 Officers of the rank and grade of DCCMO were created with effect from 3rd August 1963.

235. Subsequently more Regional Offices had to be established. As jurisdiction of the DCCMO (Mysore Region), Bangalore, was too extensive and with the expansion of coffee cultivation in Andhra Pradesh and steps taken by some North Eastern State Governments for coffee cultivation, the Board had to open collecting depots, grant Collecting Agencies and also open a regional DCCMO's Office at Vijayawada with effect from 1971. Due to the increase in the volume of direct sale of coffee for export by the Board, the necessity for establishing a regional office at Bombay was felt. The need for close supervision over the transactions of the various ICDs and verification of the transactions of the retailers strengthened the case for establishment of a regional office at Bombay. Hence, with effect from May 1976, the DCCMO's Office at Bombay started functioning.

236. *Jurisdiction* :- The present jurisdiction of the various Regional DCCMOs is given below:

Area	DCCMO having Jurisdiction
South Kanara Coorg Kerala State	} } } DCCMO, Mangalore.
Coimbatore, Nilgiris, Arcot, South Arcot. Salem, Madurai, Ramnad, Tinnevelly, Kanyakumari, Tiruchirapalli, Tanjore.	} } } DCCMO, Coimbatore }
Chikmagalur and Hassan Districts, Shimoga, Dharwar, North Kanara, Chitradurga, Mysore District.	} } } DCCMO, Mysore Regiona, Bangalore.
Maharashtra, Gujarath, Goa and upto Hubli, in Karnataka	} } DCCMO, Bombay
Madras City Chinglepet District, whole of Andhra Pradesh, Bellary in Karnataka	} } DCCMO, Vijayawada.

237. *Sanctioned strength* :- The following table gives the sanctioned staff strength of each regional office as on 30-6-1977:-

Post/s	Office of the DCCMO, at				
	Mysore	Coimbatore	Vijaya- wada	Manga- lore	Bombay
ACMO (Accounts)	1	1	1	2*	1
Head Clerk	1	1	1	1	-
Junior Assistant	-	-	-	-	-
Senior Clerks	6	4	2	8	1
Chief Inspector	1	1	-	1	-
Stenographer (Jr.)	1	1	1	1	1
Junior Clerk	7	7	3	6	-
LRC	-	-	-	-	-
Driver	1	1	1	1	1
Group D Staff	3	5	2	4	-
Duplicating Operator	-	1	-	1	-

* Of these, one is ACMO (Accounts) and another is ACMO (Export).

238. *Vehicle* :- To facilitate the execution of work and to exercise adequate supervision over the Pool Agents, Pool Depots, Pool Sales Depots/Inspectorate, each regional Deputy Chief Coffee Marketing Officer is provided with a car.

239. *Duties and responsibilities of Deputy Chief Coffee Marketing Officer* :- The Deputy Chief Coffee Marketing Officer is responsible for the proper administration and efficient discharge of the work in his region. On the ministerial side he is assisted by the Office and on the executive side by Divisional Assistant Coffee Marketing Officers and their field staff.

240. When in headquarters, the tappal will be opened and scrutinized by the Deputy Chief Coffee Marketing Officer and disposal instructions issued. At other times, the tappal may be opened by the Assistant Coffee Marketing Officer (Accounts) attached to the Deputy Chief Coffee Marketing Officer's Office and in his absence by Head Clerk and disposal instructions issued. When Deputy Chief Coffee Marketing Officer returns to Headquarters, all such important papers should be put up for his information.

241. No expenditure should be incurred except with the Deputy Chief Coffee Marketing Officer's sanction. The Deputy Chief Coffee Marketing Officer should carefully verify and attest entries in cash book every month. At the close of the month, certificate of physical verification and reconciliation of the cash balance should be recorded in the cash book over his signature.

242. *Inspections* :- The Deputy Chief Coffee Marketing Officer should inspect the Divisional Offices as per the Calendar of inspection drawn up and approved by the Chief Coffee Marketing Officer.

243. *Advance tour programme and diaries* :- Advance tour programmes of the DCCMO should be sent to Chief Coffee Marketing Officer once a month, to reach by the 25th of the month previous to the one to which the programme relates. He should inspect pool warehouses, pool depots, Pool Sales Depots/India Coffee Houses/India Coffee Depots; such inspection shall be according to schedule. Unscheduled inspections shall also be done in addition. All the units should be covered at least once a year. Detailed questionnaire need not be used for unscheduled inspections.

244. An inspection minutes book should be maintained for the inspection of the units and the offices conducted by him. For details Vide Chapter V.

245. Inspection reports are to be sent by him to the Chief Coffee Marketing Officer. He should submit his weekly diaries to the Chief Coffee Marketing Officer.

246. *T.A. Bills* :- The Deputy Chief Coffee Marketing Officer should send his T.A. bill to the Chief Coffee Marketing Officer for his counter-signature who will countersign and forward it to the Accounts Department for further action.

247. T.A. Bills of the divisional ACMOs and staff of DCCMO should be countersigned by the DCCMO and sent to the Accounts Department for payment.

248. DCCMO (Mysore) Region, Bangalore, Vijayawada and Coimbatore, will conduct pool sales in respective centers. They are assisted in this, by one of the divisional ACMOs in their jurisdiction and some of the ministerial staff of the respective offices. Procedure relating to the conduct of pool sales etc., is given in Chapter XIV.

249. *Confidential reports* :- A statement showing the officers authorized to write and review confidential reports is given in Part I-B-Office Procedure – Chapter XVI.

250. The Chief Coffee Inspectors attached to the Regional Offices conduct Inspections of Pool Depots in charge of Assistant Depot Managers, under instructions from the Deputy Chief Coffee Marketing Officer, carry cash to the depots from the Divisional Office, inspect the accounts of Pool/Local Sales Dealers/Co-operative Societies and detect adulteration of coffee. For administrative convenience, the Chief Coffee Inspectors attached to the Regional Offices at Bangalore (Mysore region) and Mangalore are having their headquarters at Chikmagalur and Calicut respectively.

251. For details regarding checking of accounts of Pool/Local Sale dealers, Co-operative Societies, detection of adulteration in coffee, etc., Vide Chapter V.

252. *Assistant Coffee Marketing Officer (Accounts)* :- Apart from being in overall supervision of the Office during the absence of the DCCMO from headquarters, the ACMO (Accounts) is responsible for the complete

accounts side of the region. He should supervise the work on the accounts side such as T.A./Medical bills/TA Advance/Claim statements/CVRs/Pool Payment registers etc., Verification of imprest accounts of Regional Office as well as Divisional Offices and bonus payments are also his responsibility. Entries in the cash book of all transactions in the Office have to be attested by the ACMO (Accounts) daily.

253. Functions of the Office :- The following are the main items of work attended to by the Office :-

- (i) Establishment ;
- (ii) Export ;
- (iii) Sales ;
- (iv) Classification ;
- (v) Estate ; and
- (vi) Accounts.

254. Subject to the overall responsibility of the DCCMO, the Head Clerk will be in charge of the current work of the office. The senior most Senior Clerk in the office will be in-charge of the Imprest cash and will maintain imprest accounts, but the Head Clerk/Assistant Coffee Marketing Officer (Accounts) will have to check the cash as well as the imprest accounts before submission to the DCCMO for verification. During the absence of the DCCMO on tour, Office will take instructions from the ACMO (Accounts).

(i) Establishment Section

255. Grant of leave to Class II Officers in his jurisdiction and Class III and IV staff in his office (not involving posting of substitutes), sanction of pay, TA, Festival advance can be made as per the delegation of powers. As per delegation of powers, he is competent to make transfers and postings of the Class III Staff and IV staff within his jurisdiction subject to restrictions if any imposed by CCMO.

256. *Medical reimbursement bills* :- Claims for medical reimbursement not exceeding Rs.250/- in respect of Class II, III and IV Staff of his office as well as of the divisional ACMO and his staff in the region are passed by the DCCMO. In respect of claims exceeding Rs.250/-, the bills are processed and sent to the Accounts Department in Head Office for further action. The DCCMO's own bills irrespective of the amount of claim, should be sent to Head Office for admittance of claim.

257. *Provident Fund Applications* :- Applications for Provident Fund advance within DCCMO's powers are to be processed and sanctioned, other applications are to be processed and sent to the Chief Coffee Marketing Officer.

258. Administrative and financial powers of the DCCMOs – Refer to *Appendix II – Part II – Secretariat*.

259. Personal files, service books and leave accounts of divisional ACMOs and Regional Office are maintained at the regional DCCMO's Office.

260. Procedure relating to maintenance of service books is given in Part I – B – Office Procedure – Chapter XVI.

261. Diaries and reports of the divisional ACMOs will be examined and action taken thereon.

262. Advance tour programmes of the divisional ACMOs will be approved and communicated with copy to the CCMO and CAO.

263. *Supply of gunnies :-* Supply of gunnies to Collecting depots is made by reserving the stocks of empty gunnies with the nearest Pool Sales/Collecting depots. In case the supplies could not be arranged within the region, the matter should be referred to the Head Office and orders obtained.

264. *Disposal of surplus empty gunnies :-* For disposal of surplus empty gunnies upto 3,000, the divisional ACMO will call for sealed tenders addressed to the DCCMO; where the number exceeds 3,000 the DCCMO will call for tenders by announcing in papers and will dispose of the gunnies as per tender accepted.

265. *Unserviceable articles* :- The disposal of un-serviceable articles will be made as per the delegation of powers – Vide *Appendix II – Part II – Secretariat*.

266. *Inventory* :- An inventory of articles of DCCMO's office as on 1st January should be prepared and sent to Head office every year.

267. Similar lists should be called for from the divisional offices and checked with the previous year's list and purchases effected during the year. Discrepancies, if any, should be pointed out and clarification sought for from the persons concerned.

268. *Accommodation – Execution of lease deeds* :- The DCCMO is empowered to get the lease deeds executed through the respective divisional ACMOs, after the expenditure has been sanctioned by the Chief Coffee Marketing Officer or the Chairman as the case may be. After the lease deeds are executed, further sanction from Head Office for the renewal of lease on the same rent, terms and conditions is not necessary.

269. For terms and conditions of the lease deeds – Vide *Appendix XVII*.

270. Six months before the expiry of the lease the DCCMO should ensure that negotiations are initiated for the renewal of the lease for a further period of three years with the usual option clause for another three years under the same terms and conditions.

271. If the owners agree to the renewal on the same terms and conditions, a fresh lease may be executed by the divisional ACMO for a further period of 3 years with option to the Board to renew the lease for an additional period of three years on the same terms and conditions. If, however, the owner of any building does not agree to renew the lease for another three years, the divisional ACMO may issue notice by registered post to the owner of the building at least one month before the expiry of the lease, exercising the option and continuing in the building for another three years according to the original lease deed.

272. Six months before the expiry of the option period, the DCCMO should ensure that negotiations are made on the question of entering into a fresh lease with the owner.

273. After negotiations, the DCCMO may send to Head Office the fresh terms and conditions asked for by the owner with his own recommendations thereon.

274. If the DCCMO feels that the fresh terms and conditions are unreasonable and no purpose will be served by making any counter offers to the owner, he may immediately arrange to take up another building on a reasonable rent with the prior approval of Head Office.

275. On receipt of the approval from Head Office, he may arrange through the divisional ACMO to issue notice to the owner of the existing

building and arrange to vacate the building on or before the date of expiry of the existing lease.

276. *Preservation of records and registers* : - All the sections should have with them only current records and records relating to the previous year, if constant reference to those is required for the day-to-day working of the section. All other records should be listed, docketed, stitched and entered in the Transit register, section-wise, indicating the period of preservation against each record.

277. All the time-barred or suspended files are to be weeded out, from time to time, and disposed of, sold as waste paper, if they do not contain any confidential information or otherwise. The DCCMO will pass final orders of destruction.

(ii) Exports

278. Consequent on the centralization of export work at the Regional Office, Mangalore, the following items of work are attended to by that office.

279. *Issue of export permits* :- Exporters could make applications to the DCCMO, Mangalore, who will issue export permits for all the quantities specifically sold for export. For details Vide Chapter XV.

280. *Export Check Register* : In this register details of export contract, such as contract number and date, quantity sold, type and grade, price, Pool Agents, destination, the details of permit issued such as permit number and date, quantity, type and grade, port of shipment/destination etc., should be entered. When triplicate permits are received back from customs, details such as name of vessel, quantity shipped, date etc., and the particulars of permits and Bills of Lading produced by the exporter as evidence of shipment such as quantity shipped, name of vessel and shipping company, quantity shipped as endorsed in the original copy of permit, are recorded.

281. *Bills of Lading Register* :- In this register details of bills of lading, such as name of steamer, agent, consignor, bill of lading number and date, port of shipment, port of destination, number of bags, net weight, gross weight, name of consignee, specifications and details of permit such as contract number and date, permit number and date, Export Check Register page number and reason, are recorded.

282. In addition to the above, a Bank Guarantee register is maintained. The particulars, such as name of the exporters from whom the bank guarantee has been received, date of export auction, amount of bank guarantee, date of expiry of contract, number and date of contract of which coffee is covered ; E.C.R. folio and DCCMO's initial when bank guarantee is cancelled, are recorded.

283. The Regional Office, Mangalore, attends to work such as verification of the particulars of the applications for permits received from the exporters; entering countrywise shipments of coffee on the basis of

fortnightly returns of coffee purchased and shipments made during each fortnight in the register maintained for the purpose; during each fortnight in the register maintained for the purpose; verification of bank guarantee and intimating the Pool Agents of the receipt of bank guarantee and entering the details thereof in the bank guarantee register; cancellation of bank guarantee on production of evidence of shipments by the exporters etc.,

284. The work relating to evidence of shipment is handled in the Regional Office and consequently cancellation of bank guarantee and refund of security deposit received by cash in certain cases is also attended.

285. The periodical returns such as (i) declaration of probable exports, (ii) weekly statements showing exports to quota and non-quota countries and (iii) fortnightly statements showing quantities purchased, shipped and balance received from the exporters, in original are examined for keeping a watch over the shipments and also regulating the issue of export permits.

286. *Extension of time for shipment* :- DCCMOs will receive applications from exporters for extension of time for shipment upto 3 months, which falls within the free period and grant such extensions. In respect of request for extension beyond the free period, they are to be processed and sent to Head Office for issue or orders.

287. *Checking of Export Contracts* :- On receipt of the original Export Contracts from the Pool Agents/Divisional ACMOs, the DCCMOs at Mysore and Coimbatore will check the same with the result copy and

confirmation letter relating to the sale and forward the contracts to the DCCMO, Mangalore, after certifying the correctness of the contract.

288. *Request for release of gain-in-weight of coffee in the internal market* :- Requests received from the exporters for the release of gain-in-weight coffee in the internal market will be received by the DCCMOs and forwarded to Head Office with their recommendations.

(iii) Pool Sales/Local Sales

289. *Registration of dealers for Pool/Local Coffee Sales and renewal of their permits* :- A circular should be issued in December each year directing all the dealers to apply for renewal of their permits. All applications received from the dealers for renewal of their permits, except those in the case of dealers in Bombay, Delhi, Calcutta and Vishakapatnam, may be scrutinized by the DCCMO and if found satisfactory, renewed. For further details Vide Chapter XIV.

290. *Representation of Local Sale Dealers* :- Representations received from Local sales dealers are examined and disposed of.

291. *Transport of Coffee* :- The work relating to calling for tenders from approved transport contractors for transport of coffee from departmental collecting depots to main depots/pool agents and from Pool

Agents/Storage depots to Pool Sales Depots and finalisation thereof are at present done in the Head Office. The names of transport contractors together with other particulars are communicated to the Deputy Chief Coffee Marketing Officer who in turn will arrange to get the Transport Agreement executed on stamp paper of requisite value and sign the agreement on behalf of the Chief Coffee Marketing Officer.

292. Specimen form of Transport Agreement is at *Appendix XVIII*.

293. *Shortages* :- Statements of shortages of coffee in transit and during storage at various Pool Agents, Storage Depots, Pool Sales Depots/India Coffee Depots received from the divisional Assistant Coffee Marketing Officers are scrutinized further and such of the shortages which are within his powers will be adjudicated by the Deputy Chief Coffee Marketing Officers, based on the merits of each case and recommendations of the divisional Assistant Coffee Marketing Officers. Shortages exceeding the limit of powers delegated to him are forwarded to the Chief Coffee Marketing Officer with a note file together with his recommendations for acceptance or otherwise.

294. For further details Vide Chapter V.

295. *Fixation of labour charges* :- Rates for payment of labour charges at Pool Sales Depots/Pool Depots are fixed by the Deputy Chief Coffee Marketing Officers.

296. *Furnishing of information to Sales Tax authorities :-* Statements of purchases made by the dealers are furnished to the Sales Tax Authorities, when called for.

297. *Compilation of stock return of dealers :-* A statement showing the stock of coffee with the Pool Sales Dealers in the region as on 30th/31st of every month should be prepared and sent to the CCMO, Bangalore, before 10th of the following month.

298. *Adulteration of coffee :-* Information on offenders booked for adulteration of coffee received from the Directors of Public Health in Mysore, Madras, and Andhra Pradesh is sent to Head Office by the respective DCCMOs; information, received from the ACMO, Kozhikode, relating to Kerala State, is sent by the DCCMO, Mangalore.

299. *Inspection Reports :-* Inspection reports received from the field staff, on inspection of local sales dealers/co-operative societies should be examined and action taken, if any due.

300. Similarly action should be taken on inspection reports of the divisional ACMOs on inspection of Pool Agents/PSDs/Pool Warehouses etc.,

(iii) Classification

301. *Checking of coffee valuation reports* :- Coffee Valuation reports (original copy) received from the Divisional ACMOs should be checked and corrections, if any, pointed out to them for confirmation and to advise the Pool Agents concerned.

302. *Verification of claim statements* :- Claim statements on point basis received from the Pool Agents/Divisional ACMOs should be checked with estatewise summary sheets and connected registers and sent to the Accounts Department, Head Office, for the issue of cheques within the due dates prescribed.

303. *Preparation of bonus coffee valuation reports* :- Bonus coffee valuation reports are prepared and sent to the Pool Agent/Divisional ACMOs when bonus points are declared.

304. *Verification of cup-taste valuation reports*:- The cup-taste valuation reports issued by the divisional ACMOs received in the Office should be verified and corrections, if any, pointed out to the divisional ACMOs as well as to the Cup-Tasting Unit.

305. *Pool Stock Registers (F 2 Registers)* :- F2 registers received from the Pool Agents should be verified to ensure that all the coffees outturned are receipted and properly disposed of.

306. *Payment of coffee received from small growers* :- DCCMOs will periodically visit the Collecting Agency depots and examine the samples and give a decision on the assessment of coffee made by the collecting Agents/Divisional ACMOs and record the same in the relevant register maintained at the depot.

(v) Estates

307. *Coffee retained for domestic use* :- Sanction will be accorded on a reference made by the divisional ACMO for the issue of permits for quantities in excess of 250 kg. But not exceeding 1000 kg.

308. *Coffee seizure* :- Separate files have to be opened for seizure cases. The purchase particulars furnished by the divisional ACMOs are to be checked with the earlier reports and discrepancy, if any, pointed out for clarification.

309. *Acceptance of shortages in seized coffee deposited* :- The following instructions are to be noted for acceptance of shortages noticed at the time of taking coffee to the Pool :-

- (i) When the adjudication order has been passed by the concerned authorities of the Central Excise department on a particular seizure and the fine has been paid by the party to the Central Excise department, the shortage of coffee found while taking

coffee into the pool is a matter to be decided between the Depot Manager and the concerned party; and such cases being straight cases, may be suitably dealt with and disposed of by the DCCMO; and

- (ii) Even in cases where the coffee seized by Central Excise are being deposited by the Central Excise for custody with the Pool Depot and for which neither the adjudication order has been issued nor the fine has been levied by the Central Excise, reference to Head Office should be made only if a controversy arises between the Depot Manager and the party and the DCCMO is unable to settle it. Head Office is normally concerned with shortages arising after the coffee is taken over by the Pool and paid for.

310. *Grant of rewards* : - Rules governing the grant of rewards are given below: -

- (i) In respect of seizures effected by the Board's officials and the Central Excise officials, the question of granting rewards to the Board's officials would depend on the wording of the adjudication order. If the adjudication orders clearly state the Board's officials were also responsible for the seizure or that the seizure was effected along with the Board's officials, reward should be granted to the Board's officials;

- (ii) If, on the other hand, the adjudication orders merely state that the coffee was seized 'on information furnished by the Board's officers', a lower scale of rewards may be given; and
- (iii) When, however, the orders are not clear and Board's officials affirm that they were also responsible for the seizure in question, it would be necessary to get a clarification from the adjudicating authority.

311. The DCCMO, will take up the question of sanctioning of rewards to the Board's officials with CCMO in respect of seizure of coffee in special cases. However, granting rewards as per schedule approved already will be dealt with by the DCCMO, himself.

312. *Diaries of field staff* : - Fortnightly diaries of the field staff should be put up to the DCCMO, after verification by the Divisional ACMO for information.

313. *Grant of curing/hulling licence* :- Applications, if any, received are to be processed and sent to Head Office for orders. The procedure for issue of curing licence has been detailed in Chapter IX. No commitments regarding issue of licence should at any time be made.

314. *Statistics* : - Statement regarding the number of seizure cases effected and total quantity of coffee involved should be prepared and sent to the Propaganda Department for publication in 'Indian Coffee'.

315. Yearly statistics regarding the total number of seizure cases effected and total quantity of coffee involved should be extracted from the records and sent to the Statistical Section, Head Office, for publication in the Annual Report.

316. The statistical data received from the Divisional ACMOs are to be abstracted, districtwise and seasonwise, in respect of estates of different acreage groups. The grouping as based on the planted area is as follows; -

Below 5 acres, 5 to 10 acres,
10 to 25 acres, 25 to 50 acres,
50 to 100 acres, 100 to 150 acres,
150 to 200 acres, 200 to 250 acres
and 250 acres and above.

(vi) Accounts

317. The DCCMO, should maintain a cash book for accounting moneys received and expended by him, as detailed in Part IX-A Accounts – Chapter I. The indents for amounts required by the DCCMO for the expenditure of his office should be sent to the Accounts Department by the 19th of the month in the prescribed form. The indents for funds received

from the divisional ACMO for the expenses other than pay and allowances should be scrutinized and forwarded to the Accounts Department.

318. Preparation of pay bills, TA bills, Overtime allowance, etc., maintenance of suspense and recovery registers, preparation of average pay, calculation worksheets, PF statements, LIC premium statements, Income-tax returns, conveyance and House Building Advance recoveries, OTA worksheets, telephone and trunk call bills, Jeep charges, recoveries, pending bills statement, cash-in-transit statement, etc., are some of the items of work dealt with in DCCMOs Office.

319. Instructions regarding preparation of pay bills, TA bills, etc., are outlined in Part I B – Office Procedure – Chapter XVI.

320. *PF Statement :-* PF Statements should be prepared in respect of DCCMO's Office and PF subscription remitted by means of a cheque drawn in favour of the "Coffee Board Provident Fund Account" direct to the Secretary.

321. *Conveyance Purchase Advance and House Building Advance :-* The Conveyance Purchase Advance and House Building Advance statements should be prepared in respect of DCCMO's Office and the recoveries remitted by means of a cheque drawn in favour of the "Coffee Board General Fund No. 1 Account" direct to the Secretary.

322. For further details, vide Part I – B – Office Procedure – Chapter XVI.

323. The pay bills and imprest accounts of the divisional offices in the region are checked and a consolidation of imprest account is prepared thereof.

324. The procedure regarding checking of imprest accounts, preparation of consolidation of statement, etc., is detailed in Chapter V.

325. Imprest accounts and pay bills of the DCCMO's Office should be sent to the Accounts Department including statement of consolidation of imprest accounts of ACMO's Offices.

326. Returns 'due in' and 'due out' – vide *Appendix XIX*.

327. Registers to be maintained vide *Appendix XX*.

CHAPTER V

DIVISIONAL OFFICES AND EXECUTIVE STAFF

A – Divisional Offices

328. Divisions :- For administrative purposes 12 Divisional Offices have been constituted each under the charge of an Assistant Coffee Marketing Officer.

329. Jurisdiction :- The jurisdiction of the Assistant Coffee Marketing Officer is given below: -

Area (Revenue District)	ACMO having jurisdiction
Madras City	ACMO Madras
Chingleput District	
Chittor District	
Bellary District	
Shimoga District	ACMO Chikmagalur
Tumkur District	
Chitradrga District	
Mysore District	ACMO Mysore
Bangalore District	
Mandya District	
Mandya Town	
Kolar District	

Area (Revenue District)	ACMO having jurisdiction
Salem District	} } } } } } ACMO Salem
Dharmapuri District	
Trichy District	
Tanjore District	
Pudukottai District	
South Arcot District	
South Kanara District	} } } ACMO Mangalore
(Except some portions of	
Puttur Taluk	
Hassan District	} } ACMO Hassan
South Wynaad Taluk	} } } } } } ACMO Kalpetta
of Kozhikode District	
North Wynad Taluk	
Of Cannanore District	
Mannarghat Taluk in	
Palghat District	
Coorg Distrcit comprising	} } } } ACMO Mercara
Mercara, Virajpet and Somwarpet	
Taluks and a portion of Puttur	
Taluk in South Kanara District	
Madurai District	} } } } } ACMO Batlagundu
Ramnad District	
Tirunelveli District	
Nagercoil Taluk in	
Kanyakumari District	

Area (Revenue District)	ACMO having jurisdiction
Nilgiris District	} ACMO Coimbatore
Coimbatore District	
Kozhikode District	} ACMO Calicut
Malapuram District	
Alathur Taluk in Palghat District	
Trichur District	
Alleppey District	
Ernakulam District	
Kottayam District	
Quilon District	
Idikki District	
Trivandrum District	
Guntur District	} ACMO Vijayawada
Hyderabad	
Krishna District	
Khammam District	
West Godavari District	
Vishakapatnam District	

330. *Staff strength* : - The sanctioned staff strength as on 30-6-1977 of all the Divisional Offices both Ministerial and Executive is given onm Page 225.

331. *Divisional Officer* :- Duties and responsibilities – it is the responsibility of the ACMO to ensure proper administration of all matters relating to his jurisdiction and efficient discharge of the work with reference to the powers delegated to him. On the ministerial side, he is assisted by a Head Clerk and other staff as given on page 225 and on the Executive side

by CCIs/ACIs attached to Curing Works, DMs/ADMs/ACIs in charge of the various depots and ranges. The ACMOs attached to the Curing Works will also help the ACMO (Division) in as much as the ACMO (Division) is having supervisory control over the Working of the Pool Agents.

Divisional Offices	ACMO	HC	SC	Jr. Clerk Typist	Dupg Op.	Driver	Group D	Executive Staff		
								ACMOs attached to Curing Works	CCI/ DM	ACI/ ADM
Mysore	.. 1	1	3	2	-	-	12	2	2	11
Chikmagalur	.. 1	2	8	12	1	1	35	3	2	25
Hassan	.. 1	1	3	6	1	-	15	4	2	12
Coimbatore	.. 1	1	4	8	-	-	30	-	6	21
Batlagundu	.. 1	1	5	9	-	1	33	-	5	27
Salem	.. 1	1	1	4	-	1	13	-	4	11
Manalore	.. 1	1	2	5	-	-	6	5	3	8
Calicut	.. 1	1	5	8	1	1	31	2	6	17
Kalpetta	.. 1	1	5	7	-	2	34	-	5	27
Mercara	.. 1	1	5	8	-	1	12	1	1	9
Madras	.. 1	1	2	4	1	1	10	-	-	-
Vijayawada	.. 1	1	2	6	-	-	15	-	1	7

332. When in headquarters, the tappal should be opened by the ACMO and disposal instructions issued. In his absence, the tappal will be opened by the Head Clerk who should ensure that all urgent matters are attended to in so far as he is competent. Other important matters which could reasonably wait for the ACMO may be put up to him on his return for necessary orders and further action.

333. Correspondence on all important matters with Head Office, Regional Offices and other departments should ordinarily be attended to by the ACMO, who should sign such letters as far as practicable. However, in exceptional cases, when the ACMO is on tour or otherwise not available and the matter is urgent, the Head Clerk could do so and keep the ACMO informed of it as soon as possible thereafter.

334. All cash receipts, delivery orders etc., are to be signed by the ACMO, when he is in headquarters. In his absence, the Head Clerk may sign them.

335. Bills of Pool Agents/Pool Depots/Pool Sales Depots/Contractors, Pool payment claim statements, imprest accounts, pay bill etc., should be signed/countersigned by the ACMO himself before submission to the Regional Office/Head Office. A Bills/Claim statements register should be maintained. For all bills received in which the date of receipt, number and amount of the bill, from whom received and other particulars should be entered. When it is forwarded to Regional Office/Head Office, the date on which it is forwarded should also be entered together with the amount for which it is recommended.

336. No expenditure should be incurred without the sanction of the ACMO. The ACMO should carefully verify and attest entries in the cash book each day. He should also do so immediately on return to headquarters, in regard to entries made during his absence. At the close of every month, a

certificate of physical verification and reconciliation of the cash balance should be recorded in the cash book and duly signed by him.

337. *Confidential reports of the staff* : - The procedure relating to the writing of confidential reports, submission and custody thereof is dealt with in Part I B – Office Procedure – Chapter XVI.

338. On the executive side, the principal items of work attended to by the ACMO are as follows:-

- (i) Supervision of the work of the Pool Agents;
- (ii) Inspection of Pool Warehouses/Pool Sales Depots/India Coffee Depots in his jurisdiction;
- (iii) Arranging for pool sales (in centers where pool sales are conducted viz., Vijayawada and Coimbatore). It is the duty of the ACMOs of the various divisions to ensure that the samples meant for pool sales are got drawn and dispatched by the Pool Agents/Storage depots concerned properly to the Depot Managers of the Action Centres well in time.
- (iv) Inspection of range and records of the CCIs and ACIs;
- (v) Checking of accounts of pool and local sales dealers and co-operative societies, a certain percentage;
- (vi) Checking of accounts of Collecting Agents and Curing Establishments other than Pool Agents:

339. *Supervision of work of Pool Agents* :- The ACMO should visit the Curing Works in his area (particularly those where only CCIs/ACIs are attached) and check the standards of grading and garbling of coffee and test-check assessment of small growers' coffee made by them at random. He should draw test verification samples to find out whether samples have been drawn correctly.

340. In Curing Works where there are no ACMOs attached, Divisional ACMO should take particular care in ensuring that the coffees received from the growers are properly received, assessed, paid for and taken for curing according to the order of receipts. He should verify the outturns at random to satisfy that outturns have been rendered properly. Grading and garbling standards should also be verified. The screening of coffee for export sales should also be attended to by him in all the Curing Works in his jurisdiction irrespective of whether there is an ACMO/CCI/ACI attached, and the screening results communicated to Head Office immediately after screening, preferably over telephone to be followed by lotwise lists duly signed by him and the Manager of the Curing Works.

341. Coffees meant for dispatch to ICDs should be checked for quality.

342. The ACMO should also during his visit to the Curing Works examine the sealed samples drawn and kept as a result of disagreement between the CCI attached to the Curing Works and the Manager of the Works over the assessment and give his final decision thereon.

343. The progress of curing should be watched and curers instructed, wherever necessary, to expedite curing. He should satisfy himself that coffee is stored in proper manner in their godowns and steps are taken to prevent deterioration in quality.

344. *Inspections* :- Inspection of Pool Warehouses should be conducted twice a year according to a schedule of programme drawn up and approved.

345. Inspection should also be made with particular reference to machinery, equipment, condition of godowns, physical stocks, grading and garbling standards, stacking of coffee, accuracy of weighing scale etc., Test verification of stocks should be made to find out whether they tally with the book balance. All steps should be taken to ensure that the inspection is thorough and effective to unearth any fault in accuracy or other irregularities.

346. Annual inspection should cover verification of the entire stocks by test weightment and physical identification of each lot.

347. Inspection reports of Pool Warehouses should be prepared in the prescribed form in quadruplicate, 2 copies to be sent to the CCMO, one copy to the Regional DCCMO, one copy to the Pool Agent and another to be retained in his office.

348. Pool Depots in the division should be inspected regularly at intervals of one or two months during the season time and reports furnished in the prescribed form. During the off-season, they should be inspected at least once. No depot should remain uninspected for more than two months during the season time.

349. Pool Sales Depots should be inspected once a quarter and reports sent in the prescribed form.

350. The ACMO should inspect his own office once in three months.

351. *Inspection of records of CCIs/ACIs attached to Curing works :-*
The ACMO should conduct a detailed inspection of the work of the ACIs/CCIs once a year and furnish reports in the prescribed form. He should also supervise the work of the CCIs attached to the Curing Works.

352. Copies of the inspection reports of Pool Depots/Pool Sales Depots/Assistant Coffee Inspectors/Chief Coffee Inspectors should be sent to the Regional DCCMO.

353. An Inspection Minutes Book should be maintained by the ACMO in order to follow up the action by the Units inspected. Compliance reports should be called for periodically from the inspected units and noted in the book, so that important points requiring action are not overlooked and there is regular follow-up.

354. Similar action should be taken by the ACMO in respect of inspection reports of his own office by sending compliance reports regularly till action on all the points recorded therein is completed.

355. *Checking of accounts of Pool and Local Coffee Sale Dealers and Co-operative Societies :-* The ACMO should ensure that the accounts of the Pool and Local Sales dealers in his jurisdiction are checked as far as possible to cover pool sales dealers once in a year and local sales dealers once in six months either by himself or by field staff.

356. Accounts of the Co-operative Societies selling coffee should be inspected at least twice a year. Malpractices, if any, should be immediately brought to their notice and action pursued.

357. Instructions regarding checking Pool and Local Sales dealers and Co-operative Societies are given in *Appendix XVI*.

358. *Inspection of Collecting Agents and Curing Establishments :-* The accounts and stocks of Collecting Agents, if any, should be verified as frequently as possible. The Curing establishments other than those of Pool Agents should also be inspected and their accounts and stocks verified at least once a year.

359. *Advance Tour Programmes :-* Advance tour programmes of the ACMO should be sent once a month to the Regional DCCMO by 20th of the month prior to the one to which the programme relates and approval sought.

The amount of TA advance required also should be indicated and sanction obtained.

360. *Diary* :- The ACMO should send diaries weekly to the Regional DCCMO.

361. *Fortnightly reports* :- A report covering all matters of importance connected with the work in the division such as market trends, stocks with Pool Agents/Pool Depots, progress of curing, crop position etc., should be sent to the Chief Coffee Marketing Officer/Regional DCCMO at the close of every fortnight.

362. *TA Bills* :- The TA bills of the ACMO should be sent to the Regional DCCMO for verification and passing.

363. *Divisional Office* :- Subject to overall responsibility of ACMO, the Head Clerk will be in charge of the current work of the office.

364. The Head Clerk should see to the prompt distribution fo the tappal to the concerned clerks, after diarising and indicate the order of priority for action. He is responsible for prompt attention and speedy disposal and will be held responsible for any delays and inaccuracies in reports , returns and other communications.

365. In addition to being in charge of the current work of the office, he should attend to the proper maintenance of the Pool Fund Cash Book and attend to all transactions pertaining to Pool Fund cash, such as submission of indents for pool ash, acknowledgements, correspondence with banks, withdrawal of funds, disbursement to depots etc.,

366. The imprest accounts are maintained by the senior-most Senior Clerk who is in receipt of fixed cash allowance for handling cash. The Senior Clerk and Head Clerk are covered by Fidelity Guarantee Insurance. For details vide Part I-B – Office Procedure – Chapter XVII.

367. *Establishment work* :- Matters relating to staff, stores and accommodation that are within the competent of the ACMO should be dealt with by him; those requiring orders or instruction from Head Office and or Regional Office being referred to them.

368. Personal files, service books and leave account of all the staff in the division should be maintained in the ACMO's Office.

369. Instructions regarding maintenance of service books are outlined in Part I –B – Office Procedure – Chapter XVI.

370. Earned leave and other leave for Class III and Group D staff except in cases where substitutes are necessary and casual leave for Group C and D staff will be sanctioned by the ACMO.

371. The ACMO is empowered to deal with transfer of Class IV staff within the division subject to restricts if any imposed.

372. Increment certificates of all the staff should be prepared in duplicate within seven days from the date on which the increment fell due. An increment register should be maintained for this. Increments of Groups C and D staff coming under his administrative control are sanctioned by the ACMO except in cases where they are required to cross efficiency bar, when certificates should be prepared and sent to the Chief Coffee Marketing Officer for sanction through the regional DCCMO.

373. Administrative and financial powers of ACMO's – Refer to *Appendix II – Part II – Secretariat*.

374. Pay bills of the ACMO and his establishment should be prepared and put up on the last working day of each month to the ACMO duly verified by the Head Clerk. After the bills are passed, the Head Clerk will disburse the amounts to the respective persons, duly obtaining their acquittance. The salary in respect of all the months could be drawn on the last working day of the month except that of March, which should be drawn only on the list of April.

375. Procedure to be followed in respect of preparation of pay bills is detailed in Part – B – Office Procedure – Chapter XVI.

376. The ACMO should approve monthly advance tour porogramme of the ACIs/ADMs performing inspection work and to the Group D staff attached to them and sanction TA advance.

377. The TA bills of the divisional office staff and those of the field staff should be checked with reference to the tour programmes approved and fortnightly diaries (in regard to field staff) and sent to the regional DCCMO duly countersigned for final sanction. A TA advance register should be maintained in the prescribed form. For details regarding TA – vide Part I B-Office Procedure, Chapter XVI.

378. Pay Advance, TA advance on transfer and Festival advance and sanction of leave salary to staff could be sanctioned by the ACMO as per rules.

379. Medical reimbursement bills for claims not exceeding Rs.250/- rendered in respect of Group C and D staff of the division as well as the ACMO himself are to be processed and sent to the regional DCCMO with his recommendation for admittance or otherwise. Claims exceeding Rs.250/- should, however, be routed through the regional DCCMO to Head Office for sanction.

380. Application for PF advance are to be processed and forwarded to the regional DCCMO concerned.

381. The diaries of the field staff should be checked and forwarded to the regional DCCMO with the relevant reports, after making note of important points in the diaries.

382. *Stores* :- Annual requirement of stationery articles in respect of the divisional Office as also field staff will be worked out by the Office and quotations for supply of the same called for from the local reputed dealers. The quotations thus received will be scrutinized, tabulated and forwarded to the regional DCCMO for acceptance as per rules. Supply of stationery to field staff will be arranged by the divisional ACMOs. The requirements of printed forms/registers will be got from the Head Office annually by placing indents for the same in time. The requirements of printed forms/registers, stationery are to be finalized before the 31st May of each year.

383. Issue of stores articles should be made only against the indents approved by the ACMO or Head Clerk. Supply of stationery to the Inspectorate and attached staff should be arranged on quarterly basis as far as practicable. Supply of printed forms will be arranged annually.

384. *Furniture* :- Requirements of furniture for the divisional Office, depots/inspectorate staff should be sent to Head Office through the regional office before the end of February of each year. Purchases are made from the approved suppliers or by calling for traders/quotations after getting sanction. All new receipts should be brought on to the register of inventory of furniture and office equipments in the prescribed form as required (vide Part I-B Office Procedure – Chapter XIV). A consolidated inventory of all

articles of the division should be prepared as on 1st July of each year and sent to the regional office duly certified.

385. *Unserviceable articles* :- The disposal of unserviceable articles will be attended to by the ACMO as per delegation of powers – Vide *Appendix II Part II-Secretariat* .

386. *Disposal of surplus gunnies* :- The ACMO should call for sealed tenders to be addressed to the regional DCCMOs, for the disposal of surplus gunnies, if the number is less than 3,000 and where the number exceeds 3000, he should send his proposals for its disposal to the DCCMO who in turn will call for tenders.

387. *Accommodation* :- Accommodation for the divisional Office, Pool Depots/Pool Sales Depots is rented and governed by leases. The dates of expiry of such leases should be watched and the question of renewal of otherwise should be taken up at least six months prior to the expiry. Taking up of buildings on rent, entering into or renewal of leases, vacation of buildings should be done only with the prior approval of the Head Office which should be taken up by routine such proposals through the DCCMO.

388. The original registered lease deed executed on stamp paper should be retained in the ACMO's office and one copy of each of the same should be sent to the Regional Office and Head Office.

