Chapter: 3

Establishment and organizational Management of CIDCO

2.1 Establishment of CIDCO
2.2 Organization & Management of CIDCO
2.3 Departments of CIDCO
2.4 Advantages and Limitations of CIDCO’s Organisation Structure

3.1 Establishment of CIDCO:
The concept of development of new city though accepted by government was stuck in red tapism. It started taking its shape when Mr. Shirish Patel and Mr. Charles Correa meet Mr. V. Shrinivasan. In their meeting a need for separate organization to execute the Navi Mumbai plan was noticed. Mr. V. Shrinivasan head of SICOM at that time come up with the solution and a new corporation “The City and Industrial Development Corporation of Maharashtra” was incorporated on 17th March 1970 under Indian Companies Act, 1956.

SICOM promoted CIDCO as its subsidiary with initial subscribed capital of Rs. 3.95 crores with a charge to execute Navi Mumbai plan. Mr. J. B. D’Souza an IAS officer was appointed as first Managing Director and Mr. Shirish Patel as chief planner of the newly formed CIDCO. Government appoints CIDCO as new town development authority for the Navi Mumbai project and it is entrusted with developing necessary social and physical infrastructure. The CIDCO is suppose to recover all cost of development from sale of land and constructed properties.

Mission of CIDCO\textsuperscript{10}

“To plan and create environment-friendly, model urban settlements with full fledged physical and social infrastructure to meet residential, commercial and industrial need of population at present and in the years to come.”

\textsuperscript{10}http://www.cidco.maharashtra.gov.in/Mission_objective.aspx
Objectives of CIDCO\textsuperscript{11}

The State Government had adopted the following objectives for the Navi Mumbai Project:

1. To support State-wide location policies which will lead eventually to an efficient and rational distribution of industries over the State and to a balanced development of urban centres in the hinterland?
2. To provide physical and social services which raise living standards and reduce disparities in the amenities available to different sections of the population.
3. To provide an environment which permits the citizens of the New City to live fuller and richer lives – free, in so far as this is possible, of the physical and social tensions which are commonly associated with urban living.
4. To provide training and all possible facilities to the existing local population in the Project Area, to enable them to adapt to the new urban setting and to participate fully and actively in the economic and social life of the New City.

3.2 Organisation and Management of CIDCO:-

The CIDCO is registered under Companies Act, 1956 so its organisation structure is just like corporate bodies. The corporation is controlled by its board of directors. Directors are appointed by the state government. Following is list of persons who compile Board of CIDCO.

1. Chairman of CIDCO
2. Vice chairman and Managing Director
3. Chairman JNPT
4. Principal Secretary Urban Development-I
5. Joint Managing Director CIDCO
6. Divisional Commissioner Konkan Division
7. Commissioner Navi Mumbai Municipal Corporation
8. Other 2 directors

\textsuperscript{11} \url{http://www.cidco.maharashtra.gov.in/Mission_objective.aspx}
Day-to-day management: Routine work is looked after by the Vice Chairman and Managing Director, he is supported with a team consisting of joint managing directors, chief administrator (New Towns), heads of various departments, personnel from various technical and non-technical disciplines including officers, engineers and subordinate staff.

Governing laws of the Organisation: The affairs of the corporation are managed as per the provisions contained in the Companies Act and The Maharashtra Regional and Town Planning Act, 1966. The organizations need to follow guidelines set by provisions of the Memorandum and Articles of Association of the Corporation.

Decision Making: Democratic process is applied to take decisions i.e. through various meetings. Depending upon the subject matter, meetings of head of departments, committee meetings, board meetings and general meetings are arranged. Considering the exigencies of business to be transacted the Board of Directors of CIDCO meet at least once in a month.

Accountability: The annual reports on working and affairs of the company with audit report are being regularly presented before the state assembly.

Chart 1. Organisation Chart of CIDCO

(Source: CIDCO website)
3.3 Different Departments of CIDCO

The CIDCO operates through its various departments, according to CIDCO website there are 22 departments taking care of various functions of the organization.

1. Accounts and Finance Department

The accounts and finance department is headed by the chief accounts Officer. Vertically he reports to the vice chairman & managing director. He is assisted by senior accounts officers and accounts officers at the senior and middle management level. Accounts & Finance Department performs three basic functions, viz. Accounting, Finance and Receipt and Payments.

