

**ORISSA STATE CIVIL SUPPLIES CORPORATION LTD.,
_____ DISTRICT OFFICE.**

**AGREEMENT WITH CUSTOM MILLER FOR MILLING OF PADDY
DURING KHARIF MARKETING SEASON 2009-10.**

An agreement is made this _____ day of _____ 2009,

B e t w e e n

Sri/Smt _____ Son/Wife/Daughter of _____,

M/s. _____ through Sri/Smt. _____,

At _____, P.O. _____, P.S. _____, District _____

here- in- after called the Custom miller, which expressions shall mean and include where the context so admits his/her heirs, executors, administrators, successors and legal representative on the one part,

A n d

The District Manager, OSCSC Ltd _____ on behalf of the Corporation which expression shall mean and include where the context so admits by successors in office and assigns of the other part.

Where as the Government of Orissa in Food Supplies and Consumer Welfare Department or the Collector or the District Manger of the Corporation of the concerned district tagged the custom millers to the paddy purchase center of the Corporation for milling the procured paddy into rice for sale/distribution to beneficiaries under Public Distribution System.

Now these present, witness and parties here to hereby mutually agree as follows:

Clause-1-Definition

- (a) "Government" shall mean the Government of Orissa in Food Supplies and Consumer Welfare Department.
- (b) "Corporation" shall mean the Orissa State Civil Supplies Corporation Ltd, (OSCSC. Ltd.) C/2, Nayapalli at Bhubaneswar.
- (c) "District Manager" shall mean the District Manager of the Corporation of a concerned District in the state of Orissa.
- (d) "Collector" shall mean the Collector of the Revenue district concerned in the State of Orissa.

- (e) “Managing Director” shall mean the Managing Director of the Corporation or any officer authorized by him in writing on his behalf for any specified work to take on his behalf.
- (f) “Contract” shall mean this agreement and such general and special conditions as may be added to it duly approved by the Managing Director of the Corporation from time to time.
- (g) “Custom Miller” shall mean and include the person or persons, firm or company to whom the contract for milling of paddy and other ancillary work has been entrusted including his/her heirs, executors, administrators, successors and their authorized/permitted assigns as the case may be, does not include a lease holder.
- (h) “Rice Mill” shall mean the place of milling of paddy and receipt of rice.
- (i) “Stock” shall mean the gunny/rice/paddy.
- (j) “Godown” shall mean the godown belonging to Corporation or godown hired by Corporation for storing rice and paddy.
- (k) “Paddy purchase Centre” means the place where the Corporation will purchase paddy. It includes the godown of Corporation either own or hired, OSWC/CWC Depot and RMC yard and the Paddy Purchase Center operated through PACS, WSHG, Pani Panchayat and Co-operatives.

Clause-2-Objective of the contract:

The Corporation will deliver paddy to the custom miller at the decentralized procurement center for milling & the custom miller shall deliver the converted rice to the Corporation at designated places.

Clause-3-Constitution of Custom Miller:

The custom miller during the currency of the contract shall not make without prior approval of the Corporation in writing any change in the constitution of the firm/company. The custom miller shall notify to the Corporation about the death, resignation or removal of any of his partners/Directors immediately on the happening of such an event. On receipt of such notice the Corporation shall have the right to terminate the contract, unless the information contains undertaking by Firm or Company that the terms of the agreement will be binding on the Firm or Company through the authorized person duly representing the Firms or Company.

Clause-4-Sub-letting:

The custom miller shall not sublet, transfer or assign the contract or any part thereof without the previous written approval of the Corporation. In the event of the custom miller contravening these conditions, the Corporation shall be entitled to place the contract elsewhere on the custom miller account and at his risk and the custom miller shall be liable for any loss or damage which the Corporation may sustain in consequence or arising out of such replacing of the contract.

