

From

Commissioner, Food, Civil Supplies and
Consumer Affairs, Punjab.

To

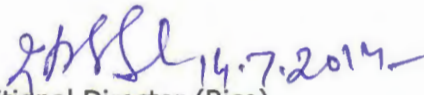
1. General Manager, Food Corporation of India,
Punjab Region, Sector 31, Chandigarh.
2. Managing Director, Punjab Agro Foodgrains Corporation,
Sector 28, Chandigarh.
3. Managing Director, Punjab State Warehousing Corporation,
Sector 17, Chandigarh.
4. Managing Director, Markfed, Sector 35, Chandigarh.
5. Managing Director, Punsup, Sector 34, Chandigarh.

Memo No. RP-2 (Policy)-2014/ 2728
Dated, Chandigarh the 14-07-2014

Subject : Custom Milling Policy/Draft Agreement for Kharif Marketing Season 2014-15.

Please refer to the subject cited above.

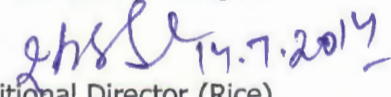
2. A copy of custom milling policy and draft agreement of Kharif Marketing Season 2014-15 each is sent herewith for information and necessary action at your end.


Additional Director (Rice)
Dated, Chandigarh the 14-07-2014

Endst. No. RP-2(Policy)-2014/ 2729

A copy of the above alongwith the copies of custom milling policy and draft agreement for Kharif Marketing Season 2014-15 is forwarded to the following for information and necessary action:-

1. All Deputy Director (Field), Food, Civil Supplies and Consumer Affairs, in the State of Punjab.
2. All District Controllers, Food, Civil Supplies and Consumer Affairs, in the State of Punjab.


Additional Director (Rice)
Dated, Chandigarh the 14-07-2014

Endst. No. RP-2(Policy)-2014/ 2730

A copy of the above alongwith the copies of custom milling policy and draft agreement for Kharif Marketing Season 2014-15 is forwarded to the following for information and necessary action:-

1. Private Secretary to Food, Civil Supplies and Consumer Affairs Minister, Punjab.
2. Private Secretary to Secretary, Food, Civil Supplies and Consumer Affairs, Punjab.
3. Personal Assistant to Commissioner, Food, Civil Supplies and Consumer Affairs, Punjab.
4. All Officers at Head Office.
5. RP-1, 2, 4, 5 and 6 through Supdt. Rice Procurement, Head Office.


Additional Director (Rice)

GOVERNMENT OF PUNJAB
DEPARTMENT OF FOOD, CIVIL SUPPLIES & CONSUMER AFFAIRS
(RICE PROCUREMENT BRANCH)
CUSTOM MILLING POLICY
KHARIF MARKETING SEASON 2014-15

INTRODUCTION:-

Punjab is a major contributing state of rice in the central pool. The handling of food grain stocks is a major responsibility of the Punjab Government. The entire process right from receiving food-grains at the purchase centre to its cleaning, drying, storage, transportation with minimum wastage is the main concern of the Department. In order to maintain transparency, proper co-ordination between the procuring agencies and millers, there is a need to frame a proper policy which can provide proper management, financial and administrative mechanism to reach explicit goals.

1. SCHEME FOR CUSTOM MILLING OF KHARIF 2014-15 PADDY STOCKS:-

In order to ensure smooth operation of custom milling of Kharif 2014-15 paddy procured by the procuring agencies, the following scheme called "Scheme for custom milling of Kharif 2014-15 paddy" shall be followed by all the procuring agencies i.e. PUNGRAIN, Markfed, Punsup, Punjab State Warehousing Corporation, Punjab Agro Food grains Corporation, the Food Corporation of India and the rice millers/their legal heirs. For the purpose of custom milling of paddy, the State will be taken as a single unit.

2. PADDY TO BE CUSTOM MILLED ON CONTRACTUAL BASIS:-

Marketing Season commences from the 1st day of October each year or as per the dates notified by the Government. The paddy arriving in the mandis shall be procured by the Government agencies as per the specifications laid down by the Government of India. Paddy so procured shall be got milled from the rice millers of the State as per various clauses provided in the Punjab Rice Procurement (Levy) Order 1983. No rice miller shall undertake the work of custom milling of any agency under any circumstances unless or until duly allotted for the purpose. In case any miller refuses the custom milling work allotted to him by the concerned procuring agency, he shall invite penal action. In case the miller who willfully refuses to lift the paddy from the agency as per his approved/installed milling capacity, his mill shall be blacklisted for the period of 3 years. The following terms and conditions shall be adhered to for the custom milling of paddy during Kharif Marketing Season 2014-15 by all concerned millers, and violation, if any, shall be viewed seriously.

3. DEFINITIONS:-

In this policy unless, the context otherwise requires-

- i) A "**permanent milling centre**" means a permanent centre where there is a cluster of rice mills located, storage for food grains is available and where procurement staff of the agencies is permanently posted and at which the procurement/milling operations are monitored/controlled round the year.



- ii) A **"temporary purchase centre"** means the one which operates only during the procurement period and no permanent staff of the procurement agency is posted their round the year.
- iii) A **"Mandi"** means a place at which the procurement staff of the agencies is posted during the procurement season and at which the procurement operations are carried out.
- iv) A **"Permanent Storage Centre"** means a place at which storage for food grains is available and procurement staff of the agencies is permanently posted round the year and at which the storage operations are carried out/monitored round the year.
- v) The word **"centre"** means a particular place where there is availability of space for the permanent storage of paddy/milling of rice.
- vi) **"Levy paddy"** means, the paddy purchased by a rice miller with his own resources.
- vii) **Cash security paddy**, means, the paddy lifted by a rice miller after making payment to PUNGRAIN at the rates and norms as prescribed from time to time by the Government.
- viii) **Custom Milling paddy** means the paddy purchased/procured by the procuring agencies, including FCI and given to the rice mills for milling.
- ix) **"Lessee"** means a miller who has taken a rice mill on lease for a minimum period of 12 months from the original owner by way of a deed duly registered under Registration Act, 1908 and duly incorporated in the Revenue Records and shall also include the miller who has, after taking land on lease, set up a rice mill thereupon.
- x) **"Miller"** means the owner or other person in charge of a rice mill and includes a person or authority which has the ultimate control over the affairs of such mill and when the said affairs are entrusted to a Manager, Managing Director or Managing Agent, such Manager, Managing Director or Managing Agent. It may be a company, duly registered under the Companies Act, partnership firm, proprietorship firm, individual or any other legal entity or lessee as defined above.
- xi) **"Rice Mill"** means the plant and machinery with which and the premises including the precincts thereof in which or in any part of which, rice milling operation is carried on.
- xii) **"Mill Premises"** means a definite place having definite boundaries/limits on which a rice mill is established, paddy is stored in the area meant for storage and rice milling operations are carried on.
- xiii) **"Milling Season"** means the time allowed by the Government to complete the procurement of paddy/ its custom milling and delivery of rice to the Government in a specific Kharif year.
- xiv) **"Family"** means a group of people who share ties of blood, marriage or adoptions and other related with each other due to family ties, which includes the husband, the wife, dependent children, grand children, mother, father, brother, sister, grand-father and grand-mother.

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Explanation:- Any member of family claiming himself / herself not to be part of the family being separate and independent shall have to establish his or her financial independence.

xv) "Defaulter" means a mill/miller who is yet to clear the entire dues of rice and/or settle the accounts, of any procuring agency/ agencies of the previous year(s) and as detailed in Clause 11 (H)."

4. **REGISTRATION OF A RICE MILL :-**

Each rice mill which is not registered previously with the Food & Supplies Department or where there is a change in the constitution of the firm, company or any other legal entity shall have to be registered provisionally with the concerned District Food and Supplies Controller to be eligible for custom milling of the agencies paddy. For this, such rice miller shall pay a fee of Rs.10,000/- per mill apart from supplying other relevant information as detailed in Annexure-'III'. The Provisional/Registration Fees will not be refundable. The registration of rice mills shall be maintained on the website of the department.

5. **LINKAGE OF MANDIS AND RICE MILLS :-**

The purchase centers/mandis shall be linked with the nearest milling centre/storage centre keeping in view the availability of milling capacity at the milling/storage center(s) at which paddy is proposed to be stored/got milled. All the procuring agencies shall make necessary arrangements of linking the proposed purchase centers/mandis with the storage points/milling centers in such a way so as to incur bare minimum expenditure on transportation. The agencies may also indicate at least one alternate storage point, where paddy could be stored in case of any exigency. This should be got done by the agencies at the time of allotment of rice mills.

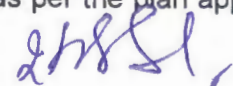
Similarly, storage of paddy at a particular milling centre shall depend upon the number of clear mills available at that centre.

6. **STOCK ARTICLES:-**

For the storage of custom milling paddy of the agency/agencies, crates shall be arranged by the miller/ millers and they shall be paid user charges for this @ Rs.15/- per tonne of the paddy stored by the concerned agency. Gunnies/Tarpaulins/Polythene covers/Nets etc. shall be supplied to the millers by the concerned agency.

