

Govt. of Punjab
Deptt. of Food, Civil Supplies & Consumer Affairs
(Rice Procurement Branch)

1. Scheme for custom milling of Kharif 2009-10 paddy stocks.

In order to ensure smooth operation of custom milling of Kharif 2009-10 paddy procured by the procuring agencies, the following scheme called “ Scheme for custom milling of Kharif 2009-10 paddy ” shall be followed by all the procuring agencies i.e. Pungrain, Markfed, Punsup, Punjab State Warehousing Corporation, Punjab Agro Foodgrains 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.

Paddy procured by the procuring agencies will be got milled from the rice millers of the State as per clause 10 of the Punjab Rice Procurement (Levy) Order 1983. Each rice mill which is not registered previously with the Food & Supplies Department or where there is a change of partners / leasees will have to be registered provisionally with the concerned District Food and Supplies Controller by the 28.09.2009 to be eligible for custom milling of 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. No rice miller will undertake the work of custom milling of any agency under any circumstance unless or until duly allotted for the purpose. In case any miller refuses custom milling work, he will not be allowed to do levy work. The following terms and conditions shall be adhered to for the custom milling of paddy during Kharif Marketing Season 2009-10 by all concerned and violation, if any, will be viewed seriously.

3. Allotment of mandis and storage of paddy.

The purchase centres /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 will make necessary arrangements of linking the proposed purchase centres/ mandis with the storage points/milling centres 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 will depend upon the clear and specific milling capacity available at that centre.

- i) A " temporary purchase centre is one which operates only during the procurement period and no permanent staff of the procurement agency is posted there round the year
- ii) ii) A Mandi/Permanent storage/ Milling centre is a centre at which the procurement staff of the agencies is permanently posted and at which the procurement/milling operations are monitored/controlled round the year."
- iii) The word centre means a particular place where there is a availability of space for the permanent storage of paddy/ milling of rice.

For the storage of custom milling of paddy of the agency/ agencies the crates will be arranged by the miller/ millers him selves/ themselves and the concerned procurement agencies will pay Rs. 15/- per ton to the millers for the paddy stored.

4. Shifting of paddy.

a) Within the district.

The surplus paddy, if any, at a milling centre will be shifted 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 will be shifted to the next nearest milling centre and so on.

b) 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 Food & Supplies, Punjab and against the submission of Cash Security by the millers, where the paddy is proposed to be shifted.

It should be ensured that paddy is shifted directly from the purchase centre/mandi to the mill premises and no criss-cross movement of paddy stocks takes place.

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 would not be arranged from other districts and this portion shall be deemed to have lapsed and the miller shall have no claim against it.

Paddy from capacity deficit milling centres can be shifted to other milling centre/ districts to the interested millers.

c) Shifting of stored paddy.

In case of second shifting of paddy i.e. the paddy already shifted and stored at any particular place, the procuring agency shall shift paddy to the rice mills already allotted to them.

(d) In case of shifting of paddy to other districts the concerned agency should keep in view the availability of capacity at the recipient milling centre and should ensure that the stocks proposed to be shifted are milled by 31.3.2010 by all means.

Following instruction may be kept in view while shifting paddy under the cash security head :-

- i) 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 should be signed by the millers and the concerned agency for this paddy.
- ii) A rice miller can mill the surplus paddy shifted under the cash security head of any state agency irrespective of the fact whether it is allotted to him in KMS 2009-10 or not. However it may be ensured that wherever possible the miller gets paddy under the cash security head of the same agency to which he is allotted.
- iii) Inter district paddy under the cash security head will be transported on the following pattern :-
 - a. the agencies shall bear the transportation charges from the mandi to the first milling point and beyond that the miller would shift the paddy at his own expenses.

- iv) 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.

5. Storage of paddy stocks.

Paddy procured by the agencies shall be, by and large, stored in the premises of the allotted mills in joint custody as per details given in the subsequent paragraphs on the basis of allotment policy. Bare minimum paddy should be stored in own custody and that too under exceptional circumstances only with the prior approval of the head of the procuring agency concerned. The paddy to be stored in own custody will be stored within 8 kilo-metres 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 avoidable financial expenditure. The responsibility for quality and quantity for the paddy stored in own custody will be of the staff of concerned agency.

The paddy stored in the premises of rice mills will be under joint custody of the rice millers and the staff of the concerned agency for which responsibility for quantity and quality will be of the concerned rice millers and the staff of the agencies. The miller will 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.

Each miller will prepare in triplicate a pictorial chart/ sketch depicting the positioning of the stacks, stack number, with the number of bags in each stack. He will retain a copy of the above at his mill premises while the second copy will be available with the Inspector In charge of the concerned agency and the third copy will be kept in the District office of the procuring agency.