Clause-5-Liability for personnel:

All persons employed by the custom miller shall be treated as his own employees/servants in all respects and the responsibility under the Indian Factories Act or Employees Provident Fund act or any such other statute applicable to all such personnel shall be liability of the custom miller. The custom miller shall be bound to indemnify the Corporation against all claims whatsoever in respect of the said personnel under the workmen's Compensation Act or any statutory notifications thereof in respect of any damage or compensation payable in consequence of any accident or injury sustained by any workman or other persons whether in employment of the custom miller or not.

Clause-6-Duration of contract:

The custom miller contract shall come in to force with effect from the date of execution of this agreement and shall remain in force till_____.

OSCSC Ltd reserves the right:-

- (i) To extend the period of contract for a further period as mutually agreed to by both the parties,
- (ii) To terminate the contract at any time during its currency without assigning any reason there of by giving thirty days notice in writing to the custom miller at their last known place of residence/business and the custom miller shall not be entitled to any compensation by virtue of such termination.

Clause-7-Summary termination:

In the event of the custom miller having been adjudged insolvent or going into liquidation or winding up their business or making arrangement with their creditors or failing

to adhere to any of the provisions of this contract, the Managing Director ,OSCSC Ltd. shall be at liberty to terminate the contract forthwith without prejudice to any other rights or remedies under the contract and to get the work done for the un-expired period of the contract at the risk and cost of the custom miller and to claim from the custom miller any resultant loss sustained or costs incurred.

Clause-8-Security Deposit:

- a) The custom miller shall furnish security deposit of such amount and in such manner as may be directed by the Corporation for due performance of the contract.
- b) The above security deposit furnished by the custom miller shall be liable to be forfeited without any notice to the custom miller in the event of breach of any clauses of this contract by the custom miller.
- c) The Corporation shall not be liable for payment of any interest on the security deposit to the custom miller, except in respect of such amount and for such period where the same is expressly allowed by the Corporation.
- d) The security deposit will be refunded to the custom miller on due and satisfactory performance of the services in such manner and within such time as may be directed by the Corporation subject to such deduction from the security as may be necessary for recovery of the Corporation's claim against the custom miller.
- e) The provisions of security deposit stipulated in the Corporation's Guideline for procurement of paddy and distribution of milled rice under decentralized procurement scheme for KMS-09-10 shall form a part of this agreement.
- f) In case of any summary termination of agreement in the event of the custom miller having been adjudged insolvent or going into liquidation or winding up of his business, the security deposit will be forfeited by the Managing Director.

Clause-9-Responsibilities of Custom Millers

- (i) The Custom Miller shall take delivery of paddy from the P.P.C of Corporation / PPC operated through PACS / WSHG / Pani Panchayat and from CAP storage for milling of paddy in his own rice mill and give delivery of resultant milled rice to the Corporation. The Custom Miller shall render the service as provided in this agreement and also as directed by the Collector of the District / District Manager /General Manager/Managing Director of the Corporation, Nodal Officer or any officer acting on their behalf, together with such additional, auxiliary and incidental duties indicated

by the Collector / District Manager / General Manager / Managing Director/ Nodal Officer or any officer acting on their behalf and which are not inconsistent with these terms and conditions.