389. *Duplicate keys* :- The duplicate keys of all the iron safes in the division should be deposited by the ACMO with the State Bank of India/State Bank of Mysore/State Bank of Travancore for safe custody. The charges may be met from his imprest account. The duplicate keys may be obtained from the bank once a year, for verification with the register maintained showing the numbers of the keys of the different depots. The keys after verification should be returned to the bank for safe custody.

390. *Preservation of records and registers* : All the sections in the office should have with them only current records and records relating to the previous year, if constant reference to these is required for the day to day working of the section. All other records should be listed, docketed, stitched and entered in the Transit register sectionwise including the period of preservation against each record and sent to the records room in the office.

391. All the time-barred files are to be weeded out from time to time and disposed of, sold as waste paper, if they do not contain any confidential information or otherwise.

392. Similar lists should be called for from the Pool Depots/Pool Sales Depots/Inspectorate. The Asst. Coffee Marketing Officer will pass final orders of destruction taking into consideration necessity or otherwise of further preservation.

393. *Sales work* : - On receipt of information regarding allocation of quantities to be released in the pool sales etc., ex-Pool Agents/Depots,

within his jurisdiction, they should be directed to prepare lotwise lists which, when received, should be verified and returned promptly after approval with such modifications as may be found necessary. In respect of the lotwise lists relating to the Pool Agents, they will arrange for printing of catalogue of lots in sufficient numbers and forward to sales centers. In regard to the lotwise lists for stocks ex-depots, the concerned Depot Manager will arrange for printing of the catalogue of lots, in consultation with the ACMO.

394. Procedure to be followed in arranging of pool sales, exposure of samples, issue of catalogue of lots etc., is detailed in Chapter XIV.

395. samples of coffees such as sales samples/export samples received at the office should all be brought on to the stock register by the ADM/DM in charge of the stocks and stored safely till they are disposed of. Further, a certificate of receipt of the stock should be recorded on the voucher issued by the Railways or the Octroi authorities with reference to office records. The ADM attached to the Divisional Office will be in-charge of these which should occasionally be inspected by the ACMO. The stock register will be submitted by the ADM attached to the divisional office which will be duly verified and countersigned by the ACMO and forwarded to Head Office.

396. After the preservation period is over, the samples should be disposed of periodically by bulking and putting up in pool sales or in such other manner as directed by Head Office.

397. For procedure relating to preservation of samples, vide Chapter XIV.

398. In respect of coffee sold ex-ACMO's Office, where the ADM is in charge of the stocks, he will collect sales proceeds and remit it to the Board's pool fund account with the bank. For sales proceeds thus collected he will render sales register in Form 16A together with cash memos and remittance particulars to the Head Office through ACMO who will scrutinize and forward them to Head Office.

399. *Refunds of excess amounts remitted by the dealers* :- A refund order in the prescribed form should be prepared for excess amounts remitted by the dealers, either due to wrong calculation of on account of short delivery and sent along with the sales register to the Accounts department, Head Office.

400. *Nominee of buyers* :- When the ACMO receives from a buyer any nomination for delivery of coffee in favour of another person, a letter should be issued by him in the appropriate form.

401. Sales Tax returns should be rendered to the Sales Tax authorities within the due dates specified.

402. *Transfer of stocks* :- Stocks should be transferred from the departmental Pool Collecting depots to the Pool Agents/Main depots as the case may be. Normally, instructions are issued from the Head Office every

year fixing some equitable distribution of uncured coffees collected at the Board's departmental depots to the different Pool Agents in the year. However, where the progress of curing by a particular Pool Agent is found to be unsatisfactory, the ACMO should report to Head Office and seek instructions to discontinue transfer of stocks of uncured coffees to that Agent.

403. *Shortage of coffee* :- Whenever shortages are recorded on the stocks of non-duty paid coffee of Pool depots/Pool agents, they may be examined in consultation with the local Central Excise authorities and the statements of shortages, should be forwarded to the regional DCCMOs together with the decision arrived at after discussion with the Central Excise Superintendent.

404. Shortage statements received from the Depot Managers/Assistant Depot Managers of Pool Sales depots etc., should be forwarded by the ACMO to the regional DCCMO together with his recommendations thereon where the shortage exceeds his powers of acceptance. In those cases where the shortages are within his powers of acceptance, the ACMO should thoroughly scrutinize and take decision to accept or reject the shortages, depending upon the genuineness or otherwise of the shortages.

405. *Export Section work* :- Procedure regarding screening coffee, tendering coffee ex-depots, drawal of export contracts, etc., are detailed in Chapter XV.

406. *Classification Section work* :- Sample tins, polythese bags and labels should be supplied by the ACMO to the Pool Agents as and when required by them. Indents should be placed with the Head Office for supply of these, before the stocks held in the divisional office get exhausted.

407. The ACMO is supplied with standard sieve boxes for test-checking the different grades of coffee rendered by the Pool Agents. The sizer sheets in use in the Curing Works should also be verified with the taper gauge at least once a year.

408. *Coffee Valuation reports* :- These should be prepared in quadruplicate, original to be forwarded to the regional DCCMO, duplicate and triplicate to be forwarded to the Pool Agent who in turn will forward the triplicate copy to the Planters concerned, and the quadruplicate to be retained in the ACMO's office. The cup-test valuation reports should also be issued promptly based on the awards received from the Cup-test Unit. The ACMO should ensure that the time lag between the receipt of the classification statements and the issue of CVRs does not normally exceed 10 days.

409. *Estate Section work* :- Separate file should be opened for every registered estate. All work connected with the estate files and related matters such as registration of estates, issue of permits for domestic use and seed purposes will be dealt with by the office.

410. *Registration of estates* : - When copies of registration certificates are received in respect of estates, registration particulars should be verified and amendments to the old registrations, if any, have to be noted. Registration particulars should also be called for from the Registering Officers quarterly, along with the list of amendments, if any, made in the registration already done.

411. *Cancellation and re-registration of estates* :- Under the Coffee Estate Owners' Registration Rules that are now in force in the various States in India, the Registering Officers should send to the concerned ACMOs advance intimation of not less than one month, of their intention to cancel the registration number registered by them.

412. The above is meant to safeguard the interests of the Coffee Board, for the Board might have noted liens on the payments due to the registered coffee estates or might have advanced development loans to them.

413. Whenever intimations regarding cancellations of the registration numbers are received, they should be checked whether advance notices of cancellation have been received from the Registering Officers or not. If not, the matter should be taken up by the ACMO with the Registering Officers impressing upon them that it is very necessary under the Coffee Estate Owners' Registration Rules for them to give advance notices of their intention to cancel the registration numbers.

414. When notices for cancellation are received in original, copies of such notices should be sent to the Chief Accounts Officer and the Development Officer, Bangalore, for their comments, and on receipt of their remarks, the ACMO should examine whether there is any objection and if not, send a reply to the Registering Officer concerned (Circular No. ET/9/588, dated 10-3-1955).

415. *List of Estates* :- List of estates, district-wise, in accordance with the registration numbers, received from the District Collectors/Deputy Commissioners, should be maintained. The list sent by the field staff should be compared with those received from the Collectors/Deputy Commissioners and any omission got rectified.

416. *Statutory returns* :- Blank forms of statutory returns Form F, F-1 and G (that is blossom estimates, crop estimates and monthly crop return respectively) will be distributed to the registered owners through the field staff.

417. *Issue of permits for domestic use and seed purposes* :- The ACMO will issue permits for domestic use and seed purposes to estates falling within his jurisdiction subject to the regulations prescribed in this regard. The grower while sending Return No. 1 (crop estimate return) at the beginning of the season will fill up the particulars of the quantity required by him for domestic use and seed purposes stating therein the number of members in his family.

418. *Rules governing the issue of permits are given below: -*

- (i) Requirement upto 50 kg. of coffee, irrespective of the number of members in the family of the planters, is ordinarily permitted;
- (ii) If the requirement of a planter is over 50 kg. the permit will ordinarily be limited to a quantity calculated at 6 kg. per member of the family on the quantity applied for whichever is less. The ceiling limit is however 250 kg.
- (iii) Coffee will be allowed for domestic use to company-owned estates also subject to the above conditions;
- (iv) Requirement over and above 250 kg. upto a maximum of 1,000 kg. will be allowed to be withdrawn from the Pool on payment of value for the additional quantity at the retail rates fixed by the Board; and
- (v) Seed purposes coffee will be allowed at the rate of $\frac{1}{4}$ forlit for every 50 acres of planted area or fraction thereof. If any planter insists on excess quantity, such applications should be referred to the Director of Research, Coffee Research Institute, Coffee Research Station P.O., Chikmagalur District, for recommendations, if any.

419. The ACMO may issue permits for coffee for domestic use for quantities upto 250 kgs. And for seed purposes at ¼ forlit for 50 acres or fraction thereof. For quantities exceeding 250 kg. he should refer to the Regional DCCMO putting up a note sheet and on receipt of the orders with office note, permits are issued by him.

420. Permits will be issued in the prescribed form in triplicate – the original to the planter, duplicate to the Central Excise department and triplicate to office record.

421. *Collection of excise duty on coffee allowed for seed purposes :-* Excise duty will be levied on coffee sold by the Director of Research to the registered owners for seed purposes. The Director of Research should, however, ensure that the estate has been issued a permit by the Chief Coffee Marketing Officer for taking coffee for seed purpose.

422. *Estate statistics :-* The statistics relating to the acreage, production etc., of the estates situated in the jurisdiction of the Assistant Coffee Marketing Officer should be compiled and sent to the concerned regional office. The compilation of statistics should be based on the planted area as follows :-

Below 5 acres, 5-10 acres, 10-25 acres,

25 – 50 acres, 50-100 acres, 100-150 acres,

150-200 acres, 200-250 acres and 250 acres and above.

423. These statistics should be filled after obtaining the relevant data from the various range ACIs/ACMOs in charge of estate inspection work also.

424. *Collection of Statistics* :- Statistics with regard to acreage, production, etc., will be compiled on the basis of the complete enumeration in the case of all estates of and above 5 acres and by the method of random sampling in the case of estates below 5 acres. The method of random sampling is also adopted for purposes of tabulating the statutory returns received from coffee estates, inspection, maintenance of files and other connected work in respect of estates of this category. Data in respect of unregistered estates are collected on the basis of complete enumeration.

425. The procedure relating to collection of statistics by random sampling method is given below:

- (i) List of all registered estates below 5 acres in extent in respect of each range should be called for and serial numbers assigned to them;
- (ii) If the list of estates has been made for each village separately, the serial numbering may be done continuously from the first village to the last village and, while serially numbering all unregistered estates, those which have applied for registration, should be excluded;

- (iii) Calculate 10% of the total number of estates to be selected and round it off to the next higher digit;
- (iv) Communicate the names of these selected estates to the field staff concerned and instruct them to visit these estates and collect all statistics in detail in respect of these estates wherever they are located;
- (v) Obtain the data collected and tabulate them in the abstracts as in the case of large growers;
- (vi) Estimate the averages for each range and the calculation of the total acreage/production, etc., for each range based on these averages;
- (vii) Consolidation of the range totals into district totals and again with the total of estates of and above 5 acres in extent;
- (viii) List of unregistered estates should also be collected and maintained in respect of each range;
- (ix) Random numbers once selected should not be tampered with;
and
- (x) Selection of set of estates should be made once a year so that all estates below 5 acres in extent are covered once in 10 years.

426. *Tabulation of statutory returns* :- This will be confined to the estates selected under the random sampling scheme in respect of estates below 5 acres in extent. In respect of other categories all the returns received should be tabulated.

427. *Printed forms and registers* :- Annual indents for printed forms and registers relating to Estate work should be sent to the regional office.

428. *Fortnightly diaries* :- The fortnightly diaries of field staff should be duly checked, with reference to their approved tour programmes and forwarded to the Regional office. The ACMO should make his own observations on the adequacy or otherwise of the turnover of work of each Inspector.

429. *Coffee seizures* :- Cases of seizure of coffee effected by the Board's staff and those effected by the Central Excise staff should be recorded separately in a register maintained for this purpose. Separate file should be opened for each such case. Seizure cases are reported to the Central Excise department for adjudication. The Central Excise department will adjudicate and when copies of adjudication orders are received, appropriate action should be taken in accordance with the terms of adjudication with regard to the coffees. The purchase particulars should then be furnished to the regional office.

430. When the action is completed on a case file, the file will be closed by indicating the brief history of the case in the prescribed form called 'Check sheet'.

431. Every month a statement regarding the number of seizures effected and the total quantity involved should be prepared and sent to the regional office.

ACCOUNTS SECTION WORK

Pool Fund Account

432. Under Rule 35(6) of the Coffee Rules, 1955, the ACMO has been unauthorized to open current account in his official name in the banks approved by the Central Government for effecting payment to planters. All the ACMOs have accounts with the State Bank of India, State Bank of Mysore and State Bank of Travancore at their respective places.

433. *Indent for funds* :- The procedure relating to indent for funds, drawal and submission of weekly statements is given in Chapter IX.

434. *Pool Fund Cash Book* :- The Office should maintain a Pool Fund Cash Book in the prescribed form. All amounts drawn against Letters of Credit established in his favour, and all disbursements to the various depots made by him should be accounted in this register. Care should be taken to avoid excess indents for establishing Letters of Credit. Similarly, excess supply of cash to the depots should also be avoided. In other words,

the indents received from the depots should be properly scrutinized with reference to the cash balance with the depots and the probable expected receipts of coffee for which indents are made.

435. Remittance of funds to the depots for making payments to the growers are made by the ACMO by withdrawal from his current account. The depotwise register showing the particulars of amounts remitted to each depot, amounts disbursed by the depot during each fortnight and the closing balance at the depot at the end of each fortnight should be maintained.

436. *Checking of receipts issued to small growers, returns etc., of Pool depots/Collecting Agency depots/Pool Agents:* - The following instructions should be observed in the checking of these accounts :-

- (i) Coffee receipts : First payment – It should be verified whether;
 - (a) the rates, value and deduction for triage, driage, etc., are correct;
 - (b) the value and amount of deduction noted have been worked out correctly;
 - (c) the net amount payable has been expressed both in words and figures and any corrections thereto have been duly attested by the planter; and the Depot Manager/Asst. Depot Manager concerned;

- (d) Stamp has been affixed for amounts in excess of Rs.20/-.
 - (e) The receipts have been signed by the planter or when it has been signed by his Agent, the term 'authorised' has been noted by the DM/ADM. The letter of authorization should also be scrutinized;
 - (f) the registration number of the estate has been given; where the estate is not registered, the procedure given elsewhere in this Chapter should be followed;
 - (g) reference to the serial number of the C1/C2/C3 register is given on the receipt; and
 - (h) the quantity, rate and percentage of deduction columns have been duly filled in. The receipts for the payments when made subsequently should be checked with the original receipts.
- (ii) *Coffee receipts* :- Supplementary payments – These should be checked with the original receipts and it should also be verified whether the amounts worked out are correct. The checks prescribed in (c) to (h) above should also, mutatis mutandis, be exercised.

(iii) C1/C2/C3 Register/R 23- The following should be looked into:-

- (a) whether there is continuity in the serial numbers of the items:
- (b) the entries for quantity, amount paid and deduction tally with the receipts;
- (c) If the payment has not been made during the fortnight, a note 'pending payment' would have been made in the register against the quantity received and this should be linked and referenced with the serial number of the receipt in the statement for the fortnight in which payment has been made;
- (d) For gain-in-weight, separate receipts, are issued; it should be seen that the totals of the actual receipts and gain-in-weight are shown separately both under the fortnightly receipts as well as the progressive totals;
- (e) Dispatches should be checked with the coffee passes; in cases of issues to other depots, they should be linked with the corresponding receipts in the C1/C2/C3 register of the receiving depot; and

- (f) Arithmetical accuracy of the figures in the register should be checked.
- (iv) *Advance Register* :- The total of the daily payments should be worked out from the C1/C2/C3 register and supplementary payment registers and checked with the entries in the Advance Register. Receipts for advances received from the ACMO should be supported by copies of acknowledgements issued by the depot. It should also be verified that the certificates of physical verification of cash balance has been recorded by the DM/ADM.
- (v) *Stock and Cash account* :- The opening balance should be checked with the closing/balance of the previous fortnight and the correctness of the closing balance verified. Figures in the stock and cash account should be verified with the entries in the C1/C2/C3 register and advance register;
- (vi) *Supplementary Payment register* :- The entries should be checked with the supplementary payment receipts and should be linked with the entries of receipts in C1/C2/C3 register to serve as a check against possible double payment. The total of the quantities in the register should be checked and it should be seen at the end of the season that the total tallies with the totals in C1/C2/C3 register less gain-in-weight, less the outstanding

quantities for which the supplementary payment is still due and less the quantity of seized coffee which has been confiscated and credited to the Central Excise and on which no further payment is due.

437. A register for noting the objections issued as a result of internal check of returns should be maintained and replies to all these objections should be watched through this register. Excess or short payments not exceeding one rupee noticed during check may be ignored as it may not be worthwhile asking the DM/ADM to recover or refund such small amounts.

438. *Check to be exercised in the Divisional Office* :- The fortnightly accounts of Pool Depot/Collecting Agent/Pool Agent should be subjected to the following quantum of check:

- (i) Clerk : - Cent per cent.
- (ii) Head Clerk :- Five per cent, selected at random; the selection should be so spread over to cover all the depots and all the twelve months' receipts.

- (iii) ACMO :- He will ensure that the fortnightly records of the Pool Fund Advance Account are properly arranged (i.e. arranged depot wise and record wise – the latter in a serial and chronological order) and necessary checks are exercised by the clerks and Head Clerk, up to the percentages prescribed in this behalf. In addition, he should select not less than 30 receipts at random (both from the initial receipts and the supplementary receipts) and check them with the estate-wise register and the Index Register maintained in the depots each time the Depot is inspected.

439. A register in the prescribed form should be opened wherein information in regard to (1) the name of the Pool Agent/Pool Depot/Collecting Depot (2) Year of the coffee crop, (3) period to which the payments relate, (4) nature of payments made and (5) number of coffee receipts issued during the fortnight, should be noted.

440. After completion of the check of the Coffee receipts in the manner and to the extent prescribed above, the Clerk/Head Clerk/ACMO should record separate certificates in the register as indicated below:-

- (1) Certificate to be recorded by the Clerk :- Certified that all the coffee receipts were checked cent per cent with all the connected records, viz., C1/C2/C3 register, bulk statements, coffee passes, stock and cash accounts and the Pool advance

registers and suitable observations made whenever the payments were seen to be not altogether in order.

(2) Certificate to be recorded by the Head Clerk:

Certified that
Coffee receipts representing 5% of the total number of coffee receipts were checked with all connected records.

Head Clerk/Divisional Office

(3) Certificate to be recorded by the ACMO:

Certified that the maintenance of fortnightly records of the Pool Fund Advance accounts have been scrutinized and the undermentioned receipts were checked by me during the inspection of the Depot with the estate-wise register and the index register maintained in the depot.

- 1.
 - 2.
 - 3.
- and so on.

ACMO

441. *Outstanding payments* :- After the last date fixed for making the final payment for the season is over, the list showing all the outstanding payments such as initial, supplementary and final payment of a particular season, should be called for from Pool Agents/Pool Depots and checked thoroughly at the Divisional office with the unlinked item of C1/C2/C3 register in the case of Pool Depot and with RR 23 in the case of Pool Agents.

442. The above particulars should also be posted in the outstanding payments register which should be maintained in the prescribed form.

443. After verifying the outstanding list, one copy may be sent to the Accounts Department so that necessary provision under sundry creditors' account may be made at Head Office. Whenever any claims for releasing the amount to the concerned planter or to the Pool Agent are settled, entries in the outstanding payment register will have to be made and the Serial Number of the outstanding list may be circled in red ink. Cases pending clarification may be referred to the Regional Office or to the accounts department.

444. It would be better to have one folio for each Pool Depot /Pool Agent.

445. *Payment of value of coffee to agents of growers* :- The Board regards the registered owner of the estate as the person entitled to deliver

coffee to the Pool and to obtain payments thereon. He may authorize agents in this behalf. When a supplementary payment becomes due on coffee delivered by an 'Agent' of the registered owner of the latter's behalf, the Board deems the registered owner as the 'rightful claimant'. If the Agent desires to obtain the supplementary payment, a fresh letter of authorization from the registered owner should be produced. The registered owner may, if he so desires, empower his 'Agent' once for all to receive payments becoming payable on the coffee. The Board does not recognize private contracts like lease and will not make payment on that basis. In such cases, the planters are permitted to issue authorization letters empowering the 'Agent' to obtain payments named by them. 'Payment' means the value obtainable on delivery; 'Supplementary payment' signified the differential value payable on the date of the letter of authorization; 'All payments' will denote payments obtained immediately on delivery plus any other future payments, if declared.

445. *Payment to growers in the absence of registration certificates :-*
When a registered owner dies leaving behind heirs and successors but in whose names registration has not been transferred; for the coffee delivered may be made to the reputed heir or successor, provided he produces a certified copy of the application made to the Collector/Deputy Commissioner for registration of the estate in his name, executes an indemnity bond in favour of the Board and also produces TP.3. The same procedure may be followed if the amount is small regarding payments outstanding on coffee already delivered. Otherwise, he should be asked to

produced the succession certificate. If the application for registration is subsequently rejected by the Collector/Deputy Commissioner, further payments should be stopped.

447. In order to satisfy that the person who claims payment has a prima facie title for the estate the following particulars should be examined;-

- (a) By what law was the deceased governed? This will depend upon whether the deceased was a Hindu, Mohamadan, Christian, Parsee etc.,
- (b) Did the deceased leave a will or die intestate?
- (c) Who are the near relations surviving the deceased, who may come within the category of heirs? Ascertain, in particular the names and ages of all the widows, children – male and female – children, parents, brothers and sisters;
- (d) In case the deceased left a will, a certified copy thereof may be called for and whether application for probate has been filed be ascertained;
- (e) A certificate of death also should be produced.

448. In case the deceased died intestate, all the heirs determined according to the personal law of the parties should be required to join the request to the Board for payment. In case where the estate has been registered, the new registered owner or the applicant for registration, in case registration is not made yet, should be required to join in the request to the Board for payment.

449. *Further, the following requirements should be satisfied :-*

- (a) Application for registration of the estate under the Coffee Act should have been made and application for Probate also should have been made in case of Testamentary Succession;
- (b) An indemnity should be given by the Claimant with or without security according to the circumstances of each case to the satisfaction of the Board;
- (c) There should be no dispute or litigation affecting the title of the claimant to the estate or the dividends therefrom;
- (d) The claimant should have delivered the coffee in question to the Board.

450. If all the foregoing requirements are complied with to the satisfaction of the Board, then the claim could be taken note of and payment made without insisting on the production of a Probate or Letters of Administrator or other authority from the Court regarding title.

451. The correctness and truth of the information furnished by the Claimant should invariably be verified as a rule by the local officer of the Board, before the Board acts upon it.

452. When a registered owner effects the transfer of his estate to another and registration has not yet been transferred to the name of the purchaser, payment may be made to the transferee on producing the documents of transfer for perusal and furnishing a joint declaration by the transferor and the transferee setting out the circumstances of transfer. Production of the postal receipts, as proof of application having been made to the Collector/Deputy Commissioner for registration of the estate should also be insisted upon. In addition, an Indemnity bond in favour of the Board should also be got executed by the transferor and the transferee.

453. In the case of a transfer of an estate whether by way of gift, sale or otherwise, the transfer can be effected only by means of a registered document. As such, it will always be possible for the parties concerned in a transfer to produce documentary evidence of the transfer. For this purpose the joint application by the transferor and transferee requesting payment of the monies to the transferee and production of documents of transfer will

have to be acted upon by the Board. A copy of the notice of transfer will have to be sent to the concerned parties for necessary action. An indemnity bond will have to be obtained from the transferer and transferee. The form of notice of transfer is given in *Appendix XXII*.

454. When a partition takes place in the family of the registered owner and a particular estate falls to the share of one of the members of the family who is not yet in a position to have the registration transferred to his name, payments may be made on production of an application by the previous registered owner and the person in whose favour it is sought to be registered and on satisfying the Board that they have also made an application to the Collector/Deputy Commissioner for the transfer of the estate. In this case also, an Indemnity Bond executed by both the parties should be called for.

455. A partition among the members of a family can be effected either (a) by means of a registered deed of partition or (b) otherwise by a mere division of the properties among the members of the family. In the case where a partition deed comes into existence, it is compulsorily registerable. Proof of partition therefore can be put before the Board in such a case. When the partition takes place in any other manner such as by means of a family arrangement whereby the parties divide the properties themselves written proof of partition may not be available. In such a case the Board would naturally have to insist upon formal proof of partition.

456. In either of the two cases the registered owner at time of partition, and the person to whose share the estate falls on account of partition, should make a joint application to the Board requesting the Board to pay the moneys to the second party.

457. Where an estate has not yet been registered at all, payment may be made to the party on the execution of an indemnity bond and production of the copy of the application for registration made to the Collector/Deputy Commissioner supported by TP.3

458. *Coffee grown on Government lands* :- In respect of coffee grown on Government lands, where registration of estates may not be possible, payment may be made to the parties on their executing an indemnity bond provided that their rights to receive payments have not been questioned. In this case, growers need not be insisted upon to furnish sureties from two registered owners of coffee estate.

459. *Payment on coffee delivered by the lessee of estates* :- Lessees can be paid on the strength of the lease deed, only if an authorization for making payment to the lessees is provided for in the lease deed. Where there is no such provision in the lease deed, production of a separate authorization from the registered owner should be insisted upon. Indication should be given in the receipts in all cases where payments are made to the lessees.

460. *Indemnity Bond* :- Instances where indemnity bonds are to be got executed have been dealt with the paras above. Indemnity bonds in all cases do not afford real cover to the Board, i.e. if it is later found that the payment to the executant does not give a valid discharge, the Board would be exposed to loss, unless the executant of indemnity is sound enough financially to make good the loss. Indemnities for large amounts should not be got executed as a matter of routine. The form of indemnity bond to be executed by the planter for obtaining payment, in the absence of reistration certificates, specifies the amount of the payment to be recorded thereon. This implies that separate indemnity bonds are to be executed for each delivery and payment. To avoid this inconvenience a general bond is prescribed to cover all the deliveries during the season. As the amount has not been mentioned in the bond, the maximum stamp duty under the Stamps Act of the States will have to be paid. Where the necessity for execution of bond arises, the planters may execute the general bond with the higher stamp duty or individual bonds at the time of each delivery.

461. Forms of indemnity bond and general bond are given in Appendix XXIII (a) and (b).

462. The above points are to be noted by the ACMO while considering the question of releasing the Pool payments. In case of further doubts, if any, he may refer the matter to the Regional Office or to the Accounts Department.

Checking of Sales Register, bills etc.,
Collecting/Storage-cum-Selling Depots

463. Purchase Registers (3a, b, c) Sales registers, cash memos and remittance particulars received from these depots should be checked thoroughly and the originals forwarded to the Accounts department, Head Office, duly countersigned by the ACMO.

Pool Sales Depots

464. *Sales registers* :- The original of the sale register (RR 16A and gunny sale and remittance form) should be forwarded to the Accounts Department, duly checked and countersigned by the ACMO, retaining the duplicate copy for his office record.

465. *Cash Memos* :- The duplicate copies of the cash memos are to be forwarded to the Accounts department, Head Office, duly checked and countersigned by the ACMO retaining the triplicate copy for his record.

466. *Cash Account forms* :- The original of the cash account form is verified with the duplicate challans received from the concerned bank and forwarded to the Accounts Department, Head Office, over his signature retaining the duplicate copy with him.

467. *Stock Register* :- The original of the stock register should be forwarded to the Accounts department, duly countersigned by the ACMO retaining the triplicate for his record.

468. The above returns should be forwarded to the Accounts department by the ACMO to reach before 10th of every month (for details Vide Chapter XIII).

Pool Agents

469. Sales Registers (16A and 16B) :- The original of sales registers received from the Pool Agents are verified, countersigned and forwarded to the Accounts department by the ACMO.

470. *Refunds of excess amounts remitted by the dealers* :- The refund orders received on account of excess amounts remitted by the dealers either due to wrong calculation or due to short delivery of coffee are duly verified, countersigned and forwarded to the Accounts department by the ACMO.

471. *Fortnightly returns* :- Initial payment to large growers and first payment to small growers – the original of fortnightly returns (RR15 and RR15A) sent by the Pool Agents have to be verified with RR Nos. 23 and 24 relating to initial payment to large growers and first payment to small growers and with RR 26 in respect of supplementary payment to small growers and forwarded to the Accounts department duly countersigned by the ACMO. The fortnightly returns of stocks and sales (RR12, 13, and 14)

received from the Pool Agents should be properly verified with the outturns, receipts and disposals during the fortnight and discrepancies, if any, pointed out to the Pool Agent with copies to Head Office.

472. *F2 Registers and Pool Stock Registers* :- These registers maintained by the Pool Agents should be checked periodically by the Sub-Office with reference to the outturns and bulk statements. The disposal side should also be thoroughly verified with reference to the disposal during the period.

473. *Debit bills* :- The debit bills of the Curing Works in respect of the following items should be checked and countersigned in the sub-office and submitted to the CAO, Bangalore :-

- (a) Curing charges bills,
- (b) Agency remuneration bills,
- (c) Sales remuneration bills,
- (d) Bulking charges bills and
- (e) Rehabilitation fund claim bills.

The register showing the particulars of debit bills should be maintained indicating the date on which they are received in the Sub-Office, the particulars of claims the amount recommended and the date of forwardal of the bills to the Accounts Department. This register will enable detection of duplicate claims made, if any, by the Pool Agents.

- (a) *Bills for freight and other charges* :- The bills received from the transport contractor for despatch of coffee from the Pool Depots to Pool Agents/Main depots and from Pool Agents/Main depots to Pool Sales depots etc., when received should be scrutinized with the relevant records, and forwarded to the Accounts Department, Head Office, duly countersigned by the ACMO.
- (b) *Bills for F.O.R. charges, railway freight, Octroi etc.*:- The duplicates, copies of the bills, along with railway cash receipts, octroi receipts, etc., in support of the charges incurred on this account, will be checked with reference to the rate, railway receipt etc., The original bills are sent to Head Office by the ACMO after verifying whether the receiving Unit/depot has recorded the necessary certificate as to the receipt of coffee etc., as indicated in Chapter XIII.

NOTE:- Charges for gunnies used in packing are revised every quarter based on the rates of gunnies prevailing during the previous quarter ;

- (c) *Bulking charges bills* :- The ACMO will verify and record on the original copies of the bills that bulking has been done in accordance with the instructions given to the Pool Agent.

- (e) Bills for handling, receiving and weighing charges :-
The bills for handling charges etc., should be admitted for payment, after verifying from the fortnightly returns transport bills etc., that the quantity accounted is correct. In the case of coffee with husk handling charges should be admitted after ascertaining the outturned quantity particulars which will be available in the curing charges bills.

474. Agency remuneration charges :- The agency remuneration in respect of payment to large growers – small growers is claimed against debit notes. The debit notes are checked with the outturns and estate pounded coffee receipts and necessary certificates recorded on them and forwarded to Head Office duly countersigned by the ACMO.

475. The rates of remuneration payable to the Pool Agents are as per the agency agreement entered into with the Pool Agents and they are as follows:

Rates of remuneration

- | | | | |
|-------|------------------------|----|---------------------|
| (i) | Curing only | .. | Rs. 159/- per tonne |
| (iii) | Pool Agents performing | .. | Rs.194/- do |
| | All functions | | + Rs. 51/- |

- (iii) In case of additional items . . . At the rates mentioned of work specified in the Schedule 'A' thereto.

476. In order to provide a basis for 'escalation', the curing charges will be deemed to be made up of the following elements :-

	Items		Cost per tonne	
			Rs.	Ps.
a)	Wages (including bonus of Rs.7.75)	..	76	60
b)	Salaries	..	44	30
c)	Power	..	7	90
d)	Depreciation	..	14	90
e)	Loss on utilization of gunnies	..	20	25
f)	Overheads (including repairs and adjusting credits)	..	22	25
g)	Rehabilitation Allowance	..	5	00

	Nett Total	..	193	60
	Rounded	..	194	00 per tonne

NOTE: The rates are however, subject to revision from time to time Depending upon the costing made by the Costing Committee and acceptance of the same by the Marketing Committee.

477. *Curing charges bills* :- The quantities in the outturns are compared with the quantities in the statement and the Curing charges against each outturn checked. The original of the curing charges bill and the statement attached thereto are to be forwarded to the Accounts Department duly verified and countersigned by the ACMO.

Collecting Agents

478. *Bills of collecting agents towards agency remuneration* :- Some of the Pool Agents have been appointed as Collecting Agents and are entitled to collecting agency commission as fixed in the terms of agreement. The bills when received should be checked with RR23 and 26 as to the correctness of the amount shown as paid to small growers and sent to the Accounts Department duly countersigned by the ACMO for making payment. The monthly debit bills together with the statement received from the Collecting Agents in the erstwhile Travancore area as well as from the Coorg Coffee Growers Co-operative Society Ltd., Mercara, should be verified in detail with the copies of the coffee receipts, particularly quantity of coffee purchased and the amounts paid to the growers. The commission is claimed at a rate fixed in the terms of agreement, on the total amount arrived at as per the statements. These statements should be forwarded to the Head Office duly countersigned by the ACMO.

Imprest Account

479. The Divisional Office should maintain a cash book for accounting moneys received and expended. Instructions regarding the maintenance of cash book are given in Part IX-A – Accounts – Chapter I. The imprest amount received should be accounted for, as receipt in the imprest cash book and expenditure on pay, allowances and contingencies, as payments in the order of their occurrence. The amounts received towards imprest should be shown under ‘receipts’ and the aggregate expenditure incurred during the month under each head of account shown against the appropriate head. The imprest account should show the opening balance, the total receipts during the month, total expenditure and the closing balance.

480. *Indent for imprest* :- Indents for the amounts required by the ACMO for the expenditure of his office and for each inspectorate unit and depot for the expenses other than pay and allowances should be sent through the Regional DCCMO to the Accounts Department by the 20th of the month in the prescribed form, while indents for the expenses of pay and allowances should be sent to Head Office direct.

481. *Account of expenditure* :- Imprest – The imprest accounts received from Head Office are credited to the subsidiary current account opened for the purpose and the funds required for the divisional office and for the imprest holders in the division are drawn from this account. Disbursement of the amounts required for each imprest – holder under the

jurisdiction of the ACMO is made by money order, cheques, demand draft or cash as may be convenient.

482. *Checking of imprest accounts* :- The opening balance shown in the imprest account should be verified first with the closing balance for the previous month and in case of any variation, it should be corrected, under advice to the imprest-holders, so that the same corrections might be effected at his end also. He should also be asked to explain the discrepancy, when he had certified the closing balance for the previous month as correct.

483. Closing balance of service postage stamps need not be shown in the imprest account. There will be no opening balance of service postage stamps in the succeeding month. This should not be confused with the stamps received from the ACMO during the month, and a like amount accounted under postage.

484. *Receipts* :- (i) Imprest – The receipt of imprest shown in the Imprest account of the field staff should be verified against the entry made in the cash book. The acknowledgement of the remittance by the Imprest holder should be filed with the concerned imprest account.

(ii) *Service Stamps* :- These should be checked with reference to the statement in the imprest account of the ACMO showing the value of service stamps supplied to the field staff during the month. The value of service stamps received should have also been shown as expenditure under postage and telegram.

(iii) *Other receipts* :- Any other item of receipts found in the imprest account should be scrutinized and the details noted against each item; and

(iv) Any item of receipt which is refundable or to be reimbursed to another party should be shown under 'Suspense'.

485. *Checking of the accountal of pay bills* : Verification should be made whether the total gross payment shown in the pay bill/s tallies with the total accounted in the imprest account under payments. Further, verification should also be made whether each item of gross payment of pay, DA, HRA, CCA etc., is taken correctly under the appropriate head in the imprest account, on the expenditure side, and whether each item of recovery shown in the pay bill is taken correctly under 'recoveries in the pay bill', on the receipt side of the imprest account. Any error noticed, whether it is wrong classification or accounting of an incorrect figure, should be corrected immediately. But, if a correction affects the closing balance, the correction in question, as well as the correction of the closing balance, should be advised to the imprest-holder, for necessary correction in his records.

486. In checking the accountal of the recoveries in the pay bill, particular care should be taken to see that recoveries of PF subscription, pay advance, festival advance and all other recoveries are taken under the appropriate heads. Any discrepancies noticed should be corrected immediately. Accounting of recovery of festival advance as recovery of pay advance is a common error.

487. *Checking of Accountal of TA bills :-*

- (i) When TA advance is adjusted in the TA Bills and the balance due to the incumbent is paid, the gross amount of the TA bill should be shown on the payment side and the TA advance adjusted, shown as a recovery.
- (ii) When the TA advance exceeds the TA amount and the excess is recovered from the official, the full TA amount should be shown as payment of TA and the full amount of TA advance under receipts; and
- (iii) When the TA advance and the TA amount are just equal, then again, the amount of TA and the TA advance should be shown under payment and receipts, respectively;

488. *Checking of expenditure under contingencies :-* Every item of expenditure should be supported by a voucher and accounted for under proper head. In this connection, the following points are to be noted:-

- i) The Voucher should contain –
 - a) reference to sanction to incur the expenditure;

- b) certificate for having taken the items into stock in cases of purchases of articles, printing and all cases where any kind of stores are involved;
 - (c) “paid” stamp after payment;
 - (d) details for the payment.
-
- (ii) The acquittance in the wages statement should be in ink and should be stamped when the amount paid exceeds Rs.20/-;
 - (iii) Acquittances in the wages statement should be dated;
 - (iv) Wages statement should contain a certificate to the effect that the coolies were actually employed and the wages paid to them are correct;
 - (v) The wages statement should have the acquittance of each person whose name appears in it against the relative amount;
 - (vi) Sanction Memo and date, either by Head Office or Divisional Office, should be noted against each item in the wages statement;
 - (vii) Receipt for money paid towards a bill alone would not suffice as a voucher. The bill in question should also be furnished;

- (viii) For remittance by money order, Money order acknowledgement signed by the payee should be furnished. Money Order receipt alone is not sufficient;
- (ix) The vouchers covering expenditure under a single head of account should be brought together under one abstract of vouchers;
- (x) Small amounts spent on purchases of minor articles like baskets and broom-sticks are found accounted under office equipment. This is wrong. For these items 'incidentals' is the proper head of account;
- (xi) Any item of payments shown under 'suspense' should be accompanied by details and the vouchers should be serially numbered ; and
- (xii) Cash bills from the hoteliers for the lunch charges incurred at the time of Local/Pool/Export Sales should be obtained and attached and, only in exceptional cases where cash bills are not obtained, certified vouchers from the controlling officer may be furnished.

489. After all the entries in the imprest account have been checked

the total struck on the receipt side and expenditure of the imprest account should be verified and the correctness of the closing balance should also be checked.

490. *Miscellaneous* :- The following further instructions may be noted:-

- (a) In the vouchers relating to drawal of advances, the name of the incumbent should be written clearly under the signature which, in many cases, is not decipherable;
- (b) In the vouchers, relating to drawal of transfer TA advances, the place from and the place to, the person is transferred should invariably be mentioned;
- (c) Abbreviations should not be used for names of persons in the PF subscription statements, statement of advances etc., since this causes a lot of confusion and unnecessary correspondence; and
- (d) It is frequently observed that the figures noted in the imprest accounts do not tally with the amounts in the relative vouchers. This leads to doubts about the correctness of the cash balance. Imprest-holders should see that such discrepancies do not occur.

491. *Consolidation of Imprest Accounts* :- The following instructions are to be noted while preparing the consolidation of statement of account :-

(i) All figures in imprest account except the following should be taken for consolidation -

(a) The figures under cash received from Head Office/ACMO or Service Postage Stamps received from Head Office/ACMO; and

(b) Value of service postage stamps or remittance of cash sent by the Divisional Office to the field staff and shown in the divisional office imprest account under expenditure.

(ii) Compilation should be done separately for (a) Divisional Office, (b) Inspectorate staff, (c) Pool Depot and (d) Each Pool Sales Depot. There are two parts in the consolidation statement, viz., Debits and Credits.