The agencies' staff shall conduct physical verifications of the paddy stocks on a fortnightly basis, Copies of PV reports will have to be submitted regularly by the concerned staff to the district offices. The reports, besides indicating physical availability of stocks and their quality, should clearly give the quantity delivered and available with the miller. The district level officers of the procuring agencies will also be equally responsible in respect of quantity and quality of paddy stocks stored with the miller. In case a rice mill is allotted to

two or more agencies, the officers/officials of the concerned agencies will conduct joint physical verification of such mills.

6. Allotment of rice mills.

(a) Allotment of rice mills will be made by a district level committee comprising all district heads of the procuring agencies headed by the Deputy Director (Field) of the division concerned. District Managers will be equally responsible in case of wrong allotment. If any agency finds any discrepancy in allotment, capacity fixation or any violation of the policy, they will bring these facts to notice of the Director Food & Supplies, Punjab for necessary action.

(b) The rice mills which have completed entire milling of paddy stocks during Kharif 2008-09 and have delivered the resultant rice, are to be considered as eligible for allotment of paddy during Kharif marketing season 2009-10. All the allotments of rice mills would be completed before **29.9.2009**. After this date, the allotment cases will be sent to Head Office for approval. Allotment made once shall not be changed. Wherever any necessary change is required, it will be done at the level of Director Food and Supplies.

(c) If the defaulter mill clears the government / agencies' dues of the previous year it can be considered as eligible for allotment from the date the dues ,including those of quality cut and bardana are cleared.

(d) 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, then the same mill can be formally allotted to other agency at the level of Director Food and Supplies, Punjab after assessing the factual position from the concerned agency.

(e) All the district heads of procuring agencies shall by **18.9.2009** prepare an authenticated list of defaulter rice mills giving the nature of default and submit the same to the District Food and Supplies Controllers concerned. The list will be consolidated by the concerned District Food and Supplies Controller by including the defaulter mills of Pungrain and submitted to the concerned Deputy Director (F) cum- Chairman of the allotment committee immediately. A copy of the proforma in which this

information is to be furnished, is enclosed as proforma-I & II. A copy of the consolidated list will also be sent to Head Office by DFSCs.

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

- i. Preparation of list of eligible rice mills by 18th September, 2009;
- ii. Scrutiny of the list by 21th September, 2009;
- iii. Receipt of offers of Cash security from the millers by 23.09.2009.
- iv. Allotment/issuance of list of allotted rice mills by 29th September, 2009
- v. Signing of agreement and deposit of security etc. by the allotted millers by 1st October,2009.

The Chairman of the Allotment Committee cum Deputy Director (Field) will pass a speaking order in respect of a defaulter rice mill, clearly stating the reasons for not allotting the mill at their level. Only thereafter such cases will be referred to Head Office for any further action in the matter. These speaking orders will 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 will be submitted to the Head Office by 29-09-2009.

(f) Wherever possible, each rice mill would be allotted to a single agency.

(g) No defaulter rice mill shall be considered for allotment/provisional registration. The default may be on the following counts:-

- i) If a rice mill has to deliver custom milled rice of any agency pertaining to the previous years.
- ii) The rice mills which have not delivered 75% levy rice in the KMS 2008-09. However, the Export Oriented Units (EOU) would be exempt from the operation of this clause to the extent to the quantity of rice exported by these 100% EOU rice mills. This benefit would be limited to the millers who have exported the rice directly. No. benefit would be given to the millers who have exported the rice indirectly or through 'H' form.
- iii) Those rice mills which are defaulters on account of non-delivery of levy rice upto 75% in KMS 2008-09 shall be

considered for allotment, if they deposit Rs. 350/- per quintal for the quantity less delivered by them in levy by way of demand draft in favour of MD Pungrain. In addition they will have to give an undertaking by way of an affidavit on a stamp paper of Rs. 300/- attested by Executive Magistrate as per draft annexed herewith.

- iv) If the owner/partner/director of a lessee/owner rice mill becomes defaulter and is a owner/partner/director of a new/lessee/owner rice mill, the mill in question will not be considered for allotment. Any family member of a defaulter rice mill, unless living separately will also be treated as a defaulter. In such a case proof of separate residence/separate family will be required to the effect that his project is not being financed/ promoted by his defaulter family members/blood relations.
- v) If the agency reports any case of mis-appropriation of paddy by a miller of the previous years.
- vi) If a police/court case/arbitration case is pending against the miller on account of embezzlement 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) he may be considered for allotment without prejudice to the out-come of the FIR/Court Case/Arbitration Case pending against him.
- vii) Premises of a defaulter miller auctioned by a financial institution/commercial bank would not be considered for allotment during KMS 2009-10.
- viii) The millers with whom FCI has banned its business dealings on account of delivery of rice "Beyond Rejection Limit" (BRL) and beyond PFA during the previous years.
- ix) If a rice miller unauthorisedly does milling of an agency other than the one allotted to him, he will be black listed and the paddy stocks will be lifted from his premises at his risk and cost.
- x) A rice mill running on a generator set or diesel engine shall not be considered for allotment.

