

## **1) HUMAN RESOURCE & DEVELOPMENT SECTION**

The various staff working in HRD Section do their day-to-day jobs as per duties allocated to them. Each staff member puts up the files/papers through the concerned Assistant Manager - Incharge, under whom he/she functions. The concerned Assistant Manager examines/ scrutinizes the papers/proposals put up by the concerned dealing hand and makes his comments on the same for onward perusal/consideration of the General Manager (HRD). If the matters are of routine nature as per the rules & regulations and Norms of the Corporation, the same are disposed off by the General Manager (HRD) at his level. However, in case of the other matters requiring the approval of higher authority the same are put up for the approval of the Managing Director. If any proposal/matter has any financial implication the same is put up through Director (Finance) to Managing Director for his approval.

## **2) TECHNOLOGY MISSION ON COTTON CELL**

- (i) For the development of market yards, State Governments are requested to submit their proposals in respect of those APMCs where sufficient cotton arrivals are received and the required infrastructure is not available.
- (ii) In case of Ginning and Pressing factories (TMC MM IV) advertisements are given in the newspaper for wider publicity and interested parties submit their proposals to TMC Cell for getting financial assistance under TMC MM IV.
- (iii) Awareness meetings are also organized in different parts of the county either through TMC Cell or through APMCs already taken up under TMC project.
- (iv) Technical Research Associations (TRAs) including CIRCOT, Mumbai are also fully associated in creating awareness about TMC MM IV project.
- (v) The proposals so received for development of market yards and modernization of G & P factories are evaluated in TMC Cell and are visited by Technical Appraisal Teams (TAT) representatives for spot verification.
- (vi) The proposals found suitable are placed before TAT in its meeting for consideration/ recommendations.

- (vii) The recommendations of TAT are placed before Implementation Committee meeting held under the Chairmanship of Joint Secretary (Textiles), Ministry of Textiles, Govt. of India, New Delhi for approval. Implementation Committee has been authorized by Ministry of Textiles, Govt. of India all powers to take decision in respect of implementation of the project. However, policy matters and other issues beyond the powers of Implementation Committee are decided by Ministry of Textiles, Govt. of India, New Delhi as per the proposals submitted by TMC Cell.
- (viii) The proposals approved by Implementation Committee are conveyed to respective APMCs/ G&P factories.
- (ix) Respective beneficiaries perform their activities as per the approvals accorded by TMC and submit their bills for reimbursement of TMC share to TMC Cell.
- (x) In case of market yards, Government of India (GOI) share 60% is restricted to or Rs.90.00 lakh (Improvement) and Rs.150.00 lakh (setting of a New Market yard).
- (xi) Partial payment to market yards is made once they complete atleast 25% of their projects. Whereas in case of G&P factories, GOI share which is only 25% and is restricted to Rs.31.00 lakh is released only after completion of the project.
- (xii) APMC/ G&P factories submit theirs bills which are processed in TMC Cell and the financial assistance is transferred to accounts of respective APMCs through payee account cheques.
- (xiii) During the process of implementation of the project TMC Cell monitors the project through Monthly Progress Reports (MPRs), Review meeting on regular basis.
- (xiv) Once the project is completed Impact Assessment and Grading Ginning & Pressing factories is taken up by Textiles Committee, Ministry of Textiles, Government of India, Mumbai.

The lists of market yards developed under TMC and the modernized ginning factories are put up in website [www.cotcorp.gov.in](http://www.cotcorp.gov.in).

### **3) PROTOCOL SECTION**

The liaison and protocol duties are performed as per directives and orders of the Managing Director/Chief Executive. Sanction for necessary expenses is taken on file and bills are put up to the Accounts Section with necessary supporting documents and approval.

### **4) FINANCE AND ACCOUNTS SECTION**

- i) In order to meet the day to day requirement of the cash, the Cash and Banking Section withdraw the cash from the Bank and release payments after due approval.
- ii) All the deposits received in the office by way of cheques/demand drafts, the same are received by the concerned Sections and after entering into the receipt register, the same are handed over to the Cashier for depositing into the Bank.
- iii) The payments to the outside parties are released only by way of cheques/demand drafts. The cheques/demand drafts are prepared by the Cash and Banking Section after payment is approved by the Competent Authority. The cheques/demand drafts so prepared are handed over to the concerned Sections for onward despatch to the respective parties.
- iv) In the Internal Trade (Accounts) Section, messages are received from the Mills for issuing instructions to the Branches for issuing Delivery Orders. Immediately on receipt of the messages, necessary fax messages are transmitted to the concerned Branch for issuing the Delivery Orders.
- v) As and when any payment is made by any party/mill, immediately the same is recorded in the Receipt Register and instructions are issued to the concerned Branch for further action at their end. On realisation of the payments, necessary Transfer Memos are raised to the Branches.
- vi) Internal Trade (Accounts) Section is also receiving messages from the Branches by fax/e-mails for approval of the Letter of Credits/Bank Guarantees to the parties. The agenda note is put up to the Purchase & Sales Committee for approval and after approval of the Purchase & Sales Committee; the messages are conveyed through fax to the concerned Branch. As regards dues under Memorandum of Understanding entered between Cotton Corporation of India Ltd./National Textile Corporation Ltd. and

Ministry of Textiles, the daily statement showing dues/overdues subsidiarywise are put up for information of the Purchase & Sales Committee and matter is taken up with the concerned subsidiaries as well as with the Ministry for clearing the overdues.

- vii) For raising debit notes towards godown at Kalamboli, monthly statement is received from the In Charge Kalamboli Godown and on that basis debit notes are raised and sent to the concerned tenants for payment and in case the payment is not received, matter is taken up with the parties through letters/fax. Monthly dues position partywise is prepared by the Section and put up to the Committee for review.
- viii) The Export (Accounts) Section is receiving the Letter of Credits from the parties, which is checked by the Section and necessary amendments if any are arranged before the shipment of bales. After shipment, necessary shipment documents are prepared and submitted to the Branch for realisation.
- ix) Payments towards export expenses, such as transport handling charges/clearing and forwarding charges, the payments are processed by the Clearing & Forwarding Section which is duly checked by the Accounts Section and after approval, payment voucher is issued to the Cash and Banking Section for preparing cheque/demand draft.
- x) Files relating to payments pertaining to Human Resource Development and Administration Sections are processed by the concerned Sections and sent to the Accounts Section for verification. After verification and approval of the bills as per laid down procedure/terms of contract, the bills are approved for payment and necessary vouchers are submitted to the Cash & Banking Section for disbursement.
- xi) Insurance Section on the basis of the recommendation of the Branch is processing the files for allocation of insurance premiums to different companies and after approval, messages are sent to the Branches for taking insurance with the concerned Insurance Companies. The monthly transit declaration statements are collected from all the Branches and a consolidated monthly statement is sent to the Insurance Companies. In case of any transit claim, the claim is lodged with the Insurance Company and necessary documents are arranged for settlement and release of payment quickly.
- xii) The Taxation Section review Sales Tax Assessment and Sales Tax forms position every month and put up the position to the Committee on Management

Accounts Committee, quarterly basis. For pending forms in respect of mills in Maharashtra, the matter is pursued by the Taxation Section and necessary forms are collected and arranged to the concerned Branches. Necessary Sales Tax Returns/Income Tax Returns and Returns pertaining to the other Authorities like Saving Tax, Works Contract Tax, etc. are prepared and submitted to the concerned Authorities and Assessments are got finalised from the respective Authorities.

- xiii) In order to meet the working capital requirement of the Corporation, in the beginning of the Season, management of the Corporation discuss the proposal with consortium and non consortium banks in order to smoothen the procurement operations of the Corporation. The management of the Corporation hold series of discussion with the banks to avail the maximum loan at competitive rate of interest. After getting sanction from consortium/non consortium banks and due formalities, banking section remit money to the branches as per their requirements. As and when sales takes place, branches used to remit the money to Head Office which enables the Banking Section to repay the loan. The movement of funds from Head Office to branches and vice versa is supervised on day to day basis by Banking Section on the basis of feed back received from branches. Whenever there is surplus funds Banking Section recommends to the Management for deployment of these funds in effective measure.
- xiv) As regards Annual Budget of the Corporation is concerned, the Central Accounts Section prepares preliminary draft on the basis of information received from various sections of Head Office and branches. The Section in turn submits this to the Management and after discussions, deliberations within the Management submit it to Board of Directors of the Corporation. After getting approval from the Board, this Section allocates the budget of Establishment and Administration expenses to the branches on quarterly basis. The Quarterly review is done by the Committee on Management Accounts headed by Managing Director for which agenda notes are prepared by Central Accounts Section on the basis of information received from branches and Head Office. The decision of the Committee on Management Accounts after review of the overhead expenses is communicated to the concerned branches and Sections at Head Office for compliance and the compliance report is submitted in the next meeting of the Committee on Management Accounts.
- xv) In the process of finalisation of accounts, the Central Accounts Section prepares the detailed guidelines for finalisation of Accounts which is approved by Director(Finance) of the Corporation and the same are communicated to

branches for finalisation of the accounts. The branches are supposed to follow the guidelines and finalise the accounts accordingly. Thereafter the programme of audit is finalized in consultation with Statutory Auditors and inform the same to the respective branches. The aspect of consolidation and final discussion with Statutory Auditors are initially dealt with by the Section and thereafter by the Management of the Corporation.