7. **SHIFTING OF PADDY:-**

- I. **WITHIN THE DISTRICT:-** Surplus paddy, if any, at a milling centre shall be shifted against release orders under the Cash Security Scheme for its storage to the nearest milling centre keeping in view the availability of milling capacity at that centre. In case the nearest milling centre does not have adequate or surplus milling capacity, the surplus paddy shall be shifted to other centers against release orders under the Cash Security Scheme. Plan for shifting paddy within the district has to be got approved in advance from the Director/ Commissioner, Food, Civil Supplies & Consumer Affairs by the D.F.S.C. of the concerned district.
- II. **OUTSIDE THE DISTRICT:-** Surplus paddy, if any, available with any procuring agency in a district would be shifted only as per the plan approved



by the Director/Commissioner, Food, Civil Supplies & Consumer Affairs, Punjab and against the submission of Cash Security by the millers of the district, where the paddy is proposed to be shifted. Provided that, keeping in view the specific problem of the districts and the exigencies of the situation, the paddy of any procurement agency can be shifted from one district to another district or from one centre to another centre of the same district irrespective of the fact whether the paddy in that district/centre is surplus or not.

- III. It should be ensured that paddy is shifted directly from the purchase centre/mandi to the storage points/mill premises and no criss-cross movement of paddy stocks takes place. In case any criss-cross movement of paddy stocks is detected, the concerned D.F.S.C./District Manager of the district and Deputy Director/equivalent official of the concerned agency shall be held personally responsible.
- IV. Paddy from capacity deficit milling centres can be shifted to the interested millers of the other milling centres/ district. The cost as to transportation either within or outside the district shall be against the Release Orders under the Cash Security Scheme as mentioned in Clause 7 (f).

V. **SECOND SHIFTING OF STORED PADDY:-**

- a. In case of second shifting of paddy i.e. paddy already shifted and stored at any particular place/mill, the procuring agency shall shift paddy to the rice mills already allotted to them after getting approval from the Director/Commissioner, Food, Civil Supplies & Consumer Affairs, Punjab who shall give such approvals keeping in view the availability of space and other factors needed for the smooth delivery of rice by the stipulated period in the central pool.

In case the paddy stored in any rice mill is not milled in time for one reason or the other, then the agency reserves the right to get the paddy shifted to any other Rice mill at the risk and cost of the original allottee. However, it is explained that till the time whole of the rice is delivered by the transferee miller, both the transferor and the transferee miller shall be liable to the same extent for any act or omission under the policy and agreement. In case of default neither of the millers shall be considered for allotment until they have obtained an NOC from the concerned agency.

Explanation:- It is explained that in case of embezzlement of paddy or deficiency of stocks after the transfer of the paddy, the responsibility will be of the transferee, if the transferor has the final receipt of the quantity of paddy so transferred.

- b. The paddy shall be shifted to only those rice mills which have completed 100% of its original milling and that too subject to Physical Verification/Certification by the District Controller of the district concerned. Specific reasons for allowing/disallowing the proposal have to be recorded.



- vi. **CASH SECURITY SCHEME** :- While shifting paddy under the cash security head, the following instructions may be kept in view:-
- a. Only the allotted rice mill shall be allowed to lift paddy under this Scheme. Since the transfer of paddy under this Scheme is on the basis of PR to PR, all applications for lifting of such paddy shall have the recommendation of the concerned DFSC who shall certify whether the concerned rice mill is a allotted rice mill and is in a position to mill the lifted paddy on the basis of the rice mill's past performance.
 - b. Transportation cost of paddy against RO within or outside the district shall be borne on a 50:50 basis between the rice miller and the concerned agency. Where paddy is going to be shifted from a mandi/centre within 100 Kms, a cap of Rs.15/- per quintal on such transportation shall be there. Any amount beyond Rs.30/- per quintal shall be borne by the concerned miller himself. Beyond the distance of 100 Kms, the cap shall be Rs.22.50 per quintal and any amount above Rs.45/- per quintal shall be borne by the concerned miller himself.
 - c. No additional security amount shall be got deposited from the millers for the paddy allotted to them under the cash security head. Only an agreement shall be signed by the millers and the concerned agency for this paddy.
 - d. A miller shall be allowed to lift paddy against Cash Security Scheme of the same agency to which he is allotted for custom milling as far as possible.
 - e. Paddy to be allotted against cash security shall be allotted in multiples of 100 MTs. Value of paddy stocks for the purpose of calculating the amount to be deposited by the millers as cash security shall be taken as Rs. 100/- per MT.
 - f. For deposit of required cash security, the Rice Millers shall collect pre-printed Security Deposit Slip from the District Manager, PUNGRAIN. Duly filled slip shall be got checked and signed from the District Manager, PUNGRAIN before deposit with any branch of the designated Bank, even if the paddy relates to any procuring agency.
 - g. The miller shall lift the paddy against cash guarantee within seven days from the issuance of release order for the additional paddy, failing which the next eligible rice miller shall be considered for allotment of additional paddy.
 - h. The security amount deposited by the rice millers for allotment of paddy against cash guarantee shall be refunded in total to them only after 31st March, 2015 or on the completion of the custom milling, whichever is later.
 - i. Loading and unloading charges of the paddy shifted under the cash security head shall be borne by the concerned agencies as paddy is being shifted on PR to PR basis.



8. **STORAGE/SHIFTING OF PADDY STOCKS:-**

- i. **STORAGE OF PADDY STOCKS:-** Paddy shall be stored at the storage point/rice mill by the agency concerned at its own expenses i.e. charges for loading, transportation and unloading from the trucks and stacking in the mill shall be paid by the agency concerned. Subsequent operations like de-stacking/ loading of paddy from storage point/ transportation/ unloading at haudi/ drying/ re-stacking etc., till the delivery of rice in FCI godowns shall be handled by the miller concerned at his own expenses.
- a. Paddy procured by the agencies shall be stored separately in the premises of the allotted mills or a place adjoining to the rice mill to be made available by the concerned miller.
 - b. The responsibility for quantity and quality of the paddy stored shall be of the concerned rice miller. The miller shall ensure the storage of the paddy stocks of the agencies separately from that of his own purchased paddy stocks by erecting a physical barrier such as a boundary wall or a proper and durable fencing. These stocks shall be open to Physical Verification/Inspection by the concerned agencies as per the contract and the miller shall facilitate it.
 - c. Immediately on receipt of the entire paddy, each miller shall prepare in triplicate a pictorial chart/ sketch depicting the positioning of the stacks, stack number, with the number of bags in each stack. He shall retain a copy of the above at his mill premises while the second copy shall be available with the inspector in -charge of the concerned agency and the third copy shall be kept in the district office of the procuring agency.
 - d. The paddy stored over and above the stipulated norm in a mill shall be shifted at the risk and cost of the concerned Inspector/ AFSO/DFSO/DFSC or equivalent ranks of the concerned agencies.
 - e. The paddy shall be stored only at storage points duly approved by the concerned procuring agency. These storage points shall be adjoining/near the rice mills. No paddy shall be stored at any unauthorized/unapproved and far off places, under any circumstances.
 - f. The concerned Inspector/Staff of the procuring agency shall reconcile and submit complete details/receipt of the paddy stocks stored with the millers within 7 days of completion of storage to the district office.

9. **STORAGE OF PADDY IN OWN CUSTODY:-** Bare minimum paddy shall be stored in own custody and that too under exceptional circumstances only with the prior approval of the head of the concerned procuring agency. The paddy to be stored in own custody shall be stored preferably within 8 kilo-meters of the rice mills allotted

to the procuring agencies. Such paddy stocks are to be got milled from the mills allotted to the agencies at the earliest possible so that agencies do not incur any undue financial expenditure. The responsibility for quality and quantity for the paddy stored in own custody shall be of the staff of concerned agency.

10. **PHYSICAL VERIFICATION OF PADDY:-** The staff of agencies shall conduct physical verifications of the paddy stocks on a fortnightly basis. Copies of PV



reports shall have to be submitted regularly by the concerned staff to the district offices. The reports, besides indicating physical availability of stocks and their quality, shall clearly indicate the quantity delivered and available with the miller.

Initial storage of paddy with a rice mill shall be video graphed. Physical verifications shall be video graphed once every two months. The first physical verification shall be carried out within 10 days of completion of storage of paddy. Proper record of these checking shall be maintained. The following will be the fortnightly norms for carrying out the physical verifications:-

- | | |
|--|-------------------------|
| i. Inspector or equivalent official of each procuring agency | 100%. |
| ii. AFSO or equivalent officer of each procuring agency | 50%. |
| iii. DFSO or equivalent officer of each procuring agency | 25%. |
| iv. DFSC/DM or equivalent officer of each procuring agency | 10%. |
| v. DDF/RM or equivalent officer of each procuring agency | 4 rice mills per month. |

The physical verifications of rice mills where the storage is 10000 MT and above shall be carried out jointly by the officials mentioned at Sr. No. 1 and 2.