- xi) The rice mills which have not paid the bonus to the farmers in KMS 2008-09 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 the respective District Manager, Punjab he can be considered eligible for allotment.
- h) List of defaulter millers pertaining to all agencies including FCI would be sent to Punjab Mandi Board and Punjab State Electricity Board for not allowing the issuance of licenses /electrical connections to them.
- i) Those millers who have not delivered levy rice manufactured by them out of IR-8 paddy in KMS 2008-09 are not to be treated as defaulters in KMS 2009-10. Each rice miller will maintain a proper record of the purchases made by him especially with regard to IR-8 which can be checked / verifies as and when required.
- j) In case of a lessee firm being allotted to an agency, it will be the duty of the concerned agency to fully satisfy itself with the bonafides of the lessee firm and it will also take care of stocks stored in such mills.
- k) The authenticity of documents and identity of owners/partners/Directors, including photographs, PAN number etc. should be verified by the concerned agency before storing paddy in all mills.
- k) Each rice miller shall offer levy rice to the State Government as per the provisions of the Levy Control Order 1983.
- l) No paddy would be stored in those rice mills where there is no operative electricity connection ready by 01-10-2009 even if allotted on the basis of the demand notice issued by the Punjab State Electricity Board.
- m) Those rice mills which are to deliver balance rice of any agency of crop year KMS 2008-09 and has deposited the amount @ 1700/- per quintal in the name of Head of concerned procuring agency/agencies would be treated as eligible for the allotment of mills for the KMS 2009-10. Cheques would not be accepted in any case. This condition will not apply to the millers declared defaulter by CBI as mentioned in clause 6g(viii).

n) The rice miller shall enter the data at the site of the www.riceexchange.com and after the verification by the concerned District Food and supplies Controller he gets the contract numbers automatically. However, of late, some cases of fudging have been detected at the level of rice mills. Any rice mill found guilty of any mal practice in this regard would be penalized and would be declared defaulter.

o) PUSA 1121 and Sharbati varieties of paddy are exempted from the levy obligations for the year 2009-10.

p) Each lessee rice miller shall furnish guarantee of owners of any two rice mills as per performa attached with the policy.

.7. Volume of Work:

The Government / agency do not guarantee any definite volume of work relating to shelling of paddy at any time or through out 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 work relating to shelling of paddy at a particular centre / mandi should necessarily or exclusively be entrusted to him.

8. Allotment of paddy.

a) A minimum of 150 M.Ts. of paddy is required to be purchased by the miller in his own account or he should deposit the cost of three consignments of rice by way of demand draft at CMR rates with the Pungrain for making him eligible for the allotment of Custom Milling of any agency.

b) Paddy procured by the agencies will be equitably distributed amongst all the eligible rice mills at a particular main/permanent/ storage milling centre for the purpose of custom milling on the basis of their milling capacity which shall be certified by the District Food and Supplies Controller and as per provisions of this policy. It is further added that to ensure equitable distribution of paddy and speedy milling of the agencies' paddy, the rice mills located at the temporary purchase centres/katchi mandis would be considered at par with the mills located at the main/permanent storage/milling centre .

c) Subject to the availability of paddy with the agency at a centre, following will be the norms for storage of paddy and allotment of additional paddy under the cash security in the rice mills during the KMS 2009-10:-