2. Architecture Department

Architecture Department takes care of architectural design of various types of buildings, it also act as consultant for various state governments for construction of buildings. Architecture Department is working with Planning Department and having one head of the Department and one Architectural Section head. Architecture department has three sections to deal with the work. Those sections are,

1. Architecture (North) – It includes Airoli, Ghansoli, Rabale, Turbhe, Kopar-Khairane and Nerul node
2. Architecture (South) – It includes CBD Belapur, Kharghar, Kamothe, Kalamboli, Panvel and Dronagiri node.

3. Company Secretary

CIDCO is a company registered under the Indian Companies Act, 1956. The functions and the duties of this department is to ensure compliance of the statutory provisions relating to the Companies Act for and on behalf of the Corporation for eg. Drafting agenda for

---

12 http://www.cidco.maharashtra.gov.in/Accounts_Finance_Dept.aspx
13 http://www.cidco.maharashtra.gov.in/Architecture_Department.aspx
14 http://www.cidco.maharashtra.gov.in/Company_Secretary.aspx
directors meeting, maintaining minutes of the meetings and filling various returns with the Registrar of Companies. It also provides advice to Board of Directors and officers on any issues pertaining to Companies Act, 1956.

4. **Controller of Unauthorized Construction Department**

The Controller of unauthorized construction Department deals with action against unauthorized development/constructions in contravention of the provisions of the Maharashtra Regional & Town Planning Act 1966, especially Sections 52 to 55. A team consisting of the security guards and security assistants headed by personnel from CUC keeps on moving in the designated area of Navi Mumbai (Raigad District) to detect unauthorized constructions carried out in developed as well as undeveloped areas.

5. **Economics Department**

Economics department helps the corporation to take important financial decisions. It undertakes study of financial and economic viability of each new project. It prepare project report of each node, It helps in fixation of reserve price of salable land for each node, fixation of sale price of CIDCO constructed buildings etc.

6. **Engineering Department**

Engineering Department is the workhorse of CIDCO. This department has technical control over all projects and engineering activities of CIDCO in Navi Mumbai excluding Railway Infrastructure. It undertakes technical appraisal of new projects and its implementation. This department also ensures quality of the work and makes necessary follow ups and inspections for its compliance

7. **General Administration**

The primary function of the General Administration department is to liaison with Urban Development Department of State Government of Maharashtra. It also liaisons with other Govt. departments. This department handle correspondence with Government /Semi

http://www.cidco.maharashtra.gov.in/CUC_Department.aspx
Government Bodies / Authorities / Ministers, Member of Parliament / Member Legislative Assembly etc. It also plays an important role for implementation of “Right to Information Act, 2005 in CIDCO.

8. **Information Technology & Special Projects**
   CIDCO gives importance to Information Technology undertakings. This department specifically handles marketing of CIDCO premises suitable for information technology companies viz. International InfoTech Park –Vashi, International Technology Centre – Belapur, Commercial Complexes Juinagar and Nerul Railway Stations, Marketing of premises at New Railway Station Complexes. It also undertake special projects such as Integrated Complex at Seawoods railway Station, CIDCO Exhibition Centre - Vashi, Golf Course and Country Club at Kharghar, Heritage Centre at Kharghar, International Diplomatic Enclave at Airoli

9. **Law Department**
   The law department handles legal issues of the corporation. It gives legal opinion on the issues referred by the management / heads of the departments. It appoints panel advocates for defending the court cases on behalf of the Corporation. It undertakes preparation / approval of the written statements / affidavits to be filed in various court matters. It co-ordinates the court cases with the advocates and the various departments of the Corporation.

10. **Marketing Department**
    Marketing department is responsible for marketing of Plots, Commercial premises and housing schemes. It follows a marketing process which includes pre-marketing activities, release of actual advertisement and post marketing activities. Pre-marketing activities refers to preparation of marketing drawings, site visits and evolving suitable marketing strategy. Post – marketing activities refers to issue of allotments letters, receiving payments, execution of agreements, handing over possession etc.

---

16 [http://www.cidco.maharashtra.gov.in/Law_Department.aspx](http://www.cidco.maharashtra.gov.in/Law_Department.aspx)
11. Personnel Department

Personnel department of CIDCO undertakes recruitment, training, appraisal, transfers, pay fixation and promotions of employees as per the prevailing rules of the Corporation. It maintains all records of the employees, and arrange super annuity payments of the employees retiring from the Corporation. In addition to the above the personnel department also handles all works relating to housekeeping, security and fire department.