- xvi) In order to prepare Memorandum of Understanding between the Corporation and Ministry of Textiles, the requisite information is called from the respective Sections. The Financial parameters are prepared on the basis of the budget Estimates approved by the Board of Directors of the Corporation. On the basis of this draft MOU, the management of the Corporation and Adhoc Task Force which is constituted by Department of Public Enterprises holds discussions and finalise the MOU. The final MOU is signed by the Managing Director on behalf of the Corporation and Secretary, Ministry of Textiles on its behalf. The quarterly performance of the Corporation is submitted to the Board of Directors for review and necessary directions.
- xvii) The Quarterly Review Note is prepared on the basis of the information received from different sections. The Quarterly Review Note is submitted to Board of Directors and Ministry of Textiles for review and necessary directions.
- xviii) Bank accounts of the Corporation with Bank of Baroda, Nariman Point Mumbai and Bank of Baroda, CBD-Belapur are reconciled on monthly basis with statements received from the Banks.
- xix) Estate accounts Section reviews all necessary awards of work, and after checking of bills, payment as desired by Estate Division and submit to the Competent Authority for their approval.
- xx) In order to meet the working capital requirement of the Corporation, in the beginning of the Season, management of the Corporation discuss the proposal with consortium and non consortium banks in order to smoothen the procurement operations of the Corporation. The management of the Corporation hold series of discussion with the banks to avail the maximum loan at competitive rate of interest. After getting sanction from consortium/non consortium banks and due formalities, banking section remit money to the branches as per their requirements. As and when sales takes place, branches used to remit the money to Head Office which enables the Banking Section to repay the loan. The movement of funds from Head Office to branches and

vice versa is supervised on day to day basis by Banking Section on the basis of feed back received from branches. Whenever there is surplus funds Banking Section recommends to the Management for deployment of these funds in effective measure.

## **5) SECRETARIAL SECTION**

- a) The Corporation of India is a Central Public Sector Undertaking wherein President of India is the sole authority to appoint the Board of Directors. Accordingly, Ministry of Textiles appoints the Directors of the Corporation which constitutes the Board of the Corporation, which is the at the helm of the affairs of the Corporation. As per the requirement of the Companies Act minimum 4 meetings should be held during the financial year wherein the Board takes all major policy decisions and in turn delegates powers to Managing Director/functionaries of the Corporation.
- b) All the necessary aspects of functioning of the Corporation are placed before the Board of Directors for suitable direction and approval as per the clauses of Articles of Association and provisions of Companies Act.
- c) In certain cases wherein the decision making powers are not vested with Board then such proposals are referred to members of the Corporation i.e. shareholders of the Corporation. The shareholders after due deliberations and considerations delegate powers to Board of Directors.
- d) The Audit Committee of the Corporation which is recommendary in nature, comprises of some of the Directors of the Board who look after necessary work which is given by Board of Directors. The Audit Committee sends its report to Board of Directors
- e) The House Building Advance (HBA) Committee which comprises of Directors, and senior officials review the applications of the concerned employees with regard to rules and regulations of the Corporation and accord its approval in turn the Secretarial Section implements the decision of the Committee.
- f) The Staff Benefit Fund (SBF) Committee which comprises of Directors, senior officials and staff representatives reviews the applications of the concerned employees with regard to rules and secretarial regulations of the Corporation and accords its approval in turn the Secretarial Section implement the decision of the Committee.

## **6) INTERNAL AUDIT SECTION**

- a. At Head Office:

- i) The monthly Internal Audit Reports are received from the Branches and the same are reviewed at Head Office by the Officer Manager (Internal Audit) and wherever there are important issues, the reports are processed and put up to the Director (Finance).
  - ii) The Internal Audit Officers undertake visits to the Centres and submitting the Visit Reports to Head Office. The same are reviewed and processed for perusal of the Director (Finance).
  - iii) The Internal Audit of Head Office is conducted by the Office Manager (Internal Audit) and periodically reports are submitted, which is processed and finally submitted to Director (Finance).
  - iv) The cash in hand, stock of stationary and printing items and other items such as stocks available with the Estate Division are checked physically and reports are submitted. At the close of the Accounting Year, the fixed assets are to be verified and re-consolidated with the Fixed Assets Register and reports are submitted for perusal.
  - v) The Service Books are checked from time to time for verification of leave records and it is ensured that Service Books of all the Officers/Employees at Head Office are verified at least once in a year.
  - vi) As and when there is fixation of pay due to promotion or revision of pay as per Charter of Demands, etc. the same are verified by Internal Audit.
- b. At Branches :
- a. The Audit Officer at the Branch is conducts Concurrent Audit and submitting monthly reports to Head Office. The report is prepared and pointwise discussions are made with the Branch Manager and Accounts Cell at the Branch. Their comments are incorporated in the report and finally the final comments of the Internal Audit are also given against each and every para reported in the Internal Audit Report.

- b. The Audit Officers at the Branches are make frequent visits to the Centres for verification of Centre's Operations. During their visits at the Centres, they verify purchase procedures at the Centre, processing, coverage of insurance, weighment of Full Pressed bales, weighment of Cotton Seed, etc. and submit their reports to the Branch Manager under copy to the Head Office.
- c. The Audit Officers at the Branches are also visit the godowns for verifying the stock physically with the Stock Register. During the visit, they also check the Delivery Weight and compare it with the Press Weight, in case the deliveries are in process at the time of their visit. Otherwise also they periodically check weighment of bales stored in the godowns.
- d. The Audit Officers periodically check cash in hand, stock of stationary and other assets at the Branch.
- e. The Service Books maintained by the Branch are also checked periodically by the Audit Officer, particularly in respect of pay fixation, leave record, etc. and in case there is any observations, the same are reported to the Branch Manager for immediate compliance and the matter is also reported in the monthly Audit Report.

## **7) LEGAL SECTION**

- 1 The legal cases are supervised by the legal head at HO who directly reports to Chief General Manager (Finance) for any financial approval and for any important decision or approval with regard to the appointment of Advocate, Arbitrator or finalization of any document. A well-set norm for Financial powers of the Director (Finance), Chairman cum Managing Director and committee of the Directors with regard to the legal matters is prescribed under the delegation of powers.
- 2 The appointment of Advocates, Arbitrators is made only after due approval of the Competent Authority.
- 3 Whenever any Legal Notice is served upon the Corporation or any legal notice is to be sent by the Corporation, the contents of the same are perused by the concerned dealing staff. Thereafter such notices are

processed to the concerned section for verification of facts / contents of such notice and comments thereon of the concerned section. It is duty of the concerned dealing staff to keep the track of such files so as no delay or limitation problem arises. Such facts received from the concerned sections are then sent to the solicitors / advocates for preparing the draft which is thereafter put up for the approval of the Competent Authority through Manager (Legal). After such approval the notice / reply of notice is issued through the Advocate.