492. *Debits* :- The expenditure incurred should be entered under the appropriate column against the name of the Imprest Unit under each class on the debit side and the total struck. Gross amounts of pay and TA should be taken for this purpose. The following may be noted in this connection:

- (a) Pay should include special pay also;
- (b) TA means TA on tour and on transfer;
- (c) Recoveries under expenditure heads like pay and allowances should not be shown separately anywhere in the statement ; but should be deducted from the expenditure under the heads for the month and net amount under the head only should be shown in the statement; and
- (d) Payment of any allowance other than DA, TA and HRA should be shown under the column CCA Society (Compensatory Allowances.)

493. *Credits* :- The recoveries in the pay bill accounted for in the imprest account viz., PF subscription, pay advance, festival advance and any items of recovery shown on the receipt side of the imprest Account should be shown on the credit side of the imprest Account should be shown on the credit side of statement and totaled. The following instructions may be noted, when accounting recoveries :-

- a) Recoveries under PF subscription include instalments of Provident Fund Loan; and

- (b) TA advance adjusted in the TA bill should be shown on the recovery side under recovery of TA advances, and on no account, should net amount paid towards TA be shown under TA on the expenditure side.

494. The difference between the total of the debit side and the total credits will be exhibited under the column “Net Expenditure”. As the grand total of expenditure in the Imprest of ACMOs, Field staff is arrived at without taking into account the miscellaneous receipts under credits, the figure for expenditure in the imprest account may not tally with the net expenditure arrived at in the consolidation statement. In such cases, the expenditure shown in the imprest account may be reconciled with the net expenditure in the consolidation statement, as under :-

Expenditure in the imprest accounts		Rs.
Less:		
(i) Imprest remitted to field staff	Rs.....	
(ii) Service Stamps issued to Field Staff	Rs.....	
(iii) Sale proceeds of old newspapers	Rs.....	Rs.....

Net expenditure as per consolidation statement		Rs..... -----

495. When there is any such reconciliation to be effected, it may be recorded on the above lines somewhere at the close of the imprest account.

496. After all the imprest accounts of the division are correctly accounted for in the consolidation statement totals may be struck separately for (1) divisional office, (2) inspection staff, (3) depots and 4) each pool sales depot. Next, a grand total may be struck for the whole division for all the columns under credits as well as for the column 'net expenditure'.

497. *The following general instructions may be noted :-*

- (a) When there is no printed column to record an item of expenditure of recovery, the appropriate head of account may be written in any blank column;
- (b) A separate statement in respect of each advance should be attached giving the names of individuals, the payments made to and the recoveries effected from them;
- (c) In the case of extraordinary items of payments and recoveries for which classification of head of account is not known, the following may serve as a guide;
 - (i) Sale proceeds of old news-papers and sundry receipts – miscellaneous receipts;

- (ii) Sale proceeds of articles which is payable to another department or any receipt of money payable to any other party – “Suspense Account”;
and
- (iii) Payment of any amount in respect of which there was previously an equivalent receipt “Suspense”;
- (d) Recovery of storage and godown charges and sale proceeds of old gunnies shown under Receipts in the imprest account, should be deducted from the amount of ‘cost of storing and marketing’ accounted in the imprest account and the net amount of cost of storing and marketing may be shown in the consolidated statement.
- (e) Recovery of house rent and electricity charges should be deducted from the payment under “Rent and Electricity”.
- (f) As a general rule, all recoveries effected in respect of “expenditure heads”, i.e. pay, allowances, TA and contingencies, either shown in the imprest account on the receipt side, or shown in the pay bill and accounted as a recovery in the expenditure side of the imprest account, should not be shown separately in the consolidation statement, but deducted from the expenditure incurred

under the concerned head of account during the month. If there is no payment under a certain head in the imprest account but a recovery under that head is shown in the imprest account, the recovery may be shown in red ink under the appropriate column on the “debit” side. The red ink entry indicates that it is credit or a minus figure, and the amount in question should be deducted from the total of the expenditure before recording the total under the total column. In other words, recoveries under “expenditure heads” should be deducted from the payment under the same head, or shown as a minus entry on the debit side.

- (g) The value of service postage stamps spent at the divisional office only should be accounted under “Postage and Telegrams “ of the divisional office and should not include stamps sent to the field staff; and
- (h) Imprest account should be submitted to the usual check before consolidation.

498. *Fidelity guarantee insurance, cash-in-transit insurance and insurance of persons carrying cash* :- The ACMO and the staff of the divisional office who are entrusted with the custody of cash are covered under these policies. For further details (Vide Part IX-H-Acounts Chapter VII).

499. *Cash-in-transit insurance* :- Cash-in-transit insurance is covered for any loss of money in transit during the year. The ACMO should furnish the particulars in the questionnaire (Appendix XXIV) every year before the 15th December for the policy to be taken for the next year. Conditions as per Clauses (1) to (9) for the Cash-in-transit insurance are given in Appendix XXV para 2 of the conditions should be noted and prompt action taken to furnish the necessary information to Accounts Department, Head Office.

500. The ACMO should call for quarterly statements as on 31st March, 30th June, 30th September and 31st December from the Pool Depot/Pool Sales Depot/imprest holders to reach his office within 10 days after each quarter, showing only the total of each of the column in the respective register. He should compile the figures and furnish a statement in the form given below and forward the same to Accounts Department, Head Office, on or before 20th April/July/October/January.

Statement showing the cash conveyed during the year

Quarter ended _____

Period	Bank to Divisional Office	Divisional Office to Bank	Divisional Office to Depot	Depot to Divisional Office	Total
--------	---------------------------------	---------------------------------	----------------------------------	----------------------------------	-------

Upto
during the
Quarter

Grand total
for the
quarter

501. Cash should be conveyed only during the hours limited for the purpose under the cash-in-transit insurance (i.e. the information furnished against the question No.5 of the questionnaire). The maximum amount carried at any one time should not exceed the limit furnished in reply to Question No. 2 of the questionnaire.

502. When sums in excess of Rs.2,000/- have to be conveyed the persons conveying the cash should be accompanied by an escort.

503. Cash-in-transit register should be maintained in the prescribed form.

504. *Insurance of stocks* :- Procedure relating to insurance of stock is explained in Chapter IX.

505. *Contingent bills* :- In the matter of expenditure on contingencies, the ACMO should have a close watch over the same so as to see that the budget estimates are not exceeded.

506. *Reimbursement of 25% of expenditure on divisional office in the South by General Fund* :- Consequent on the merger of the Marketing and Propaganda Departments into a single Directorate, 25% of the expenditure of the divisional offices in the South is debited to Propaganda department as the ACMO performs both the duties of Marketing and Propaganda.

507. The following particulars are to be furnished to claim reimbursement:-

- i) Pay of ACMO, Pay and Special Pay of Class III staff and IV Staff of the divisional office (gross amount only need be taken);
- (ii) Dearness allowance of ACMO, Class III and IV;
- (iii) House rent allowance, city compensatory allowance and traveling allowance of ACMO, Group C and D staff;
- (iv) Children's educational allowance and reimbursement of tuition fees of the divisional office staff;
- (v) Medical reimbursement ;

- (vii) Overtime allowance; and
- (viii) Contingencies such as rent and electricity, furniture, office equipment, stationery, printing, telephone, postage and telegrams, incidentals and any other expenditure incurred by the office and staff of the divisional office performing the duties of both Marketing and Propaganda departments;

However, the following expenditure need not be included:

- (a) Pay and allowances of CCIs and ADMs attached to the divisional office who are on the pay roll of the divisional office, and
- (b) expenditure under cost of storing and marketing.

508. The ACMO will prepare a statement in quadruplicate showing the total expenditure incurred by him each month on the lines indicated above and send the statements every month, original and duplicate to be forwarded to Marketing Department Accounts I Section, triplicate to Propaganda Accounts, retaining the quadruplicate for office record.

509. *Submission of accounts* :- The following accounts are rendered:-

- (i) *Pool Advance Account* :- The ACMO's fortnightly returns of Pool advance account should be prepared in duplicate, in the prescribed form – original to be forwarded to the Accounts Department and duplicate to be retained in the divisional office. The figures for each season's transactions are to be entered correctly in the appropriate column provided season-wise;

- (ii) *Pool Advance Register* :- The ACMO should send the duplicate copy of the Pool Advance Register along with his fortnightly return to the Accounts Department, Head Office;

- (iii) Particulars of recoveries of advances and also recoveries in respect of Pay advance, TA advance, Festival Advance, etc., effected in the month should be furnished to the account department in the prescribed form by the 10th of each month;

- (iv) *Imprest Account* :- (a) The imprest accounts of the divisional office should be prepared immediately after the close of the month and forwarded to the regional DCCMO duly countersigned by the ACMO along with vouchers. The acknowledgement issued by the ACMO for the receipt of imprest should be enclosed to the imprest account. However, the pay bills and imprest

accounts of the field staff will be checked and retained in the ACMO's office.

510. *Consolidation of imprest accounts* :- The consolidation of the imprest accounts of the field staff should be forwarded by the ACMO to the Accounts department, Head Office, by the 20th of the succeeding month enclosing therewith copies of all imprest accounts inclusive of those of the field staff.

511. *PF Statement* :- The ACMO will prepare the PF statement in triplicate in respect of his office and also of the field staff under him ensuring that the statements so prepared cover subscriptions recovered from all the staff and agree with the consolidated recovery under PF subscription accounted for in the imprest accounts and consequently with the total recovery shown in the consolidated statements. The ACMO should remit the PF subscription so arrived at by means of cheque drawn in favour of "Coffee Board Provident Fund Account" enclosing the PF statements, in original direct to the Secretary, Coffee Board. The duplicate copies of the PF statement together with the remittance advice should be sent to Accounts Department. The triplicate copies of the statements will be retained by the ACMO for his record.

512. *Conveyance Purchase Advance and House Building Advance* :- The ACMO will prepare the Conveyance Purchase and House Building Advance recovery statements, in the prescribed form, in triplicate, in respect of his division and remit the recoveries by means of a cheque drawn in favour of the "Coffee Board General Fund No. 1 Account" enclosing the

recovery statement in original to the Secretary, Coffee Board. The duplicate copy should be sent to the Accounts Department, Head Office, together with the remittance advice. The triplicate copy of the statement may be retained in ACMO's office.

513. *Budget estimates* :- By the end of January every year, the divisional office should furnish to Head Office figures required for preparation of the budget estimates in the requisite form.

514. *Despatch work* :- After the tappal is opened letters should be stamped with the Office seal, numbered and diarised. For details vide Part I B, Office Procedure – Chapter II>

515. Besides dispatching letters, service postage stamps account should be checked and initialed by the Head Clerk daily and by the ACMO monthly.

516. Stamps needed should be obtained from the Treasury on indents usually a month's requirement at a time. Service Postage stamps should be supplied to the field staff on indents from them.

517. *General* :- Correspondence with other departments such as Central Excise Departments, Sales Tax Department, Agricultural Income Tax Department, etc., is a regular feature of the work. Correspondence with Central Excise department relate generally to matters such as licencing of warehouses, processing, clearance of coffee, bulking, shortages etc., References from Sales Tax authorities relate to turnover of the units, coffee

sold to particular dealer, etc., Agricultural Income Tax authorities generally made reference regarding payments made to particular estates.

518. Returns 'due in' and 'due out' – Vide *Appendix V XVI*.

519. Registers to be maintained – Vide *Appendix XXVII*.

A – Executive Staff

520. *Executive Staff* :- Executive staff attached to the division consists of Depot Managers, Assistant Depot Managers, Chief Coffee Inspectors attached to the Curing Works, Assistant Coffee Inspector, Preventive Chief Coffee Inspectors and Assistant Coffee Inspectors and Class IV Staff working under them.

521. For administrative convenience CCIs attached to the regional offices at Mangalore and Mysore region are having their headquarters at Calicut and Chikmagalur, respectively, and they will work under instructions from the ACMO of the division concerned. Duties of the CCIs attached to the regional offices are given in Chapter IV. Instructions regarding checking of Pool/Local Sales Dealers, Co-operative Societies, detection of adulteration, etc., are detailed in *Appendix XXI*.

522. *The ACMOs/CCIs attached to the Curing Works* :- With a view to have effective control over the curing works and to preserve the quality of coffee at all stages of processing one ACMO/CCI is attached to each Curing Works. His duties and functions are given below :-

- a) Supervision of deliveries of coffee to the pool-test check of measurements/weightments;

- b) supervision of curing – Verification of drying standards, checking of sizing and garbling standards – test checking of grades of coffee;
- c) Verification of outturn to find out whether there is any abnormal variation in the quantity outturned and grade percentage etc., from the normal standards;
- d) Drawal of samples for classification and assessment purposes from the Pool Agents. The samples for assessment should be drawn immediately outturns are rendered. Procedure for drawal and dispatch of assessment samples is detailed in Chapter XI.
- e) Drawal of samples for Pool and export sales;
- f) Classification and assessment of coffee from small growers (instructions regarding assessment of coffee from small growers are detailed in Chapter X);
- g) Verification of valuation done by Pool Agents in respect of small growers' coffee received by them directly;
- h) Supervision of bulking, storage and transport of coffee by pool agents – The CCI should invariably be present at the time of bulking of coffee.

- i) Supervision of dispatch of coffee to pool sales depot, Propaganda units, Co-operative Societies or others by the Pool Agents on instructions from the Board;
- j) Supervision of weighment and delivery of coffee to buyers-checking of gains-in-weight/shortage-in-weight;
- k) Checking of moisture contents in coffee at the time of dispatch to Pool Sales Depots;
- l) Furnishing of monthly statements regarding loss in processing of uncured coffee transferred from Collecting depots;
- m) Verification of the periodical returns and outturns submitted by the Pool Agents to the Board with reference to the relevant records and registers such as F1, F2, Bulk Register, Excise Registers, etc., maintained by the Pool Agent;
- n) Supervision of drawal of FAQ samples that are being sent by the Pool Agents to Head Office;
- o) Report to ACMO regarding the manner in which husk is disposed of by pool agents;
- p) Verification of sizers for Plantation grades of coffee A, B and T with sizer gauge once a year in October and sending the report to the ACMO, as to whether the sizers are in order or not;

- q) Inspection of godown and condition of coffee stored during monsoon and submitting periodical reports;
- r) Verification of Pool Fund Cash Book
- s) Verification of insurance declaration statement of pool stocks;
- t) Verification of pool payment register;
- u) Verification of letters of authorization; and
- v) Verification of Pool Fund Cash balance to ensure that the Agents at no time carry heavy cash balances.

523. A report covering the points on items (a) to (m) should be sent regularly to the ACMO/DCCMO and those covering the items from (n) to (v) to the accounts department before the 10th of every month relating to the previous months.

524. *Test-checking of grading of Coffee* : - The ACMO/CCIs attached to the Curing Works should test with the sieve box the outturns at random as frequently as possible while drawing samples for assessment and send their reports in the prescribed form. Half kilo of coffee to be tested should be put into the sieve box and shaken slowly several times to cause all the coffee beans to roll freely on the sieve sheet and allow the smaller sized

beans to pass through the holes. Vigorous shaking will result in the seeds rolling on the sheet only without allowing them to pass through the holes. While shaking, care should be taken to see that no beans are spilled over the top of the box. This process should be continued till it is definitely known that no more beans can pass through, even if shaken further. After this, with a scale having sensitiveness of 25 grammes it has to be verified whether the coffee that remains on the sieve sheet is up to the percentage fixed in this regard.

525. For details regarding working of the Pool Agents refer to Chapter IX.

526. Procedure to be followed in checking of F-1, F-2 registers is detailed in *Appendix XXVIII*.

527. *Office work* :- The CCI should attend to the correspondence relating to his office work and maintain the prescribed records and register.

528. The CCI should submit to the divisional office, in duplicate, in the prescribed form, immediately after the close of the fortnight, a diary of the work done by him.

529. Reports on test-checking of grading and garbling of coffee should be sent in the prescribed form to the CCMO/Regional DCCMO/Divisional ACMO.

530. *Preservation of records and registers* :- All the time-barred files, etc., are to be weeded out from time to time and a list prepared in duplicate and sent to the ACMO for orders.

531. For further details, vide Part I B – Office Procedure Chapter VIII.

532. *Imprest Cash* :- The CCI should send his indent for imprest cash for expenditure of his office for the ensuing month to the ACMO by the 12th of the month and maintain a cash book as detailed in Part IX – A – Accounts Chapter I.

533. He should submit his imprest account and also the pay bills before the 5th of the month of the divisional office.

534. Returns 'due out' – Vide *Appendix XXIX*.

535. Registers to be maintained – Vide *Appendix XXX*.

536. *Assistant Coffee Inspector* :- The Assistant Coffee Inspector will be in charge of a range. He should keep him an identity card for discharging his estate work. Procedure relating to obtaining of identity card etc., is given in Chapter II.

537. The Assistant Coffee Inspector is given office accommodation on the following basis :-

- a) If there is sufficient accommodation in the depot, a room may be set apart in the Pool Depot for his Office;
- b) In other cases, the ACI may be permitted to set apart a room in his residence exclusively for office and proportionate rent may be paid by the Board towards such office accommodation; and
- c) If the ACI has no residential accommodation he may be permitted to take on rent a suitable room for his office.

538. The duties of the Assistant Coffee Inspector are detailed in the succeeding paragraphs.

539. *Registration of estates* :- The Assistant Coffee Inspector should collect information regarding unregistered estates in his range, and send lists of such estates monthly to the ACMO for transmission to the registering officers. In order to do this, he should meet the village officers and planters periodically. He should also persuade such owners to get their estates registered. Where the actual planted area differs from that in the registration certificates, he should request the owners to get the registration certificates amended. All assistants should be given to the planters in these matters.

540. *Statutory returns* :- Blank forms statutory returns (Form F, F1 and G) should be distributed to the registered owners by the Assistant Coffee Inspector.

541. *Study of coffee crop prospects* :- The Assistant Coffee Inspector should visit representative and other selected estates in his range after the blossom showers, take note of aspects such as timeliness and extent of the showers, opening of blossom, etc., and submit in duplicate to the Assistant Coffee Marketing Officer an estimate of the ensuing coffee crop in his range. The percentage of increase or decrease over the previous crop should also be indicated.

542. This should be followed up by revised blossom estimates based on the backing showers and other seasonal conditions, which have a bearing on the crop.

543. *Estimation of coffee crop and submission of report* :- The selected representative and other estates should continue to be visited by the Assistant Coffee Inspector at periodical intervals, as the year advances and crop estimate reports submitted to the Assistant Coffee Marketing Officer in the prescribed form.

544. *Reporting on pests and diseases* :- The Assistant Coffee Inspector should study the prevalence of pests and diseases, the extent of damage likely to be caused thereby, the remedial measures adopted by the planters, etc., and furnish information in the form of general reports attached

to their fortnightly diaries. Reports should also be sent to the Director of Research for his information.

545. *Verification of harvest accounts and collection of final crop figures :-* The harvest accounts of big estates in the range, should be verified periodically, and interim reports in the prescribed form, sent to the Assistant Coffee Marketing Officer.

546. When dispatches of coffee from estates are completed, their harvest accounts should be verified and final accounts submitted to the Assistant Coffee Marketing Officer in duplicate, in single composite form. The Assistant Coffee Inspector should, in as large a number of cases as possible, satisfy himself that the entire crop harvested is properly accounted for by the planters. The final accounting of the crop of all the estates in his range should be completed by the month of December following the crop season.

547. *Collection of statistics of estates below 2 hectares in extent :-* The estate inspection work, collection of statistics, statutory returns, etc., in respect of estates below 5 acres in extent, will have to be done on the basis of random sampling method. For this purpose, the range is considered as stratum, and the registered estate as the unit of sampling. A complete and exhaustive list of estates below 2 hectares (registered) in respect of each range should be maintained. Lists of unregistered estates should also be maintained. The data should be collected for both registered and unregistered estates separately.

548. *Issue of permits for coffee retained for domestic use and seed purposes:* - While taking the final accounts of estates, the Assistant Coffee Inspector should also check on coffee retained for domestic consumption and seed purposes, and ensure that necessary permits are given by the Assistant Coffee Marketing Officer. In cases of estates of below 10 hectares, he should prepare permits for the quantities retained by the estates and forward them to the Assistant Coffee Marketing Officer for his signature, and sending to the estates concerned.

549. *Checking of accounts of pulpers and hullers :-* A list of planters who have pulpers and/or who have been issued hulling licences, should be maintained by the Assistant Coffee Inspector and their pulping and hulling records verified and reported to the Assistant Coffee Marketing Officer at least once a year.

550. *Collection of cost of production data :-* The following procedure is to be adopted for allocating the costs of production among estates and among different crops and coffee in the same estates and between Arabica and Robusta :-

- i) Allocation of costs among different estates :-
 - a) A company or a person may own two or more estates and the group office or the Group Manager's Office expenses and other general charges may be kept for all the estates together and not individually for each estate. It

is then required to allocate these general charges among the different estates.

- b) It should be ascertained from the Company or the Proprietor whether they have adopted any method for allocation of general expenses among their estates. If they have worked out any percentages to be allotted to each estate, the same may be adopted and allocation of the expenses made accordingly among different estates. The Assistant Coffee Inspector should send, in a separate sheet, the details regarding the percentages adopted and the basis on which they are computed by the estates and send copies of the work sheets giving the allocations made by him.
- c) If no information on procedure adopted is available from the Company or proprietor regarding the method of allocation, the costs may be allocated on the basis of acreages as shown in the following example:-

Let A, B and C be 3 estates in that group with total areas of 100, 100 and 200 hectares.

Estate 'A'	-	100 hectares
Estate 'B'	-	100 hectares
Estate 'C'	-	200 hectares

Total	-	500 hectares

The share of the estates based upon their acreages would then be: -

The share of 'A'	...	25%
The share of 'B'	...	25%
The share of 'C'	...	50%

These would serve as very rough basis for allocation.

(ii) Allocation among different crops grown in the same estate :-

(a) In any particular coffee estate, it is likely that coffee may be grown along with other crops like paddy, cardamom, pepper, oranges, etc. In such cases, the items of general expenses, i.e. items 5 to 11 of the Form 'H' are not entirely to be debited to coffee, but only a share of it will have to be allocated to coffee. In such cases, it should be found out from the estate whether they have got any procedure for allocating these general expenses among different crops. If they have, the same may be adopted and allocation of expenses made on that basis and the costs sent accordingly, along with separate note explaining the estate's basis for allocation and Assistant Coffee Inspector's work-sheets thereon.

(b) If the estate does not have any such procedure, the value of the different crops grown on the estate should be ascertained and allocation of general expenses made accordingly. For instance, let the value of the different

crops like coffee, oranges, paddy and cardamom grown in a particular estate be as shown below for the year under consideration :

(a)	Value of coffee	...	Rs. 5,000
(b)	Value of orange	...	Rs. 1,500
(c)	Value of paddy	...	Rs. 2,000
(d)	Value of cardamom	...	Rs. 1,500

	Total	...	Rs.10,000

Based on these values, the percentage share of :

Coffee will be	...	50%
Oranges will be	...	15%
Paddy will be	...	20%
Cardamom	...	15%

Out of the total expenses on the general covering items 5 to 11 of the Form H, only 50% is to be taken and entered for coffee.

- (c) If the value of crop on the estates is also not available, the acreages under these different crops should be ascertained and allocation of general charges made on the basis of the area, exactly on the same lines as shown above. In the case of certain estates growing coffee and other crops, it may not always be correct to take the acreages directly, since the value of the products per acre varies from crop to crop. On the analogy of the

procedure adopted for Agricultural Income Tax purposes in the State of Tamil Nadu, some adjustments have to be made in the Coffee acreages, before allocation. In the procedure adopted by the Tamil Nadu Government, the acreages under different crops are reduced to standard acreages according to the following formula:

1 acre of coffee	...	0.83333	standard acres
1 acre of rubber	...	0.83333	”
1 acre of cardamom/ Cinchona	...	0.83333	”
1 acre of Tea	...	1.66666	”

Following the above formula, the correct procedure would be to convert the acreage under different crops to their standard acres under different crops to their standard acres equivalents and compute the percentage share of each crop based on the number of standard acres under it. The allocation may then be done on the method explained in the para giving an example as to how allocation of general expenses is to be made in the case of different estates owned by A Company or a person, but taking the standard acre equivalents.

(iii) Allocation of costs between Arabica and Robusta :-

- (a) In some of the estates both Arabica and Robusta crops are grown but the accounts are maintained in respect of Arabica and Robusta separately.
- (b) If the planned area under Robusta is less than 10% of the total planted area under coffee in the estate, it is not necessary to separate the costs in respect of Arabica and Robusta. The entire estate may be treated as Arabica growing or Robusta growing depending upon each case and the total expenses may be taken and worked out.
- (c) If the extent under Arabica/Robusta exceeds 10% of the total planted area, it becomes necessary to allocate the costs separately not only in respect of items 5 to 11 of Form H, but also in respect of other items in Form H. In such cases, it should be ascertained from the estate whether the level of the cultural operations, supplying, manuring, etc, is the same for Robusta and Arabica. If so, the costs may be separated out on the basis of the planted area under Arabica and Robusta.
- (d) The rule to be followed in these cases is illustrated by the following example:

If the estate has 40 hectares under Coffee (24 hectares under Arabica and 16 hectares under Robusta) and the crop picked in a particular season is 800 kg. Arabica and 200 kg. Robusta, the allocation is done as follows:

(i) Acreage :	Planted Area	Total
Arabica	24 hectares	
Robusta	16 "	

	40	40

Share of Arabica 60%

Share of Robusta 40%

(ii) Crop picked :

Arabica	800 kg.
Robusta	200 kg.

Total	----- 1,000 kg. -----
-------	-----------------------------

Share of Arabica 80%

Share of Robusta 20%

(a)	Allocation in respect of item 1 and 2 of Form H.	...	60% for Arabica 40% for Robusta
(b)	3 of Form H	...	100% for Arabica Nil for Robusta
(c)	4 to 11 of Form H	...	60% for Arabica 40% for Robusta
(d)	12, 13 and 14 of Form H	...	80% for Arabica 20% for Robusta (Based on actual crop picked)

(iv) While allocating the expenses, the following procedure is to be adopted exactly in the order in which it is given:-

- a) Allocate the cost between estates and determine the share of particular estate in question;
- b) Allocate the costs between different crops of the same estate and find out the share of coffee; and
- d) Having determined the share of coffee, allocate the costs between Arabica and Robusta separately;

551. All these calculations should be shown in a work-sheet as per specification form enclosed to the cost data.

552. The Assistant Coffee Inspector should prepare costs data in quadruplicate – a original to be sent direct to the Statistical Officer, and duplicate, triplicate and quadruplicate copies to the Assistant Coffee Marketing Officer.

553. *Rendering of assistance to Officers of other departments :-* The Assistant Coffee Inspector should render all assistance whenever required to Officers of other departments of the Board.

554. The Assistant Coffee Inspector should hold charge of any depot and perform the depot work, if so desired by the Assistant Coffee Marketing Officer.

555. The Coffee Inspector is given the services of one Class D staff to accompany him on tour.

556. *Office work :-* The Assistant Coffee Inspector should attend to the correspondence relating to his office work and maintain the records and registers.

557. He should send his advance tour programme for approval to the Asst. Coffee Marketing Officer in duplicate in the prescribed form, once a month, to reach the Assistant Coffee Marketing Officer by the 20th of the month previous to the month to which the programme relates.

558. He should also send his TA bill with the TA bill of his peon to the Assistant Coffee Marketing Officer.

559. For salient features, regarding TA etc., refer to Part I-B Office Procedure – Chapter XVI.

560. He should submit a fortnightly diary in duplicate in the prescribed form immediately after the close of the fortnight of the work done by him.

561. The Assistant Coffee Inspector should send his indent for imprest cash for the expenditure of his office to the Assistant Coffee Marketing Officer for the ensuing month by the 12th of the month and maintain a cash book as prescribed in Part IX-A Accounts – Chapter I.

562. He should submit the imprest account before the 5th of the month to the Assistant Coffee Marketing Officer. Pay bills should be drawn up and, after disbursement of pay and allowances, submitted to the Assistant Coffee Marketing Officer.

563. Instructions regarding preparation of pay bills, etc., are given in Part I-B-Office Procedure Chapter XVI.

564. Returns 'due in' and 'due out' – Vide *Appendix XXXI*.

565. Records and registers to be maintained – Vide *Appendix XXXII*.

566. Depot Managers and Assistant Depot Managers :- The centers at which the Depots are functioning and the work of the Depot Manager/Assistant Depot Manager are given in Chapter VIII. The Assistant Depot Manager, in some instances, is directed to do the work of an Assistant Coffee Inspector in addition to Depot work.

567. After the coffee collection season is over, the Depot Manager/Assistant Depot Manager is entrusted with inspection work allotting specific areas to him. His duties will be the same as those of the Inspection staff, but he should attend to his work, in addition to the depot work, as the depot functions only on certain days in the week during off-season.

568. He should send his advance tour programme to the Assistant Coffee Marketing Officer for his approval.

569. The Depot Manager/Assistant Depot Manager should submit fortnightly diary of the work done by him to the Assistant Coffee Marketing Officer in duplicate, in the prescribed form, as in the case of inspectorate staff.

570. *Chief Coffee Inspector and Assistant Coffee Inspectors (Preventive)* :- To prevent coffee from estates finding its way into the market for illicit sales, 3 Squads consisting of Preventive Chief Coffee Inspectors and Assistant Coffee Inspectors are posted with headquarters at strategic centers, viz., Chikmagalur (Karnataka State), Kalpetta (Wynaad) and the Palnis. Their duty is to gather information regarding illicit transaction of coffee, visit and inspect suspected estates, dealers and other places of storage, keep a close watch over the movements of coffee and dealings of suspected parties and take all steps to seize coffee escaping delivery into the pool.

571. The Squad should submit, at the close of the fortnight, to the Assistant Coffee Marketing Officer, a diary of the work done by it during the fortnight.

572. The squad should maintain such records as are prescribed from time to time, by the Assistant Coffee Marketing Officer.

573. To help, assist and accompany the Squad, the services of Group 'D' staff are given.

CHAPTER VI

ESTATES – THEIR DUTIES AND OBLIGATIONS

574. *Registration of Coffee Estates :-* Section 144(1) of the Coffee Act requires every person owning land planted with coffee plants aggregating to not less than ten acres, whether such land is comprised in one estate or more than one estate, to register the land with the Registering Officer appointed for the purpose. By Notification No. 59(4)/IP.43, dated 28.8.1953, issued by the Central Government under Sub-Section (2) of Section 14 all persons owning land planted with coffee plants aggregating to less than 10 acres were also made liable to register the land.

575. Owner includes any agent of an owner, a mortgagee in possession or a lessee (Section 3(1) of the Coffee Act).

576. *Framing of rules regarding registration :-* The State Governments appoint Registering Officers and may, by notification in the Official Gazettee, make rules for registration of estates – Vide Section 15(1) of Coffee Act. Such rules may prescribe the form of application for registration or cancellation, fee payable, particulars to be included in such application, the procedure to be followed in granting and canceling registration, the registers to be kept by the Registering Officers and supply of necessary information to the Board by the Registering Officers. The

Registering Officers appointed by the different State Governments are Deputy Commissioners/District Collectors.

577. As soon as an estate is registered, the Registering Officer shall furnish the relevant information to the Chief Coffee Marketing Officer.

578. The registration once made shall continue to be in force until it is cancelled by the Registering Officer – Vide Section 14(3) of the Coffee Act .

579. *Failure to register* :- Any person failing to apply for registration will become punishable, under the Act, with fine which may extend to five hundred rupees for each month thereafter during which such failure continues (Section 35 of the Coffee Act).

580. *Internal Sale Quota* :- Internal sale quota means that portion, stated in terms of bulk or weight, of the whole of the coffee produced by the estate in the year, which a registered estate is permitted under the Coffee Act to sell in the Indian Market (Section 3(h) of the Coffee Act).

581. The Board shall, unless otherwise decided with the previous sanction of the Central Government that no internal sale quota be allotted, allot to each registered estate an internal sale quota every year. The internal sale quota shall be fixed, on a percentage common to all estates, of the probable total production of the estate in a year as estimated by the Board (Section 22 of the Coffee Act).

582. The growers may, in case an internal sale quota is allotted to him, arrange to sell his coffee in accordance with the provisions of Sections 18 and 24 of the Coffee Act.

583. The owner shall not sell any coffee except within the limits of an internal sale quota that may be allotted to him.

584. In the event of the Board deciding that no internal sale quota need be allotted for any one year, it shall issue a notification to that effect, before the commencement of the season, after obtaining Government's permission.

Note: The Board used to declare an internal sale quota upto 1943-44 season. Since then there has been no internal sale quota.

585. *Coffee for domestic consumption* : - If no internal sale quota is allotted, the Chairman may allow the owner to retain with himself for the purpose of consumption by his family and for seed purposes such quantity of coffee as the Chairman may thin reasonable (Provision to Section 25(1) of the Coffee Act).

586. Rules regarding issue of permits for retention of coffee either for domestic use or seed purposes are at *Appendix XXXIII*.

587. *Delivery of coffee to the Board* :- All coffee produced by a registered estate in excess of the quantity specified in the internal sale quota,

where allotted, shall be delivered to the Board by the owner of the estate or by the Curing establishment receiving the coffee from the estate for inclusion in the surplus pool. If no internal sale quota is allotted, he shall deliver his entire coffee to surplus pool after deducting the quantity he has been allowed to retain for domestic consumption and seed purposes (Section 25 (1) of the Coffee Act).

588. Where the Central Government is satisfied that it is not practicable for any class of owners producing coffee in any specified area to pool the coffee on account of the small quantity of coffee produced or on account of their estate being situated in a remote locality, it may, by a notification in the Official Gazette, exempt such class of owners from pool delivery (provisions to Section 25(1) of the Coffee Act).

589. Delivery shall be made to the Board in such places at such times and in such manner as the Board may direct (Section 25 (2) of the Coffee Act).

590. The last date fixed for delivery of each season's crop is 31st October following the crop season. Any coffee brought for delivery after such date will be taken to the next season's pool and paid for at rates applicable to that season's coffee.

591. *Failure to deliver coffee to the Board :-* Any registered owner or licensed curer, who fails to deliver any coffee to the Board as required by or under Sub-sections (1) and (2) of Section 25, shall be punishable with fine which may extend to one thousand rupees, and the

Court by which such person is convicted, may order the confiscation and delivery to the Board of any coffee in respect of which the offence was committed (Section 38(a) of the Coffee Act).

592. If the Board is satisfied that any coffee which is required under the provisions of Section 25 to be delivered for inclusion in the surplus pool is being or is likely to be disposed of otherwise than by such delivery, the Board may order the seizure of such coffee, and may authorize an officer of the Board to effect seizure thereof, for delivery for inclusion in the surplus pool, and such authorization shall be sufficient warrant for such officer to take all steps necessary to secure possession of the Coffee (Section 38(b) of the Coffee Act).

593. Returns from estates :- A registered owner shall furnish to the Board at the prescribed times and in the prescribed manner such returns as may be prescribed (Section 23(1) of the Coffee Act).

594. Rule 46 of the Coffee Rules prescribes the form of returns and the date on which they are to be submitted. The forms prescribed are:-

- i) Form 'F1' for crop estimates;
- ii) Form 'G' for monthly crop harvest; and
- iii) Forms 'H' and 'I' for collection of

Cost of production data. Returns in Forms 'F1' and 'G' are to be furnished by every registered owner and those in Forms 'H' and 'I' by only those whom the Board has selected for the purpose.

595. The Board may require the owner to furnish any additional information as it may consider necessary (Rule 46 (2) of the Coffee Rules).

596. The forms of returns will be distributed to the registered owners through the filed staff of the department. Owners of estates irrespective of acreage are to send their returns to the Assistant Coffee Marketing Officer having jurisdiction over the estate.

597. *Failure to furnish returns* :- Any registered owner who fails to furnish the returns required by Sub-Section (1) of Section 23 as required by that Sub-Section shall be punishable with fine which may extend to one thousand rupees (Section 37 (A) of the Coffee Act).

598. *False return* :- Any registered owner who makes any return to be furnished under Section 23 or in any report to be made under Section 29, any statement which is false and which he knows to be false or does not believe to be true shall be punishable with fine which may extend to one thousand rupees (Section 38 of the Coffee Act).

599. *Picking account* :- Every registered owner shall keep an account showing daily crop pickings, crop dispatched to curer crop taken for domestic use and seed purpose and balance stock held after despatch.

600. As the Central Excise Department has prescribed, a standard form of account to be maintained by registered owners, which the Board's

Officers are authorized to verify, it is not necessary for planters to keep separate set of accounts for inspection by the Board's officers.

601. If the grower owns more than one registered estate, account must be maintained separately for each estate.

CHAPTER VII
COLLECTING AGENTS
(Rule 41 of the Coffee Rules, 1955)

602. Collecting Agents are appointed by the Board for collection of small growers' coffee. Upto 1964 – the Collecting Agencies were given in Coorg in Karnataka, former Travancore area and Wynaad in Kerala and the Board at its meeting held on 30-12-1964 decided to lift the restriction for grant of collecting agencies to specified areas and to extend this facility to other areas also. These Agents are required to have their depots function in the specified localities. The coffee so collected in these Collecting Agency depots are to be delivered to the Pool Agents. However, in respect of the Collecting Agents in the former Travancore areas the coffees collected are to be delivered to the divisional depots functioning in that area. Besides these Collecting Agency depots, departmental Collecting Depots also function in most of these areas except in Coorg.

Collecting Agents in Coorg

603. The Collecting Agents are appointed by the Chief Coffee Marketing Officer after examining the necessity and also bonafides etc., of the Agent. The Collecting Agents are responsible for the quantity and quality of coffee received and the amounts paid thereon.

604. The Coorg Coffee Growers' Co-operative Society Ltd., Mercara, function as a Collecting Agent and have their own Collecting Depots in various parts of Coorg and Wynaad (Form of Agreement Vide *Appendix XXXIV*).

605. *Duties of Collecting Agents* :- The Collecting Agents will receive the crop of small estates at the depots located in different centers and send them to the Pool Agents, who will receive, cure and store consignments as specified by the Chief Coffee Marketing Officer. The transport charges from the depots of the pool agents will not be borne by the Board, but have to be borne by the Collecting Agents themselves. When a small grower wants his coffee to be paid for after curing and valuation, transport charges, will be debited to him and charges, collected if any from the planter are credited to the Board. The Collecting Agent should maintain proper registers in the prescribed forms.

606. *Transport of coffee to Pool Agents* :- The coffee collected at the Collecting Centres will be transported to the pool agents on the responsibility and at the cost of the Collecting Agents themselves. The Agents will also be responsible for any undue loss in measurements/weightments during storage/transit of both uncured and Estate Pounded coffees.

Collecting Agents in Wynaad Area

607. The Collecting Agency depots in Wynaad area are run by the different pool agents who have been granted permission to operate the collecting depots in that area. Small growers' coffee is collected both at the departmental depots and Collecting Agency depots. The Collecting Agents in Wynaad function under the same rules and regulations which are in force in respect of the Coorg area.

Collecting Agents in former Travancore Area

608. *Appointment of Collecting Agents :-* The Board at its meeting on 30th December 1964, decided that the Chief Coffee Marketing Officer might continue to be vested with the discretion to grant permission to applicants to open collecting depots in any area in former Travancore, after considering the relevant facts. The divisional ACMO, will send each year through the DCCMO, Mangalore, a list of names of parties for consideration, after making necessary investigation about the standing, integrity and financial stability of the parties. On receipt of this from the DCCMO, Mangalore, the CCMO, will appoint the required number of collecting agents in that area.

609. The collecting agents, on appointment, will have to deposit with the Board a sum of Rs.250/- by way of security and enter into an agreement with the Board for the due fulfillment of their duties and obligations. Form of Agreement – Vide *Appendix XXXV*.

610. *Duties* :- Collecting Agents in former Travancore will collect coffee from small growers, and make initial payments from their own funds, at prescribed rates. They should obtain receipts for payments made, in receipt books supplied by the Board. They should deliver the coffee collected to the departmental depots specified in their agreement with the Board. The collection from each grower should be delivered separately. The receipts for payments made by the Agent to the planters should be produced before the depot officer, who should check the quantity and quality of coffee brought to the depot, with entries in these receipts. The collecting agents will be responsible for any loss in weight, measurement and/or quality of coffee up to the time of its delivery at the departmental depot.