12. Planning Department

This is most important department of CIDCO it deals with all new projects and developments in Navi Mumbai. The major function of Planning Department comprises Planning and issuing Development Permissions. The Planning Section is involved in the preparation of Development Plan, its approval and modification, from time to time. It is responsible for preparation of nodal and sector plans. The Development Permissions Section of this department is involved in the approval of building plans after its scrutiny..

13. Public Health Department¹⁷

This department is headed by Chief Health Officer. This department looks after Malaria & Vector Control, allotment of plots for hospitals, dog sterilization, medical bill scrutiny, medical Examination of CIDCO employees, sanitation work in specific nodes, garbage collection, transportation & disposal through the ghantagadi in specific nodes, issuing of Public Health NOC for occupancy certificate for building permission, Controlling problem of Stray animals.

14. Public Relation Department:

The Public Relations Department works as an interface between the Corporation and its Customers as well as Interface between Corporation and Media at large. It uses the tools such as print media,

¹⁷ http://www.cidco.maharashtra.gov.in/Public_Health_Department.aspx
electronic media, internet, photographs, website, press notes, handouts, information brochures, articles, news and other communication tools to provide information about the Corporation. The function of this department strengthens the ties between the Corporation and its customers as well as Corporation and Media.

15. **Rehabilitation Department**

The rehabilitation department deals with rehabilitation of PAP. It undertakes to issue Stipend for PAP’s students; it provides Computer training for PAP’s; it facilitates allotment of land for PAP’s trust for school & colleges, Community centre, Mahila Mandal and Temples etc.

16. **SEZ Department**

Navi Mumbai SEZ is one of the most important projects of CIDCO which will take the city to next level. Special Economic Zone (SEZ) is a special duty-free enclave designed to promote foreign investments in a comprehensive range of economic activities including manufacturing, trading and services. This department is responsible for implementation of the SEZ plan perform necessary functions related with the implementation.

17. **Social Service department**

CIDCO’s social service department is one of the important departments of the organization. It mainly looks after social infrastructure of the city. It helps the organization to plan and execute its social service policy. This department is responsible for allotment of plots reserved for social service purpose which includes allotment of plot for schools, colleges, community centers, regional and religious institutions etc. and other related work. It also implements PCO and milk booth policies of the organization.
18. **Statistics Department:**\(^{18}\)

Statistics department is basically responsible for collection and compilations of data, it undertake several studies and publish reports for the same. This department helps the Corporation by providing valuable direction for future planning, mainly – in fixing the planning norms for physical and social infrastructure and public utilities. It also provide the statistical information about CIDCO and Navi Mumbai to various departments, other organizations, academicians, research students etc.

19. **Estate Department**

The Estate Department of CIDCO is mainly concerned with taking care of all the leases granted by the corporation in respect of plots as well as built-up premises. The Estate Department ensures compliance of the conditions of agreements, making of recoveries of service charges, transfer charges etc.

20. **Transportation and Communication:**\(^{19}\)

As the name suggest this department looks after development and maintenance of transport and communication infrastructure of the city. This department consists of two wings namely, Transportation Planning & Engineering Wing (TP & E Wing) and Civil Engineering Wing (CE Wing). TP & E Wing is mostly engaged in Planning, Design and Preparation of working drawings for various Transportation Infrastructures which are to be executed either by CE Wing of T & C Department or by Engineering Department. TP & E Wing is also involved in execution of works related to Traffic management such as Traffic Signals, Pavement Markings, Traffic Signs, Operation of Pay & Park Systems at Truck Terminals & Railway Stations forecourt areas and Telecommunication works.

---


\(^{19}\) [http://www.cidco.maharashtra.gov.in/Transportation_and_Communication.aspx](http://www.cidco.maharashtra.gov.in/Transportation_and_Communication.aspx)
21. **Horticulture Department**

Horticulture department was established by CIDCO with the responsibility to develop and keep Navi Mumbai green. Horticulture department use saplings from the nurseries established by CIDCO for plantation on open spaces and alongside roads. CIDCO launched some innovative projects with the help of this department such as Creating and maintaining greenery below the high tension lines to control encroachments and unauthorized constructions below those lines. This department looks after beautification of traffic islands. It undertakes massive forestation on hills around Uran, Belapur and Kalwa. Horticulture department also take care of 175 public gardens in the city.