11. ALLOTMENT OF RICE MILLS:-

- A. Allotment of rice mills shall be made by a district level committee comprising of district heads of all the procuring agencies headed by the Deputy Director (Field) of the concerned division. District Managers of procuring agencies shall be equally responsible in case of any wrong allotment. If any agency finds any discrepancy in allotment or any violation of the policy, they shall bring these facts to the notice of the Director/Commissioner, Food, Civil Supplies & Consumer Affairs, Punjab for necessary action and his decision in this regard shall be final.
- B. The rice mills which complete 100% milling of paddy stocks of Kharif 2013-14 by 30.06.2014 are to be considered as eligible for allotment of paddy during Kharif Marketing Season 2014-15. But if the millers who are yet to clear the entire milling, deposit the acquisition cost of the balance paddy by 31st July, 2014 @ 2013-14 rates i.e., MSP + taxes + cost of bag + transportation + interest @13%, to be charged from 01-12-2013 shall also be considered eligible for the allotment for KMS 2014-15.
Explanation: - Once a miller has deposited the above stated amount, he shall not be allowed to raise any claim as to the refund of the amount nor shall he be allowed to deliver the rice, in case the date of milling is extended by the Government.
- C. All the allotments of rice mills shall be completed before 22.8.2014. After this date, the allotment cases shall be sent to Director/Commissioner, Food, Civil Supplies & Consumer Affairs, Punjab for approval. Allotment once made, shall not be changed. Wherever any necessary change is required, it shall be done at the level of Director/Commissioner, Food, Civil Supplies & Consumer Affairs, Punjab.
- D. If a defaulter mill clears the government/agencies dues of the previous year(s) including KMS 2013-2014 to the full satisfaction of the Government, as mentioned in clause 11(B) above, it can be considered as eligible for allotment from the date all the dues are cleared.

- E. The rice mills are to be allotted to all the State procuring agencies including FCI in proportion to the paddy to be procured by them. In case one agency completes its milling of paddy stored with a mill and does not want to get any more paddy milled from it, then the same mill can be formally allotted to any other agency at the level of Director/Commissioner, Food and Supplies, Punjab after assessing the factual position from the concerned agency.
- F. All the district heads of procuring agencies including F.C.I. shall prepare an authenticated list of defaulter and eligible rice mills by 7th August, 2014 giving the nature of default and submit the same to the concerned District Controller, Food, Civil Supplies & Consumer Affairs. The list shall be consolidated by the concerned District Controller, Food, Civil Supplies & Consumer Affairs by including the defaulter mills of PUNGRAIN and submitted to the concerned Deputy Director (Field) cum- Chairman of the allotment committee immediately. A copy of the Performa in which this information is to be furnished, is enclosed as Performa-I & II (Annexure I & II). A copy of the consolidated list shall also be sent to Head Office by District Controllers, Food Civil Supplies and Consumer Affairs.

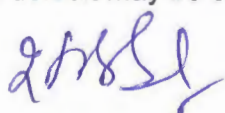
Each allotted miller shall enter into an agreement with the concerned agency as per the performa Annexure III attached with the policy. This agreement shall be on a stamp papers of Rs.2000/-. Each page of the agreement shall be signed by the District Manager and the miller concerned.

The following schedule will be adhered to by the District Allotment Committee:-

- i. Preparation of list of eligible rice mills by 7th August, 2014;
- ii. Scrutiny of the list by 12th August, 2014;
- iii. Allotment/issuance of list of allotted rice mills by 19th August, 2014.
- iv. Receipt of offers regarding lifting of paddy from surplus districts from the millers by 22 August, 2014.
- v. Signing of Agreement and deposit of security etc. by the allotted millers by 22 August, 2014.

The Chairman of the Allotment Committee –cum- Deputy Director (Field) shall pass a speaking order in respect of a defaulter rice mill, clearly stating the reasons for not allotting the mill at his level. These orders shall be appealable within seven days thereafter. These speaking orders shall be passed in respect of each list of allotment issued by the District Level Allotment Committee. A detailed list of such cases where the Allotment Committee has not made the allotment shall be submitted to the Head Office by 22-08-2014..If the general/financial reputation of the rice miller is found to be not good, the Allotment Committee should not allot the mill for custom milling and pass a speaking order to that effect.

- G. **Single Mill/Single Agency** – Each Rice Mill shall be allotted to a single agency.
- H. No defaulter rice mill shall be considered for allotment/ provisional registration. The default may be on the following counts:-

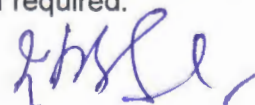


- a. If a rice mill has to deliver custom milled rice of any agency pertaining to the previous years including 2013-14.
- b. Any rice miller who has not completed 100% custom milling of paddy allotted to him in KMS 2013-14 by any procuring agency, shall be declared as ineligible for allotment for KMS 2014-15.
- c. In case the owner/partner/Director of a lessee/owner rice mill becomes a defaulter for any reason whatsoever, and is an owner/partner/Director of a new/lessee/ owner rice mill, he shall not be considered for allotment, or if the transfer of a rice mill either through sale or through lease is found to be sham or any financial relation is established between the new and old mill, then the said mill and the mill premises in question shall also be declared as defaulter. Besides, in case of family member of a defaulter rice mill, proof of separate residence/ separate family shall not itself be sufficient to prove that his project is not being financed / promoted by his defaulter family members /blood relations. The Director/Commissioner Food, Civil Supplies shall examine such cases and his decision, which shall be in writing by way of reasoned order, in this regard shall be final and binding on all concerned.
- d. If the agency reports any case of misappropriation of paddy by a miller of the previous years.
- e. If a police/court case/arbitration case is pending against the miller on account of embezzlement and/or on account of non delivery of rice, relating to custom milling or levy rice pertaining to any crop year. However, if the miller clears the default of the concerned agency along-with penal interest at the rates for the relevant year(s), as decided by the govt. from time to time, he may be considered for allotment without prejudice to the out-come of the FIR/Court Case/Arbitration Case pending against him.
- f. The miller against whom an arbitration award has been passed and has failed to deposit the amount of award shall be considered as defaulter and shall not be considered for allotment, till he has deposited the awarded amount.
- g. Premises of a defaulter miller auctioned by a financial institution/commercial bank shall not be considered for allotment during KMS 2014-15. But in cases where the buyer has no relation with the previous owner and the premises is purchased through public auction such case may be considered for allotment. However, a reasoned decision of the Commissioner/Director, Food Civil Supplies & Consumer Affairs, Punjab to this effect shall be final.
- h. The millers with whom FCI has banned its business dealings on account of delivery of rice "Beyond Rejection Limit" (BRL) and beyond PFA (BPFA) during the previous years.

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- i. If a rice miller unauthorizedly does milling of an agency other than the one allotted to him, he shall be black listed and the paddy stocks shall be lifted from his premises at his risk and cost.
- j. Any rice miller against whom FIR has been lodged for creating hindrance in the official functioning of the staff of the Government, shall not be considered for allotment.
- k. A rice mill running only on a generator set or diesel engine shall not be considered for allotment.
- l. The rice mills which have not paid the bonus to the farmers in KMS 2009-10 as announced by the Government of India for the paddy purchased by them in their own account shall not be considered for allotment. However, if the miller from whom any bonus amount is due, deposits the same with upto date interest @ 13% with the respective District Manager, PUNGRAIN, he can be considered eligible for allotment.
- m. Any miller declared defaulter on account of non-delivery/ non-payment of levy rice/penalty for the previous years shall be treated defaulter unless he deposits the due amount/amount deducted by FCI with upto date interest @ 13%.
- n. No defaulter rice mill shall be permitted to do custom milling for and on behalf of an eligible miller i.e., an eligible rice mill shall not get his paddy milled from a defaulter rice mill. In case he does so, the eligible miller shall be blacklisted.
- o. No defaulter miller shall be allowed to operate the mill (which includes the land on which it is situated) nor to transfer it to any other party by way of gift/lease or sale unless he has obtained an NOC from the concerned agency/ agencies.
- l. In case of a lessee firm being allotted to an agency, it shall be the duty of the concerned agency to fully satisfy itself about the bonafides of the lessee firm and it shall also take care of stocks stored in such mills.
- J. The authenticity of documents and identity of owners/ partners/Directors, including photographs, PAN number etc. shall be verified by the concerned agency before storing paddy in all mills.
- K. The electricity connection shall be available in the rice mill on or before the date of the allotment without which no allotment shall be made.
- L. Each allotted rice miller (whether owner or lessee) shall submit performance security by way of two signed undated payee's account MICR cheques in favour of Managing Director of the concerned agency as per his paddy entitlement as detailed in para 14(b) of the policy.

First cheque of 50% value of total paddy to be stored shall be given by the miller before the storage of paddy and the second cheque of the remaining 50% value shall be given after the completion of storage of paddy. These cheques can be got encashed after giving notice to the miller in case of shortage of paddy/rice, if required.