Sr. No.	Capacity of the rice mill	Maximum Paddy to be allotted without cash security	Maximum Paddy to be allotted with Cash Security to be taken in the prescribed format
1	0.5 MT	1250 MT	Additional 600 MT with cash security equivalent to the 5% of the total value of the stocks.
2	0.75 MT	1875 MT	Additional 900 MT with cash security equivalent to the 5% of the total value of the stocks.
3	1 MT	2500 MT	Additional 1200 MT with cash security equivalent to the 5% of the total value of the stocks.
4	1.25 MT	2750 MT	Additional 1500 MT with cash security equivalent to the 5% of the total value of the stocks.
5	1.5 MT	3000 MT	Additional 1800 MT with cash security equivalent to the 5% of the total value of the stocks.
6	1.75 MT	3250 MT	Additional 2100 MT with cash security equivalent to the 5% of the total value of the stocks.
7	2 MT	4000 MT	Additional 2400 MT with cash security equivalent to the 5% of the total value of the stocks.
8	3 MT	4200 MT	Additional 3600 MT with cash security equivalent to the 5% of the total value of the stocks.
9	4 MT	4800 MT	Additional 4800 MT with cash security equivalent to the 5% of the total value of the stocks
10	5 MT	5400 MT	Additional 6000 MT with cash security equivalent to the 5% of the total value of the stocks
11	6 MT	6000 MT	Additional 7200 MT with cash security equivalent to the 5% of the total value of the stocks
12	7 MT	6600 MT	Additional 8400 MT with cash security equivalent to the 5% of the total value of the stocks
13	8MT	7200 MT	Additional 9600 MT with cash security equivalent to the 5% of the total value of the stocks
14	9 MT	7800 MT	Additional 10800 MT with cash security equivalent to the 5% of the total value of the stocks
15	10 MT	8400 MT	Additional 12000 MT with cash security equivalent to the 5% of the total value of the stocks
16	15 MT	8400 MT	Additional 18000 MT with cash security equivalent to the 5% of the total value of the stocks
17	20 MT	8400 MT	Additional 24000 MT with cash security equivalent to the 5% of the total value of the stocks
18	25 MT	8400 MT	Additional 30000 MT with cash security equivalent to the 5% of the total value of the stocks
19	50 MT	8400 MT	Additional 60000 MT with cash security equivalent to the 5% of the total value of the stocks
20	75 MT	8400 MT	Additional 90000 MT with cash security equivalent to the 5% of the total value of the stocks
21	100 MT	8400 MT	Additional 120000 MT with cash security equivalent to the 5% of the total value of the stocks
22	125 MT	8400 MT	Additional 15000 MT with cash security equivalent to the 5% of the total value of the stocks
23	150 MT	8400 MT	Additional 180000 MT with cash security equivalent to the 5% of the total value of the stocks
24	175 MT	8400 MT	Additional 210000 MT with cash security equivalent to the 5% of the total value of the stocks

Sr. No.	Capacity of the rice mill	Maximum Paddy to be allotted without cash security	Maximum Paddy to be allotted with Cash Security to be taken in the prescribed format
25	200 MT	8400 MT	Additional 240000 MT with cash security equivalent to the 5% of the total value of the stocks

d) Paddy to be allotted with cash security would 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 would be taken as Rs. 500/- per MT i.e. approximately 5% of the MSP for KMS 2009-10.

e) The cash security would be in the shape of demand draft drawn in favour of Managing Director, Pungrain only payable at Chandigarh, even if the paddy relates to any procuring agency. The demand draft would be deposited in the Office of Director Food and Supplies, Punjab, Sector – 17, Chandigarh and not with any other agency at the district/local level.

f) For the units from where paddy was shifted by the millers / agency in KMS 2008-09, the quantity of shifted paddy would be deducted from the maximum paddy to be allotted to that mill without cash security.

g) In case of a Rice Mill being allotted to more than one agency, paddy would be stored in equal proportion as per the capacity allotted as far as possible.

h) The miller would 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 would be considered for allotment of additional paddy.

i) The security amount deposited by the rice millers for allotment of paddy against cash guarantee would be refunded to them only after 31st March or on completion of milling, whichever is later.

j) The allotted rice mills will enter into an agreement with the concerned agency by 01.10.2009 and complete all other formalities in this regard, failing which the allotment shall be liable to be cancelled. Signatory to the agreement must be authorised by the owners/partners/Directors through a legally executed GPA in his favour. However, the over all responsibility would still rest with the

owner rice miller. In any case no paddy will be stored with the miller till he executes the agreement and signs the necessary documents. A set of documents will be sent by the concerned DFSC / 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 third person who is in no way connected with the rice mill.

k) The Procuring agencies will distribute Paddy to the allotted mills equitably on weekly basis (7 days) from the date of procurement and the mills which are allotted at a later stage or refuse to store paddy of the agencies at any stage will have no claim with the agencies to get paddy on equitable basis with other rice mills. A quantity of 500 M.Ts for every one tonne capacity in the first round shall be allotted and the second round of allotment of paddy will start only when the first round has been completed and the mill has completed the mandatory requirement of purchase in its own account. The concerned agency shall ensure maintenance of proper record of storage of each round of paddy.

l) Security amount of Rupees one lac fifty thousand per tonne milling capacity by way of Demand Draft shall have to be deposited by the rice mills. Demand Draft should be in the favour of Managing Director of the concerned agency. It should reach Head Office of the respective agency by 03.10.2009 . No paddy shall be stored in a rice mill which does not deposit the requisite security amount.

m) The paddy stocks shall remain in joint custody of the rice miller and the staff of procuring agency till its conversion into rice and delivery of rice to central pool. The agency concerned and the rice miller will be jointly responsible for quantity and quality of paddy stocks stored in joint custody.

n) For the purpose of milling of paddy, stocks will 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 should 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.

p) In case the miller lifts the paddy without R.O. or un-authorisedly converts it into rice, it shall tantamount to defalcation and the department may

take any action against the miller. The miller will be liable to pay the interest @ 12% per annum for the value of paddy for the duration of defalcation.

p) Rice millers shall submit Sale Bills to the concerned agency within 7 days of the delivery of rice.