- (ii) The custom miller will do priority milling of paddy supplied by OSCSC and take steps for delivery of rice within the time limit fixed by the Corporation.
- (iii) The custom miller or his authorized representative shall remain present in the Paddy Purchase Centre operated by the Corporation and through PACS as tagged, at the time of quality testing and weighing of paddy for procurement by the Corporation. wherever assigned the custom miller shall be duty bound to provide all such labour operations in purchase centers / PACS / Market Yards as may be assigned to him by the District Manager / District Collector, for which he shall be paid proportionate mandi labour charges decided by the Corporation considering the rates approved by Government of India..
- (iv) The custom miller shall take delivery of the paddy on daily basis, so procured, on “AS IS WHERE IS BASIS”, on executing proper documents as may be prescribed by the Corporation. The District Office of the Corporation shall intimate the quantum of paddy to be delivered and place of delivery of rice from time to time.
- (v) The custom miller shall be responsible to lift the paddy on the same day or maximum within two days of the purchase of paddy at PPC, failure of which, the District Manager / Collector may take suitable action, as per the agreement.
- (vi) The custom miller will transport the delivered paddy and the milled rice with adequate protection, safety and at his own risk.
- (vii) The paddy so delivered to the custom miller should be kept separately in the godown premises of the custom miller and stack card be properly maintained and displayed stating their in that the paddy stocks belongs to OSCSC.Ltd.
- (viii) In the Office premises of the custom miller, the custom miller shall display prominently the quantity of paddy and rice belonging to the Corporation.
- (ix) The custom miller shall mill the paddy in his own mill, which has been mentioned in the agreement.
- (x) The degree of polish given to the rice shall not contravene the provision of the Orissa Rice and Paddy Procurement (Levy) & Restriction on Sale and Movement Order, 1982, as amended from time to time.
- (xi) The custom miller shall ensure that resultant rice after milling of paddy is aerated for forty-eight hours before bagging. The unit of counting will be one unit (one bag) of

- fifty k.g (net).
- (xii) The custom miller shall deliver to the Corporation par boiled rice / raw rice, in the out turn ratios as may be fixed by Government of India from time to time in respect of FAQ/URS Paddy supplied to him. In respect of the quantity of paddy received, the custom miller shall deliver the resultant quantity of parboiled rice or raw rice as may be intimated by the District Manager / Corporation.
- (xiii) The custom miller shall deliver to the Corporation at the designated places the specified quantity and quality of resultant rice in respect of paddy received by him. Under no circumstances the miller will be entitled to claim shortage in paddy/rice in course of storing, milling, transporting, lifting and delivering due to happening of any theft, fire, flood, rioting, cyclone or any other natural or man made incident/incidents or calamities or due to any complaint in quality of paddy received. In the event of any shortage or misappropriation the miller is liable to pay the economic cost of the paddy/rice as on the day of happening of the circumstance along with interest @ 12% per annum on such economic cost for the period from the date of shortage till the date of recovery alongwith penalty of such amount as may be decided by the Managing Director which shall not exceed the economic cost of the stock. In the event of any shortage occurring due to any accident or mishap, the reasons and circumstances of which were found by the Corporation to be beyond the control of the custom miller, the custom miller shall be liable to pay the cost of shortage of stock along with all expenses incurred by the Corporation and interest at such rate and for such period as may be directed by the Corporation.
- (xiv) Delivery of rice shall be deemed to have been completed after the stocks are unloaded in the godowns as per directions of the District Manager or any officer authorized by the Corporation after necessary weighment, inspection, and approval of the quantity is accordance with the prescribed procedure of the Corporation at the cost of the custom miller. The unloading of rice bags and dumping in RRC and weighment shall be done by the custom miller. However where the custom miller at his own cost does the stacking of bags in RRC he shall be paid @ Rs.2.00 per qtl. of CMR for such work. Where the custom miller does not provide the labour services for unloading and weighment of stocks in RRCs, a sum of Rs.2.00 per qtl of rice shall be deducted from the mandi labour charges or other charges as payable to him.
- (xv) The custom miller shall take the responsibility of delivery of rice in double line machine stitched new B-Twill gunny bags as will supplied by the Corporation.

- (xvi) In case the Corporation has not supplied the gunny bags as per specification and the custom miller has to arrange gunny bags of the required specification, the custom miller shall deliver rice in such self procured gunny bags. In such cases the cost of such gunny bags will be reimbursed to the custom miller at the approved rate as decided by the Corporation.
- (xvii) In case the custom miller supplies new gunny bags at his own cost, he shall stencil the following information in Green colour and fill up the same neatly for the purpose of delivery of rice.
- a) Logo of the Corporation.
 - b) A/C. OSCSC Ltd.
 - c) Name of the custom Miller.
 - d) Place of supply.
 - e) Grade/variety of rice
 - f) Net weight.
 - g) Khariff Marketing Season.