- M. The rice miller shall enter the data of paddy storage at the website of the department. After verification of the same by the concerned District Controller, Food Civil Supplies & Consumer Affairs, he shall get the contract numbers automatically. He shall abide by the instructions given by the department regarding the release of contract numbers from time to time. The rice miller shall give his IP Address to the Department.
- N. Any rice mill found guilty of tampering with the official data or any other mal-practice in this regard shall be declared defaulter by a reasoned order to be passed by Commissioner/Director, Food, Civil Supplies and Consumer Affairs, Punjab.

12. **ALLOTMENT TO LESSEE RICE MILLS:-**

- a. The allotment to lessee rice mill shall only be made if he is a lessee for a minimum period of 12 months from the date of allotment and the lease must be duly registered under Registration Act, 1908 and this entry must be incorporated in the Revenue Record in the name of lessee. Proof in this regard shall be furnished by the miller to the concerned agency.
- b. Each lessee rice miller shall furnish a guarantee of the owner of the rice mill taken on lease by him (lessee) and guarantee of the owner of another rice mill on a stamp paper of minimum of Rs.300/- as per performa attached with the policy. (Annexure IV)
- c. Each lessee shall submit surety bond of the owners of two rice millers on a stamp paper of minimum of Rs.300/- as per proforma attached with the policy. (Annexure V)
- d. The owners/rice millers who furnish the guarantee on behalf of lessee must be duly authorized by a legally valid document i.e in case it is a Company then there must be by a resolution of the company, in case of partnership firm, then, by all the partners and in case of any other legal entity, then by valid legal document[s].
- e. The property of the owner who stood guarantee on behalf of the lessee shall remain under charge of the concerned procuring agency[ies] till the liabilities of the lessee are fully discharged.
- f. In case a lessee rice mill fails to complete the milling operations before the expiry of his lease period, he shall be required to extend the lease period of his mill till the completion of milling operations.

13. **VOLUME OF WORK:-**

The Government/agency does not guarantee any definite volume of work relating to shelling of paddy at any time or throughout the period of contract. The mere mention of any type of work in this policy shall not by itself confer a right on the miller to demand that the work relating to shelling of paddy at a particular centre/mandi be necessarily or exclusively entrusted to him.

As paddy is to be allotted to the miller subject to its availability with the procuring agencies, the shortfall, if any, from the paddy allocation to be made without Cash Security shall not be arranged from other districts and this portion shall be deemed to have lapsed and the miller shall have no claim against it.



14. ALLOTMENT OF PADDY:-

- a. A minimum quantity of 150 M.Ts. of paddy is required to be purchased by the miller in his own account or he shall deposit an amount of Rs.5.00 lac (Rupees Five Lac only) by any recognized mode of bank transaction. The Rice Millers shall collect pre-printed Security Deposit Slip from the District Manager, PUNGRAIN. Duly filled slip shall be got checked and signed from the District Manager, PUNGRAIN before deposit with any branch of designated Bank, even if the paddy relates to any procuring agency.

However, this clause is not applicable in the case of Markfed, where it stores paddy in its own Modern Rice Mills located at different places.

Henceforth, a miller shall be permitted to convert any quantity of paddy into rice provided he submits bank guarantee or FDR of the matching value of paddy to the concerned agency and gets prior permission for it.

- b. While allocating paddy for KMS 2014-15 to eligible rice mill, its performance in KMS 2013-14 shall be the sole deciding factor. Installed milling capacity of the mill shall not be any criteria for allocation of paddy.
- (i) The miller who had completed his milling of KMS 2013-14 by 31.01.2014 shall be eligible for 25% additional paddy allocation over and above the quantity of the paddy stored in his mill during KMS 2013-14.
- (ii) The miller who had completed his milling of KMS 2013-14 by 28.02.2014 shall be eligible for 20% additional paddy allocation over and above the quantity of paddy stored in his mill during KMS 2013-14.
- (iii) The miller who had completed his milling of KMS 2013-14 by 31.03.2014 shall be eligible for 15% additional paddy allocation over and above the quantity of paddy stored in his mill during KMS 2013-14.
- (iv) The miller who had completed his milling of KMS 2013-14 by 30.04.2014 shall be eligible for 10% additional paddy allocation over and above the quantity of paddy stored in his mill during KMS 2013-14.
- (v) The miller who had completed his milling of KMS 2013-14 by 31.05.2014 shall be eligible for 5% additional paddy allocation over and above the quantity of paddy stored in his mill during KMS 2013-14.
- (vi) The miller who had completed his milling of KMS 2013-14 by 30.06.2014 shall be allocated the same amount of paddy as stored in his mill during KMS 2013-14.
- (vii) The mills which became eligible for allotment of paddy in KMS 2013-14, on or after 01-01-2014 and new Rice Mills or the Rice Mills becoming eligible for allotment in KMS 2014-15 shall be allotted a maximum quantity of 2000 MT of paddy irrespective of its installed milling capacity.
- (viii) The date of uploading of last Acceptance Note on the portal by the concerned miller shall be deemed to be the last date of completion of milling by that mill.

Provided that, paddy shall be stored with the eligible Rice Mills as per the order of completion of KMS 2013-14 milling i.e. the paddy shall be stored, first, at the rice mill which has completed the milling for

KMS 2013-14 by 31.01.2014; then at the rice mill which has completed the milling for KMS 2013-14 by 28.02.2014 and so on.

- ix) The maximum quantity of paddy to be allocated to those mills which clear their milling dues by depositing the acquisition cost of balance paddy of 2013-14 by 31st July, 2014 @ 2013-14 rates (i.e, MSP + taxes + cost of bag + transportation) + interest @ 13%, to be charged from 01-12-2013, shall be 90% of the stocks actually milled by such millers in KMS 2013-14 by 30-06-2014 i.e., with a cut of 10% on the quantity of paddy milled by such millers by 30th June, 2014.

Further, paddy shall be stored in such rice mills after completing the storage of paddy in the rice mills which have completed their milling by 30-06-2014 at a Centre.

The rice mills became eligible for allotment in KMS 2013-14 on or after 1.1.2014 or which mills have been established in the current year or mills which have become eligible for paddy allotment in KMS 2014-15 (even though established earlier) shall be last on the priority of paddy storage i.e., paddy in such mills shall be stored after completion of storage of paddy in the mills which deposit the due amount by 31st July, 2014.

Explanation: It is, however, explained that the above stated norms for allocation of paddy may vary depending upon the availability of paddy.

- c. Each allotted miller shall submit MICR cheque drawn in favour of MD of the agency concerned @ Rs 25 lakh for every 2000MT of paddy or part thereof stored in his mill.
- d. The paddy purchased by the commission agent shall not be stored in his own rice mill, if he operates a rice mill also.
- e. For the units from where paddy was shifted by the millers/ agency in KMS 2013-14, the quantity of shifted paddy shall be deducted from the maximum paddy to be allotted to that mill without cash security.
- f. The allotted rice mills shall enter into an agreement with the concerned agency as per Annexure by 22.08.2014 and complete all other formalities in this regard, failing which the allotment shall be liable to be cancelled. Signatory to the agreement must be authorized by the owners/partners/Directors through a legally executed document in his favour. However, the overall responsibility shall still rest with the owner rice miller. No paddy shall be stored with the miller till he executes the agreement and signs the necessary documents. A complete set of documents shall be sent by the concerned District Manager to his Head Office.

The power of attorney to run a rice mill can be given only to the share-holder or partner of a rice mill and not to any other person.

The agreement to be executed by the rice millers shall be made in four copies (One original and three attested copies). The District Manager shall retain the original copy of the agreement and one copy each shall be retained by Managing Director, Deputy Director (Field)/RM/equivalent officer of the concerned agency and the miller concerned.

Signatory to the agreement shall be authorized by the partners/directors in the partnership deed or otherwise all partners shall sign the agreement. No GPA shall be entertained for signing the agreement.

- g. Each allotted miller shall submit a security amount of Rs.1.5 Lakh in the form of a demand draft in favour of the Managing Director of the agency concerned for every 2000MT of paddy or part thereof stored in his mill. It must reach Head Office of the respective agency by 31.08.2014. No paddy shall be stored in a rice mill which does not deposit the requisite security amount.

For depositing the above mentioned security, the mills allotted to PUNGRAIN shall collect pre-printed Security Deposit Slip from the District Manager, PUNGRAIN. Duly filled slip shall be got checked and signed from the District Manager, PUNGRAIN before deposit with any branch of designated Bank.

- h. For the purpose of milling of paddy, stocks shall be issued against advance rice by the staff of procuring agencies in lots of 200 tonnes (two stacks) each through a release order and that paddy issued/received without a proper release order shall be treated as a serious lapse. The next lot of paddy for milling shall be issued only after the resultant rice of previous lot has been delivered to FCI, and the acceptance note and weight check memo have been received and uploaded on the website as required. The agency shall keep a proper record of issuance of release orders of paddy.
- i. In case the miller lifts the paddy without release order or un-authorisedly converts it into rice, it shall tantamount to defalcation and the department shall take any action against the miller as per the contract. The miller shall be liable to pay the interest @ prevalent SBI rates of Cash Credit Limit per annum for the value of paddy for the duration of defalcation.

However, the millers who complete their milling within the extended period of milling are exempted from this clause.