9. Payment of milling charges.

The rice millers shall be paid milling charges for custom milling of paddy as fixed by the Government of India. However, all bye-products viz. broken rice, rice kani (rice husk and rice bran etc.) shall be the property of the rice miller. The rice miller will be bound to follow any change in the policy made by the Government of India or the State Government from time to time.

10. 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.

11. Services to be provided by the miller.

- a) Drying of paddy stocks.
- b) Katai of paddy bags before de husking.
- c) De-husking of paddy stocks.
- d) Filling up of bags of rice prior to dara making.
- e) Dara making of rice bags and filling/sewing of bags with double line machine Stitching.
- f) Delivery of acceptance notes, weight-check memos and other relevant documents for claiming payment from the Food Corporation of India.
- g) 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.
- h) The miller shall be responsible for maintaining the quality and quantity of the paddy/rice stocks till the delivery of rice to FCI.

12. Delivery of rice.

- a) 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.
- b) Delivery of custom milled/levy rice will start immediately i.e..from the commencement of kharif season 2009-10.
- c) The rice millers should deliver levy/custom milled rice proportionately.
- d) Time schedule for the delivery of custom milled rice will be as under :-

<u>Month</u>	<u>Percentage of delivery</u>
October 2009	10%
November/December, 2009	20% + 20%
January / February, 2010	20% + 20%
March, 2010	10%

In case the rice miller fails to adhere to the monthly milling schedule, interest @ 12% 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, will have to be paid by the rice miller concerned.

- e) 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.
- f) The liability of quality cuts on rice, if any, shall be that of the miller.
- g) The rice miller will deliver rice to the central pool in 50 kg bags (B-twill gunny bags). Gunny bags left surplus with the millers after custom milling will not be disposed off by them and shall be the property of the concerned agency.
- h) In case a rice miller fails to deliver the custom milled rice of Kharif 2008-09 season to the agency as per the stipulated schedule and the agency has to shift the paddy stocks, it would be done at the risk and cost of the miller concerned after giving him due notice for this purpose.
- i) The delivery of rice shall be deemed to have been completed by the miller after the stocks are loaded into wagons or 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 will 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.

j) The instructions regarding issuance of Contract Numbers for the delivery of CMR/ Levy rice conveyed vide letter no. RP1(contract)-08/4394 dated 20th November 2008 will continue during KMS 2009-10 subject to amendments made in the policy for the year KMS 2009-10.

13 (a) All disputes pertaining to allotment of paddy and custom milling of paddy between the miller and the agency shall be resolved through arbitration by an arbitrator to be appointed by the Managing Director of the agency concerned. There shall be no objection to any such appointment by the miller concerned.

(b) In case of any embezzlement/loss of paddy/rice, the State agency will be at liberty to initiate civil and criminal proceedings against the miller.

14. No rice miller will pledge the paddy belonging to the State procuring agencies with the banks for availing cash credit limit for his business transactions. If any miller 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.

Sd/
Director Food and Supplies Pb.

AGREEMENT

This Agreement is made this _____day of the two thousand Nine between the District Food and Supplies Controller/District Manager (hereinafter called the Government/agency) on behalf of Governor of Punjab which expression includes its successors and assignees of the one part and M/s _____ (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 clause 10 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 rice processed out of paddy duly allotted by the State Government, provided that the mill is not jointly allotted to any other agency by the Government.
 - 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 completion of milling of contracted paddy.
2. The quantity of paddy stored in the rice mill will be as per the final receipt (attached) on completion of storage of paddy, which will 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 proforma 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.