611. The collecting agents should maintain a Stock Register and submit fortnightly return of stock and cash account to the ACMO, in the prescribed form.

612. The Collecting Agents will render debit bills monthly, in duplicate, in the prescribed form, for the amounts due to them, attaching thereto a statement showing receipt number, date, quantity of coffee purchased and amounts paid to the growers through the respective ACMOs.

613. *Remuneration* :- The remuneration for collecting agents is given as decided upon by the Marketing Committee, from time to time, and incorporated in the respective agreements. At present, the collecting agents in Coorg, Wynaad and other (except former Travancore) areas are paid

1½% commission on the value of coffee collected by them. The remuneration payable to the collecting agents in the former Travancore area is slightly different and is as follows:-

- (i) Upto 3,000 Kg _ 6½ % } of the value of coffee
- (ii) Over and above 3,000 Kg. – 7½ % } collected.

They are in addition, paid certain fixed amounts towards the transport charges also in view of the fact that the departmental collecting depots to which they have to pool coffee are located in distant places.

614. Procedure to be followed in regard to the payment of coffee received from the small growers is given in Chapter X.

615. Instructions regarding payment to be made to the parties in the absence of registration certificates are detailed in Chapter V.

616. *Receipts and Registers* :- The following receipts and registers should be maintained by the collecting agents at Wynaad, Coorg and other areas : (except in former Travancore).

- (j) Register of receipt, disposals and Balance C1, C2, C3 – one copy to be sent to the ACMO and the duplicate to be retained by the collecting agent;

- (ii) Payments to small growers' receipts Form D- original to the ACMO, duplicate to the planter and triplicate to be retained by the collecting agents; and
- (iii) Receipt of supplementary payment made on coffee delivered by small growers – RR26 – original to the ACMO, duplicate to the planter and triplicate to be retained by the collecting agent.

617. The above receipts and registers should be maintained separately in respect of each collecting depot and should be sent to the ACMO concerned every fortnight. Debit notes towards agency remuneration should be sent in duplicate.

618. The letters of authorization and indemnity bonds obtained from planters should be sent along with fortnightly returns to the ACMO.

619. In addition to the above, the following registers are also to be maintained by each collecting depot and made available to the inspecting officers :

620. In addition to the above, the following registers are also to be maintained by each collecting depot and made available to the inspecting officers:

- (a) Bulk Sheets,
- (b) Index Register and
- (c) Estate - war-Register

620. *Pool Advance* : The funds required for making payment on coffee collected under the collecting agency should be drawn against letters of credit separately and they should not be mixed up with the funds in respect of Pool Agency. A separate bank account should be opened by the Pool Agents for the credit of these moneys and the private money of the Pool Agent should not be credited to the bank account. A separate Pool Fund Cash Book for accountal of moneys received from the Board towards collecting agency should be maintained. All receipts from the Board either by cheque or withdrawal against letters of credit established, should be taken as receipts and all amounts sent to collecting depots should be shown under payment. The Cash Book is to be maintained in the following form :

RECEIPT			PAYMENTS		
Date	Particulars	Amount Rs.	Date	Particulars	Amount Rs.

621. They should maintain another cash book showing the amount received distributed to collecting Agents and payments made daily by each collecting depot. A consolidated depot-wise stock and cash account in form A (*Appendix XXXVI*) should be maintained in triplicate, one copy to be sent

to the Accounts Department, Head Office and duplicate to the ACMO, and triplicate to be retained by the Collecting Agent.

622. accounts as per proforma at *Appendix XXXVII* are to be maintained in triplicate, one copy each is to be sent to Accounts Department, Head Office, the duplicate to the ACMO and the triplicate copy to be retained by the collecting agent.

623. *C1/C2/C3 Registers* :- The fortnight for which the register is sent should be clearly noted on the top. In addition to the printed folio number, a separate serial number may also be maintained, as sometimes the page number starts midway. This will serve to maintain continuity.

624. At the close of each fortnight, a total of receipts and disposals should be arrived at showing the quantity of coffee actually received and disposed of during the fortnight. The progressive total of receipts and disposals showing total receipts and disposals from the commencement of the season up to the close of the previous fortnight should be arrived. As regards balance the closing balance of the previous fortnight should be brought forward as opening balance (under balance column) before opening the fortnightly account.

625. If coffee is collected on the estate and dispatched direct to the Curing Works a separate set of C1, C2, C3 registers should be maintained to distinguish it from coffee collected at the Depot. This is necessary for the satisfaction of the Central Excise. The page numbers of this set and respective receipts may carry prefixing letters 'E'.

626. *Payment for cured coffee* :- In cases where payment is made to small growers on cured outturn basis, the following should be noted:-

- a) A receipt for uncured coffee received should be issued noting Noting thereon 'Payment to be made on cured outturn basis'. This quantity should be taken to receipts in the C1, C2, C3 registers and accounted under disposals when it is sent for curing. When payment is made on cured outturn basis a receipt should be issued by Sub-agent who originally received the uncured coffee. It is enough if this payment alone is accounted in the C1, C2, C3 registers giving cross reference to the original receipt number and date; and
- b) It should be clearly noted that the C1, C2, C3 registers are intended to account coffee actually collected by the collecting agent. In case a small grower delivers coffee at the main pool center direct, it will not be in order for the collecting agent to pay for the coffee and account it in the C1, C2, C3 registers.

627. Collecting agents should not receive coffee from big growers for onward despatch to their main agencies.

628. In respect of despatches made by collecting agents, it is suggested that the Pool Agents maintain independent series of receipts for acknowledgement for the sake of convenience.

629. *Initial payment of 75%/60% of the forlit rates to small growers who wish to receive payment after the Curing of coffee* : Procedure relating to this is given in Chapter IX.

630. *General* :- The stocks and accounts with the collecting agents and sub-agents at different centers will be open to inspections by the ACMO/CCI and/or any other officer who may be authorized by the Chief Coffee Marketing Officer. The books may also be inspected by officers of the Central Excise Department not below the rank of an Assistant Inspector and by the representative of the State Bank of India.

631. Any contravention of the instructions issued by the Board or any violation of the covenants of the agreement entered into by them with the Board or any violation of Central Excise regulations will entail cancellation of the Agency in addition to such further action as may be deemed fit.

632. Registers to be maintained : Vide *Appendix XXXVIII* (a) and (b).

CHAPTER VIII

POOL DEPOTS

633. To facilitate pooling of coffee by small growers, departmental coffee collecting depots, familiarly known as 'Pool Depots' are established in and around coffee-growing areas.

634. The centers at which Pool Depots are functioning are listed in *Appendix XXXIX*.

635. Charge of the Depot :- The Pool Depot is under the charge of a Depot Manager/Assistant Depot Manager. Where necessary he is assisted by an additional Assistant Depot Manager/ Junior Clerk. Two or more Class IV employees are also attached to each depot, to help in the work of receiving, weighing and measuring coffee, stitching/and stacking, etc., of bags and to perform other work concerned with the depot. They should also watch the depots in the nights by turn.

636. *Functions* :- The staff at the depots should arrange for (1) receiving and weighing/measuring coffee brought for pooling from estates below 25 acres in extent and even of estates of 25 acres and above, whose production does not exceed one tonne; (2) assessing the coffee, (3) issuing receipts and paying for the coffee; (4) drawing assessment samples, if any; (5) packing and storing the coffee in the godown; (6) bulking and transferring uncured coffee to Curing Works and Estate-pounded coffee to

main Pool Depots; (7) Making supplementary payments to planters on coffee pooled; and (8) Maintaining and submitting prescribed accounts to the ACOMO.

637. *Instructions regarding purchase of coffee* :- Though the depots generally receive coffee from small growers as in above para, coffee from large growers is also permitted to be received at certain depots. The initial rate of payment to a small grower is slightly higher than to large grower, but ultimately both the large growers and the small growers are paid at the same rate. Uncured coffee received from large growers should be stored and transported separately, estate-wise, to Curing Works. Transport charges incurred for transporting such coffee of large growers to curing works are debited to the grower concerned.

638. *Receiving, weighing and storing of coffee* :- Receipts of coffee at the depot should be checked for valid transport document (TP.3) and coffee registration certificate. The coffee received should be poured on the floor, and examined for stones and other foreign matter.

639. The coffee is then weighed, if it is estate-pounded coffee, and measured if uncured. Test weight per forlit of coffee should be found by weighing at random a few forlits of coffee and dividing the net weight so arrived at by the total number of forlits weighed. Proper care should be taken to establish the correct weight/measurement. Uncured coffee should be put into the forlit from a height of at least 75 cm, and the forlit uniformly struck by one stroke with a striker having a flat surface.

640. The coffee should be put into bags supplied by the department and stitched. All the bags should be of uniform weight/measurement excepting the last packet in the lot. Usually, 3 forlits of uncured coffee of 75 kg; of estate-pounded coffee are packed in a bag. Estate-pounded coffees should be packed in double gunnies.

641. The bags thus packed and stitched should be stacked lotwise attaching a stock card to each lot. The stock card should be attached to the partially filled bag (packet) of the lot, and the packet kept on the top of the stack. As far as practicable, the stacking should be in conformity with the central excise regulations. Wherever necessary, proper dunnage or coir-mats should be used.

642. *Gunnies* : Before commencement of the crop season, the Depot Manager/Assistant Depot Manager should equip himself with sufficient number of gunnies, for which he should indent on the ACMO who will arrange supply of gunnies from stocks available at the main depots or from other sources. Coffee should not be stored in planters' gunnies nor should the gunnies of the department be given on loan to the planters. The departmental gunnies will have distinctive stencil marks to distinguish them from the bags of the planters.

643. *Payment rates* : The rates of payment for FAQ Coffees are fixed and communicated to the depots before the commencement of each season. The rates for light weight coffees are also fixed and communicated in accordance with the sliding scale system. Necessary deduction for quality

etc., should be made for coffee below FAQ and also for under-dried coffees in accordance with the instructions issued from time to time.

644. *Assessment* :- Coffee received from small growers should be assessed for triage and PB contents, under-driage, pool quality and presence of husk and stones. If any small grower elects to receive payment on point basis, only an initial advance will be made by the depot for coffee received and assessment of such coffee will be made at Head Office after the coffee is cured.

645. Procedure to be followed in regard to assessment of coffee, made of payment, etc., is detailed in Chapter X.

646. *Issue of receipts* : Serial number of the respective C1, C2 and C3 registers should be mentioned on the receipts. Receipts, in the prescribed form, should be issued for the coffee pooled, and acknowledgement of the planters for the amounts paid should be obtained thereon. Different forms of receipts are prescribed for small growers and large growers, as well as for original and supplementary payment. Separate series of receipts should be maintained for each type of coffee, i.e., Plantation, Arabica Cherry and Robusta Cherry.

647. Where payments to small growers are deferred for want of registration certificates, cash, etc., the initial receipts should b issued making entries in the columns 'quantity of coffee', 'rate' and 'percentage of deduction' and the quantity taken to receipt to the C1, C2 and C3 registers leaving the amount column blank (viz., 'the value of coffee', 'deduction'

and 'net amount paid'). When payment is made subsequently, another receipt should be issued giving cross reference to the original receipt and the serial number of C1, C2 and C3 Registers and the columns 'value of coffee', 'deductions in terms of rupees' and 'net amount paid' filled but the quantity should not be taken again on the receipt side of C1, C2 and C3 registers. Net amount paid should be written both in figures and words.

648. When supplementary payments, enhanced value and final payments are made, the serial numbers of the supplementary registers should be linked with the original serial numbers of the respective C1/C2/C3 registers. In the same way, original serial number should be linked with the respective supplementary registers. These serial numbers should be shown in the respective supplementary registers in the column provided for Reg. No. and the supplementary register serial numbers should be shown on the disposal side columns of the respective C1/C2/C3 registers. To distinguish the type of payment, red and blue colour pencils should be used while entering the serial numbers against different payments made, viz., enhanced payment or first supplementary, second and final payments.

649. *Recovery of excess payment and accounting of the same :-* Recovery receipts in the prescribed form should be issued when excess amounts paid to growers are recovered. The amount recovered should be recorded, both in the Advance Register and relative C1, C2 and C3 registers. The serial number of the original entry and register number of the respective C1, C2 and C3 registers should be noted against the acknowledgement for recovery of excess payment and vice versa against the original serial number and receipt number.

650. While entering in the Advance Register the amount recovered, a receipt entry should be made, and the closing balance raised correspondingly. The entry of receipt should not, however, be added on to the other items of receipts. A like sum should be recorded and deducted from C1/C2/C3 registers. This is done to ensure that the net amount of the Advance Registers agrees with that of the C1, C2 and C3 registers.

651. *Accounting of recoveries made towards development loans, advances, etc.:* The following procedure should be adopted in accounting of the recoveries made towards development loans, advances etc.,

- (j) At places where there are banking facilities, the Depot Manager/ADM can himself remit the recoveries, made by him direct to the Development Officer, by means of a demand draft obtained in favour of the Coffee Board General Fund Development Loan Account, under advice to the ACO. The payment should be accounted for in C1/C2/C3 registers, and in the Pool Fund Cash Book, on the date on which the remittance is actually made. If it is not possible to remit the amount on the same day on which the coffee is delivered to the Pool, the DM/ADM should issue a receipt for the quantity, leaving the amount column blank with the remark 'payment withheld towards Development Loan'.

- (ii) When the remittance is actually made to the development department, the DM/ADM, should make out another receipt for the amount, leaving the quantity column blank giving reference to the original receipt number and date. The following entry should be made on the receipt “Amount remitted to development department by DD No. dated on Bank”. This remittance will have to be accounted in C1/C2/C3 registers and Pool Fund Cash Book;
- (iii) If there are no banking facilities within easy distance of the DM/ADM, the amount withheld by him may be remitted to the ACMO for onward transmission to the development department. The procedure indicated above, for recording the recovery and remittance should be followed in this case also, but, instead of mentioning in the receipt that the remittance has been made to the development department, it may be stated as “Amount remitted to the ACMO through _____”; and
- (v) The DM/ADM, should, on no account, receive any remittances towards development loans, advances, etc., in cash from any planter. Recoveries should be made only by adjustment of the amount payable to planters on coffee delivered by them at the depot.

652. C1/C2/C3 registers and supplementary payment registers – One set of C1/C2/C3 register folios should be used for each type of receipts (e.g., direct receipts, receipts from collecting agents, samples etc.). Separate serial numbers should be maintained in the above registers.

653. Folios-wise totals of the entries in the above registers should be entered and the total of all the folios struck at the end of the fortnight in respect of all the columns in the register. Apart from the fortnightly total, the total up to the end of the previous fortnight and the grand total up to date should also be made out and carefully noted in the register.

654. *Seized coffee taken to pool after adjudication* :- Before actually purchasing such coffee, the DM/ADM, should personally satisfy that the penalty and redemption fine, etc., imposed on the offender as per the adjudication order, in cases where option is given to the offender, is actually paid. The redemption certificate issued by the central excise department should be carefully examined. It is possible that the offenders may not redeem the coffee within the time limit fixed in the adjudication order. In such cases, the DM/ADM should write to the central excise official concerned immediately after the stipulated time is over and ascertain whether the coffee can be purchased into the pool and the proceeds thereof credited to the central excise department.

655. The question of redemption by the offender does not arise in cases where the coffee is confiscated to the Government, but option for redemption is not granted in the adjudication order. In such cases, the

proceeds should be credited to the treasury to the account of the central excise department, only after ascertaining the correct account head and the treasury challan attached to the original receipt issued by the depot as it is required for audit purposes.

656. Where the seized coffee belongs to the planter and has been redeemed by him, it may be purchased on payment to large grower or small grower basis, according to the category of the estate.

657. For instructions regarding payment for seized coffee taken to Pool, refer to Circular No. ST.2646, dated 3.12.1949.

658. While intimating the purchase particulars to the ACMO, regarding seized coffee, a declaration to the effect that the redemption certificate issued by the central excise department has been verified, should be given by the DM/ADM in all cases where redemption has been permitted in the adjudication order.

659. *Check exercised by the depots on the payments :-* The depot should ensure that payments are made to the registered owners only or to their authorized agents or lien-holders. The procedure in regard to payments to the parties in the absence of registration certificate, detailed in Chapter V.

660. *Outstanding payments :-* After the last date fixed for making the final payment for the season is over, the DM/ADM should prepare a list of outstanding payments relating to receipts not paid, either initial, supplementary or final and send to the ACMO. He should send

representations if any received from planters claiming outstanding payments, to the ACMO for orders. He should also inform the planters, when enquired, to write to the ACMO for claiming such payments.

661. *Index Registers* :- An index register should be maintained at the depot showing the receipt number of original payments in serial order of the receipts and supplementary payments relating thereto. The receipt numbers of supplementary payments, as and when made, should be noted against the entry relating to the original receipt. This register will show the outstanding supplementary payments on any day.

662. *Estate-war Register* :- The entries in the register should be made at the time of payment to small growers – initial as well as supplementary and cross reference given to the receipts with Estate-war register No. and Folio No. The quantity received from each estate and the amounts paid can be had from the register.

663. *Bulking of coffee* : Coffee purchased from small growers may be bulked unless payment is required on outturn basis or points basis. Coffee should be bulked typewise and graded, it is desirable to bulk coffee on the following basis : (1) FAQ, FAQ-1 and FAQ+1. (2) FAQ-2 to -4 and (3) FAQ-5 and above. Deteriorated coffees should not be bulked with good quality coffees. Sufficient care should be taken while bulking estate-pounded coffee to ensure that bulking is done thoroughly, as such coffees will be put up for sale normally without further sorting or bulking.

664. Uncured coffees need not be bulked except to eliminate innumerable small lots or to comply with the provisions of transport agreement. These will be outturned and bulked at curing centers.

665. Where the Central Excise Officers insist on permission being obtained from them for bulking, the DM/ADM should intimate the Central Excise Inspector concerned the date on which coffee is proposed to be bulked. In all cases, the DM/ADM should intimate the ACMO, three days in advance of the date, when bulking of coffee is proposed to be undertaken. After bulking, a bulk statement should be prepared showing the details of quantities taken for bulking, resultant quantity, and gain or loss observed.

666. *Gain or loss in weight* :- Any gain in weight noticed at the time of bulking or on stock verifications should be taken as receipt in C1/C2/C3 registers and a single receipt prepared for the purpose. The loss in weight, if any, should be recorded as issue in the register under the relevant column.

667. Bulk cards should be attached to the bulked quantities when stored in the godown indicating the Bulk No. Type and grade, quantity, number of bags in the bulk. Usually, coffee purchased from small growers should be bulked only after an interval of at least a week so that the ACMO/CCI may, if necessary, verify the assessment made by the DM/ADM. However, where godown facilities are inadequate, bulking may be undertaken without waiting for a week.

668. *Transfer of stocks* :- Stocks should be transported to the main depot or Pool Agent, as the case may be, immediately when one or two lorry loads of coffee accumulate at the depot. Estate-pounded coffees are generally transported to the main depot for storage and disposed of according to instructions. Uncured coffees are transported to the Curing Works for curing.

669. The transport is undertaken by the transport contractor appointed by the department for that purpose. The DM/ADM should give advance intimation as prescribed in the transport agreement, to the transport contractor with a copy to the ACMO, with the date and time at which lorry is required.

670. Coffee should be cleared against Central Excise document (TP.2). A Coffee Pass, in the prescribed form, should be prepared in triplicate, and the original and duplicate handed over to the lorry driver (one copy meant for the receiving depot/Pool Agent and one for ACMO). The TP.2 should also be handed over to the lorry driver who, in turn, will hand over all these documents to the Depot/Pool Agent receiving the coffee. The dispatching depot should obtain proper acknowledgement from the lorry driver indicating the quantity, type and grade, number of bags, correct weight/measurement and the time at which the lorry was loaded.

671. *Drawal of samples to accompany consignments transferred to Pool Agents/Main Depots* :- Two samples of half litre each (in the case of uncured coffees) and half a kg. each (in the case of Estate-pounded coffees)

should be drawn from the lots of coffee to be despatched, packed and sealed with the distinct seal of the depot and kept in one of the bags (which should also be sealed) of the concerned lot under despatch, so that the two samples would form part of the bulk. Samples need not be retained at the depot.

672. *Collecting-cum-selling Depot* :- Pool Collecting depots at Chikmagalur, Kottayam and Narasimpatnam also functions as selling depots. Stocks of estate-pounded coffee collected at these depots is invariably disposed of ex-these depots. The DM should arrange for the bulking of the required coffee when the quantity to be put up for sale is intimated to him. He should prepare lotwise lists as per the procedure laid down in Chapter IX and send it to the ACMO, in duplicate for approval. On approval, samples should be drawn and despatched to the sale center in accordance with the procedure stated in Chapters XIV and XV. A copy of the results will be sent to the depot manager who should then arrange for clearance and delivery of stocks, to the various parties. Acknowledgement should be obtained from the parties, for stocks delivered. In cases where the party desires delivery to his Agent, the DM should insist on a proper letter of authorization, unless such a lot has already been produced to the ACMO, and it has been communicated to him by the ACMO. The Pool depot at Bodinayakanur which was functioning as Collecting-cum selling depot has since been converted into a storage depot. Further details are in the following paras.

673. *Storage-cum selling depots* :- Storage-cum selling depots function at Karamadai, Mettupalayam, Salem and Bodinayakanur. The Depot at Vijayawada which was functioning as Pool Sales Depot has since

been converted into a storage-cum selling depot. The depot at Chikmagalur also functions as a storage-cum selling depot. The following are the functions of the Storage-cum selling Depots:-

Receipt

- (i) Coffees are received for storage over the monsoon from Coastal Pool Agents upto May/June and thereafter from other Pool Agents for sale in Pool auctions.
- (ii) Stocks are moved by road through approved transport contractors. The transport contractor undertakes the work of clearing the stocks from the dispatching curers, transferring them to the depot, unloading and weighing;
- (iii) Coffees so received will be acknowledged in form Account No. 9(b) and accounted in the concerned registers also such as F1, F2 and H after warehousing by the Central Excise authorities as the stocks received are cleared under AR 3s (non duty paid);
- (iv) Stock cards indicating bulk number, type and grade, quantity, etc., are attached to each stock and disposals, if any, recorded in these cards.

Disposals

- (a) Coffees fit for export will be reserved after screening and rest of the coffees are disposed of in Pool Sales, allotments to co-operative societies, Propaganda Department and despatches to Pool Sales Depots;
- (b) Releases will be made on presentation of AR-1 applications and after adjustment of Excise Duty in account current;
- (c) Export coffees are released under AR.4 applications presented by the Exporters direct to Central Excise Authorities.

674. Sales proceeds for the stocks sold are collected in the form of demand drafts from the dealers and remitted to the Pool Fund Account.

675. *Sales Registers :-* Sales Registers, cash memos, remittance particulars should be rendered monthly in triplicate, original and duplicate to be sent to the divisional office and triplicate to be retained by the depot. For other instructions, Vide para 672.

676. *Securities to be furnished by those handling stocks and cash :-*
The DM/ADM should furnish security depots of specified amount, in any of

the forms prescribed in the General Financial Rules of the Central Government. For details Vide Part I – B-Office Procedure Chapter XVII.

677. *Fidelity Guarantee Insurance, Cash-in-Transit Insurance and Insurance of persons carrying cash* :- The DM/ADM who is entrusted with the custody of cash is covered under these policies. For further details Vide Part IX-H-Account-Chapter VII.

678. The DM/ADM should maintain a Cash-in-Transit Register in the Depot for recording the particulars of cash carried etc.,

679. *Weighment of stocks received on transfer from another Pool Centre* :- When a consignment of coffee is received at the Pool Depot from another Pool Depot/Pool Agent, ten per cent of the stocks should be weighed and the shortage in each bag against this ten percent ascertained. If the shortage is uniform or the variations from bag to bag do not exceed half Kg. the total shortage on the whole consignment should be worked out on the basis of average shortage in the ten per cent stocks weighed. Where the shortage is not uniform and variations exceed half Kg. from bag to bag, the entire consignment should be weighed.

680. Shortage statements, in the prescribed form, should be prepared fortnightly and sent to the ACOMO.

681. *Comparing of lots with samples despatched from another Pool Centre* :- The receiving Depot/Pool Agent will, on receipt of the consignment, open one of the two sealed samples for comparing with the lot

and retain the other sealed sample intact for purposes of verification by the ACMO, either in case of a dispute or during routine inspection. The two samples would subsequently be merged with the bulk for curing, storing and disposal.

682. *Loss of Pool Coffee in transit* :- If any shortages are noticed in the stocks, from those advised, the matter should promptly be brought to the notice of the dispatching depot/Pool Agent, contractor and the ACMO.

683. *Insurance of Stocks*:- Instructions regarding insurance of stocks are detailed in Chapter IV.

684. *Bills for FOR Charges, transport etc.*, :- On the original copies of the bills received, the DM/ADM should certify to the receipt of the coffee in full and in good condition, the nature of packing, i.e. in double gunnies, new gunnies, second-hand gunnies etc., with folio number of the stock register. Shortages, if any, in each consignment are to be recorded at the time of receipt of each consignment. These bills should be forwarded to the ACMO promptly.

685. *Procedure of handing over charge of stocks at the Depot*:- Stocks should be handed over or taken charge of after weighment/measurement. The outgoing DM/ADM, should see that the stocks in his custody are made over correctly to the successor and proper acknowledgement taken from him. The incoming DM/ADM in giving such acknowledgement, should note that responsibility for any loss or shortages noticed subsequently will rest on the successor.

686. In the case of transfer of the DM/ADM in charge of the depot, the entire stock in the depot, irrespective of the quantity should be weighted/measured and the total weight/forlit so ascertained should be checked with the book balance.

687. When a DM/ADM proceeds on earned leave, the entire stocks should be weighed/measured and checked with the book balance, provided the stock is within 25 tonnes. If the stock is more than 25 tonnes, and if the bags are uniform in weight/measurement ten per cent of the stock may be weighted/measured at the discretion of the DM/ADM taking over charge, but, if the bags are not uniform, the entire stock should be weighed/measured and checked with the book balance.

688. In all cases, the actual weight/forlits, as ascertained by physical or check weighing/measurement, should be entered in the relevant register and any excess or shortage noticed, compared to the book balance, should also be duly recorded.

689. To avoid objections from the excise department in regard to reckoning of loss or gain-in-weight noticed, at the time of handing over charge, the DM/ADM should secure the presence and co-operation of the excise range officer of the locality, who would take note of the gain or loss in weight, that might be noticed at the time of handing over charge of stocks or stocks on transfer.

690. *Preservation of records and registers:-* All time-barred or superseded files, etc., would be weeded out from time to time, list prepared

in duplicate and sent to the ACMO for orders. For details, vide chapter Part I-B-Office procedure-chapter VIII.

691. *Night watch:-* The DM/ADM, should take sufficient security measures to prevent theft of coffee from the godowns. Night watch should be done, in turn, by the Class IV staff attached to the depot.

692. *Inspections:-* The Central excise officers not below the rank of an Asst. Inspector may check the stocks and verify the accounts relating to stocks, their receipts, disposals, etc., at the depot.

693. The DM/ADM in charge of the pool depot will render all necessary facilities to the inspecting officers for inspection of his depot at all reasonable times.

694. An inspection Minutes Book should be maintained and points arising out of the inspection should be noted in the book and action taken thereon should also be recorded.

Accounts Work

695. *Imprest:-* The DM/ADM should maintain a cash book for accounting the moneys received from the ACMO and expended by him. The procedure relating to maintenance of cash book is at part IX-A-Accounts-Chapter I. He should render an account to the ACMO in the imprest account form immediately after the close of each month.

696. *Indent for imprest cash:-* The indent for amounts required by the DM/ADM for the expenditure of his depot for the ensuing month should be sent to the ACMO by the 12th of the month in the prescribed form.

697. Instructions regarding the preparation of imprest accounts, etc., are given in chapter V.

698. *Pool cash:-* Accounting of funds received for payment:- The amounts received by the depot are entered in the pool advance register maintained at the depot. The total payment for the day is posted in the pool advance register (maintained in triplicate for each season). The pool advance register will show the total amount received, the amount paid and the balance cash on each day and also the progressive total of transactions for the season.

699. *Indent for pool cash:-* The DM/ADM should indent for funds required, in the prescribed form, to the ACMO at least four days in advance of the date of requirement. Amounts required for a week or fortnight alone should be indented for and care should be taken to avoid keeping excess funds at the depot.

700. A cash statement is sent daily by the depot, in the prescribed form, to the ACMO showing the opening balance, amount received, if any, paid during the day and the closing balance of cash.

701. Receipt of cash should be acknowledged by issuing prescribed receipt.

702. The various items of payments made on each day are entered in the C1/C2/C3 registers maintained for each season (C1 for Plantation Coffee, C2 for Arabica and C3 for Robusta). The initial advances to the large growers for coffee pooled at the depot, if any, are paid by the depot, if payment in cash is to be made. If the planter desires payment by cheque, the receipts for the coffee are sent to the Accounts Department, Head Office, for issue of cheque. Such payments are accounted for in the fortnightly return as though the amounts were received from the Head Office at the depot and paid therefrom to the planter. Payments for coffee received from large growers are accounted for in a separate set of C1/C2/C3 registers. Subsequent payment to large growers are made from the Head office on receipt of claim statements from the ACMO. When supplementary payments are made, the various items of payments are made, the various items of payments are entered in the supplementary payment register (separate register are maintained for each type of coffee for each season). The daily total of supplementary payments will be entered in the pool advance register.

703. On the reverse of the Advance Register, particulars of payments made during the fortnight should be shown, viz., provisional, enhanced, supplementary and final payments under different types of coffee.

704. *Supplementary payments:-* Supplementary payments are made on supplementary receipts which give reference to the original receipts issued at the time of receiving coffee and also to the serial number of the C1/C2/C3 registers. No reduction in rate on account of deficiency in quality, etc., is made in respect of supplementary payments (vide decision of

the marketing committee held on 20-11-1951). The payments are made only on production of the original receipts given to the planters or in their absence on execution of an indemnity bond. The supplementary payments are linked with original entries in the C1/C2/C3 registers.

Submission of Accounts

705. Account No. 5-Fortnightly return of stock and cash account should be prepared in quadruplicate-original to be sent to the CCMO, (sales IO, duplicate to the Regional DCCMO, triplicate to ACMO and the quadruplicate to be retained at the depot.

706. *Pool advance register:-* This should be prepared in triplicate ; original and duplicate to be sent to the ACMO and the triplicate to be retained in the depot.

707. When there are no transactions during a fortnight an extract of the advance register showing the opening balance and the closing balance for the fortnight should be prepared in duplicate, original to be sent to the ACMO, retaining the duplicate copy with the depot.

708. C1/C2/C3 registers for the season and supplementary payment receipts, etc., should be sent to the ACMO.

709. Imprest account should be submitted immediately after the close of the month together with relevant vouchers to the ACMO.

710. Returns 'due out'-vide *Appendix XL*.

711. Registers to be maintained-vide *Appendix XLI*.

CHAPTER IX

CURING ESTABLISHMENTS AND POOL AGENTS

A. Curing Establishments

(Reference : Section 3(d)(e) and 28 of the Coffee Act and Rule 45 of the Coffee Rules 1955).

712. Under Section 28 of the Coffee Act and Rule 45 of the Coffee Rules, 1955, every Coffee Curing Establishment shall obtain from the Board a licence to operate as such.

713. Definition of ‘curing’ and ‘curing establishment.’ – According to Section 3(d) of the Act, ‘curing’ means the application to raw coffee of mechanical processes other than pulping for the purpose of preparing it for marketing.

714. Section 3(e) of the Act defines ‘Curing establishment’ as any place to which raw coffee is sent by a registered owner for curing and includes any estate which the Board may declare to be a curing establishment for the purposes of the Act.

715. For administrative purpose curing establishments are classified under two categories; (a) establishments maintained by the growers to cure their own coffee and (b) establishments which cure the coffee of any estate.

716. *Procedure for grant of curing licence :-* All applications for curing licence except those from growers, who wish to hull their own coffee, shall be accompanied by a fee of RS. 5/- (Rule-45(1)). Growers who hull their own coffee have been exempted by the Board from payment of this fee, under the proviso to Rule 45(1), but when the licence is renewed after a period of 3 years, a renewal fee of Rs.5/- is collected by the Board from the growers also.

717. Applications for licences from persons or firms, who wish to cure coffee received from any estate, need to be investigated with particular reference to (i) whether there are any other Curing Works nearby, (ii) whether the starting of the new curing works will be detrimental to the curing works already in existence, (iii) whether there is sufficient coffee produced in the area to feed the curing works, and (iv) whether the applicant is financially sound and reliable. The capacity of the peeler, godown and drying yard capacity, suitability of the machinery and appliances, availability or otherwise of labour, proximity to the railhead etc., will be other relevant matters to be considered before granting the licence.

718. In the case of establishments maintained by the growers to hull their own coffee, it is enough if the sanctioning authority is satisfied that the machinery to be used is suitable for coffee hulling. Where the grower also wishes to grade the coffee, whether the grading sieves conform to the standards prescribed by the Board, needs to be verified.

719. The curing licences and hulling licences are issued by the CCMO.

720. The licence shall be in the form “E” and subject to such conditions as may be specified therein (Rule 45(2)(1) – Vide *Appendix XLII* for conditions. Licences issued by the Board shall be in numbered forms of which counterfoils shall be maintained by the Board. The licence is not transferable. A licence once issued need be renewed once in 3 years.

721. The licence may be cancelled by the Board if it is satisfied that the curing establishment has committed any breach of the provisions of the Act, the coffee Rules or the conditions attached to the licence.

722. *Coffee to be cured only in licenced curing establishments :-* No registered owner shall cause or allow coffee to be cured elsewhere than at a licenced curing establishment, whether maintained by himself or by another (Section 27).

723. *Failure to take licence :-* The owner of any Curing establishment, operating without a licence, shall be punishable with fine which may extend to Rs.500/- (Section 27).

724. *Accounts and returns :-* A curing establishment hulling coffee received from growers, but not holding a Pool Agency, should maintain

stock register (Register of Receipts and Disposals of Coffee)- Vide *Appendix - XLIII* fortnightly returns should be sent in the prescribed form *Appendix - XLIV* to the divisional ACMO on the 1st and 16th of each month of the transactions made during the preceding fortnight. A copy of the receipt issued in respect of each consignment of coffee as well as a copy of the outturn issued to the grower must be appended to the fortnightly return. /An explanatory statement in the prescribed form should also accompany the return (Vide *Appendix XLV*).

725. Failure to deliver coffee to the Pool: - Every curing establishment shall ensure the coffee delivered to it for curing is properly cured and shall promptly rectify defects in curing, if any, pointed out by the Board. As required by Section 25(1), it shall deliver all the coffee cured by it to the Pool under that section. Contravention of the aforesaid section shall be punishable with fine which may extend to one thousand rupees, and the court by which such person is convicted may order confiscation and delivery to the Board of any coffee in respect of which the offence was committed (Section 38(A)).

726. False information :- Any person who makes in any report to be made under Section 29 any statement which is false and which he knows to be false or does not believe to be true, shall be punishable with fine which may extend to one thousand rupees (Section 38).

B. Pool Agents

727. Appointment of Pool Agents :- Under Rule 41 of the Coffee Rules, Pool Agents are appointed by the Board to assist it in the work of collecting coffee from growers, making payments thereon from funds supplied by the Board and for the curing, storing and marketing of the pooled coffee in the internal and foreign markets.

728. Agency is normally granted to those whose average annual turnover is expected to be not less than 250 tonnes. They must have proper curing machinery, adequate drying facilities and godown space. They should also be in a position to satisfy the Board about their financial stability and managerial efficiency.

729. When an application for Pool Agency is received, the CCMO will arrange for the inspection of the applicant's Works with reference to the aforesaid points in addition to these mentioned in para 717 and also make enquiries about the firm's business integrity and general standing. If he is satisfied, the application would be placed before the Marketing Committee, for grant of the Agency. On grant of the Agency, the party will be required to enter into an agreement with the Board which is usually for a calendar year and renewable from year to year.

730. A list of Pool Agents as on 30-6-1977 is given in *Appendix - XLVI*.

731. Duties :- The duties of the Pool Agents are enumerated in full in the Agency Agreement (Appendix XLVII). Briefly stated, they consist of (i) receiving coffee tendered to the Pool by growers, curing establishments and Collecting Agents and making payments thereon as directed by the Board, from time to time, (ii) curing where necessary and storing of the pooled coffees, (iii) assisting the ACMO/CCI attached to the Curing Works in regard to the drawal of assessment and other samples and then despatch to Head Office/approved centers, (iv) making arrangements for sale of coffee, (v) collecting the sale proceeds on coffees sold and giving delivery of the coffee sold, (vi) packing and forwarding coffee when instructed, and (vii) maintenance of accounts and submission of returns as prescribed by the Board as well as by the Central Excise authorities.

732. *Receiving of Coffee* :- Coffee is delivered to the Pool either in uncured or in estate-pounded form according to the convenience of the planter. The Pool Agents should verify whether the coffee is accompanied by a valid transport document. Consignments of estate pounded coffee should be weighed in full. In the case of uncured coffee received from large growers, at least five per cent of the consignment should be measured/weighed except in cases where full measurements/weightings are found necessary. Uncured coffee received from the small growers and Pool Depots should be measured in full.

733. The Pool Agents should ascertain the test weight per forlit of coffee sent in husk/parchment by weighing a few forlits of coffee drawn at random from different bags, and make a true record of the same. The Pool Agents are required to send a statement of different lots of uncured coffee received with test weights above those prescribed. These statement should be sent once in a month, without fail to the CCMO.

734. *Payment receipts* :- The Pool Agents should issue receipts in the prescribed form for coffee received. The receipts should be made out in triplicate, the original to be sent to the ACOMO, duplicate to the planter and triplicate to be retained with the Agents.

735. *Initial Pool Payment* :- The initial Pool payment is made by the Agents at the rates specified by the Board when coffee is received and pool receipt issued. The party's acknowledgement for the payment is obtained on the receipt. When the Pool Agent receives the money as the agent of the grower, there should be a proper authorization letter and this should be available for scrutiny of the Board' s officers.

736. *Curing of coffee* :- The Pool Agents should cure all consignments of coffee delivered to the Pool in parchment or husk. Curing includes peeling, grading and garbling. Where coffees delivered by the growers are not fully dried, it is incumbent on the agents to have them properly dried.

737. Each lot of coffee received from the large growers should normally be cured separately. However, lots of similar quality of the same estate may be bulked if found necessary to obtain a sufficiently big lot. The lots received from the small growers which are paid on outturn basis should also be cured lotwise. The other coffees received directly from the small growers on payment on uncured basis are bulked according to their compatibility and cured. Such Coffees are to be taken up for curing after completing curing of coffees received from large growers. Coffees transferred from different pool depots are to be cured type-wise and depot-wise.

738. The agents should cure the lots of coffee in the order of receipt, as far as possible, unless they have been instructed to reserve any coffee for post-monsoon curing. Wherever any lot of coffee is cured deviating from the order of its receipt, the reason therefore should be recorded in writing by the Agent.

739. As from 1963-64 season onwards, the inland curers have been instructed to take up curing of all the type of coffee simultaneously, in order to make available sizeable quantities of Plantation, Arabica Cherry and Robusta for export during the early months of the year. While taking up curing, the order of receipts in that particular type must be maintained. Inland curers who are situated in the areas, which are affected by South-West monsoon, have been permitted to suspend curing of Parchment (both Arabica and Robusta) during the period 15th June to 15th August. Where the local climatical conditions permit, there is no objection to their continuance of curing of these coffees in consultation with the divisional ACMO.

740. The curers in west coast, on instructions from the CCMO, will take up monsooning of coffee – Arabica Whole Crop Cherry, Robusta Cherry – every year and get it sized as under :-

Arabica wholecrop Cherry	...	Malabar AA, Basanahally, Monsoon Triage
Robusta Cherry	...	Monsoon Robusta, AB, Monsoon Robusta Triage.

The process of monsoon of coffee is detailed in Chapter XVII.