- j. Rice millers shall submit Sale Bills to the concerned agency within 7 days of the delivery of rice.
- k. Each rice mill shall maintain the Stock Registers which shall be duly authenticated/ verified by the concerned staff (Inspector/AFSO).

15. **PAYMENT OF MILLING CHARGES:-**

- A) The rice millers shall be paid milling charges for custom milling of paddy as fixed by the Government of India. All bye products viz. Broken rice, rice kani (rice husk and rice bran etc.) shall be the property of the miller
- B) The miller shall settle all accounts with the concerned agency within 15 days from the date of hundred percent delivery of the custom milled rice.

16. **OUT-TURN RATIO:-**The out-turn ratio fixed by the Government of India as applicable shall be as follows: -

- a) 67% for raw rice.
- b) 68% for par-boiled rice.

17. **Services to be provided by the miller:-**

- a) Destacking of paddy.

- b) Loading of paddy from storage point, transportation and unloading of paddy for milling at haudi/drying.
- c) Drying of paddy stocks.
- d) Katai of paddy bags before de husking.
- e) Re-stacking of paddy stocks.
- f) De-husking of paddy stocks.
- g) Filling up of bags of rice prior to dara making.
- h) Dara making of rice bags and filling/sewing of bags with double line machine Stitching.
- i) Transportation of rice to FCI depot.
- j) Delivery of acceptance notes, weight-check memos and other relevant documents for claiming payment from the Food Corporation of India and uploading them on website as directed by the Government from time to time.
- k) Miller shall stitch a raxin slip/canvas slip with each bag, bearing name of the mill/Centre/District/ category of rice/ net weight/ contract no./ crop year on the bags.
- l) The miller shall be responsible for maintaining the quality and quantity of the paddy/rice stocks till the delivery of rice to FCI under the supervision, control and assistance of the agency officials.

18. DELIVERY OF RICE:-

- A) FCI shall intimate the latest status about the vacant space to the concerned agency on the first of every month and the delivery of custom milled rice shall be routed through the concerned agency. However, responsibility for the quality of rice shall be that of the concerned miller.
- B) The miller shall utilize the milling capacity strictly on the basis of paddy stocks stored by the Government agency and paddy purchased by the miller in his account.
 - a) During KMS 2014-15, the millers are exempted from delivery of levy rice on their private purchase.
 - b) Delivery of custom milled rice shall start immediately i.e. from the commencement of Kharif Marketing Season 2014-15.
 - c) Time schedule for the delivery of custom milled rice shall be as under :-

Month	Percentage of delivery
Upto 31 st December, 2014	33%
Upto 15 th February, 2015	66%
Upto 31 st March, 2015	100%

The pace of milling shall be monitored by the agencies as per the above schedule and shortfall, if any, shall invite action such as shifting of paddy to other mills at the risk and cost of the concerned rice miller, if required.

- d) However, in case there is no space available with FCI for acceptance of custom milled rice, the above mentioned time schedule shall be extendable upto 30.06.2015 during which no interest shall be charged from the millers for delayed delivery of rice.

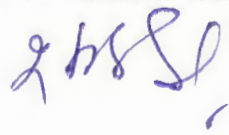
- e) If the miller fails to complete his milling even by extended date i.e., 30.06.2015, he shall be required to pay the acquisition cost of balance paddy (MSP + Taxes + Dami + cost of bag + Transportation + labour expenses etc.) and interest @prevalent SBI rates of Cash Credit Limit to be charged from 01-11-2014 till the time he clears the dues. He shall not be paid any milling charges for the undelivered stocks. The last date of payment of these dues by a miller shall be 31st July, 2015 failing which he shall not be considered for allotment in KMS 2015-16. The balance un-milled stocks shall become the property of the rice miller and a proper release order vat invoice shall be issued to him after the deposit of the due amount.

If the miller fails to pay the cost of un-milled paddy by 31.07.2015, action shall be initiated against the miller as per the contract. The balance of un-milled paddy/ rice lying with the miller shall be auctioned by the concerned agency at the risk and cost of the millers.

The agency shall have full right to access to the mill where the agency paddy has been stored for lifting the same for auction purposes. It is also made clear that un-milled paddy shall be lifted only from the premises or the separate enclosure provided for the storage of paddy delivered by the agency. The action of lifting the un-milled paddy for auction shall not be construed in any manner to be trespass on the premises of the miller.

The auction amount shall be adjusted against the amount recoverable from the miller. In case any recoverable amount is still left, then action shall be launched to recover the amount as per the contract. The defaulter miller shall not be allowed to participate in the auction proceedings.

- f) In case a miller causes any loss to the stored paddy stocks because of misappropriation, theft etc. or if the rice manufactured by him does not conform to the specifications, or if he fails to deliver the rice by the due date, he shall be liable to make good the entire loss @ the acquisition cost of balance paddy (MSP + Dami + Taxes + cost of bag + Transportation & labour expenses etc.) and interest @ prevalent SBI rates of Cash Credit Limit to be charged from 01-11-2014 till the time he clears the dues.
- g) The rice miller shall be required to manufacture rice as per specifications laid down by the Govt. of India and deliver the same to FCI at its depots. The transportation/incidental charges, if any, shall be paid in accordance with the instructions issued by the Govt. of India from time to time.
- h) The liability of quality cuts on rice, if any, shall be that of the miller.
- i) The rice miller shall deliver rice to the central pool in 50 kg bags (B-twill gunny bags). The cost of surplus gunny bags retained by the millers used for packing of paddy would be realized from the millers at the rates fixed by the Govt. of India/State Govt. or under the instructions issued from time to time.



- j) In case a rice miller fails to deliver the custom milled rice of Kharif 2014-15 season to the agency as per the stipulated schedule and the agency has to shift the paddy stocks, it shall be done at the risk and cost of the miller concerned after giving him due notice for this purpose.
 - k) That the material (tarpaulins etc.) which shall be supplied by the procurement agencies to the Rice Mills for proper storage of paddy must be returned to the agency concerned after the completion of process of paddy and in case the miller fails to return the same, then the procuring agency is bound to claim its costs along with simple interest @ 18% per annum.
 - l) The delivery of rice shall be deemed to have been completed by the miller after the stocks are loaded into wagons and delivered into the Godowns of Food Corporation of India as per directions of the authorized responsible official of the agency after necessary weighment/ inspection and approval of the quantity/quality in accordance with the prescribed procedure of the State Government at the cost of the miller. It shall be the responsibility of the miller to supply "Acceptance note", weight check memo and all other relevant documents to the concerned agency within 7 days of delivery of rice for claiming payment from FCI, failing which the release order for due quantity of paddy shall not be issued.
19. All the disputes and differences arising out of or in any manner touching or concerning this agreement whatsoever shall be referred to the sole arbitration of the Managing Director of the concerned agency or any person appointed by him in this behalf. There will be no objection to any such appointment that the person appointed is or was an employee of Food and Supplies Department, Punjab or the concerned Agency or that he had to deal with the matter to which the contract relates and that in the course of his duties such an employee of the Food and Supplies Department, Punjab or the concerned Agency had expressed views on all or any of the matter in dispute or difference. The award of such arbitration shall be final and binding on the parties to this contract. It is a term of this contract that in the event of the Arbitrator being transferred or vacating his office or being unable to act for any reason, the Managing Director of the concerned agency at the time of such transfer, vacation of office, death or inability shall appoint another person to act as Arbitrator. Such a person shall be entitled to proceed with reference from and the stage where it was left by his predecessor.

Provided that any demand for arbitration in respect of any claim(s)/dispute between both the parties, under the contract shall be in writing and made within one year of the date of completion or expiry of the period of contract. If the demand is not made within the period, the claim(s) of the Miller shall be deemed to have been waived off and the agency shall be released of all liabilities under the contract in respect of these claims. The cost for and in connection with arbitration shall be the discretion of the arbitrator who may make suitable orders in his award.

Subject as aforesaid, the Arbitration and Conciliation Act, 1996 or any statutory re-enactment on modifications thereof shall apply to the arbitration



- provided under this clause. However, the cases of fraud, theft or misappropriation etc. on the part of Second party are not covered under this clause and in such cases legal proceedings as deemed fit shall be initiated by the agency against the miller as well as against the sureties.
20. In case of any embezzlement/loss of paddy/rice etc. the State agency shall be at liberty to launch criminal proceedings against the concerned miller for recovery of Government dues, besides availing other legal remedies against the miller in accordance with law.
21. No rice miller shall pledge the paddy belonging to the State procuring agencies with the banks for availing cash credit limit for his business transactions. A consolidated list of rice mills along with allotted and stored paddy would be supplied to the lead banks. If any miller indulges in this malpractice, he shall be immediately black listed and the stocks of paddy/rice shall be lifted from his mill to other mills at his risk and cost.
22. The Government reserves the right to add/delete/amend any clause of this policy at any time in view of any exigency.