xviii) **It has been decided to adopt Red Colour Coding for gunny bags for KMS-2009-10.**

The following colour coding shall be followed for the gunny bags during KMS 2009-10. Colour coding or identification marking on every bag at a distance of about 150 mm away from any one side of the selvedge shall be in “**Red**” colour: Stencil or Branding shall be in “**Blue**” colour; Marking or Stitching on the mouth of the bag after filling the grain shall be done in “**Red**” colour; There shall be a single “**Blue**” stripe running along the length of the bag at the centre. The miller shall machine stitch a white Rexin slip /Canvas slip/Cloth slip along the mouth of each bag on the outer side bearing name of the Miller, Crop year, Code No., Net weight, Lot No., Category of Rice on “**Green**” letters.

- (xix) The custom miller shall standardize the gunny bags with rice each weighing 50 kgs net per bag and shall fill up the proforma printed on the gunny bags at his own cost.
- (xx) The custom miller will deliver milled rice to Corporation as per the standards and uniform specifications fixed by the Government of India i.e. FAQ norms applicable for rice and also as per the directions issued to him by the Corporation from time to time. If on analysis of the rice stock at the time of delivery is found to be not conforming to the prescribed standard, then the same will not be

accepted. The Custom Miller shall have to deliver fresh stock of rice conforming to prescribed specification.

- (xxi) If during delivery, the rice stock is found to be not conforming to the prescribed standard, the stock shall not be accepted and the reasons for non-acceptance shall be briefly stated which shall be final and binding.
- (xxii) The custom miller will ensure double machine stitching of rice bags as per instruction of Corporation and cost thereof will be borne by Custom Miller.
- (xxiii) Delivery of stock of milled rice shall be on proper Enforcement Certificate and deemed to have been completed if the stocks are handed over at the Corporation's designated godowns as per direction of the Corporation after necessary weighment, inspection and approval of the quantity and quality in accordance with the prescribed procedure of the Corporation at the cost of the Custom Miller.
- (xxiv) The custom miller shall receive the gunny bags supplied by the Corporation and in case of any defects the same shall be intimated to District Manger within a period of seven days maximum.
- (xxv) The excess gunnies received by the Custom Miller by way of receipt of paddy and delivery of rice shall be deposited by the custom miller in the Paddy Purchase Centre from where paddy stock lifted. In case the excess gunnies are not deposited, the cost of such gunnies at double the rate at which such gunnies were purchased and the cost of transportation of such gunnies to the Paddy Purchase Centre will be recovered from the Custom Miller.
- (xxvi) In the cases where new gunny bags provided by the millers in the purchase center are used for packing of paddy and transportation of same, to millers premises, the miller shall be entitled to get gunny depreciation at the rate decided by the Corporation,. In such cases it shall be duty of the miller to keep a detailed accounts of gunny bags supplied for packing and transportation of paddy. In the cases where good quality of gunny bags are provided by the farmers for packing and transportation of paddy, the farmers shall be paid proportionate gunny depreciation as may be decided by the Corporation.
- (xxvii) It will be the duty of the custom miller to keep an account of the number of new gunnies received by him from OSCSC along with the paddy, the number of gunny bags consumed by him for delivery of rice and the number of bags fallen empty after milling and delivery of rice where gunnies were supplied by OSCSC Ltd.