741. *Penalties for under-driage, defective curing* :- The scale fixed for 1965-66 season for levy of penalty on Pool Agents for curing and outturning under-dried coffees is given under :-

Washed Coffees	9.6% to 10.0%	-	Warning
	10.1% to 10.5%	-	Rs. 5/- per tonne
	10.6% to 11.0%	-	Rs.10/- per tonne
	11.1% to 11.5%	-	Rs.15/- per tonne
	11.6% to 12.0%	-	Rs.20/- per tonne and so on

AR- Cherry	10.5% to 11.0%	-	Warning
	11.1% to 11.5%	-	Rs. 5/- per tonne
	11.6% to 12.0%	-	Rs.10/- per tonne
	12.1% to 12.5%	-	Rs.15/- per tonne
	12.6% to 13.0%	-	Rs.20/- per tonne and so on

Robusta Cherry	11.0% to 11.5%	-	Warning
	11.6% to 12.0%	-	Rs. 5/- per tonne
	12.1% to 12.5%	-	Rs.10/- per tonne
	12.6% to 13.0%	-	Rs.15/- per tonne
	13.1% to 13.5%	-	Rs.20/- per tonne and so on

In case the curing is defective or is not in accordance with standards prescribed, charges payable to the Pool Agents for curing shall be liable to be reduced by amount not exceeding ten percent of the curing charges payable to them on the entire outturn. Provided, however, that the CCMO, shall before making the reduction as aforesaid, give the Pool Agents concerned a reasonable opportunity to show cause against the same and take into account any representation made by them in that behalf. The decision of the CCMO in this behalf is final and binding on the Pool Agents concerned, subject however to an appeal to the Marketing Committee in regard to the quantum of reduction made by the CCMO.

742. *Outturn receipts* : For each lot of coffee cured, an outturn receipt should be rendered in quadruplicate, in the prescribed form, the original to be sent to the accounts department, Head Office, copies to all the ACMO and the planter, and the quadruplicate retained with the Pool Agent. The correct procedure is to number the outturns serially for each type of coffee; separate outturn books should be used for the lots received from large growers, small growers and Pool Depots and also for different types.

743. *Introduction of composite OT/CVR forms* :- The Composite OT/CVR forms have been put into use in all the divisions. These forms combine the OT and CVR particulars, thus minimizing the scriptory work in the Board's Offices and also in the matter of preparation and despatch of CVRs.

744. The OT/CVR forms in respect of each of the five types of coffee should be got printed by the Pool Agents themselves on manifolded paper. The Pool Agents have to use these forms in sets of 9 forms each for preparing the outturns, on a typewriter, using as far as possible, fresh carbon sheets. The particulars relating to the overtime portion of the forms will be filled by the Pool Agents. After taking out 9 copies of each outturn, the first five copies will be sent by the Pool Agent to the ACMO and the remaining four copies retained by the Pool Agent for distribution to (1) CCMO (S.T.), (2) CAO (3) planter and (4) retained as Pool Agent's copy. On receipt of the five copies of each outturn from the Pool Agent, the ACMO may use the fifth copy as CVR worksheet and fill up the CVR portion of the form on remaining four copies by typing, using carbon sheets. The four copies of the

combined OT/CVR have to be distributed to (1) Pool Agent, (2) Planter, (3) Regional DCCMO and (4) retained as Office copy.

745. *Grading and garbling of coffee* :- Specific standards for grading and garbling of coffee have been laid down by the Board. Plantation coffee should be graded into A, B, PB, T, Blacks, Bits, Arabica Cherry, Robusta Cherry and Robusta Parchment should be graded into PB, AB, T, Blacks/Browns/Bits and Arabica Cherry Strippings should be graded into PB, A, BCT/Blacks/Brown/Bits. However the classification 'Strippings' has been eliminated.

746. The procedure for drawal and despatch of FAQ samples, assessment samples is detailed in Chapter XI.

747. Arabica/cherry estate pounded Coffee (including Gleanings and Strippings) received by the Pool Agents from small growers, either directly or through collecting depots, should be processed according to the grades prescribed. Estate Pounded Arabica coffee delivered by large growers should also be processed according to the standards fixed. Estate Pounded Robusta Cherry/Parchment Bulk should not be garbled without the prior approval of the CCMO. However on a request from the planter his coffee may be garbled and graded at his cost.

748. The Pool Agents should state in the copies of the coffee outturns sent to the Board, whether the coffee is clean-garbled, or ungarbled. Similar remarks should also be made on the labels attached to the tins containing samples drawn for assessment.

749. The sizer sheets used should strictly conform to the standards prescribed by the Board. The sheets shall not be more than 1.587 mm in thickness. The spacing of the holes on the sizer sheet should be between 7 mm. and 12 mm, centre to centre, and the holes should have clean sharp edges. There should be no perceptible difference between the opening of a hole on one side of the sheet and its opening on the other side.

750. *Test-checking of grades* :- The Pool Agents/ACMOs are supplied with standard sieve boxes for test checking the A, B and AB grades of the outturn rendered by the Pool Agents. The sieve sheet is attached to a rectangular wooden frame with inside dimension of 228.6 x 228.6 x 50.8 mm. the sieve sheet forming one 228.6 x 228.6 mm. face, the opposite face being open.

751. *Storage of coffee* :- The Pool Agents should provide adequate and suitable godown space for pool coffee. They are advised to adopt the standards for storing laid down by the Indian Standards Institution for construction of godowns. Godowns should be of pucca construction and give full protection to coffee from dampness, attack of weevils, rats, etc., All stocks of cured and estate-pounded coffees should be stored in double gunnies and stacked on coir mats or other suitable dunnage. Bags should be of uniform weight/measurement. In the godowns each lot/bulk should be stacked separately with stock cards duly attached, and stacking should be in conformity with Central Excise regulations. Stocks should be inspected periodically by the Pool Agents and restacking, rebagging and rebulking

done whenever necessary, after obtaining the approval of the CCMO.

752. *Bulking* :- The Pool Agents should bulk the outturned coffees and make up the lots required for sale. The coffee outturns required for this purpose could be bulked at the discretion of the pool agents without waiting for visual awards from the Board's assessors. However, in regard to Plantation coffees, the bulking should be done only according to groups based on cup test results communicated by the cup tasting unit of the Board. The bulks should be homogenous in quality, for which purpose the size of each bulk should normally be restricted to not more than 25 to 30 tons. Where an outturn contains 5 tons or more of one grade, it could be put up for sale without being bulked with other outturns. As far as possible, coffees of each district growth should be bulked separately excepting in the case of inferior coffees or where the outturns to be bulked are of negligible size/quantity.

753. For allotments to co-operative societies and the Propaganda Department, FAQ or FAQ+1 and FAQ-1 coffees may be bulked together after the assessors' awards are received. When small quantities are to be tendered against allotments, they should not be taken from bulks, if outturns of the quantity required are available.

754. For export auction, coffees below FAQ should not be taken for bulking, unless otherwise instructed.

755. Small lots of estate-pounded and cured coffee should be bulked as soon as the assessment samples are drawn so that innumerable small lots may not be left lying about making it difficult to check stocks at the time of periodical inspections.

756. *Preparation of lotwise lists for Pool Sales* :- The lotwise lists for the Pool Sales should be prepared in duplicate and sent by the Pool Agents to the ACMO for approval, soon after the quantities to be exposed at a sale are communicated to them. The following points should be noted in preparing the lotwise lists :-

- (i) The various types and grades should be arranged in the order occurring in the Price Differential Scale;
- (ii) No lot should be of more than 5 tonnes;
- (iii) At least 25% of the quantity should be small lots of one or two tonnes each;
- (iv) Priority should be given for early cured coffees and coffees which are likely to deteriorate in quality;
- (v) Estate-pounded coffees which are found under-dried at the time of delivery to the Pool should be put up for sale as early as possible;

- (vi) All inferior grades of coffees such as T/Blacks/Browns/Bits should be put up for sale every month in the proportion stipulated and not allowed to accumulate; and
- (vii) All lots withdrawn in the previous sales and again exposed in the next sale should be shown first in the list.

757. When lots withdrawn in the preceding two Pool Sales are put up again for sale, a statement showing their particulars should be sent to the CCMO, on or before the 1st of every month. If there are no such lots in any month, a nil statement should be furnished;

758. *Preparation of lotwise lists for Export Auctions* :- It should be on the following basis :-

- (i) Quantity in any lot should be not more than 15 tonnes and not less than 3 tonnes and should be in multiple of 3 tonnes in each lot;
- (ii) Coffees of different district growth should not be mixed but put up separately, the district growth being mentioned against each lot in respect of Plantation coffees.

759. Where two or more lots are made up from the same bulk, this fact should be indicated in the lists. To provide for samples and possible shortages, the Pool Agents should reserve an extra quantity amounting to 5% of each of the bulks put up for sale.

760. *Printing of offer forms/catalogue of lots:* - Two copies of the lotwise list approved by the ACMO, should be forwarded by the Pool Agent to the CCMO. Sufficient number of copies of offer forms should then be printed or stenciled by the Agent and despatched to the ACMO of the Pool Sale Centre. The code numbers assigned to each pool agent should be printed or stamped on each form, the size of the number being such as to fit in a circle of 25.4 mm. diameter. The offer forms should be of foolscap size and provide sufficient space for entering the bids both in the foil and counterfoil. The forms should be perforated, if printed or a dotted line put in vertically between the foil and counterfoil, if cyclostyled. A thick vertical line to cover both the foil and counterfoil should be drawn between each type and grade of coffee. Total of each type and grade and the grand total should be shown as an abstract at the end of the offer form. Lots pertaining to old crop should be shown first in the offer form. The offer form should clearly specify whether the lots of Arabica and Robusta Cherry AB shown therein are clean-garbled and, if not, the standard to which they are garbled. The page numbers should be shown at the bottom of the right-hand corner of each page.

761. *Drawal and despatch of samples to Pool Sale Centre :-* The Pool Agent should arrange to draw and despatch representative samples to the ACMO of the sale centre so as to reach him at least three days before the date of sale. Representative samples weighing 10 Kg. in respect of each lot or bulk, as the case may be, should be drawn. Where two or more lots are made out of the same bulk, the sample drawn should be sufficient to provide

for a representative samples of 10 Kg. and two half kg. samples for each lot made out of the bulk.

762. The half kg. samples should be packed in small gunny bags duly sealed and placed inside the bag containing 10 Kg. sample and the outer gunny bags stitched, sealed and labeled. To avoid confusion and mistakes that may arise at the Pool Sale Centres, the Pool Agents should ensure that the lot numbers, types and grades and quantities are clearly stenciled on the bags containing the representative samples, before sending them to the sale centers. The outer labels attached to the samples bag should also be sealed at the knots.

763. *Preservation of samples in respect of Pool Sales* :- Procedure relating to preservation of samples in respect of Pool Sales is dealt with in Chapter XIV.

764. *Drawal and despatch of samples to Export Auction Centre* :- Details regarding drawal and despatch of samples to Export Auction centers are given in Chapter XV.

765. Preservation of samples in respect of Export Auction – Vide Chapter XV.

766. *Weighment and delivery of stocks sold* :- The buyer shall pay for the quantity declared to him in which case the Pool Agents will weight the stocks at the time of the buyer taking delivery of coffee and adjust his account on the basis of the weight so ascertained.

767. Alternatively, the buyer may apply, in writing, within the stipulated time, to weight the coffee before payment, in which case it will be weighed and kept apart ex-scale on his account and at his risk. If he fails to pay for and take delivery after weights have been established, the procedure laid down in Clauses 19(b) (c) and (d) of the conditions of Pool Sales will apply regarding internal sales and the procedure in Clause 19 of the terms and conditions of sale of coffee for export auction.

768. In respect of internal sales, the buyer shall pay for and/or apply for delivery of the coffee within the seventeenth day from, but excluding the date of sale, failing which the procedure outlined in Clauses 19(b)(c) and (d) of the conditions of Pool Sales shall be applied. Similarly, Clauses 15 and 19 of the terms and conditions of sale of coffee for export will become operative if the buyer fails to pay for, and/or apply for delivery before the expiry of the 26th day from the date of notice of tender or before the expiry of the extended period, if extension was granted.

769. Sold stocks should be delivered only after payment of its full value and other charges, if any. No lot or share of a lot should be delivered piece-meal. The dealer should take delivery of the entire quantity of the lot – if the full lot is declared to him or his full share of the lot – if the lot is declared to more than one person – at any one time.

770. The Board or its Agents do not accept any responsibility in regard to any arrangements as between the declared offerer and his nominee and it will not be drawn into any controversy which may arise.

771. *Nominee of buyers* :- When the Pool Agent receives from buyer any nomination for delivery of coffee in favour of another person, a letter in the following form should be issued by the Pool Agent -

“ We are in receipt of your letter dated _____ stating that you have authorised _____ to take delivery of lot No. _____ of coffee on your behalf against payment; but, we hereby make it clear that we are not accepting any liability towards your nominee. We shall act upon any instruction of yours that may be placed before us at the time of payment and taking delivery of the coffee.

Pool Agent “

772. *Packing and forwarding* : - Packing and forwarding of coffee sold to private parties will be undertaken by the Pool Agents, but the terms of charges for that work are matters for negotiation between the buyer and the Pool Agent subject to a maximum fixed by the Board. But, coffees, allotted to the Propaganda Department, Co-operative Societies, as well as any coffee which is sent to any party or place at the Board's instance, are to be packed and forwarded by the Pool Agents only at the scheduled rates approved by the Board. Only 75 kg. capacity bags of DW Flours category should be used.

773. *Despatch of coffee in Pool Sales Depots :-* As per the agreement, the transport contractors are to lift the coffees within 48 hours from the date of intimation from the Pool Agents. The Pool Agents may indent on the transport contractors for lorries well in advance fixing up a date sending the letter of intimation by registered post acknowledgement due so as to give the transport contractors sufficient time for arranging lorries.

774. If the transport contractors fail to lift the coffee by the date specified in the Pool Agent's letter, the Pool Agent concerned may arrange for the transport of the particular consignment, through some other local transport agency at the lowest rate and taking all necessary steps for the safety of the stocks during transport, under intimation to the CCMO, and the transport contractor concerned. In such cases the Pool Agents may inform Head Office and the approved transport contractor, the cost involved by arranging the transport through other transport agency to enable collection of extra charges from the contractor.

775. *Delay in removal of coffee from Pool godowns after payment by Exporters :-* Collection of godown charges – As per Clause 20 of the terms and conditions of sale of coffee for export, which stipulates that, if the buyer (exporter), after having made payment, fails to take delivery and remove the coffee within the prescribed period, the Pool Agent shall weigh the coffee, after the 26th day from the date of Notice of tender and set apart the same in their Pool Warehouses according to their convenience. The buyer shall then be bound to pay before removing the said coffee, godown charges at a rate to be mutually agreed upon between the Pool Agent and the buyer.

776. Collection and remittance of sale proceeds :- Before effecting delivery of stocks, the Pool Agents should collect the sale value, excise duty, sales tax and such other amounts due to the Board from the parties to whom coffee has been sold. The sales tax should be collected at the rates in force, from time to time, in the respective States. The Insurance charges should be recovered from the buyers, if the sold stocks are not taken over, on or before the 17th day from the date of sale in respect of pool sales and, on or before the 26th day from the day of tender in respect of sales for export, at paise three per Rs. 100/- per month or part of a month commencing from the 18th or 27th day excluding the date of sale/date of tender, as the case may. Godown charges may be recovered with effect from the 18th or 27th day as the case may be, if sold stocks are not removed by the buyers. However, the rate of godown charges should be settled between the buyer and the pool agent. Payment of sale proceeds should be made by the dealers by demand drafts drawn in favour of the Coffee Board pool fund account, on banks which have drawing accounts with the State Bank of India/State Bank of Mysore/State Bank of Travancore at places where the Board has opened current accounts for the pool fund. The pool agents should get these amounts credited to the concerned pool fund accounts maintained at the respective places with the State Bank of India /State Bank of Mysore/State Bank of Travancore.

777. *Gains-in-weight and shortages* :- Shortages and gain-in-weight, noticed at each stage of delivery, are recorded on the reverse of the Stock card and on final delivery of the lot the net shortage or gain-weight is brought on to the face of the stock card.

778. Gains-in-weight are normally observed (i) at the time of bulking, (ii) at the time of delivery and (iii) at the time of test-checking.

779. Shortage statements in the prescribed form should be sent monthly to the Assistant Coffee Marketing Officer in duplicate furnishing reasons for shortages, etc.,

780. *Movement of stocks from coast to inland centers for monsoon storage* :- It would not usually be possible to dispose of all stocks received in the coast before the monsoon sets in. The surplus stocks, consisting of Plantation, Arabica Cherry, Robusta Parchment and Robusta Cherry would have to be shifted to inland centers such as Mettupalayam and Karamadai and Salem for monsoon storage to avoid deterioration in quality. The Pool Agents on West Coast should make necessary arrangements for packing and dispatching of the stocks to inland centers as instructed by the CCMO.

781. *Agency terms and conditions and schedule of charges* :- Any Agency agreement between the Board and the Pool Agent for the due performance of the duties and discharge of obligations should be drawn up. The agreement should be executed on a stamp paper, the original of which will be retained at Head Offices and the duplicate sent to the Pool Agent. The tenure of appointment is usually for one calendar year.

782. The Pool Agents furnish securities in the shape of Fidelity Guarantee Insurance Policy issued by the Life Insurance Corporation of

India or Bank Guarantee or Cash Security or in the shape of interest-bearing securities acceptable to the Board.

783. The amount of security to be furnished by each Pool Agent will be based on 3% of the average gross sales tax turnover of the Agent in respect of Pool coffee during the preceding two years subject to a minimum of Rs.1,00,000/-. In the case of those who do not have two years turnover, the basis will be 3% of the preceding year's turnover subject to a minimum of Rs.1,50,000/-.

784. The form of Agency Agreement and the Schedule of charges attached thereto are given at *Appendix XLVII*.

785. *Register to be maintained* :- The Pool Agents should maintain the following registers, in addition to other registers, which may be prescribed, from time to time:-

- (a) Coffee Pool Warehouse Register (F-1);
- (b) Coffee Pool Warehouse Register of Receipts, Disposals and Balance (F-2);
- (c) Excise register of Receipts, Outturns and issue of Coffee (H Register) (RR-17A);

- (d) Subsidiary register of Coffee sold but awaiting delivery to buyers (RR-17B);
- (e) Excise Clearance Register (RR-18);
- (f) Register for non-returnable samples for classification, auction and exports (RR-21);
- (f) Pool Payments register (RR-27); and
- (g) Register of receipts and disposals of raw coffee or Log Book (RR-28);
- (i) Arabica Parchment – 28 (a);
- (ii) Arabica Cherry including Gleanings and strippings – 28 (b);
- (iii) Robusta Cherry including Strippings and Gleanings – 29 (c)

786. *Coffee Pool Warehouse register of receipts, disposals and balance (F.2)* : This should be maintained in duplicate, for each 'type of coffee', i.e. Arabica Plantation, Arabica Cherry and Robusta Cherry. Entries should be made in the relevant columns of the register as and when coffee is received and outturned. The disposal side entries should be made as and when coffees are disposed. The particulars of samples together with Coffee

Valuation Reports and date should all be entered. The duplicate copy of F2 register posted up to date should be forwarded to the Divisional ACMO once in a month after making all the entries in the relevant columns, for verification and return. The Regional DCCMO will call for these registers and check at random the entries on the receipt side and disposal side. He will in particular verify the accuracy of entries regarding outturns and CVRs to satisfy himself that the claims made in the claim statement are accurate. This check by DCCMO may be done once in six months. After verification by the Regional DCCMO, the register will be sent back to the Divisional ACMO. The Pool Agent will send to the ACMO a reconciliation statement of receipts and disposals, tallying the same with the entries in the F2 registers. The ACMO will verify the same, countersign and send the statement together with the F2 registers to Accounts Department, Head Office. The Accounts Department after scrutiny of the statement and F2 registers will keep the registers at Head Office.

787. Returns and statements to be furnished :- The Pool Agents should prepare and send to the Chief Coffee Marketing Officer with copy to the Assistant Coffee Marketing Officer, the following returns and statements:-

- (i) Return of stocks and sales of cured coffees (RR-12);
- (ii) Return of stocks and sales of estate-pounded coffees (RR-13);

- (iii) Statement showing details of quantities accounted for as disposals in the return of stocks and sales (RR-14);
- (iv) Bi-weekly returns showing receipts into the Pool (Seasonal only upto end of July); and
- (v) Weekly returns showing the balance stocks of coffee as on every Friday.

788. *Returns of stocks and sales (RR 12, 13 and 14):-* These returns, which are for periods 1st to 15th and 16th to the last day of the month, should be posted, in original, without fail, on the 16th in respect of the first fortnight and on the 1st in respect of the second fortnight so that they reach the CCMO within two or three days from the close of the fortnight. The duplicate copy of these should be sent to the ACMO. Receipts and Outturns issued during the fortnight should be properly arranged and tagged to the duplicate returns before despatch to the ACMO.

789. *Weekly returns showing the balance stocks of coffee as on every Friday :-* These returns should be prepared as on Friday and sent to the CCMO by Saturday with a copy to the ACMO. The returns should indicate the sold and unsold quantities in the Pool.

790. *Funds :-* Indents for money are made to the Board by the Pool Agents, for payment by them of initial advance to large growers and first and supplementary payments to small growers. They are required to send to

the Accounts Department Head Office, not later than the 15th of the preceding month their indents for funds. The amount to be indented shall be based on the anticipated arrivals of coffee during the succeeding fortnight/month, also taking into consideration the amounts paid during the corresponding period of the previous season and the estimated increase or decrease in the crop of the current season. They are authorised to draw funds as and when required from the State Bank of India, State Bank of Mysore and State Bank of Travancore upto the limit of the monthly Letters of Credit established in their favour.

791. The Pool Agents should draw funds only to the extent of their daily requirements, from the local branch and heavy balances should not be held by them on any day. Funds required at outstation branches of the State Bank of India may be drawn once or twice a week. The credits established in favour of the Pool Agents are for each month, and, undrawn balances against the Letters of Credit as on the last day of each month, therefore lapse.

792. Weekly statements of accounts showing the amounts drawn, daily payments made there from and the balance held with the Pool Agents are rendered in the form (Vide *Appendix XLVIII*) and are submitted as follows:-

	To reach H.O. on
I Week – 1 st to 7 th	... 10 th
II Week – 8 th to 15 th	... 18 th
III Week - 16 th to 23 rd	... 26 th
IV Week – 24 th to end of the month	... 3 rd of succeeding Month

793. The Pool Agents should furnish to Head Office and the Bank, specimen signature of the persons authorised to draw amounts against the credits established in their favour.

794. *Pool Payments* :- Pool payments to large growers are made in a number of instalments. For details Vide Part IX-H-Accounts – Chapter III. In respect of claim statements rendered by the Pool Agents, a consolidated cheque covering the entire amount due for disbursement by a particular Agent will be sent to him by Head Office, and, on receipt of it, the Pool Agent should credit the proceeds of the cheque to the separate bank account maintained by him and draw and disburse the amount to the individual planters.

795. The Pool Agents should send stamped receipts for Pool payments made to the registered owners/lien-holders signed either by registered owners/lien-holders themselves or by the Pool Agents on authorization to be obtained in the form of *Appendix XLIX* in their favour from the registered owners/lien-holders (vide decision of the 64th meeting of the Marketing Committee). These stamped receipts should be sent by them to the divisional ACMO.

796. *The following points are to be noted before sending letters of authorisation :-*

- (a) The correct registration number of the estate and estate name and district (as per registration certificate);
- (b) The season to which the authorization is made;
- (c) The signature of the registered owner;
- (c) Authority on which letters of authorization are signed by persons other than the registered owners; and
- (d) The signature of witnesses.

797. The letter of authorization in respect of estates delivering coffee on large grower basis may be sent to the Accounts Department, Head Office, and those of small growers to the divisional ACMO. A list of estates of large growers who have given letter of authorization in their favour should be sent to the divisional ACMO for information.

798. The letters of authorization will be valid only from the date of issue by the registered owner/lien-holder and will not have retrospective effect.

799. The Pool Agents should maintain separate account in respect of moneys received by them from the Board for disbursement to growers. This

account should be maintained exclusively for the purpose of crediting Pool Fund payment.

800. *Pool Fund Cash Book to be maintained by the Pool Agents :-* A Pool Fund Cash Book should be maintained by the Pool Agents in the following form :-

Date	Parti- culars	L/F	SBI Madras	State Bank of Mysore			Etc.	Cash
				Mysore	Hassan	Chikmagalur		
1	2	3	4	5	6	7	8	9

801. All moneys received from the Board and those drawn against Letters of Credit, whether for initial advances or for Pool Payments, should be entered on the debit side of the cash book, and all payments to registered owners/lien-holders entered on the credit side, in chronological order, with dates of actual payment. Where the Pool Agent is authorised to receive moneys and sign receipts on behalf of growers, the total amount due in respect of such authorization may, if necessary, be transferred to the private account of the Pool Agent on the respective dates. The Pool Agent should ensure that the amounts so transferred are immediately remitted to the registered owners concerned or adjusted towards their dues, if any, under advice to them. Where the Pool Agents do not have such authorizations from the registered owners, payment should be made to registered owners direct from the Bank Account only, and accounted for in the Cash Book on the respective dates. The system of obtaining authorisation from the

registered owners in favour of the Pool Agent is adopted to obviate the difficulty experienced by the Pool Agents in obtaining stamped receipts from individual owners for the payments made to them. The Pool Agents can make the payments direct from the Bank Account itself even in cases where authorizations have been received from the registered owners. Where any amount is due to the Pool Agents from the registered owners on their private account, the amounts so due may be transferred to the Pool Agents' private account under immediate advice to the registered owners, and the balance amount paid to them direct at the same time from the Bank Account.

802. The balance in the cash book at the end of each month should represent (a) undisbursed Pool payments, (b) unspent balance of the amount advanced by the Board for making payments to growers, (c) interest, if any, credited by banks to these Bank Accounts and not transferred to the Board's Pool Fund Account, less the incidental charges debited by the bank but not reimbursed by the Board. The balance in the cash book at the end of each month should be reconciled as under, with the bank pass-book/bank statement, and a certificate of reconciliation recorded over the signature of the competent authority:-

(i)	Undisbursed Pool Payments (with Full particulars)	...	Rs.
(ii)	Balance as per fortnightly return of stock and cash (RR 15)	...	Rs.
(iii)	Interest credited but not transferred to Board's Pool Fund Account	...	Rs.
(iv)	Less incidental charges debited By bank but not reimbursed by the Board.	...	Rs.
	Balance	...	<u>Rs.</u>

Accounts rendered by Pool Agents

803. *Initial payment to large growers and first payment to small growers* : The Pool Agents rendered fortnightly return (RR15 and RR15A) in triplicate, original to the ACMO and duplicate to Accounts Department, Head Office, showing the opening balance of the money advanced to them, amount of advance received by them in the fortnight, payments made by them during the fortnight to the growers and the closing balance. The original of fortnightly returns should be supported by statements RR Nos. 23 (fortnightly explanatory statement of payments to small growers) and 24 (fortnightly statement for first payment to large growers) giving the quantities of coffee received from large growers and small growers and payments made to each planter supported by stamped receipts given by

them. In cases where the planters have given authorisations in favour of the Pool Agents, a single consolidated receipt for the total amount included in the fortnightly statement signed by the Pool Agents should be sent along with the accounts.

804. The Pool Agents will issue G1 and G2 receipts for coffee received on large grower basis in triplicate-original to the ACMO, duplicate to the planter and triplicate retained by them and will be entered in RR23. The total amount accounted in RR 23 and RR 24 will be shown in RR 15.

805. Receipt for coffee delivered to the Pool by small growers and payments made thereon (RR20 Form D). – The Pool Agents will prepare RR 20 in triplicate-original to be sent to the ACMO, duplicate to the planter and triplicate to be retained by them.

806. *Supplementary payments to small growers* :- The following points may be noted :

- (i) Supplementary payment receipt (RR 25) – The Pool Agents will prepare RR 25 in triplicate - original to be sent to the ACMO, duplicate to the planter and triplicate to be retained by them;
- (ii) Supplementary payment receipt (RR 26) – The Pool Agents will prepare this in duplicate - original to be sent to the ACMO and duplicate to be retained by them;

807. *Insurance of stocks:-* Pool Stocks, both sold and unsold, are insured against risk of fire, riot and strike by Head Office. The following points are, however, to be noted :-

- (i) The Pool Agents should furnish information, every year, before 30th November, regarding the godown where coffee would be stored, value of coffee to be issued. Whenever additional godowns are taken during the course of the year, the particulars and sketch of the godown should be furnished in the proforma;
- (ii) Coffee should not be stored in any godown not covered against risks of fire, riot and strike. Coffee should also not be stored in thatched sheds;
- (iii) The weekly declaration statements should be sent to Head Office, Bangalore, in duplicate, with a copy thereof to the divisional ACMO, on or before the 5th of the succeeding month;
- (iv) Unsold coffee stocks should be valued at the rates fixed by Head Office, from time to time, and sold stocks at the rates at which the coffee has been sold (inclusive of excise duty and sales tax);

- (v) All particulars, i.e. policy No. of the godown in the policy, maximum sum insured, total value of stock for each week and average value should be correctly mentioned in the declaration statement;
- (vi) Average value should be struck dividing the total value by the actual number of weeks during the month and should be expressed in terms of full rupees rounding off paise;
- (vii) Weekly declaration statements in respect of each godown should be sent; and
- (viii) The Life Insurance Corporation of India, Bangalore, should be advised telegraphically, if there is any necessity to enhance the insured value of stock with a copy to Accounts Department, Head Office.

808. *Sales Registrars* :- Sales Registers (RR 16A and 16B) for the sale proceeds collected by the Pool Agents should be rendered once a month, in triplicate – original and duplicate to the ACMO and triplicate to be retained by them. Along with sales registers, cash memos and remittance particulars should also be sent.

809. *Excise Duty Statement* :- Central Excise Duty on coffee released from the Pool is adjusted against account current maintained by the CCMO with the Collectors of Central Excise, Madurai, Cochin, Bangalore

and Guntur. The Pool Agents should send monthly, the Excise Duty Statements No. I and II in the prescribed form in duplicate to the ACMO showing the particulars of coffee cleared and the amount of duty assessed together with the relevant clearance documents.

810. *Quarterly reconciliation statement of stocks and sales* :- A quarterly statement in the prescribed form showing the receipts and disposals of coffee from time to time should be sent to the Accounts Department with copy to the ACMO, immediately after each quarter ending 31st March, 30th June, 30th September and 31st December. The statement should account for the entire receipts and disposals of coffee for the reason as on the date of ending each quarter. In respect of entries regarding coffee delivered to growers for domestic use, if any, the remark 'Pool payment not claimed' should be recorded against them.

811. *Pool payment claim statement* :- Pool Payments render statement for Pool payments on point basis to large growers and in respect of such small growers who have opted for payment after the coffee is cured and assessed by the Board's officers in Bangalore, as in the case of large growers. The duplicate copies of claim statements will be received at the Head Office while the originals are sent to the respective DCCMOs. The DCCMOs will, on receipt of the claim statements scrutinise them carefully and send them with their certificates to Head Office for further action within the specified date.

812. *Payment for small growers' coffee on cured basis :-* The small growers who deliver uncured coffee and are desirous of receiving payment on the basis of cured outturns are paid an initial advance of 75% of the value on forlit rate basis immediately on delivery of coffee, and the balance amount on weight basis after the coffee is cured and outturned. However the Pool Agents are empowered to limit in consultation with the CCI, attached to Curing Works, the advance payment on such coffee to 60% of the value of forlit rate, if the quality is found to be very inferior. The option given to receive 75% initial advance on uncured basis and rest on outturns is only for the coffees delivered with the Pool Agents direct by small growers and also coffees received through the Collecting Agents.

813. The payment of the 75% advance as well as the quantity on which these advances are paid should be shown in the receipts for the payment issued on the following lines :-

Total payment at rates prescribed in the Circular for the year	Rs.....
Less 25%/40%	...	Rs.
	Net payment	... <u>Rs.</u>

814. The quantity delivered and the advance paid should be recorded in RR 23. The final receipt, when issued, should show the outturn number and date, cured quantity, gross amounts payable on cured outturn basis and the deduction of 75% advance made by quoting reference to the original

receipt and the net amount paid to the growers. In RR 23 against cured receipt the net amount paid should be entered leaving the quantity column blank.

815. The small growers who deliver Estate hulled/pounded coffee and are desirous of receiving payment after the coffee is sized and garbled are paid an initial advance of 75% of the value fixed for Estate-pounded Bulk (5% Triage) immediately on delivery of coffee and the balance amount on kilo basis after the coffee is sized and garbled. The accounts procedure prescribed already should be followed for this payment also.

816. The Pool Agents should ensure that the total amount of 75% advance payment made and deducted tally in the RR 23, and on no account there should be any difference. They should also certify that in the final RR 23 at the close of the season that payments made have been deducted properly.

817. Where payments are made on point basis, the 75% advance deducted in the claim statements should be accounted for in the column provided for the purpose in RR 23 during the fortnight in which the payment is made to the growers by giving reference to the serial number and date of the claim statement.

818. *Monthly statement of accounts of Pool payments* :- The monthly statement of accounts of amounts received from the Board towards the Pool Payments and disbursements made to planters should be sent to the Accounts Department, Head Office, by the Pool Agents in the form (Vide *Appendix L* Circular No. AC 110/934, dated 16.12.1961).

819. Noting of liens of the Board, Pool Agents, Banks and Private parties, over the pool payments made by the Board to the registered owner: For details regarding noting of liens, etc., Vide Part IX-H-Accounts – Chapter III.

820. *Payment to small growers* :- The procedure relating to payments to small growers is dealt with in Chapter X.

821. For instructions, regarding payment to parties in the absence of registration, refer to Chapter V.

822. *Outstanding payments* :- Accounting of Pool Payments in RR 15 in respect of previous seasons :- After rendering the statement of outstanding payments, the Pool Agents should not as a matter of course disburse the outstanding payments on account of previous seasons. As and when planters approach them for release of the outstanding payment, the Pool Agents should seek the prior approval of the Accounts Department, Head Office, in the matter of releasing the outstanding payment, relating to any particular season. No payment should be made before getting the prior

approval of the Head Office. The following instructions are issued for guidance:

(a) Whenever any claim from a planter for release of outstanding payment pertaining to previous seasons is received, the Pool Agents should forward such letters together with the indication such as Sl. No. in the outstanding list for initial/Supplementary/Final/Bonus payments for the season Dated and

(b) In RR 15, the Pool Agents should give full details of the season, Sl. No. of outstanding list for the season In case where it is not possible to furnish the details in RR 15, the details may be furnished in a separate list and sent as an enclosure to RR 15. For example, in the RR 15, provision for 5 seasons transactions are made. Payments for 1965-66, 1964-65 and 1963-64 seasons may be entered in 3 columns and payments on account of each of the previous seasons may be entered in the fifth column, in two or three lines and furnish a statement showing the details of payment released as per the outstanding list in respect of each season and sent it along with RR15.

823. The Pool Agents claim through bills the charges payable by the Board for the services rendered by them at the scheduled rates attached to the Agency terms. Where rates are not so fixed, debit notes are rendered at reasonable rates consistent with the prevailing local rates for similar work.

824. *Bills for freight and other charges* : - The bills for the freight and other charges incurred in connection with the despatches of coffee to various centers under the direction of the CCMO are preferred in duplicate; the duplicate copy of the bills are sent by them to the Accounts Department, Head Office, direct while the originals are sent to the concerned ACMOs, the depots to whom/which the coffee is despatched.

825. *Bills for FOR Charges, railway freight, octroi etc.,* :- The duplicate copies of the bills along with the railway cash receipts, Octroi receipts etc., in respect of the charges incurred on this account should be forwarded to ACMO and the original copies of the bills should be sent to the ACMO through the Pool Depot/Pool Sales Depot, etc., to whom the relevant coffee was despatched.

826. *Bulking charges bills* :- To reduce bulking charges to a minimum the Pool Agents should not normally take for bulking outturns of five tonnes and above but should put such outturns as one or more lots in Pool Sales.

827. *Bills for handling, receiving and weighing charges* : - The Pool Agents are allowed these charges only on coffee received from another Agent/Depot or Collecting Agent at rates specified in the schedule of charges.

828. *Agency remuneration charges* :- The agency remuneration in respect of payment to large growers/small growers is claimed through debit notes.

829. *Agency remuneration charges* :- Agency remuneration at the rate approved by the Cost Accounts Committee and revised each season as per the escalation clause of the Pool Agency Agreement, on coffee directly received by the Pool Agents (except on coffee transferred from Collecting Depot or another Pool Agent) is paid to the Pool Agent, after the coffee is cured and outturn rendered. In respect of deliveries of estate-pounded coffee the claim for agency remuneration is admitted after obtaining a certificate from the divisional ACMOs to the effect that the quantity on which agency remuneration is claimed is accounted either in RR 23 or 24. Separate accounts are maintained in respect of large and small growers.

830. An amount of Rs.51/- per tonne of coffee outturned and Rs.17/- per tonne of estate-pounded coffee is paid to the Pool Agents as return on capital employed, against debit Notes checked and countersigned by the ACMOs.

831. *Curing Charges bills* :- The Pool Agents should send bills in duplicate with relative outturns attached thereto a statement showing the outturns and the amount of curing charges claimed against each outturn to the ACMO.

832. *Sweeping – Accounting of :* - Sweepings may be collected by the Pool Agents as and when convenient, but immediately any quantity is collected, it should be recorded in the Pool Stock Registers and Fortnightly Returns as ‘Sweepings’ and not as ‘gain-in-weight’. Sweeping should be shown separately and should not be included in gain-in-weight quantities. In the Pool Stock Registers a separate folio may be opened for accounting sweepings. Details such as the date of collection of Sweepings, type and grade and quantity collected should be furnished on the “Receipts” side and the usual particulars of sales on the ‘Disposals’ side.

833. List of Registers to be maintained by Pool Agents – Vide *Appendix LI*.

834. Returns ‘due out’ – Vide *Apendix LII*.

CHAPTER X

PAYMENT ON COFFEE RECEIVED FROM SMALL GROWERS

835. Under Section 25 of the Coffee Act coffee growers are required To deliver their produce to the pool administered by the Coffee Board.

836. Small growers having estates below 10 hectares in extent may deliver their coffee in departmental depots/pool agents/collecting agency depots appointed by the Board. Even large growers with estates of 10 hectares and above, but with production of less than one tonne, may deliver coffee in the departmental depots.

837. *Assessment of coffee* :- Coffee received from small growers should be assessed for triage and Peaberry contents, under driage, poor quality and percentage of husk and stones.

838. *Triage contents* :- To determine the percentage of triage contents in estate-pounded coffee 1 ½ kg. of the coffee representing the lot should be taken, the triages picked out from it and percentage fixed.

839. In the case of uncured coffee one or two litres should be got pounded or hulled and assessed as above. After noting the percentage of triage, the equivalent quantity of the entire consignment in terms of clean

coffee may be worked out with the following conversion formulae and deductions made on the basis of clean coffee :

Conversion Formulae

- | | | | |
|-------|-------------------|-----|------------------------|
| (i) | Arabica Parchment | ... | 80 forlits per tonne; |
| (ii) | Arabica Cherry | ... | 115 forlits per tonne; |
| (iii) | Robusta Parchment | ... | 80 forlits per tonnes; |
| (iv) | Robusta Cherry | ... | 106 forlits per tonne. |

E.g., Arabica Cherry – 214 forlits

Therefore $214/115 = 2$ tonnes.

Deductions on account of triage calculated on two tonnes;

(For triages over or below 18% deductions or additions at the rate of Re. 1.25% per 50 kg. should be made in the case of Arabica Cherry and 10% in the case of Robusta Coffees, except in the case of Plantation Bulk, for which, the datum line will be 15%. Addition of value for triage contents will not apply to clean garbled coffees).

840. *Peaberry contents* :- The percentage of Peaberry should also be assessed in the aforesaid manner. For Peaberry contents below 8% in the case of Arabic 12% in the case of Robusta, deduction should be made at Re. 0.63% per 50 kg.

841. *Husk, stones and foreign matter* :- Deductions should be made without fail for husk, stones and other foreign matter in estate-pounded

coffees at the rate of Rs.3.50 % per 50 kg. cleaning charges at the rate of Rs.7.10 per 50 kg. should also be made. To assess the extent of stone, other foreign matter and husk in the estate-pounded coffees, 1 ½ kg. of coffee should be taken from the lot and garbled and percentage of such matters found out. Percentage of stones and other matters in uncured coffee should be similarly established.