- 4 Whenever any case is filed against the Corporation or any case is to be filed by the Corporation, the contents of the same are perused by the concerned dealing staff. Thereafter such plaint /case are processed to the concerned section for verification of the facts / contents and comments thereon. It is the duty of the concerned dealing staff to keep the track of such files so as no delay or limitation problem arises. Such facts and comments received from the concerned section are then sent to the solicitors / advocates for preparing the draft which is thereafter put up for approval of the Competent Authority through Manager (Legal). After such approval the plaint / written statement is filed before the court / arbitrator through the Advocate.
- 5 The necessary documents /papers or any other relevant evidence in the matter are given to the advocate so as to prepare the case. At the time of evidence the concerned dealing staff under the overall supervision of Manager (Legal) helps the advocate and solicitor in conducting the cases.
- 6 Whenever any Legal paper is to be declared or confirmed, the Manager (Legal) attends such authorities for such work. The Manager (Legal) also attends the court in the important matters or wherever so advised by the advocates. The Manager (Legal) directs the concerned Legal Section staff to attend court/ court matters / advocates as and when so required. A record in the form of a register is maintained for such attendance.
- 7 Files for approval of fee of the advocates/ arbitrators is processed by the concerned dealing staff through Manager (Legal) to the Competent Authority for approval of such fee. The Competent Authority may seek the necessary explanation from the section and may also seek comments of Finance Section in this regard before approval of the same.
- 8 Fee of the advocates / arbitrators may either be made by cheque or directly credited to their bank accounts. The fee of the Advocates / Arbitrators is scrutinized by the concerned dealing staff before

processing the same. The necessary entries of such payments are made in the Advocate fee register.

- 9 After the case is decided, the decision / award is scrutinized in the section by the concerned dealing staff and is submitted to the Competent Authority for its approval or otherwise through the Manager (Legal). If required, such decision and awards are also submitted to the concerned sections for their comments / views.
- 10 The necessary follow up action based on such decision / awards are taken after due approval of the Competent Authority. Appeals, executions are accordingly filed after following due procedure of the courts and after obtaining the approval of the Competent Authority.

## **8) ADMINISTRATION SECTION**

In Administration Section in order to take up the decision on A.M.C. (Annual Maintenance Contracts) and supply of Printing & Stationery items every year quotations are called for, by giving information on website, and if necessary published in News paper also. After the due date received quotations are opened in presence of Dy Manager(A/cs) and Dy.Manager(Admn). After this procedure papers are given to dealing assistant to put up the same for further action. After scrutinizing the rates of the quotations the file is put up to GM(Admn/HK) for further decision.

These files are sent through GM(Admn) to GM(A/cs), CGM(F) & then D(F). Finally, after getting the approval of the Competent Authority, letters are sent to concerned parties to carry out the work.

All the Contracts such as P.C.I., Telephone board, Fax Machines, Water purifier, Air conditioners, Franking machines etc., are annual contracts for which quotations are called, by way of website and if necessary by giving advertising in the news paper.

After opening and submission of first committee, the papers are put up to the Competent Authority, for approval.

After getting the approval from the Competent Authority letters are sent to concerned parties to carry- out the work.

## **9) HINDI SECTION**

For implementation of Official Language Act and for achieving different targets fixed under Annual Programme, the following procedure is followed at Head Office and Branch Offices:

- a) It is discussed in quarterly meeting of OLIC under the chairmanship of MD.
- b) This committee reviews the progress of Hindi as per instructions issued in Annual Programme and further instructions are issued to Section Incharge for achieving targets within specific time.
- c) Officers of Hindi Section make quarterly inspection of each section at H.O. and submit the report to GM(H) where it is reviewed and suggestions are given to a particular section to over-come the shortcomings.
- d) Section Incharge is given the responsibility of compliance of Section 3(3) under which all documents are to be issued in bilingual form.
- e) Despatch section is also instructed to maintain the despatch register properly for letters issued in Hindi and English. As this register is always inspected by Inspection Committee from Official Languages Dept. and Ministry of Textiles.

**Navi Mumbai OLIC**

As this work is recently given to CCI, the following procedure is followed:

- a) Instructions received from Official Language Dept. are issued to all nominated members of Navi Mumbai.
- b) Their quarterly report is also collected by secretary, Navi Mumbai OLIC and it is reviewed with the help of Asstt. Director/Incharge Regional Official Language Dept.
- c) As per Govt. Order Navi Mumbai OLIC meeting are conducted twice in a year i.e. in June and February. Joint activities, programmes, Hindi workshops are also conducted with nominated members of this Committee with the help and guidance of Asstt. Director/Incharge Regional Official Language Dept.

**Branch Office**

- a) All Branch Offices of CCI are issued instructions from time to time for compliance of Official Languages Act.
- b) Quarterly report received from them is reviewed and follow-up is issued to them.

- c) Their training programme in Hindi, Hindi Typing and stenography is also reviewed by H.O. at the level of GM(H) and suitable instructions are issued.
- d) Every year a copy of annual programme is sent to all B.O.s and they are asked to achieve targets fixed for them by Official Language Dept.
- e) Officers from Hindi Dept. also make yearly visit for proper review of implementation and helping them for any short comings noticed during their visit.
- f) Other Sr.Officers also do Hindi inspection during their tour programme of Branch Offices.
- g) All branches are advised to make arrangement to conduct Hindi workshops, Hindi Day/Week/Fortnight and send a report to H.O.
- h) As some of the branches are also having responsibility of OLIC Secretary, therefore, they are issued suitable instructions from H.O. and sometimes GM(H) is attending that programme.

## **10) INFORMATION TECHNOLOGY SECTION**

### **a) For Head Office**

For procurement of requirement of IT related with Hardware, Softwares and other Computer related accessories, on the basis of requirements received from sections/decision taken during the corporate office meeting proposals are prepared by the section and after verification by Finance Division, same are put before the Competent Authority for approval including placing these details before IT steering committee meeting/Board of Directors. After approval by the Competent Authority actual purchase takes place at H.O. In respect of new application software modifications/development requirements are examined on file and submitted to competent authority for appropriate decisions.

### **b) For Branch Offices**

For procurement of requirement of IT related with Hardware, Softwares and other Computer related accessories, on the basis of requirements received from the branches, the proposals are prepared by the section and after verification by Finance Division, the same are put before the Competent Authority for approval. The financial approval is given to the respective branch and actual procurement takes place at the branch level except in few cases, where centralized procurements are

required to be made. In respect of new application software modifications/development requirements are examined and implemented.

**11) ESTATE SECTION**

Any proposal of an original construction/repair work/ maintenance is submitted by A.M (Estate) of the Section to G.M. (Estate). The proposal is examined from administrative and utility point of view and with due recommendations submitted to the Director concerned who in turn after endorsing his views either sanctions the same, if within his financial powers or submits the same before Managing Director for final approval.

Matters on which policy decision and approval has already been taken - requiring routine check-up, releasing payment etc., the same are put up by the Dealing Assistant concerned, examined by A.M. (Estate) and forwarded through G.M.(Estate) to Finance Section for releasing payment etc.

**CHANNEL OF SUPERVISION AND ACCOUNTABILITY -  
Supervision**

On Policy matters	For disbursement of routine payment etc.
A.M. (Estate), G.M. (Estate), Director concerned, Managing Director	Dealing Assistant, A.M. (Estate) G.M. (Estate) DGM (Finance)

**PROCEDURE OF TENDERING**

After indent is received for certain specific work from the concerned section/user or advice received from Competent Authority or after inspection made by Estate Section, if it is found necessary to carryout the work then such work is duly scrutinised and submitted to the Competent Authority alongwith preliminary estimates for administrative approval.

The procedure for execution of work related to construction/repair/maintenance are basically classified under 3 categories such as -

- 1) Direct Execution of work:
- 2) By Collecting Quotations:

3) By Following Tender Procedure:

1. Direct Execution of work:

Estimated cost upto Rs.1000/- :- After ascertaining the urgency and requirement of the work to be carried, A.M. (Estate) is authorized to directly get the work done by making payment through petty cash.

2. By Collecting Quotations:

(i) Estimated cost from Rs. 1001/- to Rs.5000/-:-

After obtaining administrative approval from the Competent Authority, Estate Section calls for sealed quotations. Such quotations are opened by A.M. (Estate) in association with Accounts Officer/any senior officer from Finance Section. After quotations are opened and negotiation with lowest agency is carried out by A.M. (Estate), proposal is finalized by G.M. (Estate) in concurrence with Dy. Manager from Finance Section and the work order is issued by the Section. Payment is recommended as per terms and conditions of the work order and satisfactory completion of the work.

(ii) Estimated cost from Rs. 5001/- to Rs. 25,000/-

After obtaining administrative approval from the Competent Authority Estate Section collects sealed quotations. Such quotations are opened by A.M. (Estate) in association with Accounts Officer or above from Finance Section. After quotations are opened and negotiation is carried out with lowest agency by A.M. (Estate) and accounts officer or above from Finance Section. The proposal is finalized by CGM (Finance)/G.M. (Estate). The proposal is forwarded with recommendation for approval of Director (Finance). After obtaining approval, work order is issued by the Estate Section. The payment is recommended as per joint measurement sheet duly signed by the Contractor and Site Engineer concerned and attached with the bill for submission of payment. Payment is recommended by Estate Section as per terms and conditions of the work order and satisfactory completion of the work.