**Director/Commissioner, Food, Civil
Supplies and Consumer Affairs, Punjab.**



AGREEMENT

(Agreement to be executed on stamp paper of Rs.2000/- and attested by Notary Public and each page to be signed by the Distt.Manager and the miller)

Crop Year _____

Code No. of Miller _____

This Agreement is made this _____(day) of _____(month) of the Two Thousand Thirteen between the _____(complete address) through its authorized officers i.e., District Food and Supplies Controller/District Manager (hereinafter called the "Government/agency") which expression includes its successors and assignees of the one part and M/s _____through its partners namely _____ (hereinafter called the "miller" which expression shall, include their successors/legal heirs and permitted assignees) the other part.

Whereas the Government/Agency is desirous of having paddy milled into rice from the miller as per various clauses of the Punjab Rice Procurement (Levy) Order, 1983 as amended from time to time and the miller agrees to mill paddy on the terms and conditions hereinafter contained :-

Now, therefore, it is hereby agreed and declared by and between the parties that:-

1. The miller shall not undertake custom milling of paddy of any other Government agency /FCI or of any other person or of any concern unless and until he completely delivers the rice processed out of paddy duly allotted by the State Government/Agency.
 - i) The miller shall utilize entire milling capacity strictly on the basis of paddy stocks stored by Govt. agency and purchased by the miller in his account.
 - ii) The miller shall not get the electricity connection of his mill disconnected till the completion of milling of the contracted paddy.
2. The quantity of paddy stored in the rice mill shall be as per the final receipt (attached) on completion of storage of paddy, which shall be jointly signed by the rice miller, and the District Manager of the concerned agency.
3. The miller shall keep the record of custom milling of paddy in the following Performa and shall submit fortnightly report to the District Food & Supplies Controller/concerned agency which will be up-dated at the time of receipt of additional paddy if any, for custom milling and of the delivery of each consignment of rice to the Central Pool.
- 4.

<u>1</u>	<u>2</u>	<u>3</u>
<u>Name of agency</u>	<u>Name of the storage centre</u>	<u>Variety of paddy</u>
<u>4</u>	<u>5</u>	<u>6</u>
Stocks of paddy	Qty. Of Paddy issued out of Col.4 by Govt./Agency for Milling	Out-turn ratio for conversion of paddy into rice.
<u>Bags Weight in Qtls.</u>	<u>Bags Weight in Qtls.</u>	<u>Raw</u> <u>Par-boiled</u>
<u>7</u>	<u>8</u>	<u>9</u>
<u>Milling Rate</u>	<u>Qty. of paddy milled</u>	<u>Balance un-milled paddy</u>

[Handwritten Signature]

<u>Raw</u>	<u>Par-boiled</u>	<u>Bags Weight in Qtls.</u>	<u>Bags Weight in Qtls.</u>
	10		11
<hr/> Signature of the miller With date. (NAME IN CAPITAL LETTERS)		<hr/> Signature of Inspecting Authority/Centre In-charge-with date. (NAME IN CAPITAL LETTERS)	

5. The miller shall undertake shelling of paddy at the rates fixed by the Government of India from time to time and provide services as per details given below: -
 - a) Destacking of paddy.
 - b) Loading of paddy from storage point, transportation and unloading of paddy for milling at haudi/drying.
 - c) Drying of paddy stocks.
 - d) Katai of paddy bags before de husking.
 - e) Re-stacking of paddy stocks.
 - f) De-husking of paddy stocks.
 - g) Filling up of bags of rice prior to dara making.
 - h) Dara making of rice bags and filling/sewing of bags with double line machine Stitching.
 - i) Transportation of rice to FCI depot.
 - j) Delivery of acceptance notes, weight-check memos and other relevant documents for claiming payment from the Food Corporation of India and uploading them on website as directed by the Government from time to time.
 - k) Miller shall stitch a raxin slip/canvas slip with each bag, bearing name of the mill/Centre/District/ category of rice/ net weight/ contract no./ crop year on the bags.
 - l) The miller shall be responsible for maintaining the quality and quantity of the paddy/rice stocks till the delivery of rice to FCI under the supervision, control and assistance of the agency officials.
6. The delivery of paddy shall be made on book weight to the millers. In case paddy is delivered from storage depot of the procuring agency, it shall be transported by the miller at his cost. Paddy shall be in the custody of the miller, till its milling is completed and rice delivered to Food Corporation of India.
7. The miller shall be responsible for the safe custody of paddy stocks (both quantity and quality) till the delivery of rice as per out-turn ratio fixed by the Government of India.
8. The miller shall ensure that :-
 The resultant rice after milling of paddy is aerated for 72 hours before its filling in bags.
 The degree of polish given to rice shall be 5%.
9. The by-products viz. broken rice, rice kani, phuk (rice husk) etc. obtained during the manufacture of rice shall be the property of the miller and the Government/Procuring Agency shall have no right or responsibility in this regard.
10. At the time of delivery, the stocks of rice shall be subject to the inspection as per provisions of the Punjab Rice Procurement (Levy) Order, 1983. Any quality

[Handwritten Signature]

allowance determined at the time of inspection according to the specifications shall be recovered from the miller's bills.

11. The entire quantity of rice of all varieties delivered by the miller to the Government/Agency shall conform to the specifications laid down in the Punjab Rice Procurement (Levy) Order, 1983, as amended from time to time or in any other order or notification issued by the Govt. of India/State Government from time to time. The stocks of rice not conforming to the specifications so laid down shall be liable to be rejected. The miller shall be required to manufacture rice as per specifications laid down by the Government of India and deliver the same to the Food Corporation of India, at its depots by 31.03.2015.
12. The miller shall deliver rice on the total quantity of paddy stored with him, at regular intervals, not later than 31-03-2015. The miller shall ensure milling of paddy and delivery of rice as per the following schedule: -

<u>Month</u>	<u>Percentage of Delivery</u>
Upto 31 st December, 2014	33%
Upto 15 th February, 2015	66%
Upto 31 st March, 2015	100%

In case the rice miller fails to adhere to the monthly milling schedule, interest @ prevalent SBI rates of Cash Credit Limit on the amount equivalent to the cost of rice delivered less by him will be charged. The quantity of paddy milled less by the miller during the month will be shifted to other millers at the risk and cost of the miller, after due notice in this regard. Also the penalty, if any, imposed by the Government of India on the State agencies due to delayed/non-delivery of rice, shall have to be paid by the rice miller.

13. a) A lessee rice mill who fails to complete the milling operations before the expiry of his lease period, shall extend the lease period of his mill till the completion of milling operations.
- b) However, in case there is no space available with FCI for acceptance of custom milled rice, the above mentioned time schedule shall be extendable upto 30.06.2015 and no interest shall be charged from the millers for delayed delivery of rice w.e.f 01.04.2015 to 30.06.2015.
- c) If the miller fails to complete his milling even by extended date i.e., 30.06.2015, he shall be required to pay the acquisition cost of balance paddy (MSP + Taxes + Dami + cost of bag + Transportation + labour expenses etc.) and interest @ prevalent SBI rates of Cash Credit Limit to be charged from 01-11-2014 till the time he clears the dues. He shall not be paid any milling charges for the undelivered stocks. The balance un-milled stocks shall become the property of the rice miller and a proper release order vat invoice shall be issued to him after the deposit of the due amount. The last date of payment shall be 31st July, 2015.

If the miller fails to pay the cost of un-milled paddy by 31.07.2015, action shall be initiated against the miller as per the contract. The balance of un-milled paddy/ rice lying with the miller shall be auctioned by the concerned agency at the risk and cost of the millers.

The agency shall have full right to access to the mill where the agency paddy has been stored for lifting the same for auction purposes. It is also made clear that un-milled paddy shall be lifted only from the premises or the separate enclosure provided for the storage of paddy delivered by the agency. The action of lifting the un-milled paddy for auction shall not be construed in any manner to be trespass on the premises of the miller.

The auction amount shall be adjusted against the amount recoverable from the miller. In case any recoverable amount is still left, then action shall be launched to recover the amount as per the contract. The defaulter miller shall not be allowed to participate in the auction proceedings.

- d) In such an eventuality the State agency shall be at liberty to launch criminal proceedings against the concerned miller for recovery of Government dues, besides availing other legal remedies against the miller in accordance with law.
14. No miller shall mill paddy of the agency other than the one allotted to him. In case he does so, he shall be black listed and the entire paddy stocks shall be lifted from his premises at his risk and cost.
15. Miller shall deposit security amount of Rs.1,50,000/- (Rupees One lac fifty thousand) per 2000MT of paddy or part thereof stored in his mill by way of Demand Draft. Demand Draft shall be in the favour of Managing Director of the concerned agency. No paddy shall be stored in a rice mill which does not deposit the requisite security amount. The security deposited shall not carry any interest at the time of refund or adjustment.

For depositing the above mentioned security, the mills allotted to PUNGRAIN shall collect pre-printed Security Deposit Slip from the District Manager, PUNGRAIN. Duly filled slip shall be got checked and signed from the District Manager, PUNGRAIN before deposit with any branch of designated Bank.