- (xxviii) The Custom Miller shall lift the paddy on the same day of purchase or at best the next day and complete the delivery of rice to the OSCSC Ltd. within 40 days of delivery of paddy to him. In the cases where the miller fails to complete the delivery of CMR within stipulated period of 40 days or such extended period as may allowed by the Collector of the district in writing, citing the reasons on a case to case basis and delay in such cases are not due to any justifiable reasons, the custom miller shall be liable to pay such holding charges if any as may be decided by the Corporation. The transportation of paddy and rice shall be undertaken by the Custom Miller at his own risk. No loss on account of this shall be borne by the Corporation.
- (xxix) In the case of bumper arrival of the paddy in purchase centers and in the case of paucity of adequate storage spaces to store the paddy purchased, if the miller is asked to receive surplus paddy beyond his milling capacity considering the total quantity of paddy received by him from all agencies, for storing in scientific storage godowns arranged by the custom millers at his cost, the miller shall be entitled to get custody and maintenance charges on paddy at the rates prescribed by Government of India and period as decided by the Corporation. In such cases the District Manager shall intimate in writing the quantity of such excess paddy delivered to the custom miller and the period for which it is to be stored considering the total milling capacity and quantities of paddy available with miller. The period so allowed shall not exceed two months in any case including the period of previous storage of such paddy, if any by PACS / OSCSC.Ltd. The miller in such cases shall maintain separate accounts of such paddy and no shortage shall be allowed to miller during such storage.
- (xxx) The Custom Miller shall duly preserve the paddy stock received from the Corporation and the rice stock derived out of milling of paddy separately by adopting proper scientific storage facilities.
- (xxxi) The Custom Miller shall be responsible for safe custody of paddy lifted by him till the delivery of rice to the Corporation in agreed quantities. He shall have to make good the losses on account of paddy and rice that may arise while in his custody in the manner & to the extent as stated in clause- (xiii) above.
- (xxxii) It will be the duty of the Custom Miller to effect necessary and adequate insurance coverage for all stocks of paddy and rice handled by him in pursuance of the contract in different stages of operations.
- (xxxiii) The Custom Miller will maintain adequate records for stock of paddy, rice & gunny. He will also maintain such of the records as may be prescribed by the Corporation.

- (xxxiv) The Custom Miller shall maintain proper accounts of paddy, rice, milling, gunnies etc. at his own expenses.
- (xxxv) The Custom Miller shall have a Computer with internet connection and a Data Entry Operator. He shall be duty bound to intimate the information through internet as and when directed by the OSCSC or any officers authorised on its behalf.
- (xxxvi) For lifting, transportation or delivery of paddy and rice, the forms and stationeries as prescribed by the Corporation shall exclusively / strictly be used by the custom miller at his own expenses.
- (xxxvii) The Custom Miller shall produce the books of accounts for checking of Corporation officials, Government officials and other officials/authorized under different statutes. He will also allow the said officials for checking of quality and quantity of paddy and rice stock, as and when required. The expenses, if incurred in the process, shall be borne by the custom miller.
- (xxxviii) In the event of the custom miller winding up his business or entering in to any agreement with his creditor, failing to observe any of the terms of this agreement, the Corporation shall have right to terminate agreement forthwith in addition to and without any prejudice to any other right or remedies which Corporation may have and the Corporation may claim from the custom miller the loss/damages sustained, costs incurred by reason of the breach of the agreement, or part thereof by the custom miller. The custom miller shall also deliver to the Corporation all quantities of food grains that shall be at his possession, or control and all books, accounts and documents relating to the said agreement.
- (xxxix) The custom miller shall be paid milling charges for milling of paddy at the rates as approved by Government of India. Besides milling charges, transportation charges will be paid to him at the rates as approved by the Corporation from time to time for the transportation of paddy/rice covering the distance beyond 8 km. If paddy is transported from purchase centers to miller premises in the farmer's vehicle, then transportation charges in respect of paddy transportation shall be paid to the farmer's. If paddy is transported in farmers vehicles from purchase centers to a mill located within 8 km distance, then proportionate transport charges as decided by the Corporation shall be deducted from the miller's bill and paid to the farmers. No transportation charge is payable upto 8 Kms. distance covered by custom miller in transporting the paddy/rice. Further, the by-products obtained from the

milling of paddy i.e. broken rice, bran, husk etc., shall be the property of the custom miller. However, taxes on the by-products will be borne by the Custom Miller and will not be payable by the Corporation.