842. *Under-driage* :- Although the test-weight of a particular lot of coffee may be of some guidance to decide whether the coffee is under-dried or not, it is not safe or correct to be guided by test-weight alone, as weight of coffee will differ from estate to estate, depending on the intrinsic quality of coffee. Coffee should be bone-dry. If, on biting, the coffee beans break without unduly getting compressed, they can be considered dry.

843. In the case of under-dried coffee, the approximate percentage of likely loss, when dried to proper standard, should be adjudged and the value of such estimated loss in weight of coffee deducted for under-driage.

844. The following formula should be adopted for making payment on under-dried coffee with a tolerance of 0.5 kg. :

$$\frac{\text{Standard test-weight} \times \text{rate per forlit}}{\text{Test-weight of the coffee delivered}}$$

845. *Sliding Scale* :- Fully dried coffees of the same type will vary widely in weight per forlit. To arrive at the price to be paid for fully drfied

uncured coffee of different test-weights, a sliding scale is used, for Arabica and Robusta Whole crop and Gleanings types. The sliding scale is fixed from time to time.

846. *Deduction for quality* :- The maximum rates of deductions for quality from the FAQ rates are as follows:

- | | | | |
|----|-------------------|-----|-----------|
| 1. | Arabica Parchment | ... | 8 points |
| 2. | Arabica Cherry | ... | 8 points |
| 3. | Robusta Cherry | ... | 10 points |

847. The schedule of deductions for poor quality is worked out on the minimum release price as fixed by the Marketing Committee.

848. For details regarding sliding scale for purchase of coffee and relative prices etc., for 1976-77 season, refer to Appendix LIII.

849. *Collecting Agency Depots* :- The Collecting Agency depots will draw samples of 250 gm. in respect of each receipt of estate-pounded coffee, and one litre sample out of uncured coffee delivered at their depots by small growers, seal them in the presence of the planter and keep them in their custody for inspection by the Assistant Coffee Marketing Officer at the time of his visit.

850. The Collecting Agents should assess the coffee delivered by small growers for triage and PB contents, under-driage, poor quality, etc., on

the same lines as done by the Pool Depots/Pool Agents, as stated elsewhere in this Chapter.

851. *Direct despatch of coffee from estates to Pool Agents :-* When coffee is despatched from estates to Pool Agents by the collecting agents, the collecting agents should draw the samples and keep them in the depots for the inspection of the Assistant Coffee Marketing Officer. Where this is not done, clear marking should be made on all the bags relating to particular estate, by attaching a stock card for the lot, and giving continuous numbers on each bag. For example, if the stock card is numbered 201 and 202, 203 etc., to distinguish it from the other despatches made by the collecting agents to the curing works. The Chief Coffee Inspector attached to the curing works will assess the coffee along with the Pool Agents concerned.

852. *Receipt of coffee by Pool Agents :-* In respect of coffee received from the small growers directly by Pool Agents, the Chief Coffee Inspectors attached to the Curing Works will assess the coffee along with the Pool Agents concerned. If there is any disagreement between the Chief Coffee Inspectors and the Pool agents over the assessment, samples should be drawn and kept for scrutiny by the divisional Assistant Coffee Marketing Officer who will finally decide the matter during his visit to the curing works.

853. In case where the Assistant Coffee Marketing Officer disagrees with the assessment by the Collecting agents and gives lower awards to the coffee, he will immediately reseal such samples in the presence of the collecting agents and give due intimation of his assessment to the planters

concerned so as to afford them an opportunity to exercise their right of appeal against the awards given by the Assistant Coffee Marketing Officer to the regional Deputy Chief Coffee Marketing Officer having jurisdiction over the collecting agents.

854. The regional Deputy Chief Coffee Marketing Officer, will periodically, visit the collecting agency depots and examine the resealed samples and give a decision which shall be final.

855. *Reimbursement of losses* :- Losses resulting from the valuation which are considered abnormal may be adjusted from the supplementary payments, if any, due to the growers.

856. *Payment of coffee* : Small growers are paid in three instalments for the coffee pooled by them. Immediately on delivery of coffee first payment is made at rates previously fixed and communicated. A supplementary payment will be made, if possible, in December at a rate fixed by the Board from year to year. After the close of the season, final bonus payment is made, to bring the total payment per point to small growers on par with that paid to the large growers.

857. The rates per 50 kg. for payments, for estate-pounded bulked coffee, and per forlit of uncured coffee are fixed for all the above three payments by Head Office and communicated.

858. The small growers can opt to receive in one of the following methods on their coffee delivered to the Pool :-

- (i) *Payments at the rates fixed and communicated :-* They can receive payments for the uncured/estate-pounded coffee delivered at the forlit/kg. rates fixed in the Schedule of payments. The small growers have the option to prefer an appeal to the Chief Coffee Marketing Officer, when they are not satisfied with the assessment of coffee and payments made thereon by the depots/pool agents. They should be informed of this option and asked to state if they would like to prefer an appeal even before the first payment is received by them. If they do, a sample of the coffee should be drawn on the spot, and sealed in the presence of the grower, and sent to the Chief Coffee Marketing Officer, for assessment after collecting an appeal fee of Rs.5/- from the grower. The decision of the Chief Coffee Marketing Officer shall be final and binding;
- (ii) *Payments on cured basis :-* The small growers, who deliver coffee and are desirous of receiving payment on the basis of cured outturns, are paid an initial advance of 75%/60 % of the value on forlit rate basis immediately on delivery of coffee, and the balance amount on kg. basis after the coffee is cured and outturned. (This concession applies only to coffee delivered with the pool agents and not for deliveries at the Board's departmental depots);

- (iii) The growers can receive an initial payment of 75% (or 60% if quality of coffee is poor) of the forlit rate immediately on delivery of coffee, and the balance after the coffee is cured, assessed and points awarded; and
- (iv) *Payment on point basis* :- The small growers can receive payments in instalments as in the case of large growers;

859. The small growers have to exercise their option for one of the above four methods of payment in the beginning of the season or at the time they deliver their first consignment of coffee and before they receive payment thereon. The option once exercised cannot be changed, on any account, in the middle of the season or subsequent deliveries of the season's coffee. However they can exercise separate option in respect of Arabica and Robusta Coffees.

CHAPTER XI

SAMPLING AND CLASSIFICATION

860. Under Section 25 of the Coffee Act, coffee growers are required to deliver their produce to the Pool administered by the Coffee Board.

861. *Valuation of coffee delivered by large growers :-* The value of each lot of coffee, delivered by large growers and small growers who opt to receive payments on point basis, as in the case of large growers, has to be assessed on the basis of samples drawn for the purpose. The method of drawing samples from the coffee consignments, and classifying and valuing them is described in this chapter.

862. *Price Differential Scale :-* The Board shall prepare a differential scale for the valuation of each season's coffee and shall, in accordance with that scale, classify and assess the value of the coffee in each consignment delivered for inclusion in the Pool according to its quantity, kind and quality (Sub-Section 4 of Section 25). This scale is called the Price Differential Scale of P.D.S. in abbreviation.

863. Coffee is classified into four main types, namely, Plantation, Arabica Cherry, Robusta Parchment and Robusta Cherry and each type is further classified into its standard grades. For each grade of Fair Average Quality (F.A.Q.) differential points are fixed in the P.D.S. taking into account

as far as possible, their relative cost of production and their market performance in the Export and internal Markets.

864. The revised PDS for 1975-76 and 1976-77 as approved by the Marketing Committee at its meeting held on 22.12.75 and 18.9.76 respectively is given below.

Price Differential Scale for 1975-76 and 1976-77 Seasons

(For F.A.Q.)

(Points per 50 Kgs)

PLANTATION		Grade	Arabica Cherry (including Gleanings)	Robusta Cherry	Robusta Parchment
Grade	Points				
PB	89	PB	75	67	64
A	80	AB	70	65	62
B	77	T	65	57	55
T	72	Blacks/ } Browns/ } Bits }	43	44	42
Blacks	48	Bulk **5% }			
Bits	50	Triage }	66	62	59
Bulk (12%* }					
Triage }	77				
8% PB) }					

* 15% PB Bulk }
 } from 76/77 Season
 ** 18% Ar. Cherry Bulk }
 }
 10% Rob. Cherry and Parchment Bulk }

Explanatory Note

Points for variation in quality may be added or deducted as under :-

	Arabica Plantation	Arabica Cherry	Robusta Parchment	Robusta Cherry
Premium	+ 7%	+7%	+7%	+7%*
FAQ	80 Points	70 Points	65 Points	62 Points
Discount	-18%	-18%	-18%	-18%

* Inclusive of Cuptest premium points.

N.B. :- The Premium and discounts expressed in terms of percentage above will be on the basic points for the relative type.

865. As regard preparation of valuation reports based on the new system of premium and discount expressed in terms of percentage over the basic points, the following method is to be adopted.

- a) In the Coffee Valuation Report, the total points for the entire outturn be first calculated based on the basic F.A.Q. points for the different grades.
- b) From this, the points for Blacks/Brown/Bits be deducted as the premium and discounts do not apply to these grades.
- c) On the balance points, the percentage of premium/discount be applied and the total number of points representing the premium/discounts be determined.
- (d) The points so determined be added/deducted from the total points for the outturn already determined based on the basic points as arrived at (a) above.

866. Coffee delivered to the Pool, uncured, will be awarded points on the basis of a cured random sample of otherwise as the Marketing Committee may think fit.

867. The cost of curing coffee delivered to the Pool uncured or of transporting coffee from an Estate to the authorised pool centre, will be debited to the account of the estate concerned.

868. The award of discount points on deliveries of under dried coffees by estates during 1975-76 season will be in accordance with the procedure laid down in the Board's Circular No. CL/76-77/1809, dated 22.11.1976.

869. *Grading and garbling standard* :- Details regarding the grade standard and definition etc., are at *Appendix LIV*.

Rules Governing Sampling and Classification of Coffee and Appeals in respect of Classification of Pool Coffee

870. *Assessing Centre* :- The Assessment of coffee samples will continue to be done at Bangalore.

871. *Sampling* :- (a) The sample for assessment shall be the A grade in the case of Plantation coffee, the combined AB grade in the case of Arabica Cured Cherry Coffee (Arabica Cherry includes wholecrop, Gleanings, Strippings etc.), AB grade in the case of Robusta Cherry Coffee (Robusta Cherry includes Wholecrop, Gleanings, Strippings etc.) and Robusta Parchment. Washed coffees such as Arabica Lights, Tails, Gundloo have to be treated as Arabica Parchment coffee and they should be outturned and graded as Plantation coffees. Where coffee is delivered to the Pool graded by an establishment not duly licensed for grading, samples for valuation should be drawn from each of inch grades.

872. All estate-pounded Arabica Coffees delivered by big growers shall be processed by the Curers according to the standards fixed and the

samples for assessment be drawn from the processed coffee i.e. A or AB grade.

873. In respect of Arabica Cherry kept for monsooning and graded into A and B grades in Asst. Coffee Marketing Officers/Chief Coffee Inspectors concerned shall draw for purpose of assessment samples from both A and B grades in the same proportion as in the outturn, mix them and send the sample of AB.

- (b) Samples for assessment shall be drawn soon after the coffee is outturned in the case of cured coffee and soon after the delivery at the Pool Centre in the case of Estate Pounded Coffee requiring no further process of curing. The Asst. Coffee Marketing Officers/Chief Coffee Inspectors shall draw samples required for assessment from the Curing Works in their jurisdiction in the presence of the Pool Agents. In the case of Pool Depots administered departmentally, sampling shall be done by the Asst. Coffee Marketing Officer having jurisdiction over the Depot. As a measure of test verification, Divisional Asst. Coffee Marketing Officer/Regional Dy. Chief Coffee Marketing Officers or any other Senior Officer from Bangalore will draw 'three' samples each of 250 gms from the outturns and arrange to pack and

despatch one of them in the manner prescribed to Chief Coffee Marketing Officer, Bangalore keeping the duplicate in his own custody and leave the triplicate in the custody of the Pool Agent concerned. However, when the test verification samples are drawn by any of the Senior Officers at Bangalore, the original and duplicate may be sent to the Chief Coffee Marketing Officer, Bangalore in the manner prescribed leaving the triplicate in the custody of the Pool Agent.

- (c) Three samples should be drawn simultaneously in respect of every outturn of cured coffee and of every delivery of Estate Pounded coffee. Both the Officer drawing the samples and the Pool Agent will be responsible to see that the samples are representative of the outturn. A sample of 1250 gms (to make up three samples of 750 grams, 250 grams, 250 grams) should be drawn from 10% of the total number of bags of the grade of the outturn concerned is less than 5 bags, samples should be drawn from all the bags to make up the 1,250 grams. The samples so drawn from all the bags should be bulked and the resultant samples should be divided into 3 parts of 750 grams, 250 grams and 250 grams. The original (750 grams) and the duplicate samples (250 grams) should be kept in

polythene bags and put into separate tins. The third part (triplicate) should be put in a dark bottle. The original and the duplicate samples should be sealed both with the seal of the Pool Agent, as well as the seal of the drawing officer in the presence of the Pool Agent.

Asst. Coffee Marketing Officer/Chief Coffee Inspectors should carefully examine the coffee before sealing the tins to see whether the description given to each lot of coffee is correct; and if, in their opinion, the description is wrong the curer should be asked to withhold bulking of that particular lot pending re-classification by the assessors.

- (d) Of the 3 samples drawn, 2 samples in tins (original and duplicate) should be sent to the Chief Coffee Marketing Officer , Bangalore, the original for assessment and the duplicate for purposes of placing before the Appeal Panel, and the triplicate kept in a dark coloured bottle, should handed over to the Pool Agents (or Pool Depot). Regarding packing, scaling and despatch of the original and/duplicate samples the instructions contained in this office circular No. CL 2(6) 62/2174 dated 7-2-1962 as modified in CL 86 dated 6-7-77 and CL –

2402 dated 28-11-1968 may be followed. The triplicate samples with the Pool Agent or the Depot Manager should be preserved till/the expiry of the Appeal time. Samples of coffee purchased on “Small Grower” basis will not be required for assessment except in cases where the small growers prefers to appeal against the rate for payment fixed by the Pool or Collecting Depot. In such cases, samples should be drawn in accordance with this office circular SL. 6006 dated 6-3-1956. The samples of coffee in respect of “Small Growers” who have opted for payment on dividend basis may be drawn in the same manner as large growers coffee.

874. *Marking and Despatch of Samples* :- (a) A Lable containing the following particulars shall be affixed to the tins containing the samples and similar lable should be put loose in the tins to be sent to Head Office :

1. Name of the Pool Agent,
2. Outturn or Receipt Number & Date
3. Sample Numbers
4. Type & Grade
5. Total percentage of triage
6. District Growth
7. Date of receipt of the sample at H.O. (to be marked at HO)

8. Date of sampling
 9. Quantity in the outturn
 10. Standard of garbling
- (b) a despatch note in the prescribed form shall be prepared in triplicate, the original to be sent to Head Office, Bangalore, the duplicate for Pool Agent or Pool Depot and the Triplicate for Asst. Coffee Marketing Officer.
- (c) The Pool Agents shall arrange to send samples for assessment to Bangalore as expeditiously as possible after drawal by the Chief Coffee Inspector/Asst. Coffee Marketing Officer.

875. *Procedure regarding Assessment :-* All samples shall be assessed by the Board's staff approved by the Chief Coffee Marketing Officer. If the Asst. Coffee Marketing Officer or any other senior officer has drawn fresh set of samples for test verification from the outturn and despatched for assessment as mentioned in 2(b), the assessment Panel at Bangalore will assess these samples also along with/original sample drawn by the Chief Coffee Inspector/Asst. Coffee Marketing Officers attached to the Curing Works. Normally the valuation based on original sample drawn by the Chief Coffee Inspector/Asst. Coffee Marketing Officer attached to the Curing Works will be taken for issuing CVRs, but if in any instance samples drawn for Test verification by the Divisional Asst. Coffee Marketing Officer/Regional Dy. Chief Coffee Marketing Officer or any other Senior

Officer at Bangalore gets lower valuations, the latter alone would be taken into account.

876. The assessors will not be informed of the name of the Curer. Extracts of Classification Statements shall be sent to the concerned Pool Agent and Asst. Coffee Marketing Officer/Dy. Chief Coffee Marketing Officer for preparation of coffee valuation reports.

877. *F.A.Q. Assessment Samples :-* (a) All samples of cured coffees whether graded or ungraded, garbled or ungarbled shall be valued against F.A.Q. assessment samples of the relative types drawn for the purpose. These F.A.Q. assessment samples shall be made available for the guidance of the Assessors at each sitting of the Classification Panel.

(b) *Type and Grades of F.A.Q. Assessment Samples :-*

- (i) Mysore/Coorg F.A.Q. Plantation A.
- (ii) Mysore/Coorg F.A.Q. Arabica Cherry AB Clean Garbled.
- (iv) Mysore/Coorg/Malabar-Wynaad F.A.Q. Robusta Cherry AB Clean Garbled and
- (v) Mysore/Coorg/Malabar-Wynaad F.A.Q. Robusta Parchment AB Clean garbled.

F.A.Q. assessment samples of Estate pounded coffees need not be drawn and all Plantation, Arabica Cherry and Robusta Estate pounded coffee shall be

assessed against F.A.Q. samples of Plantation ‘A’, Ar. Cherry ‘AB’ and Robusta ‘AB’ respectively.

(c) *Drawing of F.A.Q. assessment samples and Classification :-*
The F.A.Q. assessment samples shall be prepared on or about the dates given below:

- | | | | |
|----|--|-----|--|
| 1. | Plantation ‘A’ | ... | 31 st January |
| 2. | Arabica Cherry AB | ... | 31 st March |
| 3. | Robusta Cherry AB and Robusta Parchment AB | ... | As early as samples of Different growths are made available (in case of inordinate delay, samples made available by M/s. Consolidated Coffee Ltd., Tellicherry and Wynaad-Calicut Curers may be taken as the basis for assessment till such time as the standard FAQ is prepared). |

F.A.Q. samples thus prepared shall be used as the basis of assessment for all cured samples received throughout the season. In respect of Robusta Cherry and Robusta Parchment AB samples, the samples sent by M/s. Consolidated Coffee Ltd., Tellicherry and Wynaad-Calicut curers earlier in the season shall be accepted as FAQ samples till such time as the samples would be made available from other Curers for preparation of Standard FAQ assessment of Robusta samples received earlier in season.

As difficulties are experienced to get different growth coffees from each of the Curers in Mangalore, Tellicherry, Hunsur, Mysore, Kozhikode and Kalpetta, to prepare different types of FAQ samples, FAQ samples may be prepared Immediately sufficient quantities of the different growths of F.A.Q. samples are made available by a few curers instead of waiting to receive from each and every curer in order to avoid delay in assessment of samples received earlier.

(d) *Preparation of FAQ Assessment Samples* :- The FAQ assessment samples of Plantation 'A' and Arabica Cherry AB shall be prepared by bulking the FAQ samples of the Curers in Mangalore, Tellicherry, Hassan, Kushalnagar, Chikmagalur, Hunsur and Mysore. In respect of FAQ samples of Robusta, in addition to the Mysore/Coorg growths samples drawn from the above curers, the Malabar Wynaad growths coffee drawn from Curers in Tellicherry, Kozhikode and Kalpetta shall also be included for the preparation of FAQ samples. For this purpose, each of the curers in Mangalore, Tellicherry, Hunsur, Mysore, Hassan, Kushalnagar, Chikmagalur, Kozhikode and Kalpetta shall draw FAQ samples of the types and grades required of their curing and the samples thus drawn shall be forwarded by the curers to the Chief Coffee Marketing Officer, Bangalore, who will arrange for the bulking of the samples according to types and grades.

However, in respect of Plantation FAQ samples instead of the Pool Agents preparing the samples of their curing the samples of individual outturns of Plantation 'A' coffee shall be drawn by the Asst. Coffee

Marketing Officer/Chief Coffee Inspector, having jurisdiction over the Curing Works, and send them to the Chief Coffee Marketing Officer. The Board's Assessors shall examine each sample and then prepare the FAQ assessment sample.

(e) *Preservation and use of FAQ assessment Samples :-* One set of the FAQ assessment samples shall be sent to the Secretaries of the Mangalore Curers' Association, the All India Coffee Curers Association, Chikmagalur, the Pool Agents, Regional Dy. Chief Coffee Marketing Officers, Asst. Coffee Marketing Officers and Pool Depots. All samples should be preserved in sealed dark coloured glass bottles. One FAQ sample should not be used for more than a week during assessment at H.O.

878. *Appeals :-* (a) The Appeal Panel shall normally consist of either the Chief Coffee Marketing Officer or a Marketing Committee Member or a person nominated by the Chief Coffee Marketing Officer as Chairman with three members from the approved list of Appeal Panel Members. The quorum for the Appeal Panel Meeting shall be the Chairman and two members. The Appeal Panel shall be informed of the locality in which the coffee is produced, the original awards, the date of outturn, the date of original classification and such other information as the Chief Coffee Marketing Officer may think it necessary. The name of the estate, its owner or the name of curer shall not, in any case, be disclosed.

(b) Appeal Panel shall be furnished with FAQ samples of all types and grades of coffee which have come up for appeal. The duplicate samples kept at the Board's Head Office shall be placed before the Appeal Panel in

case the original award which is appealed against it based on the sample drawn by the Assistant Coffee Marketing Officers/Chief Coffee Inspectors attached to the Curing Works. But where the original award is based on the test sample drawn by the Divisional Assistant Coffee Marketing Officer, Regional DCCMOs or any other Senior Officer at Bangalore, the duplicate sample drawn by him and retained at the Office of the Assistant Coffee Marketing Officer/Deputy Chief Coffee Marketing Officer or Head Office shall be obtained and placed before the Appeal Panel.

879. It is open to the representative of the Curer/Planter to be present at the time of opening the duplicate sample and also present his case before the Appeal Panel. In this case, the assessors will also have the right to be heard by the Appeal Panel. After presenting their case, the representative of the Curer/Planter should withdraw from the room where the Appeal Panel would hold its meeting. In the event of any disagreement among the members of the Appeal Panel over the award of any sample, the award with which the Chairman concurs, shall be taken as the award for the sample on appeal.

880. *Appeals and Revision of awards* :- (a) The Appeal Panel deals with all appeals against classification of coffee including appeals lodged by the Curer or Planters in respect of remarks made by the Assessors either in regard to poor grading or poor garbling which result in deduction of points. The Planters shall have the right to appeal against the re-classification of coffee made by the Board's Assessors and such appeals shall be dealt with in the same manner as appeals against assessment. The Appeal Panel shall

have the power to enhance or lower the points awarded at the time of original assessment.

The Appeal Panel should decide only the grounds of appeal, that is to say, if in an appeal, the appeal is against poor garbling, the appeal panel should not go into the merits of the quality of the coffee.

The decisions of the Panel of Assessors and in case of any appeal therefrom, then the decision of the Appeal Panel, in the matter of the assessment of coffee shall be final, conclusive and binding upon the Curers and the Planters.

(b) Appeals against awards for moisture contents over prescribed limits shall also be considered but the right of appeal in this case is restricted to the curer and the procedure for the same is detailed below :-

Soon after the coffee is valued by the Assessors, the awards of minus points for moisture content over prescribed limit, if any, shall be communicated immediately to the curer by Registered Post, asking him whether he desires to prefer an appeal against the award of minus points for moisture contents over prescribed limit; if so, he should lodge the appeal by Registered Post, so as to reach the Chief Coffee Marketing Officer, Coffee Board, Bangalore within 7 days from the date of receipt of the Board's communication. This appeal should be accompanied by an appeal fee of Rs.10/- for every sample. If the appeal is received withinb 7 days as aforesaid, the sample would be retested on the 12th day from the date on which the Board's communication was issued, in the presence of Chief

Coffee Marketing Officer or an Officer duly authorised by him. The representative of the curer might be present at the time of retesting the sample. The appeal fee will be refunded if the appeal is successful and forfeited if it is dismissed.

The 750 grams sample which has been awarded minus points for moisture contents over prescribed limit would be resealed immediately after the original testing and assessment is over and utilized for retesting the moisture contents at the time of appeal.

The decision of the Panel of Assessors and in case of appeal therefrom, then the decision of the Appellate Authority in the matter of determination of moisture content in the coffee shall be final, conclusive and binding upon the Curer and the Planter.

881. *Appeal fees :-* Any appeal against classification of coffee shall be lodged in the office of the Chief Coffee Marketing Officer within 21 days from the date on which the curer received the valuation report from the Asst. Coffee Marketing Officer's Office. The appeal may be prepared either by the grower or on his behalf by the curer, and should be accompanied by a fee of Rs.15/- for every sample. The appeal fee will be refunded if the appeal is successful and forfeited if it is dismissed.

882. *T.A. and Fees to Appeal Panel Members :-* The members of the Appeal Panel would be paid T.A. and daily allowance or conveyance allowance at the rate and subject to conditions applicable to non-official members of the Board. However, for the days on which the Appeal Panel

meets and which the member actually attends, the member will draw a sitting fee of Rs.15/- for each sitting in lieu of daily allowance for that day.

883. *Coffee with Husk/Stones* :- The parties who bring coffee which has husk/stones in it shall be charged twice the cost of removing the husk or stones and the extra amount collected as penalty shall be credited to the Pool. In the event of any party being unwilling to pay twice the cost of removing the husk and stones the Board might refuse to receive such coffee and leave it to the option of the party to take his coffee back for cleaning. If after winnowing, a lot contains more than 5% husk, it shall be treated as 'Husk' after making a reference to the concerned Assistant Coffee Marketing Officer and rendered unfit for human consumption. If it contains less than 5% husk, the lot may be included in the Pool, but in both the cases, twice the cost of cleaning should be collected from the parties.

884. Provided that in the case of coffee such as refuse and bits which may contain husk not above 5% but from which it may be impossible to separate the husk, the Pool Agent will report to the Local Assistant Coffee Marketing Officer, particulars of the lot and get the lot exempted from the operation of this rule.

885. *Guidance to Assessor* :- A note for the guidance of the Assessors is at *Appendix LV*.

886. Filling up of the vacancies in the Appeal Panel : The Marketing Committee at its meeting held on 1-11-1963 has empowered the Chairman to fill in the – vacancies in the Panel that may be caused from time to time.

887. *Communication of adverse characteristics* :- Immediately after the period is over or the appeal is heard, the section should arrange for the communication to the Pool Agents concerned, about the individual characteristics of coffee which have lowered the valuation as per the Score Card for passing on the same to the planter concerned.

CHAPTER XII

CENTRAL EXCISE ON COFFEE

888. Central Excise Duty on coffee was introduced in the year 1944. The Central Excise and Salt Act, 1944, and rules framed thereunder, in so far as they relate to coffee, cast certain obligations on the part of coffee growers, traders, etc., As no estate is permitted to sell or part with its produce, except by pooling it with the Board, the CCMO has been licenced as the sole wholesale dealer in coffee under the Central Excise Act. Consequent on this, the members of the trade do not have any direct obligations under the Central Excise Act. Certain aspects of Central Excise on coffee as they relate to growers, curers and warehouse-keepers are detailed below.

889. *Declaration of land for growing coffee :-* Every grower of coffee, before making use of any land for growing coffee, should make a true declaration, in each year, in the proper form, in respect of the land upon which he proposes to cultivate. However, where the grower intends to cultivate lands within 10 acres, he may furnish these particulars orally to the Officer of Central Excise who visits him, who, in turn, shall record the particulars in his Survey Book and get the attestation of the growers in token of his having given a declaration.

890. *Growers to take out licence :-* According to the Central Excise and Salt Act, curing includes drying or any process for rendering unmanufactured product fit for marketing. All coffee growers are therefore

required to take out a curing licence (L.1) for which they should apply in Form A.L.1 (Appendix LVI) to the nearest Central Excise Range Officer, not later than the month of November of each year and get the licence for the following year. However, growers who intend to cure less than 3,732; 400 Kgs. of coffee, may furnish the required particulars orally to the proper officer who visits them for this purpose, and such officer shall record the particulars in his Survey Book duly attested by the grower.

891. *Growers to keep Entry Book* :- coffee growers should keep an account of picking, curing and despatches etc., of coffee in the prescribed form supplied by the Central Excise Department, which should be returned to the proper officer at the close of the season. For convenience of the small growers a simplified form (EB.II Register) is prescribed Vide Appendix LVII. The growers entry book by the Central Excise department is open to the Board's officials not below the rank of an ACI for scrutiny.

892. *Transport of coffee under TP3*: - All coffees transferred from the estates to the Pool Warehouse or other licensed curing house should be accompanied by a certificate of transport in the proper form. TP3 (Appendix LVIII) duly signed by or on behalf of the grower. A book of such certificates will be supplied to the grower on application to the Central Excise Department, free of charge, which should be duly accounted for, to the satisfaction of that department. Failure to account for these forms properly is liable for heavy penalties.

893. *Duty-free allowance for domestic use and seed purposes of growers* : - Under the Central Excise regulations, coffee growers who cultivate below 25 acres are allowed 25 kgs. of coffee, and those who cultivate 25 acres and above 50 kg., free of duty, for domestic purposes. If any member of the household of a grower is not living within the estate itself, a grower can send a part of the quantity allowed free of duty to the former's residence under cover of a certificate in Form TP.3. Only the grower, whether he is the owner, tenant, or lessee of an estate, is eligible for the free allowance. In the case of estates owned by a limited company, the person responsible to the company for growing coffee will be the grower eligible for free allowance. The personal consumption allowance under the Central Excise Rules is granted to each separate registered estate possessing an L.1 Licence, but where the Manager, lessee or owner cultivates more than one licenced estate, he will be eligible only for a single personal consumption allowance, applicable to the biggest of the estates he cultivates. Absentee owners are not entitled to receive any coffee free of duty for personal consumption.

894. To retain coffee for seed purposes, the grower should file an application with the Central Excise Range Officer, stating the acreage, the amount of coffee harvested in the previous season, quantity of seeds desired to be retained, whether for use in his estate or for sale to other estates and, if so, the names of these estates. The permit issued by the Board allowing retention of coffee for seed purposes should be produced. The grower should also sign a declaration that satisfactory proof of the coffee seeds

having been used only for the sowing, will be produced, if called upon. Seed coffee is free from Central Excise duty.

895. *Realisation of Excise Duty on coffee retained in excess of duty-free allowance* :- For coffees retained on the estate for domestic use, in excess of duty-free allowance, the Central Excise Range Officer will issue a DD.1 (Duty Demand) (Appendix LIX after ensuring that CCMO's permission has been obtained for retaining it. On payment of the Central Excise Duty due on the coffee to the Treasury, the coffee will be permitted to be removed from the estate. All coffee not expressly permitted should be directed to be pooled. According to Central Excise Rules transport permit is not required for transporting duty-paid coffee. Growers, who have delivered the entire produce to the Pool Agents for curing and who desire to take the domestic quota after curing, can do so. If the quota is in excess of the free allowance, the grower should pay the duty for the excess and arrange with the Pool Agent to get clearance.

896. The permit issued by the CCMO authorizing retention of coffee for domestic use should be verified, and a certificate from the grower to the effect that no coffee has been retained on the estate, should be obtained by the Pool Agent before releasing coffee for domestic use from the warehouse. Clearance of domestic quota coffees from warehouses should also be adjusted against account current of the Board, but Central Excise Duty on such coffee should be collected from the party by the Pool Agent and credited to Pool Fund and sales statement rendered.

897. *Annual return to be furnished by growers* : - Every grower should declare at the end of the harvesting season, the details specified in the form of annual return. Growers who cultivate ten or more than ten acres of coffee should file a written statement in the prescribed form, those who cultivate less than ten acres may give an oral declaration to the proper officer.

898. Applications in Form AL.2 (*Appendix LX*) in respect of all Pool Agents/Pool Depots should be obtained and a consolidated application sent once in three years to be concerned Collector of Central Excise by the CCMO, to reach the Collector on or before 30th November of the preceding year for issue of an L.2 licence in his favour.

899. *Private bonded Warehouse licence* :- L.5 licence covering the premises of all Pool Agents and Pool Depots should similarly be taken by the CCMO each year. Application in Form AL.5 (*Appendix LXI*) in respect of each Pool Agent and Pool Depot should be obtained and sent to the respective Range Officer/Deputy Superintendent/Superintendent of Central Excise concerned under each Collectorate in Madras, Mysore and Cochin etc., so as to reach them on or before 30th November each year with intimation to their respective Collectorate for the grant of private bonded warehouse licence for the following year. A ground plan of the warehouse, duly certified by the local Central Excise Officer, should accompany the application. The licence is granted to the CCMO, but it covers the premises of Board's Pool Agents and Pool Depots as all the Pool stocks held in these premises are held on behalf of the Board.

900. A copy of the L.5 licence pertaining to each Agent/Depot should be sent to them by the Head Office to be exhibited at a conspicuous place in their premises and the original licence kept at the HO. The excise authorities concerned and the CCMO should be informed in advance, in writing, and permission obtained, if any alterations are to be made to the Pool Warehouse. A ground plan of the warehouse showing the proposed alterations, duly certified by the Local Central Excise Officer, should be sent to the HO so that the matter may be taken up and the licence suitably amended. The Central Excise Department can take penal action, for infringement of the procedure laid down.

901. *Execution of bonds* :- (i) B.1 General Bond (Appendix LXII) (Rule 14 of the Central Excise Rules):- For despatch of excisable coffee removed for export to a foreign country, from time to time, from the warehouse on account of the Board, without payment of excise duty, the B.1 (General) bond is executed by the CCMO. Two types of bonds have to be executed, one for shipment of coffee from the major ports of Bombay, Madras and Calcutta, and the other for shipment from other ports. A bond of the former type has been executed with the Collector of Central Excise, Madras and two bonds of Central Excise, Madras and another with the Collector of Central Excise, Madras and another with the Collector of Central Excise, Bangalore. These bonds need not be renewed every year.

- (ii) *B-4. Bond :- (Appendix LXIII):* The CCMO has also executed a B.4 Bond with the Central Excise Department for storage and sale of the non-duty paid coffee from various warehouses – Vide Rule 140 of the Central Excise Rules.

- (iii) *B.5 Bond :- (Appendix LXIV):* This bond is executed by the CCMO for the due arrival of and re-warehousing of non-duty paid coffee from one warehouse to another – Vide 153 of the Central Excise Rules.

902. *Receipt of coffee at Pool Warehouses:-* When coffee is received in the Pool Warehouses or Pool Depots to which a separate Central Excise Officer is not attached, the coffee should be weighed and stored separately in the godowns and necessary entries made in the Warehouse Registers. The TP.3 should be surrendered to the Range Officer when he next visits the warehouse to check weigh the consignments received during the interval. Where a full-time Range Officer is attached to the Warehouses or Depot, the coffee, when received, should be weighed/measured in his presence, and the weights/measurements recorded in the warehouse register and coffee stored in the godowns. The Pool Agent/Depot Manager should draw a full line across the TP.3 and put dated initials.

903. For the purpose of verification of receipt, Central Excise Range Officer will weight 5% of the coffee received. Complete weighment is not normally contemplated for the verification of receipts.

904. *Stock Cards* :- Stock card containing the information required should be attached to each lot/consignment. It should generally be attached to the partially filled bag of the lot. Changes, if any, in the stocks due to deliveries, drawal of samples, etc., should be noted on the card.

905. The stock cards maintained in the Curing Works need show only the final weight of each lot ascertained on completion of the process, and not the weights at each stage of processing.

906. *Registers* :- All registers to be maintained at the Pool Warehouses are prescribed by the Board and the Central Excise Department in consultation with each other. If any additional registers are directed to be maintained by the Central Excise Department, a reference should be made to Head Office and instructions obtained. This is to ensure uniformity of accounts in all the Pool Warehouses of the Board.

907. *Clearance of coffee from Pool Warehouses* :- No coffee should be cleared from the premises of a Pool Warehouse except with the written permission of the Central Excise Officer. An application in form, AR.1 (*Appendix LXV*) should be filed by the pool agent/depot with the range officer concerned and clearance obtained for removal of sold stocks. One copy of the AR.1 application with necessary endorsement of the Central excise officer should be sent to the concerned ACMO together with the excise duty statements, and one retained at the pool warehouse/Depot.

908. For removal of coffee for transport to another pool warehouse, an application in form AR.3 (*Appendix LXVI*) should be filed with the concerned range officer and necessary permission obtained. A copy of the AR.3 application with the endorsement of the range officer should be retained in the pool warehouse/depot.

909. T.P. 2-Non-duty-paid coffee transported from one warehouse to another should be accompanied by a transport document. T.P. 2 (*Appendix LXVII*) issued on presentation of AR. 3 application form by the range officer having jurisdiction over the warehouse/depot from which the consignment originates.

910. Before removal of coffee from a pool warehouse for purposes of export, an application in Form AR. 4 (*Appendix LXVII*) should be filled and permission obtained from the proper officer.

911. However with effect from 1st August 1969, clearance of coffee from the pool warehouses/depot, either of sold stocks for release in the domestic market/for export or of unsold stocks for transport from one bonded warehouse to another warehouse, is done under the self removal procedure, which does not require the physical supervision or verification of the goods by a central excise officer at any stage, but subject to observance of other formalities prescribed in this procedure such as filing AR. 1, AR. 3, AR. 4 etc., as the case may be clearances are made after issue of Gate passes by the pool agents/depot managers duly countersigned by the ACMO attached to the works.

912. *Clearance of samples:-* Samples of coffee for bonafide purposes can be cleared from the warehouses without prior reference to the central excise department, but particulars of removals of such sample register and deduction made from the stocks. A clearance application should be presented to the excise range officer quarterly and necessary adjustment of duty effected for the quantity of samples cleared. The entries relating to removal of samples should be got attested by the excise range officer.

913. *Signing of important documents:-* According to Central excise department, issue of a written authorisation by the CCMO (CCMO being the licence holder) in favour of an agent is a necessary safeguard. However, as the pool agents act as the agents of the Board under provisions of the Coffee Act, it is agreed that it is enough if a list of all pool agents acknowledging them as Board's Agents and authorising them to sign important central excise documents, such as clearance applications, returns, etc., is sent to the collector of central excise. Intimation of changes, from time to time, in the list should be sent to the collector of central excise. A letter of authorisation has been issued by the CCMO acknowledging the various pool agents and depot managers as his agents.

914. When a depot manager/ADM takes charge of a depot, he should intimate the fact to the Central excise range officer and send copy of such communication to the collector of central excise, CCMO and ACOMO.

915. *Payment of excise duty:-* The system of payment of excise duty through remittance of amounts to the credit of accounts current with the different collectorates of Central Excise was replaced by a procedure of payment of duty by adjustment in the personal ledger accounts maintained

by different pool agent/storage depots consequent on the introduction of self removal procedure for clearance of coffee, dealt with elsewhere in this chapter. Under the new procedure, letters of credit are established by Head Office with various banks in the respective places, in favour of the concerned pool agents for sufficient amounts to cover the central excise duty payable on the quantities of coffee released for domestic market. The pool agents/storage depots draw the amounts from the banks and remit the duty directly to the central excise collector having jurisdiction and account for the same in the personal ledger account maintained by them statements by them statements showing quantities released and the amounts of central excise duty remitted from the funds established in their favour are sent to Head Office (accounts department) by the pool agent/storage depots every month for verification.

916. *Restriction on clearance of coffee in February:-* According to Rule 224(3) of central excise rules, 1944, the quantity of excisable goods to be cleared from the warehouse during the month of February of each year is restricted as follows:-

- (i) For the first 14 days of the month, 16% of the quantity cleared during the first three months of the previous year;
- (ii) For the whole month, 32% of the quantity cleared during the first three months of the previous years.

917. As the Board has to release sufficient coffee to maintain the market, the Ministry of Commerce is approached every year with request to

move the Central board of revenue to fix the quota for February according to the needs of the Board, and also not to place any restriction for clearance during the first and second fortnights of February, and to exempt from this rule, coffee already tendered up to 31st January but not yet cleared from the warehouses till the date. After the central board of revenue fixes an overall quota for clearance during February, the quantities to be cleared from the various warehouses would be fixed by the Head Office and communicated to the collectors for issue of necessary instructions to the local central excise officers.