16. Miller shall purchase a minimum of 150 M.Ts. of paddy in his own account or he shall deposit the cost of three consignments of rice by way of demand draft at CMR rates with the PUNGRAIN.
17. In case the miller fails or neglects to observe or perform any of his obligations under the contract, it shall be lawful for the Government/Agency to forfeit the security after granting due opportunity and get the work executed at the miller's risk and cost. In case of any recovery/dues, loss or damage to any Government/ Agency property, any extra expenditure incurred or damages suffered by the Government/Agency it shall be made good from the amount of security deposit furnished by the miller or in any other manner;

Provided that if the losses or damages exceed the amount of security deposit, Government/Agency shall be within its right to recover the same in accordance with law.

Provided further that if the miller performs and completes the contracts in all respects and presents a "No Due Certificate" from any official nominated by

- the Government/Agency for the purpose, security deposited shall be refunded without interest.
18. The Government/agency do not guarantee any definite volume of work relating to shelling of paddy at any time or throughout the period of contract. The mere mention of any type of work in this contract shall not by itself confer a right on the miller to demand that work relating to shelling of paddy at a particular centre/mandi be necessarily or exclusively entrusted to him.
19. That the material (tarpaulins) etc. which shall be supplied by the procurement agencies to the Rice Mills for proper storage of paddy must be returned to the agency concerned after the completion of processing of paddy and in case the miller fails to return the same then the procuring agency is bound to claim its costs along with simple interest @ 18% per annum.
20. The issuance/ lifting of paddy and delivery of rice by miller shall be regulated as under:-
- i) The miller shall obtain the contract numbers from the website as per the directions of the Govt. Miller shall not fudge any figure related with the custom milling or levy for taking undue benefit. If found guilty shall be punished in accordance with law.
 - ii) The miller shall be required to lift paddy stocks from the storage point or any other place as mentioned in the release orders within 7 days of issue of release orders.
 - iii) For the purpose of milling of paddy, stocks shall be issued by the staff of procuring agencies in lots of 200 tonnes (two stacks) each through a release order and that paddy issued / received without a proper release order shall be treated as a serious lapse. The next lot of paddy for milling shall be issued only after the resultant rice of previous lot has been delivered to FCI, and the Acceptance Note has been received. The agency shall keep a proper record of issuance of release orders of paddy.
 - iv) The miller shall not mill paddy without issuance of proper release order. The stock of paddy milled without proper release order shall be considered as unauthorized conversion.
21. The delivery of rice shall be deemed to have been completed by the miller after the stocks are loaded into wagons and delivered into the Godowns as per directions of the authorized responsible official of the agency after necessary weighment/inspection and approval of the quantity in accordance with the prescribed procedure of the State Government at the cost of the miller. It shall be the responsibility of the miller to supply "Acceptance note", weight check memo and all other relevant documents to the concerned agency within 7 days of delivery of rice for claiming payment from FCI, failing which the release order for the quantity of paddy shall not be issued.
22. (a) Entire rice shall be supplied by the rice miller in once used 50 kg. Gunny bags to be made available by the agency to the miller. The rice shall be packed in standard size, double lines machine stitched bags. The rice

- millers shall keep proper account of all gunny bags. The bags found surplus after the filling of rice shall be retained by the miller and the cost thereof shall be paid by the miller to the Government at the rate to be fixed by the Govt. of India/State Govt. from time to time.
- (b) Each miller shall be bound by the decision/policy of Government of India /State Government regarding the use of once-used gunny bags for filling of paddy in KMS 2014-15 issued by the Government from time to time.
23. Miller shall arrange wooden crates at his own level for the storage of custom milled paddy of the agency allotted to him.
24. The contract shall come into force with effect from the date of execution of this agreement and shall remain in force up to 30.9.2015 or clearance of dues whichever is later. Thereafter, it may be extended at the discretion of the Managing Director of the concerned Agency for a further period on the same terms and conditions. The Managing Director however, reserves the right:-
- (a) To terminate the agreement with the miller for shelling of paddy into rice at any time during its currency without assigning any reason. In that event, the miller shall render complete accounts of paddy, rice and gunny bags to the Government/Agency in his custody and also return the stocks as per direction of the Government/Agency.
- (b) To withdraw from the miller, at any time, any milling work in respect of whole or part of the stocks covered by the contract not yet lifted by the miller, if he considers it necessary to do so. The decision of the Managing Director of the concerned Agency in this regard shall be final and no claim shall be entertained against the Government/Agency for any loss or damage suffered or alleged to have been suffered by the miller on account of such withdrawal of work.
25. The miller shall, so long as required by the Government/Agency during the period of this agreement, deploy whole of his mill for custom milling of paddy under this agreement and shall not carry on any work except milling of his own paddy. If the miller wants to undertake milling of paddy on private basis of any other agency other than allotted he shall have to obtain the prior permission of the Director/Commissioner, Food, Civil Supplies and Consumer Affairs, Punjab in writing.
26. The miller must submit "fortnightly" bills in the prescribed Performa to the agency within seven days of the close of the fortnight to which the bill pertains and such bill shall be supported by the following documents:-
- A balance sheet in triplicate prepared by the millers to show the balance of paddy and rice brought forward from the previous fortnight or the quantity of paddy received during the fortnight the quantity of paddy milled and products obtained there from during the fortnight and the balance of paddy and rice in stocks on the last day of fortnight for which the bills are prepared. The payment



of all such bills will be made by the agency concerned after the completion of all milling operations.

27. The rice miller shall not pledge the paddy of the State agencies with the commercial banks for availing cash credit limit. If he indulges in this malpractice, he will be immediately black listed and the stocks of paddy/rice shall be lifted from his mill to other mills at his risk and cost.
28. **OUT-TURN RATIO:-**The out-turn ratio fixed by the Government of India as applicable shall be as follows: -
- a) 67% for raw rice.
 - b) 68% for par-boiled rice.
29. The terms and conditions of the agreement shall be governed by the milling Policy duly approved by the State Government for Kharif Marketing Season 2014-15.
30. All the disputes and differences arising out of or in any manner touching or concerning this agreement whatsoever shall be referred to the sole arbitration of the Managing Director of the concerned agency or any person appointed by him in this behalf. There shall be no objection to any such appointment that the person appointed is or was an employee of Food and Supplies Department, Punjab or the concerned Agency or that he had to deal with the matter to which the contract relates and that in the course of his duties such an employee of the Food and Supplies Department, Punjab or the concerned Agency had expressed views on all or any of the matter in dispute or difference. The award of such arbitration shall be final and binding on the parties to this contract. It is a term of this contract that in the event of the Arbitrator being transferred or vacating his office or being unable to act for any reason, the Managing Director of the concerned agency at the time of such transfer, vacation of office, death or inability shall appoint another person to act as Arbitrator. Such a person shall be entitled to proceed with reference from and the stage where it was left by his predecessor.

Provided that any demand for arbitration in respect of any claim(s)/dispute between both the parties, under the contract shall be in writing and made within one year of the date of completion or expiry of the period of contract. If the demand is not made within the period, the claim(s) of the Miller shall be deemed to have been waived off and the agency shall be released of all liabilities under the contract in respect of these claims. The cost for and in connection with arbitration shall be the discretion of the arbitrator who may make suitable orders in his award.

Subject as aforesaid, the Arbitration and Conciliation Act, 1996 or any statutory re-enactment or modifications thereof, shall apply to the arbitration provided under this clause. However, the cases of fraud, theft or misappropriation etc. on the part of Second party are not covered under this clause and in such cases legal proceedings as deemed fit shall be initiated by the agency against the miller as well as against the sureties.



In witness thereof the parties hereto have signed this agreement on the day and year first above written.

Signature of Miller

Signature of District Manager with stamp and seal

Name of the Miller

Name of the District Manager

Witness: 1. _____

(Name and full address

In capital letters)

Millers M/s _____

1. _____

(Name and full address
in Capital Letters)

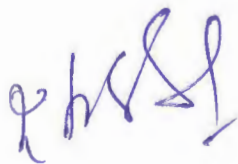
2. _____

(Name and full address

In Capital Letters)

2. _____

(Name and full address
in Capital Letters)



ANNEXURE 1

PROFORMA-I

(As required vide 11(F) of Kharif 2014-2015 policy)

Name of Mill	Whether the Miller has to deliver rice of previous crops, if yes, give details.	Whether a criminal case is pending against the party.	If defaulter, the names of Partners	Whether the owner/ partner of this rice mill is/was partner/ owner of any other defaulter mill.
1	2	3	4	5

SIGNATURE OF THE
CONCERNED
DISTRICT MANAGER



PROFORMA -II

(As required vide 11 (F) of Kharif 2014-15 policy)

LIST OF DEFAULTER RICE MILLS YEAR WISE:

Name of the Defaulter Rice Mill	If Lessee then name of the owner Party	Whether guarantee taken from owner party or not	Kind of Default			Whether the owner/ partner of this rice mill is/ was partner/ owner of any other defaulter mill.
			Year	Qty	Amount	
1	2	3	4			5
			Year	Qty	Amount	

SIGNATURE OF THE
CONCERNED
DISTRICT MANAGER



Annexure III

**REGD.NO.
PROFORMA - III**

1. Name /Location of the Mill PAN No.
2. Correspondence Address
3. Permanent address
4. Details of the partners/directors/proprietor and their addresses (Separately for each partner) as the case may be

S.No.	Name	Address	Mobile No.	Designation	PAN No.