<u>1</u>		<u>2</u>		<u>3</u>	
Name of agency		Name of the storage centre		Variety of paddy.	
<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.	
Bags	Weight in (Qtls)	Bags	Weight in (Qtls.)	Raw	Par-boiled
<u>7</u>		<u>8</u>		<u>9</u>	
Milling Rate		Qty. of paddy milled		Balance unmilled Paddy	
Raw	Par-boiled	Bags	Weight in (Qtls.)	Bags	Weight in (Qtls.)
<u>10</u>			<u>11</u>		
Signature of the miller Centre With date. (NAME IN CAPITAL LETTERS)			Signature of Inspecting Authority In-charge-with date. (NAME IN CAPITAL LETTERS)		

4. 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: -
- i) Drying of paddy
 - ii) Katai of paddy bags before dehusking.
 - iii) Dehusking of paddy.
 - iv) Filling of bags of rice prior to dara-making.
 - v) Dara making of rice bags and filling/sewing of bags with double line machine stitching.
 - vi) Transportation of milled rice to FSD and loading into trucks, inspection, weighment and sampling as per directions of the Government on transportation of milled rice to the storage point of the Government and FCI including those of CWC/SWC/hired godowns as per directions of the Government, unloading of trucks and delivery after inspection. Weighment, sampling at scale point at the cost of the miller.
 - vii) Delivery of Acceptance Note, weight heck Memo and other relevant documents for claiming payment from FCI.
 - viii) The miller shall be paid for the services not included in the milling charges, at the rates notified by the Govt. of India.

- ix) The miller shall stitch a raxin slip/canvas slip with each bag, bearing name of the mill, center, district, state, contract No. , category of rice, net weight crop year.
5. 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 will be transported by the miller at his cost. Paddy will be in the joint custody of the agency and the miller, till its milling is completed and rice delivered to Food Corporation of India.
6. 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.
7. The miller shall ensure that :-
- i) the resultant rice after milling of paddy is aerated for 72 hours before its filling in bags.
- ii) The degree of polish given to rice shall be 5%.
8. 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.
9. At the time of delivery, the stocks of rice shall be subjected to the inspection as per provisions of the Punjab Rice Procurement (Levy) Order, 1983. Any quality allowance determined at the time of inspection according to the specifications shall be recovered from the miller's bills.
10. 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 31.03.2010.
11. The miller shall deliver rice on the total quantity of paddy stored with him, at regular intervals, not later than 31-3-2010. The miller shall ensure milling of paddy and delivery of rice as per the following schedule: -

October 2009

10%

November/December, 2009	20% + 20%
January / February, 2010	20% + 20%
March, 2010	10%

In case the rice miller fails to adhere to the monthly milling schedule, interest @ 12% 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, will have to be paid by the rice miller.

12. (a) 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 will be liable to make good the entire loss at value of intended custom milled rice and interest at 12% from the date it becomes payable from F.C.I. till the date of actual realisation.
- (b) In such an eventuality the State agency shall be at liberty to launch criminal and civil proceedings against the concerned miller for recovery of Government dues.
13. No miller shall mill paddy of the agency other than the one allotted to him. In case he does so, he will be black listed and the paddy stocks will be lifted from his premises at his risk and cost.
14. Miller shall deposit security amount of Rupees one lac fifty thousand per tonne milling capacity by way of Demand Draft. Demand Draft should 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
15. Miller shall purchase a minimum of 150 M.Ts. of paddy in his own account or he should deposit the cost of three consignments of rice by way of demand draft at CMR rates with the Pungrain.
16. 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 /due, 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 deposited 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 would be refunded without interest.

17. The Government / agency do not guarantee any definite volume of work relating to shelling of paddy at any time or through out 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 should necessarily or exclusively be entrusted to him.
18. The issuance/ lifting of paddy and delivery of rice by miller will be regulated as under :-
 - i) The miller shall obtain the contract numbers from the www.riceexchange.com as per the terms issued vide letter no. RP1(contract)-08/4394 dated 20th November 2008 subject to amendment in the policy for the year 2009-10 for delivery of custom milled/levy rice.
 - ii) Miller will not fudge any figure related with the custom milling or levy for taking undue benefit. If found guilty will be punished in accordance with law.
 - iii) 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.
 - iv) For the purpose of milling of paddy, stocks will 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 should be issued only after the resultant rice of

- v) 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.
 - vi) The miller shall not mill paddy without issuance of proper release order. The stock of paddy milled without proper release order would be considered as serious lapse and such conversion would be treated as unauthorized conversion.
19. The delivery of rice shall be deemed to have been completed by the miller after the stocks are loaded into wagons or 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 will 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
20. 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 miller shall keep proper account of all gunny bags. The bags found surplus after the filling of rice shall become the property of the concerned agency.
- (b) Each miller will 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 2009-10 issued by the Government from time to time.
21. Miller will arrange wooden crates at his own level for the storage of custom milled paddy of the agency allotted to him and he will be paid usage charges for the crates as per the rate fixed by the Government.
22. The contract shall come into force with effect from the date of execution of this agreement and shall remain in force up to 30.9.2010 or clearance of dues whichever is later. Thereafter, it may be extended at the discretion of the Director/Managing Director for a further period on the same terms and conditions. The Director /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 contract, 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 Director / Managing director 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.
23. 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 Food and Supplies Punjab in writing otherwise serious action shall be taken.
24. The miller must submit “fortnightly” bills in the prescribed proforma 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 be made by the agency concerned after the completion of all milling operations.
- In case of any dispute between the rice miller and the procuring agency, the Director Food and Supplies/ Managing Director of the State Agencies will afford an opportunity to the miller (s) to present his case in respect of dues, the decision of Director Food and Supplies /Managing Director shall be final .
25. The rice miller will 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.
26. All the disputes and difference arising out of or in any manner touching or concerning this agreement whatsoever (except as to any matter the decision of which is expressly provided for the contract) shall be referred