CHAPTER XIII

POOL SALES DEPOTS

918. In addition to the pool sales (open auctions) held every month designed to meet the requirements of the wholesale dealers in the coffee, the Board also allots monthly quotas to local sale coffee dealers at several important towns, for sales by them direct to the consumers. These coffee are allotted ex-pool sales depots located in various important towns/cities. The system of allotment of coffee to the local coffee sale dealers is in lieu of the local coffee auctions that were being conducted prior to 1967 in which the above categories of dealers participated and obtained their requirements. After 1967, specific quotas are fixed for allotment to each local sale permit holder and coffee delivered against payment at the rates notified by the board from time to time. The quotas so fixed are to be lifted by the local sale permit holders during the period commencing from 20th to the last day of the month.

919. *Location:-* For storing of coffee meant for allotment to the local sale dealers, the board has established pool sales depots at the following centers :-

- | | |
|---------------------|---------------------|
| (i) Bangalore | (ii) Bellary |
| (iii) Madras | (iv) Kumbhakonam |
| (v) Trichy | (vi) Madurai |
| (vii) Palayamcottah | (viii) Guntur |
| (ix) Vijayawada | (x) Tirupathi |
| (xi) Hyderabad | (xii) Vishakapatnam |
| (xiii) Kottayam | (xiv) Bombay |
| (xv) Delhi and | (xvi) Calcutta |

920. *Charge and control:-* Each depot is placed in-charge of a depot manager/Asst. depot manager who is given assistance of class IV staff. The depots are under the administrative control of the Asst. coffee marketing officers/Asst. Directors of propaganda, as stated below:-

Bangalore		...	Assistant Coffee Marketing Officer, Mysore
Bellary	}		
Madras	}	...	-do- Madras.
Tirupathi	}		
Kumbhakonam	}		
Trichy	}	...	-do- Salem
Madurai	}		
Palayamcotti	}	...	-do- Batlagundu
Guntur	}		
Vijayawada	}		
Hyderabad	}	...	-do- Vijayawada
Vishakapatnam	}		

Kottayam	...	Asst. Coffee Marketing Officer, Calicut
Bombay	...	Assistant Director of Propaganda, Bombay
Delhi	...	-do- Delhi.
Calcutta	...	Deputy Director of Propaganda, Calcutta.

921. *Duties of the depot managers/Asst. Depot manager:-* The depot managers/Asst. depot manager is assigned the following duties :-

- (a) Receiving and storing coffees sent to the depots by the pool depots after proper weighment, verification etc.,
- (b) Delivering the coffee against allotments to the local sale dealers every month after collection of the value for the same ;
- (c) collecting the value of the coffee and delivery of coffee to the buyers ;
- (d) Remittance of the sale proceeds to the bank ;
- (e) Maintenance of stocks and cash accounts ;

- (f) Checking of the accounts of coffee retail dealers/co-operative societies within their jurisdiction ;
- (h) Furnishing market reports to head office ;
- (i) All other work connected with the proper maintenance of stocks etc., and functioning of the depot.

922. *Security deposit from those handling stocks and cash:-* The depot manager/Asst. depot manager should furnish security deposits at specified rates in any of the forms prescribed in the general financial rules of the central Govt. For details vide part I-B office procedure-Chapter XVII.

923. *Indents for stocks:-* The depot manager/Asst. depot manager should indent in proper time for his monthly requirements of coffee to meet the needs of the retail dealers as per their entitlement of quota. As far as possible each depot will have not more than 1 ½ months requirements at a time. Depending upon each months off-take of coffee, the depot manager/Asst. depot manager should prepare an indent for fresh stocks in the prescribed form, indicating each month's committed stock and send it to the Asst. coffee marketing officer who will scrutinise and pass it on to the head office.

924. *Transport of coffee:-* According to the instructions issued by the head office, the pool agents/pool depots, as the case may be, despatch the required types and grades of coffee, duty paid, to the Asst. depot manager/depot manager/depot manager. Coffee is generally despatched by the road and through the approved transport contractors, with whom the board has entered into transport contracts.

925. Immediately on receipt of the coffee, the entire consignment should be weighed by the depot manager/Asst. depot manager, in full, i.e., each bag in the consignment, and shortages or gain-in-weight noticed should be recorded in a register in respect of each bag, duly obtaining transport contractor's/his representative's signature.

926. *Clearance and transport of stocks from rail head:-* When coffee is received by rail, the consignment, on arrival at the station, should be cleared and transported to the depot through the transport contractor appointed for the purpose by the chief coffee marketing officer. Where such contractors are not appointed, the depot manager/asst. depot manager should get consignments cleared and transported to the depot through such means of transport as may be available, after taking permission wherever necessary.

927. If bags are found torn and loss is suspected, the consignment should be weighed and taken delivery of in accordance with railway rules.

928. In respect of consignments transported by rail, a peon or the Asst. depot manager should accompany the consignment from the railway station to the depot and the entire stock should be weighed on receipt at the depot.

929. Shortages/gain-in-weight should be recorded at the time of (a) verification of the stocks by inspecting officers, (b) receipt of the consignments and (c) after the entire consignment is delivered. Shortages/gain-in-weight should be noted in the stock card in red ink.

Whatever shortages/gain-in-weight are recorded should be accounted for in the fortnightly returns and in the stock register.

930. A register should be maintained for noting receipts, in-transit shortages, deliveries and storage shortages.

931. Wherever shortages are made good to the buyers, a record of the same should be made in a register and the signature of the buyer or his authorised agent, who takes delivery of the coffee, should be obtained in the register itself to establish that he has taken delivery of the correct quantities.

932. After the entire consignment is cleared, a reconciliation should be drawn up as follows, and sent to the Asst. Coffee marketing officer :-

Reconciliation	Kilos
1. Quantity despatched by the pool agent as per invoice
2. Add gain-in-weight
3. Total of items (1) and (2)
4. In-transit shortage
5. Storage shortage
6. Despatch of samples to pool Sale etc.,
7. Deliveries against sales
8. Total of items (4) to (7)

933. Shortage statements in the prescribed form should be prepared by the depot manager/Asst. depot manager, fortnightly, in triplicate, original and duplicate to be sent to the Asst. coffee marketing officer and triplicate to be retained by the depot.

934. The depot manager/Asst. depot manager should take up the matter with the transport contractors or railways whenever they notice shortages and action for recovery of transport loss from the transport contractors/railways should be initiated by him without waiting for instructions either from the asst. coffee marketing officer or head office.

935. *Fortnightly return of stocks:-* The depot manager/Asst. depot manager should prepare fortnightly return of stocks, in quadruplicate, the duplicate copy to be sent to the general section, marketing department, directly, the original and triplicate to the divisional Asst. coffee marketing officer and quadruplicate to be retained by the depot.

936. The depot manager/Asst. depot manager should maintain a stock card in respect of each consignment of coffee and stock cards should be serially numbered and accounted in a register.

937. *Storage:-* coffee should be stored in the godowns properly by stacking them according to type and grade, crop year etc., on coir mats or other suitable dunnage.

938. *Debit bills:-* certification of- after the consignment is received, the depot manager/Asst. depot manager should certify the quantity received, on the bill of charges received from the pool agents/pool depots/transport contractors and send it to the Asst. coffee marketing officer. The procedure relating to furnishing of the certificate is at chapter VIII.

939. In case any stocks are to be exposed ex-pool sales depots in the pool sales (open auctions), the depot manager/Asst. depot manager should prepare a lotwise list and send in duplicate to the ACMO for approval. He will include in the list, stocks remaining longest in the depot and those that may be showing signs of deterioration if they are not the longest stored. After the lotwise list is approved by the Asst. coffee marketing officer sufficient number of copies of the catalogue of lots should be got printed at approved rates.

940. The depot manager/Asst. depot manager should draw 10 kg. samples from each lot of coffee or bulk and affix to the bag containing the sample, a label showing the quantity, type and grade of coffee in the respective lot and the lot number and send it to the sales centre/s together with many half kg. samples as are required according to the general instructions.

941. *Remittance of value of coffee and gunny bags:-* The successful dealers should remit to the depot manager/Asst. depot manager the value of coffee declared to them, by means of demand drafts drawn in favour of the “coffee board pool fund account” payable on any scheduled bank in Bangalore city and the same should be sent, as and when received to the

state Bank of India, Bangalore city, for credit of Board's account along with the quadruplicate challans. Cash should not be collected towards the value of coffee. In case small accounts are received to make up the value of coffee in addition to the demand draft, it may be retained till the end of the week/fortnight and remitted to the 'State Bank of India, Bangalore city,' for credit of the respective season's account, by obtaining a demand draft payable at Bangalore. The commission charges to obtain a demand drafts may be charged to the imprest account.

942. For the purpose of remittance of sale proceeds of gunny bags, the season is reckoned as commencing from the month of July and ending in the month of June of next year. The gunny bags sales register should also be marked seasonwise, and proceeds of sales remitted to pool fund account.

943. *Delivery of stocks:-* The depot manager/Asst. depot manager should weigh the stocks in the presence of the buyers or their agents, and transfer the coffee into their bags. The buyers should make their own arrangements for packing and transport as the depot manager/Asst. depot manager does not undertake such work.

944. *Default by buyers:-* If any buyer fails to pay for and take delivery of the stocks within the stipulated date, the depot manager/Asst. depot manager should report to the Asst. coffee marketing officer and await his instructions.

945. *Pool account :- (i) cash memos:-* (a) In the cash memos, the value is to be calculated at the declared rates exclusive of 'Excise Duty'. The Excise Duty should be calculated and added on to the total, at the prevailing rates. The Excise Duty should be rounded to the nearest 'Paise'. The cash memos are to be prepared in quadruplicate – the original to be handed over to the dealer concerned, the duplicate and the triplicate to be sent to the Divisional Asst. Coffee Marketing Officer and the quadruplicate to be retained in the depot.

(ii) *Cash Account Forms :-* This should be prepared in triplicate to be rendered monthly, the original and the duplicate to be sent to the Divisional Assistant Coffee Marketing Officer and triplicate to be retained by the Depot.

(iii) *Sales Registers :-* Sales Register (RR.16 A and Gunny sales and remittance form) should be rendered monthly, in triplicate, original and duplicate to be sent to the divisional Assistant Coffee Marketing Officer and triplicate to be retained by the depot. Separate sales registers should be prepared for each season's coffee (with separate folios). Separate sales registers should also be prepared for each mode of sale, viz., Pool Sales, allotments and local sales in case there are any sales other than local sales, with separate totals for each type of coffee. However, a consolidated remittance form may be prepared for a particular month for the Local Sales and gunny sales (also for Pool Sales and allotment sales, if any). The 'The Total amount due to the Board as per all the Sales Registers' should agree with the 'Total amount remitted' for a particular month in the remittance

form. As far as possible, both these columns should tally. In case there is any difference between these two columns, the reason for that difference should be furnished in the remittance form.

946. Sales Registers, cash memos, cash account forms and refund orders, if any, should be sent in one bunch to the Divisional Office monthly, on or before 5th of every succeeding month. If there are no sales during a particular month, a 'nil' return should be sent duly filling the 'previous and progressive' totals. The submission of 'nil' return is not necessary till such time the first return is submitted after the sale is effected.

947. When the coffee sold is accounted for in full for a particular season, marking should be made on the top right-hand corner of the last Sales register and other returns as 'Final'.

948. *Refunds of excess amounts remitted by the dealers :-* The Depot Manger/Assistant Depot Manager should prepare a refund order in the prescribed form for excess amounts remitted by the dealers, due either to wrong calculation or short delivery of coffee.

949. *Sales Tax Returns (A-2 forms):* Sales Tax should be collected at the rates in force in the respective States on the value of coffee and Central Excise Duty; in addition, additional turnover tax, if any, should be collected on the turnover and should be accounted under Column No. 19 of the RR. 16A. Sales Tax returns should be prepared, in quadruplicate, in respect of the depots functioning in Andhra Pradesh, and, in triplicate, in the case of the depots in other States one copy to be sent to the local Commercial Tax

Officer having jurisdiction over the depot, one copy to Head Office and one copy to be retained by the depot concerned. However, depots in Andhra Pradesh should send one copy of the Sales Tax returns to the India Coffee Depot, Hyderabad as it is registered for Sales Tax purposes in Andhra Pradesh. The Sales Tax return should be sent to Head Office during the first week of every month.

950. *Imprest Account* : - The Depot Manger/Assistant Depot Managers should maintain a cash book for accounting the moneys received from the Assistant Coffee Marketing Officer and expended by him, in the prescribed form, as detailed in Part IX-A-Accounts – Chapter I.

951. He should render an account to the Assistant Coffee Marketing Officer in the imprest account form, immediately after the close of the month.

952. *Indent for imprest cash* :- The indent for amounts required by the Depot Manager/Assistant Depot Manager for the expenditure of his depot for the ensuing month, should be sent to the Assistant Coffee Marketing Officer by the 12th of the month in the prescribed form.

953. For detailed instructions regarding preparation of imprest accounts, refer to Chapter V.

954. *Insurance of stocks* :- Procedure relating to insurance of stocks is given in Chapter IX.

955. *Inspection of dealers' accounts:-* The Depot Manager/Assistant Depot Manager should verify, as frequently as possible, the accounts of the local sale permit holders to find out whether they are contravening the rules prescribed by the Board in any manner and send their inspection reports monthly to the Assistant Coffee Marketing Officer.

956. *Market reports :* - The Depot Manager/Assistant Depot Manager should send weekly market reports for the period ending Friday to the Chief Coffee Marketing Officer with copy to the Assistant Coffee Marketing Officer. For details Vide Chapter II.

957. *Inspection minutes book :-* An Inspection minutes book should be maintained for noting all the points requiring action, raised in the inspection reports and action taken thereon. Compliance reports should be sent monthly till action on all the points recorded is completed.

958. *Preservation of records and registers :-* All the time-barred files are to be weeded out, from time to time, and a list prepared in duplicate and sent to the Assistant Coffee Marketing Officer for orders. For details Vide Part I-B Office Procedure – Chapter VIII.

959. *Night Watch :-* The Depot Manager/Assistant Depot Manager should arrange for night watch at the depot by the Peons attached to the Depot or by the Watchman specially appointed for the purpose, as the case may be.

960. Handing over charge of stocks at the depot – Vide Chapter VIII.

961. Returns 'due out' – Vide *Appendix LXIX*.

962. Registers to be maintained – Vide *Appendix LXX*.

CHAPTER XIV
INTERNAL SALES

963. *Mode of release* :- Release of coffee from the Pool for consumption in the internal market are made through the following channels:

- (j) Pool Sales;
- (iii) Allotment to Local Sales Permit holders;
- (iv) Allotment to Co-op. Societies; and
- (v) Allotment to Propaganda Department,

Pool Sales

964. Three Pool Sales are usually conducted every month one each at Bangalore, Coimbatore and Vijayawada in which the registered Pool Sales dealers participate and bid for their requirements.

965. *Registration of Pool Sales Dealers* :- Only dealers registered with the Board, who possess a valid permit can participate in the Pool Sales. A dealer wishing to register himself has to send the prescribed questionnaire form (*Appendix LXXI*) duly filled in, with his application to the CCMO, through the Regional DCCMO, except in respect of North Indian centers, i.e. Delhi and Calcutta in respect of which applications should be sent direct to Head Office. The applicant will also furnish ten specimen signatures of the persons authorised to sign on behalf of the firm, and the income tax clearance

certificate for the year. After scrutiny of the particulars and, if found satisfactory, he will be registered as a Pool Sales Dealer, on furnishing an initial deposit of Rs.500/- and Bank/Insurance Guarantee for Rs.10,000/-.

966. *Issue of permits to registered dealers :-* A Pool Sale Permit in the form (Vide *Appendix LXXII*) will be issued to every dealer registered as above. It is usually valid for the period upto which Income tax clearance Certificate is produced on the 31st December of the year, whichever date is earlier.

967. *Renewal of permits:-* On the expiry of the validity of the permits, all the dealers except those in Bombay, Delhi, Calcutta and Vishakhapatnam should return their permits together with the Income Tax Clearance Certificate to the Regional DCCMOs for revalidating the permits. The Permits are prevalidated by the Regional DCCMOs based on the Income Tax Clearance Certificate and Bank/Insurance guarantee upto the date of expiry of ITCC/Bank/Insurance guarantee whichever is earlier. In the case of dealers in Bombay, Delhi, Calcutta and Vishakhapatnam, their permits should be sent direct to the Head Office.

968. Conditions of permit : Vide *Appendix LXXIII*.

969. Conditions governing Pool Sales : - Vide *Appendix LXXIV*.

970. *Participation in Pool Sales :-* Any registered dealer holding a valid permit may participate in a Pool Sale at any centre. He may either participate in person or authorize any other registered dealer as his agent to

participate on his behalf. In the latter case, proper authorization letters should be produced before the ACMO of the sale centre. No agent shall be allowed to participate on behalf of more than one principal. The Pool Sales Permit should be produced in all cases to the ACMO, of the sale centre, by the dealer or his duly authorised agent, as the case may be.

971. *Information to be put up on Notice Board :-* A copy of the conditions of sales, Board's Arbitration Rules and the minimum release prices should be put up on the Notice Board at the sale centre on the date of sale, for information of the dealers. The time limit for making offers in respect of closed bids should also be notified on the Notice Board.

972. *Exposure of samples :-* The samples received from the various Pool Centres should be checked with the labels attached to them, and the offer forms. The 10 Kgs. sample should be exposed in a convenient place where the sale is held in the order of Pool Agents, with proper labels attached. The representative samples should be made available for inspections of buyers 2 days prior to the date of sale till the time specified for making offers.

973. *Issue of offer forms :-* The ACMO of the sale centre will arrange to issue one set of offer forms to each registered dealer who desires to participate in the sale. Before issuing offer forms catalogue of lots the validity of the permits should be verified. Where a dealer participates through a duly authorised agent, the authorization letter and the permit should be initialed by the ACMO, and the permit returned; authorization letters should retained for record.

974. Offer forms catalogue of lots shall not be issued before 2.00 p.m. on the day previous to the date of sale. A list of parties to whom offer forms catalogue of lots have been issued should be maintained to ascertain the total number of forms issued, and also to avoid duplication of issue. If, by chance, a dealer spoils any form and requests for another, a fresh one may be given, after ensuring that the form originally issued is spoiled.

975. *Box for offers* :- A box for depositing offers should be kept at the place of sale on the date of sale. The box should be locked and sealed. Before doing so, a few dealers present may be permitted to inspect and ensure themselves that the box is empty.

976. The dealers will record their offers legibly in the offer forms supplied and deposit their foils in the box. They should also indicate their permit numbers boldly and clearly in the offer forms and adhere to other instructions given in the offer form.

977. *Opening of the box* :- Immediately after the close of the time specified for making offers, the Sale Conducting Officer will arrange to remove the box/boxes and open it/them in the presence of a dealer and a representative of the Pool Agent. If a Pool Agent's representative is not available, another dealer should be present at the time of opening. The offer forms will be removed, counted, sorted Pool Agent-wise. The number of offer forms tendered in respect of coffee ex-each Pool Agent/Depot should be recorded in a register, and the signature of the Sale Conducting Officer, the dealer/dealers and representative of the Pool Agent in whose presence

the box was opened, should be obtained thereon in token of having verified the total number of offer forms received. The offers relating to each Pool Agent/Depot will then be arranged and serially numbered.

978. *Tabulation of offers* :- The offer forms deposited by the dealers should be pasted or stapled page-wise/Pool Agent-wise/Depot-wise in serial order one below the other to facilitate declaration.

979. *Declaration of results* :- Usually, lots are declared to the highest, subject to the quantitative limitation indicated, if any, in the offer form by the dealer. The quantitative limitation indicated is applicable only to coffee covered by that particular offer form.

980. If the highest offer happens to be made by more than three dealers, i.e. they offer the same rate for any one lot, the Sale Conducting Officer might withdraw such lots. If there are two or three identical offers for the same lot and they happen to be the highest, the lot will be divided between the two or three offerers. Offers which are not in multiples of 5 Paise will be ignored. Joint offers signed by more than one person will not be taken note of.

981. Results will be orally announced for the convenience of the dealers, immediately they are ready. However, for all official purposes, results are treated as announced only when they are checked, verified and put on the Notice Board;

982. With effect from October 1967, the system of Pool Sale through closed tender was replaced by the system of open auctions conducted at Bangalore twice monthly. Subsequently open auctions were introduced at Coimbatore and Vijayawada once every month and the open auction at Bangalore Centre restricted to once a month.

983. In the open auctions the dealers bid for their requirements, based on the catalogue of lots and lots are declared on the spot to the highest bidder. A record of the bids offered is kept by the sale conducting officer in respect of each lot, recording the name of the Party and his Permit Number as soon as the lot is declared. These records are signed by the successful bidders and the sale conducting officer. The question of dividing a lot between two or more bidders does not arise in the open auctions as each lot is declared in favour of any one Party whose offer happens to be the highest.

984. In the case of lots of less than 500 kilos and lots which are withdrawn in open auctions continuously more than twice, the system of sale through closed tender is resorted to. The sale conducting officer is given discretion to declare such lots coming up in closed tenders, at highest rates offered, even if they are lower than the reserve prices, taking into consideration the quality of coffee and reasonableness of the offers.

985. *Results of sale – intimation of :* - Copies of the results of sale should be sent by ordinary post to all dealers who participated in the sale and

others concerned. Two copies of the results will be posted to the Pool Agents, ACMOs and concerned Pool Depots (one by Registered Post and the other by ordinary post).

986. *Preservation of 10 kg. samples :-* After the time specified for making offer is over, the sample bags will be stitched and removed for safe custody. These samples should be preserved till ten days after the last date specified for payments for coffees sold. However, as a measure of safety, in cases where there is no definite advice of payment and delivery of coffee sold, the ACMOs should obtain permission from Head Office before bulking such samples. Unless specifically instructed, there is no necessity to retain the samples after a month from the last date for payment for coffee sold.

987. *Preservation of ½ kg. sample packets and supply of samples to successful dealers :-* The ½ kg. sample packets received along with the 10 kg. sample should be carefully preserved by the ACMO of the sale centre, in his office under lock and key. Where successful dealers ask for samples relating to the lots of coffee declared to them, samples are to be supplied from one of the ½ kg. samples relating to the particular lot. When a lot is declared to more than one dealer, the ½ kg. sample shall be divided equally among all of them. The other ½ kg sample packet relating to the lot should be preserved carefully, with the ACMO with the seal and label of the Pool Agent/Depot intact, till the sold coffee is taken delivery of by the buyer. If the dealer to whom the sample is supplied desires to affix his seal to the ½ kg. packet retained intact with the ACMO, he may be allowed to do so.

988. Samples should not be sent to dealers by post. Either the buyers or their authorised agents should call at the office of the ACMO/Depot Manager of the Centre where the sale was held, and take delivery of the sample on payment of the prescribed value.

989. *Payment of value of Coffee sold :-* The successful dealers should remit within the time specified in the conditions of sale, the value of the coffee. Further, details regarding payment etc., refer to conditions of sale at *Appendix LXXIV*. Procedure to be followed in case stocks differ from samples : Vide Arbitration Rules (*Appendix LXXV*).

990. *Allotment of Coffee to Local Sales Dealers :* The system of local sale which was in vogue upto June 1967 was replaced by the system of allotments with effect from July 1967 Vide Circular No. SLIN/19, dated 3-7-1967. The maximum quantity that could be allotted to a local sale dealer is only 3,000 kg. in a month. The coffee is allotted to local sale permit holders, as per the decision of the Marketing Committee, at rates based on the previous 3 month's Pool Sales average prices or the average price of the previous month's Pool Sales whichever is less. The coffee so allotted is expected to be sold by the local sale permit holders to genuine consumers at rates prescribed by the Board.

991. Allotments of coffee for delivery to the Local Sale permit holders are from Pool Sales depots mentioned in Chapter XIII.

992. *Registration of Local sales dealers and issue of permits :-* Only retail dealers, who are registered with the Board and who hold permits, are allowed to draw their allotments of coffee against payment from the PSDs to which they are attached.

993. A dealer wishing to register himself has to send the application, in the prescribed form *Appendix LXXVI* together with the Sales Tax Certificate, Municipal/Panchayat Board licence and evidence of installation of roaster/grinder to the CCMO, through the Regional DCCMO except in respect of North Indian centers, i.e. Delhi, Bombay, Calcutta and Vizhakapatnam, in which case the applications are to be sent to the Head Office, directly. After a scrutiny of the application and the documents enclosed thereto and the inspection of the business premises of the applicant and his accounts the latter will be verified through the nearest Inspectorate staff to ascertain his bonafides a decision will be taken on the merits of the case. Before registering, the applicant should make a fixed deposit of Rs.100/-. The local Sales Permit will be issued in the prescribed form (*Vide Appendix LXXVII.*)

994. *Renewal of permits :-* Renewal of permits issued to Local Sales Dealers has been dispensed with after the introduction of allotment system.

995. *Conditions of Permit :* *Vide Appendix LXXVIII.*

996. *Conditions of allotment of coffee to Local Sales Dealers :* *Vide Appendix LXXIX.*

997. *Allotment of coffee to Co-op. Societies : Quota for monthly allotment :-* Allotments of coffee are made every month in bulk to the Dist. Co-op. Societies based on their monthly indents for sale for distribution to their primaries for supply to consumers at prices fixed by the Board. Allotments are made even to Primary Societies subject to recommendation by the Registrar of Co-op. Societies concerned. The quota for the monthly allotment is fixed by the Board. 15% of the internal release is earmarked for allotments to Co-op. Societies in each type of coffee.

998. *Indents for stocks :-* The Societies entitled for monthly quota are required to place their indents to the Board before 7th of each month, failing which the quota for the month will lapse.

999. Allotment advices are issued to the parties concerned after verifying the availability of stocks with the Pool Agents/Depots.

1000. *Payment of value of stocks :-* The Societies should pay for coffees allotted to them within the due date, as stipulated in the tender notice either in cash or by demand draft, in favour of the Coffee Board on any Scheduled Bank, at the place where the Pool Agent/ACMO is situated. If payment is not received within the due date, the Pool Agent/ACMO, will intimate the Society under advice to the CCMO and ACMO, (in the case of Pool Agents) that the allotment made stands lapsed.

1001. *Delivery of stocks :-* Stocks allotted will be delivered on receipt of its full value, interest, etc., if any, due thereon. In the event of the coffee

not having been removed before the expiry of the 17th day from the date of tender, the Pool Agent will weigh the coffee and set it apart for the Society, either in Pool Warehouse or elsewhere according to convenience, and the Society will have to pay at the time of removing it, such insurance premium and godown rent or other charges as may be levied by the Pool Agent, from the 18th day till the date of removal of the coffee. Any gain or loss in weight, after the coffee is weighed and set apart, will be to the account of the Society. The Pool Depots do not undertake any packing and forwarding work.

1002. Conditions governing allotment of coffee to Central Co-op. Stores are given in *Appendix LXXX*.

1003. *Inspection of accounts and stocks* :- The Coffee accounts and stocks of Central Co-op. Stores and their primaries are open to inspection by the Board's Officers authorised in this behalf.

1004. *Allotments of Coffee to Propaganda Dept : Quota for allotment*:- Coffee is allotted to the Propaganda Department of the Board for use in the various units run by the Department, for preparation of liquid coffee and sale of raw coffee and coffee powder. The quantity of coffee allotted to the Propaganda Department has been fixed at 10% of the quantities earmarked for internal release during a calendar year. The allotments are made every quarter based on the indents placed by the Propaganda Department, ex-various Pool Agents, as far as possible, according to the preference indicated by the Department.

1005. *Tendering of coffee* : The system of tendering of coffee which was in vogue previously no longer continues. The coffee is placed at the disposal of the department and stocks are shifted to various units of the department as per despatch instructions issued by the Propaganda Department. The coffee allotted to the Propaganda Department is got approved by the local ACMO/CCI attached to Curing Works, before despatch.

1006. Coffees allotted to Propaganda Department, are invoiced at rates fixed by the Marketing Committee from time to time.

CHAPTER XV

EXPORT OF COFFEE

1007. *Export promotion* :- The exportable surplus of Indian coffee is only a small percentage of the total world exportable surplus. Nevertheless, its importance to the industry and the contribution it makes towards India's foreign exchange earnings are considerable.

1008. The Board keeps in continuous touch with the trends abroad through Indian Embassies, Consulates and Trade Commissions in various countries. Information on price trends, world coffee supplies and market intelligence is obtained and items of interest to the trade and the Board members are communicated to them. Information on trade agreements with foreign countries in which coffee happens to be one of the items for export is passed on to registered exporters. India has also entered into International Coffee Agreement. The aims and objects of International Coffee Agreement and the working of International Coffee Organisation are dealt with in Chapter XVI.

1009. *Export channels* :- Export of coffee from India is mainly on the basis of sales conducted by the Board, either through normal trade channels, or directly by the Board. Apart from the Coffee specifically sold for export, the Board also permits export of a fixed quantity of roasted and ground or Instant Coffee, gift parcels, seed coffee etc.,

1010. *Export quota* :- The Marketing Committee makes a tentative allocation for export from a season's crop taking into consideration the estimates of the season's crop, probable off-take in the internal market and such other relative factors. These allocations are reviewed periodically, in the light of the crop prospects arrivals and quotas revised. The allocations decided upon by the Marketing Committee and the Board are communicated to the Government for approval. On receipt of Government's approval stocks are released for exports, at convenient intervals on the lines indicated by the Marketing Committee.

1011. *Export sales by open auction* : The procedure relating to conduct of export open auctions are given in the following paras.

1012. *Registration of exporters and issue of permits* :- Exporters desirous of participating in the auctions should get themselves registered with the Board on payment of a permanent deposit of Rs.2,000/-. Importers abroad who are not domiciled in India can also get registered and participate in the auctions either directly or through their Agents in India, appointed for this purpose, subject to the fulfillment of the stipulations laid down by the Foreign Exchange Regulations Act of the Government of India. The applicants will be required to fill in the questionnaires given in *Appendix LXXXI* and produce Income Tax Clearance Certificate valid for the year for which the registration is sought. On receipt of the questionnaire duly filled in, together with the Income Tax Clearance Certificate, and bank guarantee, they will be scrutinized and a report from the applicant's bankers called for. The applicant's seeking registration as exporters are also required to furnish

a declaration to the effect that they are not connected with the Regd. Exporters in any way either directly or indirectly. On the department being satisfied, a permit will be issued to the Applicant in the form at *Appendix LXXXII* validated upto the period of Income Tax Clearance Certificate or the date upto which the Bank Guarantee is valid, whichever is earlier.

1013. *Terms and conditions of the permit :- Vide Appendix LXXXIII.*

1014. *Terms and conditions of Export Auction :-* Form of Contract, Catalogue of lots and terms and conditions of export auctions are given in *Appendix LIXXXV.*

1015. *Export Auction Centres :-* Export auctions which were being conducted in Mangalore before and after the monsoon and in Bangalore during the monsoon months (May to September), have since been centralized and are conducted in Bangalore throughout with effect from November 1974 onwards.

1016. *Reservation of coffee :-* The Pool Agents are instructed by Head Office from time to time to put up the required quantities of the following types and grades of coffee for export and keep the coffee ready for screening :-

- (1) Plantation, A, B, Triage;
- (2) Arabica Cherry AB/PB/Triage/Bulk;
- (3) Robusta Parchment AB/PB/Triage;
- (4) Robusta Cherry AB/PB/Triage/Estate pounded Bulk.

Immediately the screening is over, the Pool Agents should reserve the coffee approved by the Screening Panel.

1017. *Screening of lots* :- The procedure of screening lots meant for export auction by the Divisional ACMOs, ACMOs attached to the Curing Works with the assistance of the Managers of the Curing Works is in force.

1018. In the case of stocks ex-Departmental Storage Depots, the ACMO with the help of the Regional DCCMO, screens the coffee. In respect of Chikmagalur depot, however, the ACMO will screen the coffee.

1019. The lots screened and approved will be intimated to Head Office by the ACMO, immediately the screening is over in writing and by telegram if the time available for preparation of catalogue of lot is limited.

1020. The procedure for screening of coffee for export is given in *Appendix LXXXV*.

1021. *Drawal and despatch of samples to Sale Centre*: - The Pool Agents/Depots will arrange to send the screened coffees to the Sale Centre as follows/as per Circular :-

1022. One ½ kg. sample should be retained by the Pool Agents/Pool Depot in respect of each bulk.

1023. All the sample packets should be sealed with the official seal of the ACMO/CCI attached to the Curing Works and duly marking Bulk No. or Outturn No. as the case may be, and type and grade and district growth. The same instructions will also hold good in respect of stocks exposed ex-departmental depots. The Depot Manager (Auctions), Bangalore and the ACMO, Sub-Office, Mangalore, as the case may be, will immediately on receipt of the advance copy of the catalogue of lots, mark on the sample bags lot numbers etc.,

1024. *Issue of catalogue of lots and advertisement of auction* :- On finalizing the lotwise list in Head Office, catalogue of lots will be issued by post to registered exporters. The date of export auction will be advertised in selected newspapers.

1025. *Supply of samples* :- The registered exporters can obtain samples on application duly remitting the full value of the samples and sales tax thereon either from the Depot Manager (Auctions), Bangalore, or from the ACMO, Mangalore, or directly from the Pool Agents concerned. However, during the monsoon months, the ACMO, Mangalore will not supply samples. The samples could be had only from the Depot Manager (Auctions), Bangalore.

1026. Samples upto 10 kg. in respect of each lot or where more lots than one are of the same bulk, 10 kg. in respect of each bulk will be supplied by the Pool Agents out of 5% extra reserved against the lot at fixed rates. Samples as above will be supplied by the ACMO, Mangalore/Depot

Manager (Auctions), Bangalore, from out of the samples received by them as mentioned in foregoing paragraph.

1027. *Exposure of samples :-* On receipt of the samples, the Depot Manager (Auctions), Bangalore/ACMO, Mangalore, will first check whether the seals are intact and then open the bags containing 75 kg/40 kg/10 kg and 30 kg. samples respectively. Out of the 2 half kg. samples, one ½ kg sample is meant for comparison with the 75 kg/10kg samples by the Depot Manager (Auctions), Bangalore. The other ½ kg sample should be carefully preserved by him for reference in case of dispute. For supply of samples against payment to registered exporters, the 75 kg./40 kg. sample bags will be made use of. The 10 kg. sample bag will be exposed at the auction centre at least two days prior to the date of export auction, to enable the exporters to examine the samples before offering their bids. The half kg. sample received in respect of each lot may be given to the successful registered exporters on request against payment.

1028. The Asst. Coffee Marketing Officer, Mangalore, on receipt of 30 kg. samples should check it with the half kg. sample received and the sample should be supplied to the regd. Exporters against payment from the 30 kg. samples.

1029. The samples exposed shall not be the basis for any arbitration on the quality of coffee. The exposure of such sample shall not be a condition governing the auction. This is only a facility extended to the exporters, which may be withdrawn at any time without notice. For purposes of arbitration the unopened ½ kg. samples will be the basis.

1030. *Preservation of ½ kg. sample* :- The half kg. sample meant for preservation should be kept safely by the Depot Manager (Auctions) Bangalore/ACMO, Mangalore, for a period of 3 months from the date of auction or until the sold coffee is actually removed from the Pool Warehouse, whichever is later.

1031. *Declaration and confirmation of auction* :- The Board adopts reserve prices for various grades for each export auction and these reserve prices are primarily based on the prevailing prices in the International Coffee market. In the open auction, on the auction days, the exporters offer bids by calling and the bids are recorded in the individual bid forms and declaration made on the spot lot by lot.

1032. Results of the auctions are then communicated to all the participants, all Pool Agents, Pool Depots concerned, all ACMOs, Regional DCCMOs, Members of the Marketing Committee and Income Tax authorities.

1033. *Deposits* :- For collection of deposit under Clause 14 (iii) of the terms and conditions of auction of coffee for export, the Pool Agent should take into consideration the pool release price fixed by the Board or the average price for similar coffee realized at the pool sales held by the Board prior to the date of export auction, rounded off to the nearest rupee whichever is higher. In the absence of any fixed release price or of such pool sales held during the season, this price shall be as fixed by the Chief

Coffee Marketing Officer, for the purpose of this clause. The deposit may be in the form of Bank Guarantee or in cash.

1034. *Coffee sold for export* :- The Pool Agents (in the case of stocks ex-Pool Agents) and ACMO (in the case of stocks ex-Pool Depots) should tender the coffee within a week from the date of export auction. It should be ensured that tender notices are despatched by registered post on the same day on which they are drawn up. The date of tender notice and the date of despatch should not be different. Details regarding lot Nos. quantity, type and grade, the prices in respect of each lot, and due date for payment should be clearly shown in a tabular form as under in the tender memo, a copy of which should be sent to Head Office and concerned Regional DCCMOs/ACMOs.

Sl. No	Quantity in kg.	Quality (mention district growth, type and grade as per catalogue of lots)	Delivery (mention the delivery period as in catalogue of lots)	Price per 50 kg. ex-bags ex-Curing Works exclusive of all taxes and duties	Due date for payment
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1035. *Export Contract* :- The Pool Agents/ACMOs will arrange to draw up the contract in the form (Vide *Appendix LXXXIV*) in respect of stocks sold ex-their works/Pool Depots immediately on receipt of results and forward it to the buyer for affixing his signature thereon. The buyer should return the contract duly executed within 3 days from the date of its receipt from the Pool Agent/ACMOs. A single contract may be drawn up in respect

of all the lots sold to a particular exporter under one export announcement ex-stocks of one Pool Agent/Depot.

1036. The contract should be drawn up in quadruplicate; The original will be sent to the DCCMO, Mangalore, through the Regional DCCMO, and the other copies to the ACMO, the buyer and the Pool Agent/Pool Depot.

1037. *Payment of value* :- Vide terms and conditions of the contract at *Appendix LXXXIV* . If the coffee is not paid for within the due date, the Pool Agent (or the ACMO in the case of Pool Depots) concerned should at once inform the CCMO, and seek further instructions.

1038. *Delivery of stocks* :- Coffee will be weighed, packed and sealed with Central Excise seal before removal from the warehouse. All the Excise formalities in respect of removal of coffee for Export should be adhered to.

1039. The Pool Agents should furnish information in the form given below to the concerned Regional DCCMOs, ACMOs in respect of deliveries for export immediately after the deliveries against eachy contract are completed :

Name of exporter Particulars

Contract No. and date of Excise Clearance application.

Quantity, type and grade

Date of Tender	Date of delivery	Quantity (kg.)	Type and Grade	AR.1 No. and date	AR.L1No. and date	Net weight- shown in Clearance Application (kg)	Amount of duty (if cleared under bond, mention under bond)
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1040. *Gain-in-weight* :- Vide Clause 20 of the terms and conditions of sale of coffee for export. Exporters should submit their requests for releases in the internal market to Head Office through Regional DCCMOs.

1041. *Procedure to be followed in case stocks differ from samples* :- Vide Arbitration Rules – Chapter XIV.

1042. *Export permits* :- Export of coffee from India should be under cover of an export permit issued by the Board. Exporters who purchase coffee for export should send the application for export permit, in duplicate, in the prescribed form, and obtain the required permit from the DCCMO, Mangalore, in respect of all stocks specifically sold for export, and as regards gift parcels/roasted and ground coffee they should apply to Head Office for issue of permits. The form of application for export permits is given in *Appendix LXXXVI*. Separate application should be made in respect of (1) each contract and (2) for the permit required for export to each destination.

1043. To enable the DCCMO, Mangalore, to issue the permits immediately on receipt of the applications, exporters should obtain from the

Pool Agents concerned a letter to the effect that the value of the coffee for which a permit has been applied for, has been received and attach it to the application. This is required as the DCCMO, Mangalore, should ensure that payment has been made for the quantity for which permit has been applied for .

1044. *Transfer of permits to exporters* :- The export permit granted to the buyer is transferable but only to exporters who have registered their names with the Coffee Board. For conditions refer to *Appendix LXXXV*. An undertaking in the prescribed form (*Appendix LXXXVII*) obtained by the buyer from the transferee should also be forwarded to the CCMO.

1045. *Regulation of shipments – submission of periodical returns* :- Exporters are required to furnish the following periodical returns in the prescribed forms – originals to the DCCMO, Mangalore and copies to Head Office.

- i) *Declaration of probable exports* :- Quantities of coffee proposed to be shipped to each of the following group of countries should be furnished separately together with the approximate value. The buyer should also intimate the approximate quantity he proposes to ship separately in respect of each country/destination, so far as Bilateral Account Countries are concerned, whether member or non-member countries.