5. Capacity of the rice mill (along-with details of machinery) and whether the mill is raw or par-boiled rice mill
6. Income Tax Returns for last five years (Individually of partners, owners/ lessee)
7. Connected load of the rice mill
8. Pollution Certificate No. and its validity.
9. Details of liabilities
10. Proof of electricity connection in the name of the mill.
11. Whether owner or lessee
12. If a lessee, give details
- i) Period of Lease
- ii) Copy of registered lease deed/agreement
- c) Lessors Name
- ci) Whether the owner has stood guarantee for the lessee or not
- cii) Whether NOC obtained from the owner
- ciii) Whether additional guarantee taken or not
13. Whether the mill was ever blacklisted, if yes give details
- i) Period of Blacklisting
- ii) Whether any amount is recoverable from the mill or lessor
- iii) Whether any criminal/civil/arbitration case is pending against the mill/lessor
14. Whether the mill was involved in any CBI cases.
15. If a new rice mill, copy of registration documents/ bills of the machinery installed and attested copy of the approved map of the rice mill.

2015

16. If a new rice mill, a certificate from PSEB that the electricity connection is functional
17. Whether the mill is in litigation with any agency, if yes, give details thereof
18. Entitlement of paddy to be stored / allocated as per policy.
19. Quantity of paddy shifted, if any, from this mill in KMS 2013-14.

Signature of the Miller

Signature of the Inspector

A handwritten signature in blue ink, appearing to be 'LBSL', is written in the space between the two signature labels.

Annexure IV

ਬਿਆਨ ਹਲਫੀਆ

ਮੈਂ/ਅਸੀਂ ----- ਹੋਰ ਵਾਸੀ----- ਦੇ ਹਾਂ

ਅਤੇ ਹੇਠ ਲਿਖੇ ਅਨੁਸਾਰ ਬਿਆਨ ਕਰਦੇ ਹਾਂ:-

1. ਮੈਂ/ਅਸੀਂ ਹਲਫ ਨਾਲ ਬਿਆਨ ਕਰਦਾ/ਕਰਦੇ ਹਾਂ ਕਿ ਅਸੀਂ ਆਪਣਾ ਸੈਲਰ-----
-----, ਮਿਤੀ -----ਤੋਂ -----ਤੱਕ ਮੈਸ:---
-----ਨੂੰ ਜੀਰੀ ਦੀ ਮਿਲਿੰਗ ਲਈ ਲੀਜ ਤੇ ਦਿੱਤਾ ਹੈ।
2. ਮੈਂ/ਅਸੀਂ ਹਲਫ ਨਾਲ ਬਿਆਨ ਕਰਦਾ/ਕਰਦੇ ਹਾਂ ਕਿ ਮੇਰੀ/ਸਾਡੀ ਲੀਜੀ ਪਾਰਟੀ - ਮੈਸ:----
-----ਰਾਈਸ ਮਿੱਲ ਉਕਤ ਸਮੇਂ ਦੌਰਾਨ ਪੰਜਾਬ ਸਰਕਾਰ ਜਾਂ ਭਾਰਤ
ਸਰਕਾਰ ਦੀ ਕਿਸੇ ਵੀ ਖਰੀਦ ਏਜੰਸੀ ਭਾਵ ਪਨਗਰੇਨ, ਪਨਸਪ, ਮਾਰਕਫੈਡ ਪੰਜਾਬ ਰਾਜ ਗੁਦਾਮ
ਨਿਗਮ, ਪੰਜਾਬ ਐਗਰੋ ਜਾਂ ਐਫ.ਸੀ.ਆਈ. ਨਾਲ ਪੈਡੀ ਮਿਲਿੰਗ ਸੀਜਨ 2014-15 ਨਾਲ
ਸਬੰਧਤ ਮਿਲਿੰਗ ਦਾ ਕੋਈ ਕਾਰੋਬਾਰ ਕਰੇਗੀ ਅਤੇ ਜੇਕਰ ਇਸ ਸੀਜਨ ਦਾ ਸਾਡੀ ਲੀਜੀ ਪਾਰਟੀ
ਮੈਸ:-----ਵਲੋਂ ਜੇਕਰ ਕਿਸੇ ਵੀ ਏਜੰਸੀ ਦਾ ਕੋਈ ਵੀ
ਬਕਾਇਆ ਝੋਨੇ, ਚਾਵਲ, ਸਟਾਕ ਆਰਟੀਕਲਜ ਜਾਂ ਹੋਰ ਕਿਸੇ ਵੀ ਦੇਣਦਾਰੀ ਸਬੰਧੀ ਨਿਕਲੇਗਾ
ਤਾਂ ਮੇਰੀ/ਸਾਡੀ ਫਰਮ ਮੈਸ:-----ਰਾਈਸ ਮਿੱਲ ਉਸ ਦੀ ਹਰ
ਪੱਖੋਂ ਅਦਾਇਗੀ ਦੀ ਜਿੰਮੇਵਾਰੀ ਹੋਵੇਗੀ।
3. ਹਲਫ ਨਾਲ ਬਿਆਨ ਕਰਦਾ/ਕਰਦੇ ਹਾਂ ਕਿ ਮੇਰੀ/ਸਾਡੀ ਲੀਜੀ ਪਾਰਟੀ ਮੈਸ:-----
----- ਰਾਈਸ ਮਿੱਲ ਵਲੋਂ ਜੇਕਰ ਸਾਲ 2014-15 ਦੌਰਾਨ
ਸਰਕਾਰ ਵੱਲ ਬਣਦੀ ਲੈਵੀ ਚਾਵਲਾਂ ਦੀ ਅਦਾਇਗੀ ਵਿੱਚ ਵੀ ਕੋਈ ਬਕਾਇਆ ਰਹਿੰਦਾ ਹੈ
ਤਾਂ ਮੇਰੀ/ਸਾਡੀ ਫਰਮ ਉਸਦੀ ਵੀ ਪੂਰੀ ਜਿੰਮੇਵਾਰ ਹੋਵੇਗੀ।
4. ਹਲਫ ਨਾਲ ਬਿਆਨ ਕਰਦਾ/ਕਰਦੇ ਹਾਂ ਕਿ ਮੈਂ/ਅਸੀਂ ਹਰ ਪੱਖੋਂ ਪੂਰੀ ਗਰੰਟੀ ਲੈਂਦਾ/ਲੈਂਦੇ ਹਾਂ ਕਿ
ਝੋਨਾ/ਮਿਲਿੰਗ ਸੀਜਨ 2014-15 ਦੌਰਾਨ ਮੇਰੀ/ਸਾਡੀ ਲੀਜੀ ਪਾਰਟੀ ਮੈਸ:-----
-----ਰਾਈਸ ਮਿੱਲ ਕੀਤੇ ਹਰ ਕੰਮ ਅਤੇ ਬਕਾਏ ਦੇ ਅਸੀਂ ਸਰਕਾਰ ਅਤੇ ਉਸ
ਦੀਆਂ ਏਜੰਸੀਆਂ ਪ੍ਰਤੀ ਪੂਰੀ ਤਰ੍ਹਾਂ ਜਿੰਮੇਵਾਰ ਹੋਵਾਂਗਾ/ਹੋਵਾਂਗੇ।

Annexure V

SURETY BOND

This surety bond is being executed by M/S (name of the miller with his detail status if it is partnership firm, company or individual and in case by partnership firm if the partner is competent to execute the surety bond on behalf of the firm along with its documentary proof in favour of} {Name of procuring agency on behalf of} {Name of the miller lessee on this day of..... at

Whereas the lessee {Namely} has taken on lease the rice mill constructed on a land situated {Give particulars} vide lease deed no. Dated from {Name of the owner} for a period arranging from To

Whereas the lessee is bound to furnish surety as per scheme for custom milling of Kharif 2014-2015 paddy duly framed by Punjab Govt. of the rice miller who owns the rice mill.

Whereas the surety is an owner of the rice mill duly constructed on a land situated in _____ in revenue limits _____.(as per schedule given below)

Whereas the owner of the rice miller has stood the guarantee on behalf of lessee to the procuring agency on following terms and conditions:-

- a) That the owner binds himself that in case the lessee defaults in returning the custom milling rice to the procuring agency or any other amount found due towards him to the procuring agency, in that case he is bound to discharge all the losses to be determined by the procuring agency within 15 days of the receipt of notice.

gms

b) That till the amount so determined is not paid either by the lessee or by the owner, that the said amount will also include all the losses like quality cuts, cost of gunnies, paddy, rice, dead stock article etc. from the date of delivery of rice after milling, then the agency will have first charge over the said rice mill and the rice millers undertakes not to sell/transfer or create any charge over the same till it is fully discharged.

c) That the agency will have first charge over the said rice mill owned by the owner and it will be only discharged after clearing all the liabilities by the lessor due towards the agency.

In witness whereof this guarantee is being executed on _____ day of _____ 2014 at _____

Witness :

1. _____

2. _____

Signature of Miller