22. **Railway Project Department**

Development of any city depends upon its transport system. The development plan of Navi Mumbai provides for network of commuter railway system to give easy access to commercial, residential and industrial areas in Navi Mumbai.

This department looks after each and every aspect of development of railway network in the city. CIDCO have planned for 6 railway corridors and a Metro railway system in the city in collaboration with Central Railway on cost sharing basis. 2 corridors are successfully completed and commissioned and work is under progress for 3rd corridor and Metro railway under supervision of the department.

3.4 Advantages and Limitations of CIDCO’s Organisation Structure

CIDCO is a fully owned government company it has functional organizational structure. Chairman and two directors of board are generally from political background and represents general public, vice chairman and joint managing director are IAS officers who look after day to day administration of CIDCO, other directors represent different authorities involved in development of Navi Mumbai.

---

CIDCO functions through its departments and all department heads reports to Managing Director or Joint Managing Director and Joint Managing Director report to Managing Director as described in above structural diagram. Managing Director and Joint Managing Director are directors of company and report to board of directors.

Advantages of Organisation Structure of CIDCO

1. Benefits of Specialisation:
The whole company is divided into many departments on the basis of major activities to be performed. Each department is headed by an expert manager. This results in more and better work being accomplished in much lesser time. Hence, the benefits of specialisation become available.

2. Coordination is established:
All the persons working within a department are specialists of their respective jobs. It makes coordination easier at the departmental level.

3. Managerial Efficiency is increased:
It helps in increasing managerial efficiency because of performing the same work again and again. Further, this results in increased profit.

4. Minimal Duplication of Efforts:
In this type of organisation unnecessary duplication of efforts is eliminated. For example, the function of finance is only carried out by the finance department. There is no need to establish two or more departments. It makes it possible to utilise the human and other resources effectively.

5. Training is facilitated:
It facilitates the training of personnel as the focus is only on a limited range of skills. For example, the employees of finance department are given training of financial issues only.

6. Expansion:
It offers a greater scope for expansion as it does not face the problem of limited capabilities of a few line managers. The expert knowledge of the functional managers facilitates better control and supervision in the organisation.
7. Representation of other authorities

Organisation Structure if CIDCO inducts representatives of other authorities involved in development of Navi Mumbai viz. Commissioner of NMMC, CMD of JNPT, Divisional Commissioner of Kokan division and secretary of Urban Development Department of State Government of Maharashtra. This enable speedy decision making and execution of projects.

Limitations of Organisation Structure

Limitations of CIDCO’s organization structure also are described below.

1. Confusion:
The operation of functional organisation is too complicated and confusing. Workers are supervised by a number of bosses. This results overlapping of authority and thus creates confusion in the organization and badly affects quick decision making of the organization.

2. Difficulty in fixing responsibility:
Because of multiple authority, responsibility for poor performance cannot be fixed easily on a particular person.

3. Conflict
Every departmental head wants to become a functional empire and may not always agree on certain issues. Therefore there may be frequent conflicts which may lead to non-performance.

4. Ignorance of Organisational Objectives:
Each departmental head works according to his sweet will. They always give more importance to their departmental objectives. Hence, overall organisational objectives suffer. For example, to establish its image, the production department may produce quality product ignoring the fact that market trend favors accepting medium quality product.

5. Difficulty in Interdepartmental Coordination:
All departmental heads may work as per their own wish. No doubt this facilitates coordination within the department but it makes interdepartmental coordination difficult resulting in interdepartmental
conflicts, repetition of work and delay in developmental and decision making process.

6. **Hurdle in Complete Development:**
This system is a hurdle in the way of the complete development of the employees and Navi Mumbai. Each employee specialises only in a small part of the whole job and ignore overall development.

7. **Limited Public Representation:**
Though CIDCO is developmental authority and is also responsible for maintenance of several nodes in Navi Mumbai its management does not have publically elected representatives, there are two directors but they are not elected by general public.

8. **Non inclusion of MIDC representative:**
Navi Mumbai project has two major MIDC areas i.e Thane Belapur MIDC and Taloja MIDC. Factories in MIDC areas are major source of employment for Navi Mumbai residents, though the area under MIDC is not developed by CIDCO it should consider its representation in board to establish synergy in development of Navi Mumbai.

**Conclusion:** This chapter studies organization and management of CIDCO to understand how it functions. Next chapter belongs to its actual performance i.e. development of Navi Mumbai, the chapter is focused on development plan of Navi Mumbai.