- (a) Member - Bilateral Account Countries;
- (b) Member - Non-bilateral Account Countries;
- (c) Non-Member - Bilateral Account Countries;
- (d) Non-Member - Non-bilateral Account Countries;

(ii) *Weekly Statements showing exports of coffee to all destinations:*

The weekly statements are to be furnished within 3 days from the dates shown above, showing exports of coffee to all destinations during the Coffee Year (ICA) (i.e. 1st October to 30th September). The statements are to be furnished as at the end of 8th, 15th, 22nd and 30th/31st of each month.

(iii) *Fortnightly statements showing quantities purchased, shipped and balance:-*

The fortnightly returns (separate returns for coffee of different crop) as at the end of 15th/30th/31st of the month should be furnished by the 18th and 3rd respectively containing the following information :-

- (a) Progressive totals of coffee purchased as on the date of return under Plantation, Arabica Cherry, Robusta and Robusta Parchment. This includes all purchases as on the date of irrespective of the fact whether coffee has been taken delivery or not;

- (b) Progressive shipments under the above types as on the date of the return.
- (c) Balance available for shipment under the above types.
- (d) Countries of destination in respect of the coffees that have been shipped during the fortnight together with quantity and FOB value separately for the different types in respect of each country.

Shipment affected under transfer should be indicated separately.

1046. The proformas in which the above returns are to be furnished are given in *Appendix LXXXVIII*.

1047. *Evidence of export* :- As per conditions of the export contract, the exporter should produce evidence of shipment of coffee purchased for exports within 3 months from the date of tender. Copies of Bills of Lading signed by the Master of the ship, or the shipping agents in the case of coffee shipped by steamers, and the original of the export permit bearing the certificate of shipment signed by a responsible officer of the Customs at the port through which the coffee was shipped, should be produced as evidence of export. In the case of shipment by country crafts instead of Bills of Lading, a Certificate from the local Customs Officer to the effect that the coffee has been shipped out of India, should be produced.

1048. The endorsement on the original of the export permit should contain the quantity of coffee shipped, date of shipment, name of the vessel and port of destination. The Bills of Lading should contain the usual endorsement by the exporter in the following form :-

“ This Bill of Lading is submitted by us as evidence of shipment of kg. ofcoffee exported under Contract No. dated The original of the Export Permit bearing the certificate of shipment is attached.

Place :

Dated: (Signature of Exporter) ”

1049. In addition to the above, the triplicate copies of the export permits received back from the customs authorities, with endorsement of shipment on these will also be verified by the Regional DCCMO, Mangalore to satisfy that the shipment has been completed.

1050. *Extension of time for shipment* :- As per Clause 26 of the terms and conditions of sale of coffee for export, the coffee sold for export should be exported within three months from the date of notice of tender issued by the Pool Agents/ACMOs. The aforesaid period may, on application by the Buyer, be extended by the CCMO, in his discretion, if he is satisfied that there is good ground to do so, subject nevertheless to the conditions that for

consideration of such extensions, the Buyer shall pay the prescribed penalties.

1051. The scale of penalties to be charged for periods of extension is given hereunder.

- | | | | |
|-------|--|-----|--|
| (i) | For extension of time
Upto First 3 months | ... | No penalty |
| (ii) | For extension of time
Between 3-6 months | ... | One rupee per 50 kg. per
Month or part thereof on
Such coffee as may
remain unexported. |
| (iii) | For extension of time
between 6-9 months. | ... | Rs. 2 per 50 kg. per month
or part thereof on such
coffee as may remain
unexported. |
| (iv) | For extension of time
Between 9-12 months | ... | Rs. 3 per 50 kg. per month
or part thereof on such
coffee as may remain
unexported. |

1052. No extension beyond one year will be granted. Provided expressly that the extension/s of time as above cannot be claimed as of right by the Buyer, and that the exercise of discretion by the CCMO, in granting or refusing the permission shall not be liable to be called in question by the Buyer.

1053. Provided further, that extension shall not in any manner or to any extent affect or prejudice the right of the Board to enforce the other terms of the contract or the liability of the Buyer for any of the consequences of default on his part.

1054. Exporters should submit applications for extension of terms for shipment upto 3 months to the Regional DCCMOs having jurisdiction, and thereafter to the CCMO at Bangalore, through the concerned DCCMOs (Circular No. Exp. 624 dated 8-9-1965).

1055. *Refund of deposits* :- Vide relevant clause in the terms and conditions of sale of coffee for export. Only after the entire evidence in respect of a particular sale is produced to the satisfaction of the CCMO, will the security deposit made as per terms and conditions of sale of coffee for export, be refunded to the exporter. For purposes of refund of deposit the original export permit with the Customs endorsement thereon certifying shipment and the copies of Bills of Lading are considered sufficient and these are to be submitted to the DCCMO, Mangalore.

1056. *Average prices and range of prices realized in export auction* :- The average prices fetched for different grades and the range of prices realized for each auction will be compiled at Head Office for the purpose of comparative study of World Coffee Prices.

1057. *Inspection of stocks sold for export* :- Vide clause 33 of the terms and conditions of sale of coffee for export.

1058. *Direct Sales* :- Direct sales are entered into by the Board. In such cases the contracts are executed by the Board with the parties direct. The rates for such sales are normally fixed on FOB basis.

1059. The work connected with the weighing, packing, marking, dispatching, handling etc., upto FOB is undertaken by the clearing and forwarding Agent who also insures coffee from the time it leaves the warehouse till it is placed on Board the Ship.

1060. The terms of sale through normal trade channels are on the basis of ex-bags, ex-works in India. For F.O.B. prices (Indian Ports), the following items should be taken into consideration;

- (a) Sales Tax;
- (b) Cost of packing and godown charges;
- (c) Inland transport charges by road and rail where necessary to the port of shipment.

- (d) Transit insurance from Pool Warehouse to FOB;
- (e) Handling and other charges at the Port;
- (f) Profit margin for the exporter;
- (g) Other incidentals like postage, telegrams, cables, etc.,

- (h) Customs Duty; and
- (i) Export Duty.

1061. *Export of roasted and ground or instant coffee* :- No quota is fixed for export of roasted/ground or instant coffee. However, permits are issued to the Instant Coffee manufacturers for export of small quantities of Instant Coffee manufactured from out of purchases in the internal sales, subject to a maximum of one tonne at a time after collecting the premium amount due (i.e. the difference between the export and internal prices). For large quantities of Instant Coffee i.e. 50 tonnes and above, allotments of raw coffee to Instant Coffee manufacturers are made at the average auction prices in the preceding month, the price being kept valid till the end of that particular month.

1062. The Instant Coffee manufacturers who are allotted quota by the Board will obtain export permits from the DCCMO, Mangalore. But in the case of export of small quantities of Instant Coffee manufactured out of the coffee purchased in the Internal market, or a small quantities of roasted and ground coffee powder, export permits are issued by Head Office.

1063. *Export of coffee from internal market other than roasted and ground or instant* : - Exports of these are in the form of gift parcels, parcels for personal consumption abroad, ship's stores, seed coffee etc.,

1064. Quantities upto 50 kg. are allowed to be exported for the purpose of gift parcels and personal consumption without collecting any

premia but, when they exceed 50 kg. premia based on the difference between the internal and export prices will be collected. Export permits are issued by Head Office.

1065. As regards Coffee exported out of India as ship's stores, Collectors of Customs have been given full discretion in view of the amendment to Section 20 of the Coffee Act, to allow such quantity as they consider reasonable, having regard to the number of crew and passengers and the length of the voyage or journey on which the vessel or aircraft is about to proceed. No export permits from the Board are required for this.

1066. Exports of seed coffee by the Director Research, Coffee Board, or on his recommendation by others, will be permitted upto 7 kg. Export permit will be issued by Head Office on application.

CHAPTER XVI

INTERNATIONAL COFFEE AGREEMENT

Preamble

1067. The Governments, party to the agreement ;

- (i) Recognising the exceptional importance of coffee to the economies of many countries which are largely dependent upon this commodity for their export earnings and thus for the continuation of the development programmes in the social and economic fields ;
- (ii) Consideration that the close international co-operation on trade in coffee will foster the economic diversification and development of coffee producing countries, will improve the political and economic relations between producers and consumers and will provide for increasing consumption of coffee ;
- (iii) Recognising the desirability of avoiding disequilibrium between production and consumption which can give rise to pronounced fluctuations in prices harmful both to producers and to consumers ;
- (iv) Believing that international measures can assist in correcting the effects of such disequilibrium, as well as

help to ensure an adequate level of earnings to producers through remunerative prices ;

- (v) Noting the advantages derived from the international co-operation which resulted from the operation of the ICAs 1962 and 1968 ;

Have agreed as follows :

Objectives

- (i) to achieve a reasonable balance between world supply and demand on a basis which will assure adequate supplies of coffee at fair prices to consumers and markets for coffee at remunerative prices to producers and which will be conducive to long-term equilibrium between production and consumption ;
- (ii) to avoid excessive fluctuations in the levels of world supplies, stocks and prices which are harmful to both producers and consumers ;
- (iii) to contribute the development of productive resources and to the promotion and maintenance of employment and income in member countries, thereby helping to bring about fair wages, higher living standards and better working conditions ;
- (iv) to increase the purchasing power of coffee-exporting countries by keeping prices in accordance with the provisions of paragraph (1) of this article and by increasing consumption.

- (v) To promote and increase the consumption of coffee by every possible means ; and
- (vi) in general, in recognition of the relationship of the trade in coffee to the economic stability of markets for industrial products, to further international co-operation in connection with world coffee problems.

1069. *Membership in the organization:-* (1) Each contracting party, together with those territories to which this agreement is extended under the provisions of paragraph (1) of articles 64, shall constitute a single member of the organisation, except as otherwise provided for under the provisions of articles 5, 6 and 7.

(ii) A member may change its category of membership on such conditions as the council may agree.

(iii) Any reference in this agreement to a Govt. shall be constructed as including a reference to the European Economic community, or any inter-Governmental organisation having comparable responsibilities in respect of the negotiation, conclusion and application of international agreements, in particular commodity agreements.

(iv) Such inter-governmental organisation shall not itself have any votes but in the case of a vote on matters within its competence it shall be entitled to cast collectively the votes of its member states. In such cases the member states of such inter-governmental organisation shall not be entitled to exercise their individual voting rights.

(v) The provisions of paragraph (1) of article 16 shall not apply to such inter-governmental organisation but it may participate in the

discussions of the executive board on matters within its competence. In the case of a vote on matters within its competence, the votes which its member states are entitled to cast in the executive board may be cast collectively by any one of those member states/

1070. *Organisation and administration:-*

- (i) The international coffee organisation established under the 1962 agreement shall continue in being to administer the provisions and supervise the operation of this agreement.
- (ii) The seat of the organisation shall be in London unless the council by a distributed two-thirds majority vote decides otherwise.
- (iii) The organisation shall function through the international coffee council, the executive board, the executive director and the staff.

1071. *Privileges and immunities:-* (i) The organisation shall have legal personality, it shall in particular have the capacity to contract, acquire and dispose of movable and immovable property and to institute proceedings.

(ii) The status, privileges and immunities of the organisation, of its executive director, its staff and experts and of representatives of members while in the territory of the United Kingdom of Great Britain and Northern

Ireland for the purpose of exercising their functions, shall continue to be governed by the head quarters agreement concluded between the Govt. of the United Kingdom of Great Britain and Northern Ireland (thereinafter referred to as the host Govt.) and the organisation on 28 May 1969.

(iii) The headquarters agreement referred to in paragraph (2) of this article shall be independent of this agreement. It shall however terminate :

- (a) by agreement between the host Govt. and the organisation ;
- (b) in the event of the headquarters of the organisation being moved from the territory of the host Govt. ; or
- (c) in the event of the organisation ceasing to exist.

(iv) The organisation may conclude with one or more other members agreements to be approved by the council relating to such privileges and immunities as may be necessary for the proper functioning of this agreement.

(v) The Governments of member countries other than the host Govt. shall grant the organisation the same facilities in respect of currency of exchange restrictions, maintenance of bank accounts and transfer of monies, as are accorded to the specialized agencies of the United Nations.

1072. *Finance:-* (i) The expenses of delegations to the council, representatives on the Board and representatives on any of the committee of the council of the Board shall be met by their respective Governments.

(ii) The other expenses necessary for the administration of this agreement shall be met by annual contributions from the members assessed in accordance with the provisions of article 25. However, the council may levy fees for specific services.

(iii) The financial year of the organisation shall be the same as the coffee year.

1073. *Consultation and co-operation with the trade:-* (i) The organisation shall maintain close liaison with appropriate non-governmental organisation concerned with international commerce in coffee, and with exports in coffee matters.

(ii) Members shall conduct their activities within the framework of this agreement in a manner consonant with established trade channels and shall refrain from discriminatory sales practices. In carrying out these activities they shall endeavour to take due account of the legitimate interests of the coffee trade.

1074. *International coffee fund:-* (i) The council may establish an international coffee fund. The fund shall be used to further objectives of limiting the production of coffee in order to bring it into reasonable balance with demand for coffee, and to assist in the achievement of other objectives of the agreement.

(ii) Contributions to the fund shall be voluntary.

1075. *Information:-* The organisation shall act as a centre for collection, exchange and publication of-

- (i) Statistical information on world production, prices, exports and imports, distribution and consumption of coffee ; and
- (ii) in so far as is considered appropriate, technical information on the cultivation, processing and utilization of coffee.

International Coffee organisation

1076. *Structure:-* The international coffee organisation was established to administer the provisions of the agreement and supervise its operation. It functions through :

- (i) the international coffee council,
- (ii) its executive board, and
- (iii) its executive director.

1077. *The council:-* The council is the highest authority of the organisation and consists of all its members. It holds two regular session, if necessary. Voting power in the council is evenly divided between the exporting and importing members. Matters concerning the determination of quotas, the budget and extension or termination of the agreement are the exclusive responsibility of the council.

1078. *The executive board:-* The board consists of seven exporting and seven importing members elected annually. Members may be re-elected. It is responsible to, and works under the general direction of, the council, but has certain decision-making powers of its own, on topics other than those reserved for the council. As a general rule, whenever possible all matters submitted to the council are previously examined by the board to help the good functioning of the organisation.

1079. *The executive director:-* The executive director is the chief administrative officer of the organisation and is responsible for the performance of any duties devolving on him in the administration of the agreement. He appoints members of the staff of the secretariat and they in turn, report and are responsible only to him. He selects the staff as far as possible on an international geographical basis.

1080. *Quotas:-* The first major task of the international coffee organisation was to establish an effective system of export quotas in order to:-

- (i) hold back the surplus, equal to approximately one year's supply, which were hanging over world markets ;
- (ii) attain a reasonable balance between supply and demand ;
and
- (iii) achieve prices considered fair to importing members and remunerative to exporting members.

1081. Under the agreement each producing member was allocated a basis quota. The basic quote determines the percentage share of each member in the overall effective quota which is the amount of coffee entitle to be shipped annually by all member countries to traditional markets. Provision was made for individual basic quotas to be revise midway thorough the five-year life of the agreement. Otherwise they remain constant, although slight variations in each country's percentage occur if the grand total alters through change in membership.

1082. Effective annual export quotas are fixed by the council at least 30 days before the beginning of each coffee year which runs from 1st October of on year to 30th September of the next. They are determined in the light of the council's estimates of total world imports for the coming 12 month period, less exports to non-quota markets and certain non-quota shipments of members such as Portugal and Spain and probable exports form non-member countries. An overall quota is agreed upon and then divided between all exporting members in accordance with the percentage specified.

1083. Quarterly export quotas are fixed by the council for each exporting member immediately following the fixing of the annual export quotas. This is done for the purpose of keeping supply in reasonable balance with the estimated demand throughout the coffee year. The quarterly quotas are kept as nearly as possible to 25% of the annual export quota of each member during the coffee year but adjustments are permitted within defined limits to accommodate seasonal differences in harvesting and meet the requirements of consumers.

1084. *Adjustment of annual and quarterly quotas:-* (i) If market conditions so require, the council may vary the annual and quarterly quotas allocated under the provisions of articles 33, 35 and 36. Subject to the provisions of paragraph (1) of article 35 and except as provided for in article 31 and paragraph (3) of article 39, the quotas of each exporting member shall be verified by the same percentage.

(ii) Notwithstanding the provisions of paragraph (1) of this article, the council may, if it finds the market situation so requires, make adjustments among the current and remaining quarterly quotas of exporting members without, however, altering the annual quotas.

1085. *Price mechanism:-* In the initial phase of the agreement's existence the council was required to meet in emergency session on several occasions to adjust quotas to changing market conditions. With a view to stream-lining the operation of the agreement and eliminating the need for frequent time-consuming meetings the council decided early in 1965 to introduce a degree of semi-automaticity into the quota system.

1086. *Compliance with export quotas:-* The maximum freedom of trade is encouraged by the agreement within the limits set by the application of the quota system. Provided that a member exporting country stays within its allotted quarterly and annual quotas it may sell its coffee where it wishes. Importing members, equally, are free to buy the coffee of their choice from any producing country or countries.

1087. In order to avoid possible violation of export quotas a system of certificates of original and re-export is used by the international coffee organisation to provide a check on coffee shipments. Member countries themselves provided the international coffee organisation with full statistical information about exports, re-exports and imports.

1088. If any exporting Member exceeds its quota in any quarter, the council deducts from one or more of its future quotas, a total amount equal to that excess. In the event of a second over-shipment of the council deducts of an amount equal to twice the excess, and in the event of repeated over-shipments the council deducts an amount equal to twice the excess, and in the event of repeated over-shipments, the council may require the withdrawal of the member from the organisation.

1089. *Non-quota markets:-* In order to facilitate an increase of coffee consumption in certain countries of the world with a low per capita intake and considerable potential for expansion, exporting members are permitted to export coffee to thirty one countries. Such countries which are listed in *Appendix LXXXIX* outside their quotas.

1090. *Promotion:-* (i) Members undertake to encourage the consumption of coffee by every possible means. To achieve this purpose, a promotion fund shall be established with the objectives of promoting consumption in importing countries by all appropriate means without regard to origin, type or brand of coffee, and of achieving and maintaining the highest quality and purity of the beverage.

(ii) The promotion fund shall be administered by a committee. The membership of the fund shall be limited to members who contribute financially the fund.

(iii) The fund shall be financed during coffee years 1976-77 and 1977-78 by a compulsory levy on coffee export stamps or equivalent export authorizations, payable by exporting members with effect from 1st October 1976. Such levy shall be 5 U.S. Cents per bag for members listed in Annex 1 having initial annual export quotas of less than 100,000 bags; 10 U.S. Cents per bag for members bags or more but less than 400,000 bags, and 25 U.S. Cents per bag for all other exporting members. The fund may also be financed by voluntary contributions from other members on terms to be approved by the committee.

(iv) At any time, the committee may decide to continue to collect a compulsory levy in the third and subsequent coffee years if additional resources are necessary to comply with paragraph (7) of this article. It may further decide to receive contribution of other members on terms it shall approve.

(v) The resources of the fund shall be used mainly to finance promotion campaigns in importing member countries.

(vi) The fund may sponsor research and studies related to the consumption of coffee.

(vii) Importing members, or trade associations in importing member countries acceptable to the committee, may present proposals for campaigns for the promotion of coffee. The fund may provide resources to finance up to 50% of the cost of such campaigns. Whenever a campaign is agreed upon, the percentage contribution of the committee to the campaign shall remain unaltered. The campaigns may be for a period of more than one year but not more than five years.

(viii) The payment referred to in paragraphs (3) of this article shall be made against the delivery of coffee export stamps or equivalent export authorisations. The rules for the application of a system of certificate of origin, under the provisions of article 43, shall incorporate provisions for the payment of the levy referred to in paragraph (3) of this article.

(ix) The levy referred to in paragraphs (3) and (4) of this article shall be payable in US dollars to the executive director, who shall deposit the funds derived there from in a special account to be designated the promotion fund account.

(x) The committee shall control all funds in the promotion fund. As soon as possible after the close of each financial year, an independently audited statement of the receipts and expenditures of the promotion fund during that financial year shall be presented to the committee for approval. The audited accounts as approved by the committee shall be forwarded to the council for information only.

(xi) The executive director shall be the chairman of the committee and shall report periodically to the council on the activities of the committee.

(xii) The committee shall establish its own bye-laws.

1091. *Production goals:-* The effect of quotas has been to bring supply into line with demand in keeping with the short-term aims of the agreement. They have provided a wall, holding back surpluses off the market. The achievement of the long-term goal which is the establishment of equilibrium between production and consumption depends on other action being taken. In this connection the agreement requires producing members to adjust their production of coffee to the amount needed for domestic consumption, exports and stocks. At the same time it calls on the council to recommend production goals for each producing member and for the world as a whole. On the basis of preparatory studies it is calculated that it should be possible to balance production and consumption by the early 1970's.

1092. *Distribution of quotas:-* It is to be noted that with effect from the ICO year 1973/74 the clause under which the annual quotas are being fixed for the different countries has been suspended and the member exporting countries are free to export quantities without any restrictions on their part. The quotas are not likely to be imposed until the trigger level thought of by the council is reached in international prices.

1093. *Measures related to processed coffee:-* (i) Members recognize the need developing countries to broaden the base of their economies through, inter alia, industrialization and the export of manufactured

products, including the processing of coffee and the export of processed coffee.

(ii) In this connection, Members shall avoid the adoption of governmental measures which could cause disruption to the coffee sector of other members.

(iii) Should a member consider that the provisions of paragraph (2) of this article are not being complied with, it should consult with, it should consult with the other members concerned, having due regard to the provisions of article 57. The members concerned shall make every effort to reach amicable settlement on a bilateral basis. If these consultations do not lead to a mutually satisfactory solution, either party may bring the matter before the council for consideration under the provisions of article 58.

(iv) Nothing in this agreement shall prejudice the right of any member to take measures to prevent or remedy disruption to its coffee sector by imports of processed coffee.

1094. *Diversification*:- The implementation of a world-wide scheme of production goals would release land, man-power and other resources for the cultivation of other crops or for industrial purposes other international bodies have declared their interest in such a project. The food and agriculture organisation of the United Nations and the International Bank for Reconstruction and Development have joined the International coffee organisation in a joint study of the world coffee economy. The international coffee council in a resolution drew attention to those aspects of the study

which would identify feasible areas for diversification and thus assist countries to develop alternative uses for resources which must be diverted from coffee production. The possibility of establishing a diversification fund is being investigated.

1095. *Consumption:-* It is recognised that if the gap between production and consumption is to be eliminated not only must production be controlled but also consumption must be increased. This is being done through promotion campaigns and through the encouragement of measures to reduce tariff and tax barriers to consumption. The world coffee promotion committee of the international coffee organisation is entrusted with promotional activities.

1096. A list of members of the international coffee organisation is given *Appendix XC*.

1097. India is a signatory to the international coffee agreement, 1962. India holds 12 votes in the international coffee council and its contribution to the budget annually is based on the number of votes it holds at the time when budget for that financial year is approved to the total votes of all members.

1098. India is given a basic quota of 360,000 bags of 60 kg. or 21,600 tonnes for export to quota countries.

1099. In accordance with the decision of the international coffee council, the board has implemented system of using the certificate of origin

with effect from 1st April 1964, on shipments of coffee from India in accordance with the procedure laid down by the international coffee organisation. The Govt. of India have on the advice of the Coffee Board, designated the chambers of commerce and trade associations at the major coffee exporting ports (viz., Bombay, Madras, Cochin, Mangalore, Calicut and Tellicherry) as certifying agencies authorised to issue the certificate of origin required under the International coffee agreement.

1100. A list of the certifying agencies so designated and the specimen form of the Certificate of Origin now in force are given in Appendices *XCI* and *XCII*.

CHAPTER XVII

COFFEE RESEARCH SCHEME-CENTRAL FOOD TECHNOLOGICAL RESEARCH INSTITUTE, MYSORE

1101. Coffee is the most popular non-alcoholic beverage in India and the production of coffee in India is in the order of one lakh tonnes earning valuable foreign exchange. Hence, coffee research and its quality control assumes tremendous importance and so Coffee Board which control the Coffee industry has sponsored research and development in various aspects of coffee technology at the CFTRI, Mysore, ever since 1952, particularly, in problems concerning processing, storage, packing, product development, by-products, quality control, standards etc.,

1102. The Executive Committee, at its meeting held on 11th May 1952, recommended the following research programme for the Scheme:-

- (j) Evaluation of quick and dependable methods for detecting adulteration of coffee ;
- (ii) Technique of brewing coffee and evolution of suitable brewing devices;
- (iii) Studies on the effect of different metals on the quality of coffee brew;
- (iv) Utilisation of coffee husk;

- (v) Development of a technique for preparing coffee concentrates;
- (vi) Study of the disinfecting properties of roasted coffee seeds; and
- (vii) Monsooning of coffee and development of acidity in Arabica Cherry Coffee.

Subsequently, the following items of work were also referred to the CFTRI, Mysore, from time to time :-

- (i) Balloon storage in West Coast;
- (ii) Quality control in coffee, chicory and soluble coffee-chicory product; and
- (iii) Coffee-cardamom blends.

Substantial work has been carried out in respect of each of the items referred to above, as dealt with in the following paras.

1103. *Evaluation of quick and dependable methods of detecting adulteration of coffee* :- An easy method for detection of adulteration in coffee is to boil half tea-spoon of roasted powder with a cup of water for 5 minutes, filter and decant to collect the residue, and dry this in the sun; sprinkle the dried powder on a white blotting paper (which had been previous soaked in alkali and dried) in such a way that the powder spreads

out in individual particles; moisten the filter-paper from one edge and allow the powder to react with the alkali for 10-30 minutes and the particles should then carefully be observed. If it is adulterated, red or pink colour spot or streak will be noticed. Pure coffee particles do not show this.

1104. The above test has been useful to detect adulteration at a level of 15-20 per cent roasted date seed and tamarind seeds.

1105. *Technique of brewing coffee and the evolution of suitable brewing devices* :- The following factors determine the preparation and quality of beverage and the consumer reaction should be watched.

- (i) Nature of raw material (Coffee freshness, degree of roast and fineness of grind);
- (ii) Nature of extracting media (Purity, temperature, brewing infusion time);
- (iii) Brewing device- (nature of the container, design);
- (iv) Effect of addition of other substance such as sugar, milk;
and
- (v) Reaction of the consumer.

1106. If powder is too fine, it causes clogging of the pores of the filter, the coarser grind (retained on 30 mesh sieve), can be considered satisfactory for use in filters.

The following may be borne in mind.

- (i) Soft or hard water may be used.
- (ii) Temperature between 85 degree and 95 degree C (just below boiling) is satisfactory for extraction.
- (iii) Brew of normal strength is obtained by using one part of powder for every twenty parts of water.
- (iv) In filters, the time taken for percolation varies from 10 to 30 minutes.

1107. Coffee prepared by using diluted milk (10 to 30 per cent milk in water) has a better aroma and strength than that prepared using plain water making the brew.

1108. Brewing devices should not be made from materials of copper and Zinc. Stainless steel, glass or tinned brass is satisfactory.

1109. Coffee making devices may be classified into 4 types viz., (i) steeping, (ii) Drip or filter, (iii) Percolator and (iv) Vacuum coffee maker.

Coffee made in filters (drip) is preferred to other common methods such as steeping and vacuum percolators.

1110. Significant increase in extraction is obtained by using a simple technique as wetting the powder with cold water, thus making a uniform bed of powder before passing hot water in filter. This technique is useful only in cases where concentrated brew has to be prepared.

1111. *Studies on the effect of different metals on the quality of coffee brew:* The brass filters must be tinned to conserve the natural flavour and aroma. Stainless steel filters give a coffee of higher cup quality than the tinned brass filters. Temperature of coffee brew should be at or as near as possible to room temperature for storage in metallic vessels.

1112. *Utilisation of Coffee Husk :-* Coffee husk is made unfit for human consumption by decomposing it with chemical process and issuing it as a manure mostly. However, some research has been conducted in the possibility of extraction of caffeine from the coffee husk. But these have not attained any result of commercial importance particularly because caffeine content is not that high in the coffee husk.

1113. *Development of technique for preparing coffee concentrates :-* This involved proper roasting of coffee beans and blending; extraction of water-soluble materials, concentration of the extract; drying of the liquid concentrate to a powder; and incorporation of flavouring agents and flavour fixatives at some stage during the processing. Packing of powder; double

M.S.T. cellulose film and low pressure polythene can be used satisfactorily for short periods of storage (10 to 15 days) at temperature near 24 degree C (75 degree F). The larger the quantity of powder packed, the lesser are the chances of deterioration. This is due to the decreased area of film per unit weight of powder exposed to the atmospheric conditions.

1114. *Study of the disinfecting properties of roasted coffee seeds:-* Roasting is an important aspect of coffee technology and great attention has to be given for the control of roast, on which depends the quality of coffee beverage prepared there – from in terms of aroma, strength and taste. A finishing roasting temperature above 210 degree c is essential for formation of typical aroma in coffee. The roasting characteristics of Arabica and Robusta coffees are different. Colour development in roasted beans is proportional to the finishing temperature of roast. By experience it is possible to judge correctly the different roasts by visual colour. The time taken to roast will vary with the size and type of the roaster, quantity of seeds fed and also with the moisture content of the green seed. Except caffeine, the other constituents like chlorogenic acid, sugar and water-soluble matter, first increase and then decrease in dark roasts. A medium roast is recommended for best results.

1115. The important physical and chemical changes like loss of moisture and organic matter etc., during roasting and roasting standards for different roasts like light, medium, heavy and dark roasts in terms of roasting loss, finishing temperature, colour, breaking strength, swelling

ratios, water extractives, chemical constituents like caffeine, chlorogenic acid, sugar and cup quality, have been studied in detail in different types of coffee and their blends. Data on the roasting characteristics of different grades of coffee have been ascertained along with roasting loss and these results were incorporated in the publication “Guide to Coffee Roasting” published by Coffee Board.

1116. In order to evolve cheaper blends which will be low priced and acceptable to the consumers varieties like Plantation Traiages, Plantation Blacks, Plantation Bits, Arabica and Robusta Cherry Blacks/Browns/Bits were used in the preparation of a number of blends, in suitable proportions and a few blends have been found to be generally acceptable. At the instance of the Coffee Board work on development of blends for Instant Coffee Industry have been carried out and a few blends incorporating Plantation and Cherry triages in different proportions have been developed by the Institute and recommended to the Board.

1117. For roasting characteristics of the two varieties, yield of roasted coffee in relation to moisture and roasting loss, refer to *Appendix XCIII (A) and XCIII (B)*.

1118. *Roasting loss* :- Roasting loss for normal coffee seeds, whose moisture content varies from above 9 per cent to 12 per cent will be 15.5 to 17.5%.

1119. *Monsooning of coffee* : Cherry coffee is monsooned to impart a mild taste to coffee, which is preferred by consumers in Scandinavian

countries. The process of monsooning is generally completed in 6 to 8 weeks, depending on monsoon conditions. Commercial monsooning operations are time-consuming and great care is needed to obtain a uniform result. Undue rise in moisture content in the course of processing should be prevented. The moisture content of the finished product has been fixed.

1120. The procedure regarding monsooning of coffee is given in the following paras.

1121. With the outbreak of the South-West monsoon late in May or early in June, unwashed coffee is evenly spread, about 4 to 6 inches thick, in airy godowns open on all sides and raked, from time to time for about 4 or 5 days. It is then packed loose in gunny bags and stacked in piles with sufficient space between rows for the monsoon air to circulate freely around the bags. The beans are bulked and repacked once a week or poured from one bag to another to avoid their getting mouldy, and to ensure even monsooning. In about a month and a half, the coffee assumes a golden colour when it is considered to be fully mature and ready for shipment. The monsooned coffee is sized into three grades in Arabica Wholecrop Cherry viz., Malabar AA, Basanally and Monsooned Triage and in Robusta Cherry coffee into two grades, viz. Monsooned Robusta AB and Monsooned Robusta Triage.

1122. For proper monsooning, the humidity should be above 85 per cent.

1123. There is no appreciable difference observed in the chemical composition of green and monsooned coffees. The total nitrogen increases and the soluble nitrogen and amino are more or less constant. Chlorogenic acid decreases with monsooning. Monsooned coffees are found, on organoleptic analysis, to taste milder than the control samples.

1124. *Ballooning storage in West Coast* :- Ballooning technique – The principle and procedure of ballooning technique are given below :-

1125. *Principle* :- The technique consists in using two polyethylene sheets for enclosing the bags stack or the bulk completely in all sides and sealing the seams of the sheets with an insecticidal wax composition, fumigated stock with a prophylactic gunny cloth impregnated with insecticidal and rodent repellent chemicals. The polyethylene balloon prevents the moisture absorption and also desorption by the commodity. Fumigation process eradicates the infestation present inside the stock and the prophylactic insect proofed cloth offers protection from insect and rodent attack. This ballooning technique can be applied in any type of warehouse or plinth having a roofing or protection against direct rain splashed.

1126. *Procedure* :- (i) Prepare the dunnage with any of the following : Old discarded gunny bags, newspaper sheets, paper clippings, soft husk, palm matting or metallic sheets.

(ii) Spray with Durobase – 2 (a high viscosity oil-based insecticidal composition with synergistic action and long persistence on treated surface

developed at the Institute) on the floor and the surface of the dunnage material at the rate of 2 ml. Per sq. centimeter.

(iii) Place 300 guage polyethylene sheet of size adequate to cover the area on which the material will be stacked. Keep one foot extra sheeting around the occupied area (stacking area) of the stack. On the polyethylene sheet spread a layer of paper or gunny sheet treated with Durobase-2.

(iv) Build the stack layer (not column by column) starting from one edge. Care should be taken not to trample or stand on the polyethylene sheet with shoe on or any sharp material for avoiding damage by puncture or tear. Place the next row already laid. Build the full stack and now spread Durobase-2 treated paper on the top surface of the stack.

(v) Draw another polyethylene sheet over the stack and bring the free ends together with the bottom sheet. A cotton tape impregnated with a wax composition containing bees wax and petroleum jelly (100 : 30 parts, having also an insect repellent is placed along with margin of the bottom polyethylene sheet.

(vi) The edges of the top and bottom sheets are brought together and folded neatly. The folded seam is placed in between two wooden reapers and clamped. Alternatively, the seams may be weighed down under a batten on the floor.

(vii) Cover the balloon on all sides with a sheet of gunny cloth treated by spraying insecticidal composition Durobase-3 which contains rodent repellent factor also.

(viii) If the commodity ballooned is carrying insect infestation, then disinfect the stock by employing Durofume Process.

1127. *Some special advantages :-* (i) The balloon structure can be erected in any place under the existing warehouse conditions without disturbing the method of storage or practice.

(ii) No change in the constructional feature of the godown is required.

(iii) From the balloon structure the materials can be taken out any time and released.

(iv) The materials used in the ballooning technique can be used year after year.

(v) The balloon structure is claimed to be proof against insects and rodents, and offers a satisfactory barrier for moisture increase or loss of the stored commodity.

1128. *Precautions :-* (i) The polyethylene sheets are to be handled carefully during ballooning and stored properly when not in use.

(ii) Commodities should be ballooned with moisture contents below the critical moisture levels.

1129. *Aluminium bin* :- The pre-fabricated aluminium bin of 14929.600 kg. capacity (Diameter 3.5561 m. height 1.8288 m.) was erected at Mangalore over a brick platform. On the floor of the bin, a sheet of 300 guage polyethylene film was spread and Plantation coffee was poured from the top.

1130. *Polyethylene laminated gunny bags* :- Trials have also been conducted using polyethylene lined jute bags for storing Plantation coffee.

1131. *Fumigation* :- The procedure to be followed in regard to fumigation of coffee is given in Chapter II.

1132. *Quality Control Coffee* :- The following are the chemical composition of different roasted of coffee powder:

Constituents	Plantation A		Robusta	
	Roast		Roast	
	Light	heavy	Light	heavy
	%	%	%	%
Total soluble solids	29.27	29.26	29.34	30.63
Caffeine	1.24	1.03	1.85	1.73
Total ash	4.50	5.01	4.50	5.05
Water-soluble ash	3.64	4.0	3.67	4.18
Alkaline (CC of NHC 1 per 100 gr. Of material)	44.24	50.38	41.01	46.98
Finishing temperature	220 degree C	260 degree C	220 degree C	260 degree C
Roasting loss	14.33	28.00	13.00	23.75

1133. *Chemical analysis for soluble coffee* :- The chemical analysis for soluble coffee are given in *Appendix XCIV*.

1134. *Quality control in chicory* :- The following are the specification for chicory :-

- (i) Chicory means the dried and roasted root of chicory-cum-*untibus linz*. Roasted chicory powder shall have total ash of not less than 5.5% and not more than 9% by weight.

- (ii) The aqueous extract determined by extraction of 2 kg. of sample dried constant weight at 100 degree C with 100 cc of boiling water for one hour under reflux shall not be less than 68%
- (iii) The reducing sugars after hydrolysis of aqueous extract with 1 N HCl for 10 minutes at 98 degree C shall not be less than 50% of the aqueous extract.

1135. The samples are examined for moisture, water extract, total ash, acid-insoluble ash, water-insoluble ash, water-soluble ash, alkalinity of ash. Results are given in *Appendix XCV*.

1136. *Quality Control in soluble coffee-chicory product*:- Different blends of coffee-chicory mixture (30-50 per cent) are made and analysed for solids, ash, water-soluble ash, alkalinity of ash and caffeine and the results are given in *Appendix XCVI*.

1137. *Coffee-Cardamom blends* :- Blends using raw as well as roasted cardamom under varying levels ranging from 10 to 50 per cent are made using roasted Plantation A coffee powder. The water extract and cup test are carried out in these samples. The results are given in *Appendix XCVII*.

1138. The following may be noted :

- (i) Even addition of cardamom at 10 per cent level masks the aroma of roasted coffee.
- (ii) 20 and 30 percent cardamom blends give an average taste.
- (iii) Blends with 40 per cent and 50 per cent cardamom give a very strong flavour of cardamom.
- (iv) About 10 per cent solids are obtained from cardamom as compared to 23.6 per cent from roasted coffee powder.

1139. *Standards for Indian Coffee* :- No significant difference in the Proximate composition is evident among the various types of coffee as Cherry, Plantation, Flats and Peaberry belonging to either Arabica or Robusta variety. The superiority, in cup quality of Plantation and peaberries over other types is mainly in their flavour and aroma. The main difference in chemical composition (average values) between Arabicas and Robustas are given below: -

		Arabica %	Robusta %
Total ash	...	4.18	4.45
Total nitrogen	...	2.52	2.83
Crude protein	...	13.70	14.96
Crude fat	...	14.70	9.62
Caffeine	...	1.19	1.43
Tannins	...	2.33	3.18
Water extract	...	29.3	29.8

1140. *Calibration of Kappa Moisture Meter* :- The Kappa Moisture Meter uses an indirect method of determining moisture based on measuring the dielectric properties of the material. These, in turn, are related to the moisture content.

1141. The following conditions are considered optimum in the calibration of the moisture meter :

- (i) Quantity of coffee 675 g.
- (ii) Packing the coffee tight in the cell using suitable probes;
- (iii) Application of suitable temperature corrections; and
- (iv) Maintenance of uniform voltage.

1142. Calibration chart giving the temperature corrections is at *Appendix XCVIII*.

1143. *Programme of work* :- The CFTRI, Mysore, draws up a programme of work to be carried on each year, based on the more important aspects of the coffee industry, for approval of the Board. The current programme mainly concerns with the work on decaffeination of coffee for preparation of soft drinks with coffee base and some modified products using coffee as a constituent. Besides the above work, the CFTRI helps the Board in quality control programme especially with reference to moisture in green coffee, calibration of the moisture metres and also ballooning of fumigated samples.

1144. *Budget* :- Every year the CFTRI submits their budget proposals in respect of work entrusted to them for sanction of the Board. They also submit statement of accounts as audited by the Indian Council of Agricultural Research. The utilization certificate will be issued by the Accounts Officer after inspection of their accounts by him. The amount sanctioned by the Board towards this scheme is allocated to respective departments of the Board in proportion to the items of work referred to by them to the CFTRI.

1145. *Reports* :- The CFTRI will furnish half-yearly and annual reports on the progress of the research scheme for placing them before the respective Committee and the full Board and their representative is invited to attend the meetings of the respective Committees and the Board when their reports come up for discussion.