to the sole arbitrator of the Director/Managing Director 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/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/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 Director/Managing Director 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 further that any demand for arbitration in respect of any claim(s) of the miller, 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 released of all liabilities under the contract in respect of these claims.

The cost for and in connection with the arbitration shall be the discretion of the arbitrator who may make suitable provisions for the same in his award.

Subject to as aforesaid, the Arbitration & Reconciliation Act,1996 shall apply to the arbitration provided under this clause.

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

Government / Agency For and on behalf of the Governor of Punjab

Witness:1. _____ 2.

(Name in Capital Letters)

(Name in Capital Letters)

Millers M/s _____

1. _____

2. _____

(Name in Capital Letters)

(Name in Capital Letters)

PROFORMA-I

(As required vide 6(e) of Kharif 2008-2009 policy)

Name of Mill	Whether the Miller has to delivered rice of previous crops, if yes, give detail.	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 6 (e) of Kharif 2008-09 policy)

LIST OF DEFAULTER RICE MILLS YEAR WISE :

Name of the Defaulter Rice Mill	If Leases then name of the owner Party	Whether the guarantee taken from owner party	Kind of Default			Whether the owner/ partner of this rice mill is/ was partner/ owner of any other defaulter mill.
1	2	3	4			5
			Year	Qty	Amount	

SIGNATURE OF THE CONCERNED
DISTRICT MANAGER

PROFORMA - III

1. Name /Location of the Mill
2. Correspondence Address
3. Permanent address
4. Details of the partners and their addresses (Separately for each partner)
5. PAN No. of all partners (Photo copies to be supplied)
6. Capacity of the rice mill (along-with details of machinery) and whether the mill is raw or par-boiled rice mill
7. Income Tax Returns for last five years (Individually of partners, owners/lessee)
8. Connected load of the rice mill
9. Pollution Certificate No. and its validity.
10. Details of liabilities, whether a partner/owner/lessee of a defaulter rice mill (Give affidavit)
11. Proof of electricity connection in the name of the mill (copy of the latest bill be enclosed)
12. If lessee, a No Due Certificate from the Owner be produced on a Stamp Paper worth Rs.100/-(To be attested by Executive Magistrate)
13. Copy of Lease Deed/Agreement
14. 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
15. If a new rice mill, a certificate from PSEB that the electricity connection is functional
16. Whether the mill is in litigation with any agency, if yes, give details thereof
17. Whether the owner has stood guarantee for the lessee or not.
18. Whether additional guarantee has been taken or not.
19. Entitlement of paddy to be stored / allocated or delivered as per policy.
20. Quantity of paddy shifted, if any, from this mill in KMS 2007-08