(xxxx) The custom miller shall not subject, transfer or assign this contract or any part there of without prior approval of the Managing Director in writing.

(xxxxi) The Custom Miller will bind himself to carry out such instructions as are incidental to this agreement and as may be issued by the Corporation or its officer from time to time.

(xxxxii) The Custom Miller shall strictly abide by the rules, regulations and orders thereon under the various Central and State Government Acts and rules. The Custom Miller shall be liable for all charges regarding expenses incurred by the Corporation for the negligence and/or non-performance of any service under the agreement and his failure to carry out the instructions.

(xxxxiii) For any reasons if the District Manager of the Corporation decides to lift the paddy stock of the Corporation from the millers premises, the custom miller shall be duty bound to co-operate with the District Manager for shifting of paddy stock

(xxxxiv) If assigned by the Corporation, the custom miller shall provide mandi labour services for all operations in purchase centers or a part there of for which he shall be paid mandi labour charges at the rate decided by the Corporation.

Clause-10-Volume of Work

The Corporation shall not guarantee any definite volume of work at any time or through out the period of contract. It need not also be necessarily entrusted to one single miller. The Corporation; will have the exclusive right to appoint one or more millers for the work at the same approved rates, terms and conditions.

Clause-11-Modalities of Payment

- a) Payment towards milling charges, Transportation charges, a part of the mandi labour charges, a part of the custody maintenance and other expenses as decided by the Corporation, shall be made by the District Manager at the approved rate only on the custom miller submitting bills along with such other documents as the Corporation may prescribe and proper certification/acknowledgement from the officials of the Corporation in charge of purchase centres & District Office in case of the activities taken place in purchase centres or from the officials in charge of

Corporation's own/hired godown in case of the activities taken place in the milling premises or the godowns.

- b) It shall be responsibility of the custom miller to deposit all acknowledgement receipts along with the bill for claiming milling charges for payment on a fortnightly basis. If the custom miller fails to deposit all the acknowledgement receipts within 7 days time from end of each fortnight then the custom miller shall be responsible for any dispute in rice delivered quantity, unless he intimates the District Manager about non receipt of acknowledgement receipts in respect of rice quantity delivered to the Corporation.
- c) Deduction at source of, Income tax and other statutory levies, as applicable will be made from the bills of the Custom Miller.
- d) The recoverable dues from the custom miller if not paid by him shall also be recovered from his above bills.
- e) The payment towards custom milling charges alongwith transportation charges, handling charges, if any, shall be made to the custom miller in shape of account payee cheque only by the District Office under due acknowledgement.

Claus- 12:-The guidelines issued by Corporation for implementation of the scheme of Decentralized Procurement of Paddy and Supply of Rice during the Kharif Marketing Season 2009-10 shall constitute a part of this agreement and shall be binding on the Custom Millers.

Clause-13:-Jurisdiction of Court

- I) In the event of any dispute covering or arising out of this contract /agreement the jurisdiction of the court shall be at _____ district within State of Orissa & it is hereby expressly agreed that neither party shall be competent to bring any case / suit in regard to the matters covered by this agreement at any place out side _____ district.
- II) It is hereby expressly agreed & declared by & between the parties here to that all amounts due to the Corporation under terms of the agreement if not paid in time be recoverable under Orissa Public Demand Recovery Act 1962 (Orissa Act – 1 of 1963) or through Civil Court & shall bear interest at the rate of 12% per annum from the date when such payment falls due up to the date of final recovery”. Besides criminal action shall also be taken against the defaulting millers for such shortage in appropriate court

of law within the State of Orissa following the provisions of law in force.

In witness whereof, the parties hereto have put their hands and seals on the dates respectively given against their signatures.

(Signature)
(Name in capital letters)

District Manager
(Seal)

Witness

1.(Signature)
(Name in capital letters)
S/o.

Address

(Signature)
(Name in capital letters)

Custom Miller
(Seal)

Witness

1. (Signature)
(Name in capital letters)
S/o

Address