3. By Following Tender Procedure:

(i) Estimated cost from Rs.25001/- to Rs.2.00 lakhs :-

After obtaining approval from the Competent Authority section calls for sealed tenders in two bids system by placing tender notification on the website of the Corporation and on notice board by giving publicity for 12 days. After receiving the tender from the specified tender box the same is opened by A.M. (Estate) in association with Accounts Officer or any officer senior to him from Finance Section. After opening the technical bids, financial bids are opened of such tenderers who qualify the specified eligibility criteria. Negotiation with the lowest tenderer is carried out by G.M. (Estate) and Manager or any other senior officer from Finance Section and A.M. (Estate). The proposal with recommendation is forwarded to Director (Finance). The proposal in turn is recommended by Director (P&S)/Director (Finance) for approval of MD. After obtaining the approval of MD the work order is issued by the Estate Section. Payment is recommended by the Estate Section as per terms and conditions of the work order and satisfactory completion of the work. The measurement book/hindrance register is maintained by the Estate Section.

(ii) Estimated cost above Rs.2.00 lakhs:-

Similar procedure as in case of 3(i) is followed for the work estimated above Rs.2.00 lakhs however tender notification is also published in local newspapers and publicity is given for 18 days besides placing the same on CCI's website and negotiation is carried out by a designated committee as constituted by the Competent Authority.

The work having estimated cost upto Rs.25,000/- and above the same are usually notified in 2 bids system i.e. technical bid and financial bid. After examination of the technical bids and finding suitability for notified work, financial bids are opened and negotiations are held with the lowest tenderer. Consent letter from the lowest tenderer (i.e. L-1) is obtained. The negotiation committee - as approved by the Competent Authority - records the details and with recommendation forwards the case for approval to the Competent Authority. After obtaining approval, work order is issued.

**Guidelines For Work Of Rs.2.00 Lakhs & Above**

- 1) Necessity & Justification Of Work
- 2) Appointment Of Consultants
- 3) Estimates
- 4) Notice Inviting Tender

- 5) Pre-Qualification Criteria (P.Q)
- 6) Tender/Deed Documents
- 7) Receipt Of Tenders
- 8) Postponment Of Teder Opening
- 9) Opening Of Tenders
- 10) Techno-Commercial Evaluation Of Tenders
- 11) Post Tender Negotiations

(Post Tender Negotiations Except In Case Negotiations With L- 1 Are Banned)

- 12) Reasonableness Of Prices/Marekt Rate Justification
- 13) Award Of Work & Signing Of Contract Agreement
- 14) Advance Payment And Bank Guarantee
- 15) Performance Of Bank Guarantee And Details
- 16) Completion Of Schedule Of Contract
- 17) Defect Liability Period Clause
- 18) Payment Terms And Applicability Of Taxes & Duties
- 19) Post Contract Management

\* The Corporation Seeks Guidelines Provided By CTE/CPWD/CVC & In Contract Document For Domestic Bidding Published By Govt. Of India, Ministry Of Statistics And Programme Implementation.

## **12) LOGISTICS SECTION**

- i) Once buyer establishes operative L/C and submits shipping instructions, invoice documents are got prepared and shipments organized as per laid down procedure. Day to day decisions regarding movement of bales, arrivals, labour arrangements are done at Section level in coordination with Kalamboli godowns.
- ii) Decisions relating to appointment of custom house agents and Controllers are taken in the C&F Committee with final approval of the Competent Authority.
- iii) All important decisions relating to shipment of bales are taken in the Review Committee.

## **13) PURCHASE SECTION**

- (i) For MSP Operations

As soon as details of minimum support price for the cotton season, are received from the Office of Textile Commissioner, same are circulated to all the Branch Offices with instructions to make purchases of FAQ grade kapas without any quantity limits, as and when kapas prices touch the MSP level. However, for purchases of below FAQ grade kapas and rates of deductions for deficient quality parameters, proposals are prepared by the section and after verification by Finance Division, same are confirmed by Central Institute of Research on Cotton Technology (CIRCOT) before final decision by the Competent Authority including placing these details before Board of Directors. In respect of demand for opening of centres not falling within the norms, proposals received from branches are examined on file and submitted to competent authority for appropriate decisions. Similarly, other proposals from branches under MSP, which involve financial outgo, are examined by the section and verified by Finance Division before taking final decisions by the Competent Authority.

(ii) For commercial purchases

- a) On the basis of day to day feed back from branches on arrivals, expected demand for cotton and ruling prices etc, decisions for fixation of variety-wise/grade-wise ceilings and quantities, are taken in the P&S Committee. Any upward or downward revision in the purchase ceiling including withdrawal from market, if necessary is done in the P&S committee.
- b) On receipt of branch recommendations about quality parameters for various varieties/grades, proposals examined on files and recommendations submitted to the competent authority for approval of quality norms.
- c) Branch reviews of their heap results and test reports, examined by the section on file and observations are submitted to the competent authority and decisions are conveyed to concerned branches for appropriate action.
- d) Weekly cotton seed sales and delivery reports are compiled in the section and reviewed on weekly basis in the P&S Committee and observations conveyed to concerned branches for appropriate action.
- e) Branch requirements regarding supply of packing material and tarpaulins etc. are processed on files for procurement of the same by following the prescribed procedure i.e. inviting of tenders, its opening and negotiations by Committee and approval by Competent Authority.

Hessian procurements arranged by B.O, Kolkata in the above fashion only.

- (iii) Other specific proposals from branches or problems related to purchase operations under any branch are processed on files within the laid down procedures/marketing strategy and recommendations are submitted to Competent Authority for taking appropriate decisions.

### PURCHASES OF INPUT MATERIALS FOR SUPPLIES TO BRANCHES

In the course of purchase operations, various materials are required by branches like packing material like pallies, lint bondries, tarpaulins etc which are procured at Corporate Office level by following the laid down procedure as under :

1. Lint bondries, Pallies etc.

Well before commencement of season, branches are advised to assess their requirements of packing material after accounting the available stocks and the expected volume of procurement in the ensuing season. The requirements received from branches are compiled and assessments are made for the quantities to be procured for supplies to different branches. These assessments are also verified by Finance Division and thereafter, approved for purchases by the Competent Authority.

2. Tarpaulins

For protection of cotton stocks at centres, chemical/special proofed cotton canvas tarpaulins conforming to IS specification i.e. 1422/1983, 6803/1972, 2789/1972 are purchased through the manufacturers only. Like packing material, for tarpaulins also, branches are advised to intimate their requirements after taking into account the availability of serviceable tarpaulins and the expected purchase volumes and number of centres etc., in the ensuing season. After receipt of requirements from branches, same are compiled and total requirements are assessed which are put up to Finance Division and after their verification, approval is accorded by the Competent Authority for purchases of tarpaulins. Tarpaulins are purchased by following the laid down procedure as under :

- i) A tender format is prepared in two bid system ; the Technical Bid and Financial Bid, containing Technical specifications of the tarpaulins, holding of valid IS certificates by the tenderers in support of their

claim as manufacturer, amount of Earnest Money and all other terms including drawal of samples, testing and deliveries on FOR destination basis etc. These tender formats are examined by Finance Division and thereafter if necessary, are also sent to designated labs for testing.

- ii) After approval of the tender format, global tenders are invited from the manufacturers only by giving wide publicity through advertisements in the newspaper and also through CCI website. The manufacturers are required to download the prescribed tender format from CCI website only.
- iii) After receipt of tenders within the given time and date, same are opened by the Committee which is constituted for the purpose, by the Competent Authority. At the time of opening of tenders, representatives of the tenderers can also remain present. At this stage, only Technical bids are opened by the Committee and its evaluation report is submitted to the Competent Authority for approval.
- iv) In respect of tenderers who qualify the Technical Bid, are informed to attend office for opening of their Financial Bids, which are opened in the presence of tenderers, by the Committee, which is constituted for the purpose by the Competent Authority. On opening of the Financial Bids, rates are announced to the tenderer who remain present and wherever necessary, negotiations are held with the lowest tenderer. The Committee report is submitted to the Competent Authority for final approval.
- v) After finalisation of the tender process, the order is placed with the tenderers whose quotation is finally approved for supply of tarpaulins, an independent controller is appointed to draw the samples and also submit his visual inspection reports on all quality aspects. The samples are tested in reputed labs and only when the lab results are found meeting the IS standards as also favourable opinion of the lab and visual inspection report of the controller that deliveries of finished goods are accepted. Deliveries of accepted goods are made in the presence of controller only.