ਬਿਆਨ ਹਲਫ਼ੀਆ

ਮੈਂ/ਅਸੀਂ _____ ਹੋਰ ਵਾਸੀ_____ ਦੇ ਹਾਂ
ਅਤੇ ਹੇਠ ਲਿਖੇ ਅਨੁਸਾਰ ਬਿਆਨ ਕਰਦੇ ਹਾਂ:-

1. ਮੈਂ/ਅਸੀਂ ਹਲਫ਼ ਨਾਲ ਬਿਆਨ ਕਰਦੇ ਹਾਂ ਕਿ ਅਸੀਂ ਆਪਣਾ ਸ਼ੈਲਰ—
_____, ਮਿਤੀ 1-9-2008 ਤੋਂ 31-3-2009 ਤੱਕ
ਮੈਸ:_____ ਨੂੰ ਜ਼ੀਰੀ ਦੀ ਮਿਲਿੰਗ ਲਈ ਲੀਜ਼ ਤੇ ਦਿੱਤਾ ਹੈ।
2. ਮੈਂ/ਅਸੀਂ ਹਲਫ਼ ਨਾਲ ਬਿਆਨ ਕਰਦਾ/ਕਰਦੇ ਹਾਂ ਕਿ ਮੇਰੀ/ ਸਾਡੀ
ਲੀਜ਼ੀ ਪਾਰਟੀ - ਮੈਸ:_____ ਰਾਈਸ ਮਿੱਲ ਉਕਤ ਸਮੇ
ਦੌਰਾਨ ਪੰਜਾਬ ਸਰਕਾਰ ਜਾਂ ਭਾਰਤ ਸਰਕਾਰ ਦੀ ਕਿਸੇ ਵੀ ਖਰੀਦ
ਏਜੰਸੀ ਭਾਵ ਪਨਗਰੇਨ, ਪਨਸਪ, ਮਾਰਕਫੈਡ ਪੰਜਾਬ ਰਾਜ ਗੁਦਾਮ
ਲਿਗਮ, ਪੰਜਾਬ ਐਗਰੋ ਜਾਂ ਐਫ.ਸੀ.ਆਈ. ਨਾਲ ਪੈਂਡੀ ਮਿਲਿੰਗ
ਸੀਜ਼ਨ 2008-09 ਨਾਲ ਸਬੰਧਤ ਮਿਲਿੰਗ ਦਾ ਕੋਈ ਕਾਰੋਬਾਰ ਕਰੇਗੀ
ਅਤੇ ਜੇਕਰ ਇਸ ਸੀਜ਼ਨ ਦਾ ਸਾਡੀ ਲੀਜ਼ੀ ਪਾਰਟੀ ਮੈਸ:_____
_____ ਵਲੋਂ ਜੇਕਰ ਕਿਸੇ ਵੀ ਏਜੰਸੀ ਦਾ ਕੋਈ ਵੀ ਬਕਾਇਆ
ਝੋਨੇ, ਚਾਵਲ, ਸਟਾਕ ਆਰਟੀਕਲਜ਼ ਜਾਂ ਹੋਰ ਕਿਸੇ ਵੀ ਦੇਣਦਾਰੀ
ਸਬੰਧੀ ਨਿਕਲੇਗਾ ਤਾਂ ਮੇਰੀ/ਸਾਡੀ ਫਰਮ ਮੈਸ:_____
ਰਾਈਸ ਮਿੱਲ ਉਸ ਦੀ ਹਰ ਪੱਖੋਂ ਅਦਾਇਗੀ ਦੀ ਜ਼ਿੰਮੇਵਾਰੀ
ਹੋਵੇਗੀ।
3. ਹਲਫ਼ ਨਾਲ ਬਿਆਨ ਕਰਦਾ/ਕਰਦੇ ਹਾਂ ਕਿ ਮੇਰੀ/ਸਾਡੀ ਲੀਜ਼ੀ
ਪਾਰਟੀ ਮੈਸ:_____ _____ ਰਾਈਸ ਮਿੱਲ ਵਲੋਂ
ਜੇਕਰ ਸਾਲ 2008-09 ਦੌਰਾਨ ਸਰਕਾਰ ਵੱਲ ਬਣਦੀ ਲੈਵੀ ਚਾਵਲਾਂ
ਦੀ ਅਦਾਇਗੀ ਵਿੱਚ ਵੀ ਕੋਈ ਬਕਾਇਆ ਰਹਿੰਦਾ ਹੈ ਤਾਂ ਮੇਰੀ/ਸਾਡੀ
ਫਰਮ ਉਸਦੀ ਵੀ ਪੂਰੀ ਜ਼ਿੰਮੇਵਾਰ ਹੋਵੇਗੀ।
4. ਹਲਫ਼ ਨਾਲ ਬਿਆਨ ਕਰਦਾ/ਕਰਦੇ ਹਾਂ ਕਿ ਮੈਂ/ਅਸੀਂ ਹਰ ਪੱਖੋਂ ਪੂਰੀ
ਗਰੰਟੀ ਲੈਂਦਾ/ਲੈਂਦੇ ਹਾਂ ਕਿ ਝੋਨਾ/ਮਿਲਿੰਗ ਸੀਜ਼ਨ 2008-09 ਦੌਰਾਨ
ਮੇਰੀ/ਸਾਡੀ ਲੀਜ਼ੀ ਪਾਰਟੀ ਮੈਸ:_____ ਰਾਈਸ ਮਿੱਲ
ਕੀਤੇ ਹਰ ਕੰਮ ਅਤੇ ਬਕਾਏ ਦੇ ਅਸੀਂ ਸਰਕਾਰ ਅਤੇ ਉਸ ਦੀਆਂ
ਏਜੰਸੀਆਂ ਪ੍ਰਤੀ ਪੂਰੀ ਤਰ੍ਹਾਂ ਜ਼ਿੰਮੇਵਾਰ ਹੋਵਾਂਗਾ/ਹੋਵਾਂਗੇ।