

ALL ODISHA RICE MILLERS ASSOCIATION

S-3/36 , Sec-A, Zone-B, Mancheswar Indl. Estate, Bhubaneswar-751010

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Dated 24th December, 2013.

To,
The Managing Director,
Odisha State Civil Supplies Corporation Ltd,
C/2, Nayapalli,
Bhubaneswar-751012.

Dear Sir,

Sub: Some apparent mistake in Custom Miller's Agreement.

We draw your kind attention to your recent letter No.23303 Dt.19.12.13 seeking amendment of clause No.25 (xi) of the agreement with Custom Millers for KMS 2013-14. While going through the details, we find that there is contradiction of Clause-23 of Insurance due to some mistake in Clause 25(xi) of the draft Agreement prescribed for KMS 2013-14. Incidentally, this mistake is continuing since earlier years without detection and needs to be corrected.

Under Clause-23 on Insurance, it is stated "*OSCSC head office on behalf of the custom miller shall take up **Standard Fire Policy** of the stock with nationalized insurance company as insurance **against fire and allied perils for stocks.***" It is further mentioned "*Custom miller will be responsible for shortage/ damage of paddy, rice and gunny bags **due to happening of theft, burglary or other reasons not covered under Standard Fire Policy.***"

As such, making the miller responsible due to "*happening of any fire, flood, rioting, cyclone or any other natural calamities*" as mentioned under Clause-25(xi) of the draft agreement is contradictory since the same are already covered under Standard Fire Policy being taken up by OSCSC. The miller may only be held responsible for theft, burglary or other reasons not covered under Standard Fire Policy as has been rightly mentioned under Clause-23.

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In view of above as well as after considering the amendment of clause-25(xi) as proposed vide said letter No.23303 dt. 19.12.13 by you, we suggest amendment of existing clause-25(xi) by replacing with the following:-

“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 any complaint in quality of paddy accepted. In the event of any shortage or misappropriation, the miller is liable to pay actual direct expenditure incurred on procurement of paddy as decided by the OSCSC Ltd., Head Office and interest suffered by OSCSC from the date of occurrence @12% per annum along with 2% penal interest till date of recovery.”

The above has been arrived after deleting the words “*happening of any theft, fire flood, rioting, cyclone or any other natural or manmade incident/incidents or calamities or*” from the amendment suggested under said letter since the same are already covered under the Insurance clause.

We therefore, most humbly request your honour to kindly examine our above submissions for amendment and to do the needful for necessary approvals during the ensuing Board Meeting of the Corporation and oblige.

Yours faithfully,

Copy to: Commissioner-cum-Secretary,
FS&CW Dept, Bhubaneswar.

Sd/-.
(Santosh Kr. Agrawal),
Secretary.