#### **14) SALES PROMOTION SECTION**

##### **1. Price Fixation Committee:-**

i) A high level committee, headed by Director (Marketing) as Chairman, Director (Finance) or his representative, Chief General Manager (Finance), Chief General Manager (Marketing), General Manager (Sales Promotion) General Manager (Export Promotion), General Manager (Hindi/ADMN), General Manager (Internal Audit) and General Manager (Finance) as members, meet on day to day basis to decide indicative sale prices. In absence of Chairman the next senior most officer will chair the meeting.

**2. Purchase & Sales Committee:-**

ii) A high level Purchase & Sales Committee headed by Chairman-cum-Managing Director as Chairman, Director (Marketing), Director (Finance), Chief General Manager (Marketing), Chief General Manager (Finance), General Manager (Sales Promotion), General Manager (Export Promotion), General Manager (Internal Audit), General Manager(Finance) and Dy. General Manager(Logistics) as members and Manager (Vigilance) as invitee, meet on day to day basis to examine & decide about individual offers received for transactions for acceptance, countering or rejection. In absence of Chairman the next senior most officer will chair the meeting.

iii) Matters relating to sales received from Branches/Buyers are processed and examined on file and put-up to the competent authority for decision.

**15) EXPORT PROMOTION SECTION**

Procedure for export of Raw Cotton

(i) Floating of Global Tenders Notice

The Corporation floats Global Tenders normally at the beginning of each cotton season. Intimation regarding the Corporations intention to sell raw cotton of different varieties is circulated to East India Cotton Association (EICA), International Cotton Association (ICA), COTLOOK, Agents in

Bangladesh, and Local Agents of foreign buyers for wider publicity and participation. The information details:

- i) Date & Time of commencement of Global Tenders
- ii) Submission of authorization letter from Indian agents on behalf of foreign shippers addressed to CCI authorizing such agents to deal with CCI on their behalf.
- iii) Varieties being tendered in export.
- iv) Terms and Conditions of sale of exports
- v) Names and Designation of officers who can be contacted for any clarification etc.

Besides, circulating the tender notice, the same is also displayed on the Corporations "Website: [www.cotcorp.gov.in](http://www.cotcorp.gov.in)".

(ii) Price Idea

The Corporation works out its export price idea on daily basis, based on the day's Domestic Price plus Free on Board (FOB) expenses plus carrying cost depending upon the extent of the shipment period, and taking into account the day's exchange rate for US \$. The ratio so worked out, are placed before the committee for fixation of daily exports sale quotes in US Cents/Lb. The price idea so derived are put on the "Website" circulated to agents at Mumbai, Bangladesh and B.O. Kolkata & also circulated to all the members of the Export Promotion Sales Committee. However, the price idea for the day is only indicative. The Committee at its discretion may increase / decrease or retain the same prices.

(iii) Receipt of offers / bids

Parties interested in buying raw cotton forward their bids / offer either through E-mail or Fax within the time limit as given in the Tender Notice.

(iv) Export Agenda

For the purpose of finalizing the Export Agenda, the Corporation has formed an Export Promotion Sales Committee comprising of:

1. Chairman cum Managing Director
2. Director (Marketing)
3. Adviser (Finance)
4. Chief General Manager (Finance)

5. Chief General Manager (Marketing)
6. General Manager (Sales Promotion)
7. General Manager (Pur/Export Promotion)
8. Any other official co-opted by the Committee

All offers/bids received for the day are incorporated in Export Agenda then scrutinizes the offers / bids so received. Thereafter it decides to either (1) accept the offer / bids (2) give a counter offer (3) Reject the offer.

(v) Conveying Acceptance / Counter Offers to the bidders / offerers

All acceptances / counter offers are conveyed to the bidders / offerers immediately after the Export Promotion Sales Committee meeting either through (1) E-mail (2) Fax or (3) Telephone.

In case a counter offer is given to any bidder / offerer, time limit is specified for reply. If no reply is received by the Corporation within the specified time limit, the counter offer given is treated as lapsed.

(vi) Preparation of Minutes

Minutes are drawn giving details of offers/bids received and the decision of the Export Promotion Sales Committee in respect of each offer / bid is recorded. The minutes are circulated to all the Committee members.

(vii) Intimation of export sale

Necessary intimation is sent to the branch by E-mail / Fax informing them of Export sale from their branch.

(viii) Preparation of Export Contracts

Contracts are prepared after an offer / bids is accepted. Copies of the export contracts are then forwarded to the buyer's Local Agents for obtaining signatures from the buyers and returning a copy of the same to the Corporation. Copies of the contract are also sent to the concerned Branch Office/ Export Accounts Section and C&F Section. In respect of Export sales to buyers in Bangladesh, contract copies are sent to Branch Office - Kolkata for necessary follow-up.

(ix) Intimation for selection

(1) To Branch

On conclusion of the export contract, the branch whose bales have been sold in export, are directed to provide either the buyer or his representative adequate number of samples of the variety sold in export to complete selection / approval. An E-mail / Fax is sent in this regard.

(2) To Buyer / their representative

Buyer / their representative/s are informed about the readiness of bales for selection / approval at spot by the International Trade Department either through E-mail / Fax / Telephone. On completion of selection, the details of the bales approved / selected are conveyed by them to the Export Promotion Section. In the event of buyer or his agent not agreeing to the quality of cotton as per the indicated parameters, the samples shall be drawn through an Internationally recognized controller to the appointed by the seller, for testing in a reputed laboratory whose results shall be final and binding to both buyer and seller.

(x) Opening of Letter of Credit (L/C)

Export Promotion Section thereafter follows-up with the buyers Local Agent for expediting opening of L/C. On receipt of the L/C, Export Accounts examines the same. In case any discrepancy is noticed, the buyers are advised to carry out the necessary amendments in the L/C so as to make it an "Operative L/C".

In case, the shipment is delayed beyond the stipulated shipment month, International Trade Section advises the buyer to amend the L/C so as to provide for carrying cost as per the terms of the contract till the date of Bill of Lading (B/L).

(xi) Shipping Instructions

Once, operative L/C is received, Export Promotion Section follows up with the buyer / their representatives for providing necessary shipping instructions. On receipt of the same, a copy of each is forwarded to Logistics Section to enable them give dispatch instructions to the respective branch whose bales have been approved under the specific

contract and also to complete other formalities at the port of shipment & to Export Account for preparation of necessary shipping document.

PROCEDURE FOR IMPORT OF RAW COTTON

1. Import against indents -

The Corporation will import raw cotton of only those varieties for which there are indents from the client's mills. The requirements of the client mills will be displayed by the Corporation on its website. Thereafter, all the participants forward their bids/offers against the specific requirements. Thereafter, the Corporation in consultation with the client mill, either confirm the offer or give a counter offer for the same for reply within the specified time period.

2. Short listing of Indian agents and Foreign suppliers -

In order to ensure that the shippers and Indian agents, if any, participating in import tenders are of good standing and credibility, it is ensured that the foreign shippers particularly in the tenders for import of raw cotton by the Corporation are compulsorily registered with International Cotton Association (ICA). In addition, these shippers shall have to get registered with CCI by filing in an application form along with a normal deposit.

The foreign shippers who want to be registered by their Indian agents, such Indian agents representing the foreign shippers shall have to be compulsorily the members of East India Cotton Association Ltd. (EICA) Further, these Indian agents shall also have to be registered with CCI by submitting an application form along with the requisite fees. In addition, these Indian agents shall also have to present an authorization letter from the foreign shippers addressed to CCI, authorizing such agents to deal with CCI, on their behalf.

The foreign shippers and Indian agents who are on the default list of either ICA or EICA shall not be entertained by the Corporation.

3. Information to ICA, EICA & Other Associations -

The Corporation shall put the information regarding intention of CCI to import cotton on Website of CCI and will also inform International Cotton

Association, East Indian Cotton Association and Cot look in this regard in order to have a wider publicity and participation through CCI's Website

4. Contract signing procedure -

Once the offer/bids for specific growth and quantity is finalised, contract between the seller and the mill would be drawn by the supplier and duly signed by both the parties.

5. Selection quality assurance system -

The Indian agents of the suppliers shall ensure that the quality being shipped against the specific indent is strictly as per the type sample/parameter agreed thereto. In the event of any shortfall in the quality so shipped, the Indian agents will make all efforts to ensure that the loss arising due to failure to meet with the specific requirements shall be made good by their supplier. In case the mill desires to have the cotton selected/approved before shipment by appointing international controllers or deputing their own representative, the cost thereof shall be met by them. Only in case, where the approval is carried out at the time of arrival of goods by international controllers, the expenses for the same shall be met by the seller / suppliers.

6. Weightment -

Net landed weight at mill's godowns will be final. The weightment will be carried out by the international controllers at the mill's godowns at the cost of the seller.

7. Opening of Letter of Credit (L/C)

Letter of Credit would be opened either by the Cotton Corporation of India Ltd. or by the mill, depending upon the arrangements with the client mill.

8. Clearance of consignment on arrival -

Where Letter of Credit is opened by the mill, the clearance of the consignment will be undertaken by them on arrival. However, in case, where Letter of Credit is opened by the Corporation, clearance of consignment on arrival, will be by the Corporation and all expenses incurred will be to buyer/mill's account.

9. Payment system -

As regards terms of payment for indents received, payment system will be based on any of the following three methods:

- i. Letter of Credit opened by the mill
- ii. Opening back to back Letter of Credit by the mill
- iii. Letter of Credit opened by the Corporation against deposit of margin money.

10. Delivery of cotton -

The cotton so imported against the specific indents shall be delivered to the mills out of custom area after clearance or shall be dispatched to mills on receipt of full payment. For the mills desiring Godown Storage Facility (GSF), the bales shall be kept by the Corporation either in Central Warehouse Corporation, State warehouse Corporation or mills godowns under its lock and key for a maximum period as agreed. If the mill fails to lift the said cotton within the stipulated period, the margin money so deposited against the said indent will be forfeited by the Corporation.

11. Interest & Carrying charges

The interest shall be recovered from the buyer from the date of debit against Letter of Credit opened by the Corporation till the date of receipt of cotton at the port of destination at the rate agreed upon. Thereafter carrying charges as agreed would be levied till final payment by the mill.

12. Late lifting charges -

If the mill does not take physical delivery of the cotton within 15 days from the date of making the payment, the mill shall be liable to pay late lifting charges.

13. Service Charges -

The Corporation shall levy service charges of the Cost Insurance Freight (CIF) value for assisting the mills in importing raw cotton for them. The rate of service charges will be fixed between the client mill and the Corporation.

14. Settlement of dispute/Arbitration -

In case where a dispute arises between the supplier and the buyer mill due to non-performance by either party, the same shall be referred to

International Cotton Association Rules of Arbitration. However, all efforts would be made for amicable settlement of the said dispute mutually.

In case of default on the part of the supplier, all efforts would be made by their Indian agent to get the same settled. In the event of the supplier not coming forward for an acceptable settlement, the Indian agent shall be responsible for the settlement.

In the event of any default on the part of the mill giving rise to any claim to the supplier, it would be the responsibility of the mill to settle the same. Only in the event of the mill failing to settle, the Corporation shall step in to settle the same at the risk and cost of the mill.

#### **16) PLANNING/EXTENTION AND STATTITICS SECTION**

- i) Decisions pertaining to Front Line Demonstrations (FLDs) under MM-II are taken as per guidelines of the Ministry of Agriculture, Government of India as also by the Technical Evaluation Committee headed by Adviser (TMC) and Implementation Committee headed by Managing Director.
- ii) All matters pertaining to Planning/Extension Activities are processed on file through the CGM (Marketing).

#### **17) WAREHOUSE COMPLEX**

The working in the Warehousing Complex can broadly be categorised in three blocks viz matters pertaining to renting of Godowns, export of cotton and maintenace of Godown. Procedures followed for the above three are as follows:-

##### **a) Renting of Godowns:-**

For renting the Godowns aggressive marketing is done by the Warehousing Complex. If required advertisements are also given regarding availability of space and also sometimes information is posted in the Web Site of the Corporation. The parties/ depositors who are interested in the hiring the Godowns give their written request to the Corporation which is processed from the Warehousing Complex, Approval is given by senior officers of the Corporation. Recently, some norms have been set up regarding licence fee to be charged from the depositors and decisions are taken, accordingly. The Warehousing Complex has to ensure that the terms and conditions as mentioned in the agreement with the depositors are followed. There is a committee constituted at Head Office chaired by Director (Finance) which includes CGM (Mktg.), CGM(Finance), GM(Estate), GM(Accts),

DGM(Purchase) and Manager (Godowns) which decide on the matters pertaining to the working of Godowns. This committee meets on a quarterly basis.

b) Export of cotton :-

The officials posted at Godown have to work in co-ordination with C&F section at Head Office when export of cotton take place from Kalamboli Godowns. The bales are weighed by the assigned Weighment Controller in the presence of the Corporation staff. These bales are unloaded, weighed, marked and then stacked by the laours of Cotton Labour Board. As per the policy of Corporation, labour work involving cotton bales is assigned to the Cotton Labour Board and payment of labour charges is made as per rates fixed with them. These rates are finalized at Head Office. The cotton bales are weighed and the weight note prepared by Weighment Controller is sent to Head Office, on the basis of which export documents are prepared at Head Office. Copy of invoices for export is send to Kalamboli from Head Office when delivery order are issued and carting of bales is done by Custom House Agent (CHA) under supervision of Kalamboli Godown. The containers are sealed in presence of Custom Officers and then transportated to the Port. Once the container are handed over to CHA, it is their responsibility to ensure shipment from port. Daily arrival reports, despatch reports, Summary statement along with the weight note obtains from the Weighment Controller are send to Head office. It there are any other matters like abnormal difference in press weight and Godown weight, damaged cotton bales etc. they are reffered to Head Office for further action.

c) Maintenance of Godown:-

For maintenance of the Warehousing Premises Annual Maintenance Contracts for Cargo Lifts, Electrical Installations, Rolling Shutters and Fire fighting system are given to Contractors by the Corporation. While giving these contracts the procedure as prescribed by Corporation/CVC on tendering is followed. These matters are handled in co-ordiantion with Estate section of Head Office. The concerned files are processed by Assistant Manager (Estate) through Godown Incharge to GM (Estate) at Head Office. As stated earlier. there is a Committee of Godowns which handles matters regarding maintenance of Godowns also. For general maintenance like small repairs etc. a committee consisting of Godown Incharge AM and Assistant Manager (Estate) is constituted, Assistant

Manager (Estates) posted at Kalamboli regularly surveys the premises and intimates Godown Incharge of maintenance work to be carried out. Approval of the work is taken from the Head Office and work Order issued by following proper procedure of tender etc. The maintenance work awarded to Contractor has to be supervised by Assistant Manager (Estate) and bill has to be certified by him before sending to Head Office for checking and payment. Even in cases of AMC if additional work is done by the AMC Contractor like replacing of spares etc. Assistant Manager (Estate) has to certify on the bill. Such bills are processed through Godown In-Charge to Head Office for a further scrutiny and payment. Replaced spares are verified by Internal Audit before disposal.

## **18) VIGILANCE SECTION**

The Scheme of Vigilance is broadly classified in three parts:-

- (1) Preventive
- (2) Surveillance and Detection
- (3) Punitive

### **1 PREVENTIVE :**

The adage "PREVENTION IS BETTER THAN CURE" holds good equally in the case of Vigilance activities. It is, therefore, given its due importance while dealing the various issues. Preventive Vigilance includes:-

#### **1.1 Studies/Action regarding simplification and streamlining of existing Rules and Procedures:**

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- (i) Corruption-prone areas, places and points are taken up for review, and subsequently an action plan is suggested in the Annual Branch Managers' Conference held every year for implementation. Observations and suggestions made in the course of Audits etc. are taken into account. Generally, two or more areas are selected every year as special areas for simplification and streamlining of existing Rules and Procedures, systems improvement and for concentrated attention. Some such areas are as under: -
  - (a) Review of all aspects of budgeting of lint, shortages, cotton seeds, miscellaneous items, proforma expenses and processing cycle etc. for obtaining optimum results.

- (b) Disposal of cotton seeds and realisation of cotton seed rates
- (c) Observance of BIS norms
- (d) Quality Improvement
- (e) Controlling of shortages between press weight and delivery weight.
- (ii) Instructions are issued by Head Office for strict adherence by the branches in this regard.

1.2 Planning and enforcement of regular as well as surprise inspections/checks:

Surprise inspections are done not as routine affairs; but efforts are made to check the working in sufficient depth so as to unearth carefully-planned/skilfully-executed frauds/manipulations, etc. Special mention is made here of 'modus operandi' of pilferage of lint/manipulation of bales etc. This is checked on the following ways: -

- (i) At the time of surprise checks/inspections, the stock position of kapas, lint, cotton seeds, etc. as per records is reconciled with physical stocks. Records maintained at the centre, Kapas Purchase Register, Stock Registers, Daily purchase reports, Daily/Weekly Processing Returns, Cotton Seed Disposal Returns, Heap-wise Processing Results Register and other reports/returns submitted to the Branch Office etc. are also checked in random to see that there are no discrepancies between the centres and records submitted to the branch. Particular notice for corrections and over-writings in records is taken to determine whether these have not been done to cover-up any manipulation in figures etc. Additional safe guards are devised in the case of Factories, which are not engaged exclusively in processing the Corporation's kapas, as in such cases the propensity for manipulations become more pronounced.
- (ii) Experimental out-turns play a crucial role in determining whether lint being realised is properly accounted for. At the same time, comparison of results with neighbouring centres in the same line/ belt is also very useful for locating any deficiencies and therefore same is being done by the vigilance at the centre.
- (iii) Supervision of last stage of processing of heap and last stage of delivery of cotton seeds is done to determine lint percent shortage.

- (iv) Reconciliation of Records of the centres with that of the Branch office is done and losses due to fire, floods, rains etc. are also ascertained.
- (v) Miscellaneous items obtained during the course of processing etc. are checked with the records of the centre.
- (vi) Any unusual event such as damage to kapas, lint, malfunctioning of weightment scale etc. is investigated including quantity damaged/ affected reported to Branch and Head Office.
- (vii) Suitable preventive steps for misuse of official position and documents such as bidding slips, tak pattis for purchase of kapas etc.
- (viii) To obviate the possibility of somebody claiming ownership of such stock belongs to CCI. Stock Statement duly signed by factory owner is obtained.

1.3 Prevention of Fire- Steps to be taken:

With a view to curbing the incidence of fire the following needs to be observed strictly by all concerned:-

- (i) No stock should be stored below or near the overhead electrical wires or near any electrical installations/transformers. They should be kept well away from such installations.
- (ii) *NO SMOKING* board in local language/s should be prominently displayed at relevant places in Ginning & Pressing Factory, Godowns etc.
- (iii) Workers and others frequenting such areas should be effectively checked/prevented from carrying bidis/cigarettes/matchboxes/ lighters and other inflammable substances into the prohibited areas.
- (iv) Best possible arrangements for fire such as availability of hydrants, Fire Fighting equipment, water arrangements etc. should be made and tested from time to time.
- (v) Watchmen and Supervisory staff should be impressed upon the necessity for checking/preventing workers and other persons visiting the factories for carrying such inflammable substances.

- (vi) Huts and temporary constructions should not be allowed to be erected for residential purposes within the Ginning & Pressing compound or it has to be ensured that no stock of the Corporation should be stored near such huts or temporary constructions.
- (vii) No stock should be stored near road side to avoid throwing of any lighted match sticks, bidis/cigarettes, crackers, sparks from running vehicles etc.
- (viii) No stock should be stored near the railway line to avoid ignition due to sparks from the railway engines.
- (ix) It should be ensured that the electrical wiring and other connections are removed/cut-off in godowns engaged by CCI. The electrical installations/wiring, fitting etc. should be properly checked by the concerned authorities or should be checked at frequent intervals. Safety norms and standards pertaining to electrification in the premises concerned should be strictly adhered to.
- (x) No large lint stock should be kept for pressing. As far as possible lint should be processed as soon as the same is ready.
- (xi) In case of pneumatic system where lint is carried in Pala hall directly through pipes, proper arrangement for water has to be ensured in such pala hall.
- (xii) As soon as the lot of 100 bales is pressed, the same should be shifted to the Godowns instead of keeping them in Ginning & Pressing Factories.
- (xiii) There should be a system of continuous watch in the Godowns and at periodical intervals, say weekly, the Godowns must be opened and inspected by Godown/Line-Incharge.
- (xiv) Sufficient quantity of water and sand should be kept near the heap. It will help in extinguishing the fire at the initial stage. Godowns should also have adequate storage of water and fire extinguishers. No vehicles should be allowed near to the kapas/lint bondries as there is a possibility of fire due to sparking.
- (xv) The fire extinguishers should also be periodically checked and their refilling has to be ensured at regular intervals.

- (xvi) If the availability of the fire fighting equipments with APMC/District are not adequate the matter may please be taken up with the concerned authorities through Branch Offices. The branches should also improve liaison with the local fire brigade so that they are aware of our godowns and also Ginning & Pressing Factories, where the processing is going on.
- (xvii) Liaison with Local Fire Brigade authority be maintained to ensure quick response from them in case of any emergency or fire incident.

## 2 SURVEILLANCE AND DETECTION:

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### 2.1 Complaints:

- (A) Information about corruption, malpractices or misconduct on the part of an employee may come to notice through various sources such as -
  - (i) Complaints received from public through administrative ministry, Central Bureau of Investigation and Central Vigilance Commission;
  - (ii) Departmental inspection reports and stock verification certificates;
  - (iii) Scrutiny of Annual Property Returns and transaction reported by the concerned employee under CCI(CDA) Rules.
  - (iv) Audit Reports
  - (v) Information gathered/received through Newspapers, reports, returns etc. will be communicated under the terms complaint and will be dealt in same way as the letters complaints.
  - (vi) Reports of parliamentary committees, public accounts committee etc.
  - (vii) Information about corruption and malpractices on the part of the employee may also be received from their subordinates or other employee of the Corporation either through proper channel or direct communication giving information about corruption or other malpractices.
  - (viii) Apart from the above, from the outside sources the information is also collected by devising appropriate methods looking into the nature of the work of the Corporation on such information needs to be reduced in writing and also to register in complaint register.

(B) Initial action on complaints received by Department

In the first instance, a decision has to be taken with regard to existence of the Vigilance angle, vigilance section generally handles, complaints involving vigilance angle.

- (i) Registration of complaints in the Vigilance Complaint Register:  
The register will be maintained in two separate parts for:-
  - (a) Category "A" employees
  - (b) Category "B" employees
- (ii) Every complaint, from whatever source received, will be entered in the register of complaints chronologically in the prescribed format and the relevant particulars shall be entered in the complaint register.
- (iii) Immediately after registration in the Vigilance complaint register each complaint will be examined by the Chief Vigilance Officer to see whether there is any substance in the allegations made in it to merit looking into, where the allegations are vague and general and prima facie unverifiable the Vigilance officer may decide with the approval of the head of his department where considered necessary that no action is necessary and the complaint may be dropped and filed.
- (iv) Whether the complaints seems to give information definite enough to require a further check, a preliminary enquiry or investigation will need to be made to verify the allegations to be able to decide whether or not the employee concerned should be proceeded against departmentally or in the Court of Law.
- (v) The Central Vigilance Commission has instructed that no action should be taken on any unanimous or pseudonymous complaints. When in doubt the pseudonymous character of complaint could be verified by enquiry by the signatory of the complaint whether it had actually been sent by him. If he cannot be contacted at the address given in the complaint or if no reply is received from him within a reasonable time, it should be presume that the complaint is pseudonymous and ignored.

2.1.1 Investigation in Complaints:

As soon as a decision has been taken to have an inquiry made in to allegation contained in the complaint, it will be necessary to decide whether the allegations should be inquired in to departmentally or whether a police investigation is necessary.

- (i) The purpose of investigation into complaints is to determine whether prima facie there is some substance in the allegation. The investigation may be made in several ways depending upon the nature of allegations and the judgement of the Investigating Officer. e.g.
  - a) If the allegation contain information, which can be verified from documents, files or other departmental records, the investigating officer should without loss of time, secure such records etc. for personal inspection. If any paper is found to contain evidence supporting the allegations, it should be taken over by him for retention in his personal custody to guard against the possibility of the available evidence being tampered with later on. If the papers in question are required for any current action, it may be considered whether the purpose would be served by substituting authenticated copies of the relevant portions of the record, the originals being retained by the investigating officers in his custody. If that is not feasible, the officer requiring the documents or papers in question for current action should be made responsible for their safe custody after retaining authenticated copies for the purpose of enquiry.
  - b) In case where the alleged facts are likely to be known to any other employee of the department, the investigating officer should interrogate them orally or ask for their written statement. In case of oral interrogation, a full record of interrogation may be kept and the person interrogated may be asked to sign as a token of his confirmation of his statement.
  - c) Wherever necessary, important facts disclosed during oral interrogation or in written statements should be sought to be corroborated.
  - d) If it is necessary to make enquiries from the employees of any other government department or organisation or PSE or Bank, the investigating officer should seek the assistance of the CVO/nodal authority concerned for providing the necessary facilities.
  - e) During the course of preliminary enquiry, the concerned employee may as a fundamental administrative requirement also be given an opportunity to

tender his version of the facts so as to find out if he has any plausible explanation. In the absence of such an explanation, the concerned employee may be proceeded against unjustifiably. There is, however, no question of making available to him any document at this stage. Such an opportunity need not be given in cases in which a decision to institute department proceedings is to be taken without any loss of time, e.g. in cases in which the public servant is due to superannuate soon and it is necessary to issue the charge-sheet to him before his retirement.

- f) After the investigation has been completed the Investigating Officer should prepare a self contained report containing background of the case, allegations, investigation conducted, discussion of evidence in support of the allegations, discussion of evidence in favour of the persons alleged against, explanation of persons alleged against, arguments to rebut the explanation or to accept the explanation of the persons alleged against, findings and recommendations in regard to action called for.
- (ii) In cases of complaints against Branch Heads/Vigilance Officers posted at the Branches, generally Vigilance Division at Head Office takes up the investigation work.

2.1.2 Investigation of suspicious incidence of damages caused by fires, floods, rains, unusual events etc.:

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(A) Damages caused due to fire:-

- (i) Fire incidents in which the loss exceeds Rs. 1.00 lakh and which are of suspicious nature should be investigated thoroughly and report submitted on the following lines: -
  - a) Place and date of occurrence of fire;
  - b) Brief facts and circumstances of the fire and steps taken;
  - c) Description and value of the properties/stocks destroyed/damaged by fire;
  - d) Adequacy of fire prevention and fire fighting arrangements;
  - e) Adequacy of Police protection/arrangements prior to fire;
  - f) Adequacy of Insurance cover;

- g) Value of claims admitted vis-a-viz claims preferred;
  - h) Net loss, if any, to the Corporation due to fire;
  - i) Findings of the Fire Brigade regarding cause of fire with reasons for conclusions arrived at;
  - j) Findings of the Police regarding cause of fire - with reasons for conclusion arrived at;
  - k) Findings of the Vigilance Section of the Corporation regarding cause of fire with reasons for conclusions arrived at;
  - l) Comments on the question of continuing to allow the centre to function, having due regard to law and order situation and any other prevailing adverse conditions;
  - (ii) Vigilance Officer should visit the place of occurrences of fire promptly and send their reports on the above lines as expeditiously as possible. If investigations are prolonged over a length of time, they should send further progress reports from time to time until the investigation from all points of view are finalised.
  - (iii) Photostat copies of Fire Brigade report, FIR lodged with Police Authorities, Police Panchnama or investigation reports and a rough sketch of the scene of fire should invariably be forwarded with the reports at the earliest possible opportunity. Statements of eye witnesses of fire incident should be recorded to ascertain the probable cause of fire and sent alongwith the investigation report.
- (B) Damages caused due to floods, rain etc.:-
- (i) It is necessary to investigate damages resulting from any unusual events such as floods, cyclones, rains etc. The extent of loss and the responsibility for the said loss should be clearly stated. In fact loss caused by any event whatsoever should be investigated into and responsibility fixed.
- (C) Damages caused due to unusual events:-

It is also necessary to prepare a report regarding unusual loss due to any event and to appraise Head Office at the earliest opportunity.

2.2 Scrutiny of Property Returns (critical review of investments, acquisitions/disposal of assets by employees):

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- (i) Generally speaking, investments acquisitions/disposal of assets by employees are subjected to scrutiny through the Annual Property Returns and declarations pertaining to transactions of movable properties etc. Scrutiny of Annual Property Returns and such declarations is part and parcel of detection process. Each employee, on first appointment, is required to submit a return of assets and liabilities in the prescribed form, giving prescribed particulars. Thereafter, immovable property returns are required to be filed every year beginning first January. The transactions pertaining to Movable properties in excess of the specified limits are required to be reported within 30 days of the date of the said transactions.
- (ii) Under Rule 16 (ii) Employees cannot enter into any transaction concerning any immovable property with person or a firm having official dealings with the employee or his subordinate without prior approval of the Competent Authority as defined under Rule 3(g) of CCI (CDA) Rules, 1975. Further, under Proviso to sub-rule (iii) of Rule 16 of CCI (CDA) Rules, 1975 previous sanction of the Competent Authority shall be obtained by the employee concerned, if any such transaction is with a person or firm having official dealing with him. Therefore, transactions in respect of both immovable and movable properties with a person or firm having official dealing require prior permission of the Competent Authority.
- (iii) In view of the securities scam, the Government has tightened the requirements with regard to reporting of transactions of movable properties. In accordance with the Government's instructions, Orders have been issued vide our Circular No. CCI/VIG/BOMBAY/VOL.VI-H/ 93-94 dated 4<sup>th</sup> March, 1994 whereby the employees are required to furnish information to the Competent Authority in the prescribed proforma if the total transactions in shares, securities, debentures or mutual fund scheme etc. exceed Rs. 50,000/- during the calender year in the case of Officers and Rs.25,000/- in the case of staff members. It has also been clarified that the order for reporting the transactions in excess of the said monetary limits issued under Rule 16 (v) is in addition to the requirements of Rule 16 (iii) of CCI (CDA) Rules, 1975 pertaining to reporting of

individual transactions exceeding the prescribed limits of Rs.10,000/- or Rs.15,000/- as the case may be. Detailed instructions regarding submission of Property Returns are issued vide Circular No. CCI/VIG/MUMBAI/17/97-98 dated 20.8.1997.

2.3 Scheme of internal limited survey to detect employees who have created assets disproportionate to their known sources of income.

Usually it is difficult to detect a person in an actual act of accepting bribe. However, the ill-gotten money is generally reflected in lavish living and it also finds its way into some sort of tangible investments and acquisitions like cars/Gizmos etc. It is also frequently alleged that hidden assets are invested in building posh houses but with a view to escape action from their departments as well as from income-tax authorities, the corrupt officers under-state the cost of construction in their property statements/ income tax returns, to keep the investment undetected. There are also allegations of misuse of official position against some officers of sensitive organisations/departments for having let out their houses at exorbitant rents to businessmen/firms with whom they have or likely to have official dealings. Looking into such definite allegations may entail a detailed investigation but a beginning can be made by having an internal limited survey, as advised by the C.V.C. which would primarily consist of careful scrutiny of the property returns and other statements filed by the officers under Rule 16 of CCI (CDA) Rules, 1975.-

2.4 Action on investigation report:

- (i) The disciplinary authority should consider the investigation report and decide on the basis of the facts disclosed in the preliminary enquiry, whether the complaint should be dropped or warning/ caution etc. administered or regular departmental proceedings launched. Generally, if any of the following criteria is satisfied, a prima facie case for instituting regular departmental proceedings could be said to exist:-
  - a) Can malafide be inferred or presumed from the actions of any of the concerned officials?
  - b) Could any of the officials be said to have engaged in a misconduct or misdemeanour?
  - c) Was the conduct of any of the officials reflective of lack of integrity?
  - d) Did the official(s) act in excess of their delegated powers/ jurisdiction and

failed to report the same to the competent authority?

- e) Did they or any of them show any gross neglect of their official functions?
- f) Is there any material to indicate that any of them acted recklessly?
- g) Has the impugned decision caused any undue loss to the organisation?
- h) Has any person/party or a set of persons/parties either within the organisation or outside it been caused any undue benefit.
- i) Have the norms or systems and procedures of the organisation been flagrantly violated?
- (ii) If on the other hand the evidence on record falls short of establishing such a prima facie case, the disciplinary authority may either close the matter or may take recourse to other forms of disapproval, such as reprimanding the concerned employee, issuing him an advisory memo or warning, or communicating the organisation's displeasure etc.