

# ALL ODISHA RICE MILLERS ASSOCIATION

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

Telefax: (0674) 2580933, 2583933

President: Shyam Lal Agarwal (94370 51951) Secretary: Santosh Kr. Agrawal(094330 11631)

Important Letter.

Dated 14<sup>th</sup> November, 2011.

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

Dear Sir,

**Sub: Refund of holding charges deducted for 2009-10 & earlier years.**  
**Ref: Letter No.95 dt. 29.10.11 of Krupalu Rice Industries, Dist. Jajpur.**

Please refer to the discussions held with your honour during meeting with members of our Association on 5<sup>th</sup> Nov,2011 in your chamber when the above matter was discussed in length. The members present in the meeting explained the matter of arbitrarily deduction of holding charges from genuine millers without judging the ground reality in total violation of guidelines and norms issued by Head Office.

In this context, we would like to draw your kind attention to Letter No.95 dated 29.10.2011 sent to you by M/s. Krupalu Rice Industries, Panikoili, Dist. Jajpur in the matter of deduction of Rs.2,96,482/- towards holding charges for KMS 2008-09. A copy of the letter has also been forwarded to us with its enclosures.

After going through the papers submitted by the above miller, it is observed that:-

1. The miller had informed CSO-cum-DM, Jajpur vide letter No.162 dt. 9.3.09 “...you are delivering huge quantity of custom milling paddy from Jajpur, Panikoili, Dharmasala.....” “...we can not produce the entire CMR in 40 days as it is long time process...” “...we request to you kindly not to impose holding charges...”.
2. Vide letter No.164 dt. 16.3.09, it was again informed “The quantum of paddy that has been delivered within last 20 days is more than half of the quantity that has been delivered through out the entire Khariff season last year.” “...we are having a limited milling capacity.....it will take at least three months to complete the milling process whereas we are getting only 40 days to get the CMR delivered...”.

Contd.... 2..

3. In addition to above, further request was made vide letter No.168 dt.26.3.09 for not enforcing Holding charges for delay in delivery of CMR. It is mentioned therein “...we have already informed you about the availability of space problem for storing of the Paddy. However the delivery of paddy has not been come to an end, **rather the pace of delivery process is rising day by day. The materials are being delivered forcibly and deliberately** to our unit irrespective of our consent in the said matter. ...”

Based on the facts and circumstances, it can be easily ascertained that imposition of holding charges in the above case is unjustified. As such, District Manager, Jajpur has rightly recommended Head Office for considering waiver of holding charges vide letter No.713 dt.12.4.10 which is yet to be considered by the Head Office. Supporting documents are enclosed for your ready reference.

**Sir, this is not a unique case. This is an example of hundreds of cases pending with different districts. Your honour is already aware about the never-ending dispute in Kalahandi, which is yet to be settled even after favorable recommendations from Collector.** While uniform agreement and guidelines were prescribed for whole of the State, every district is having its own set of interpretation for implementation such as :-

- i) Some districts have not imposed any holding charges after getting approval from Collector.
- ii) Some districts have deducted holding charges without looking into the ground reality and then asked Head Office for considering waiver at a much later stage.
- iii) Some districts have deducted holding charges without seeking permission from MD violating the rules.
- iv) Some have deducted without issuing show cause notice in violation of guidelines. And then issued show cause notices after expiry of the KMS, just for sake of formality with no intention to refund the deducted amount.
- v) In some cases, Head office has instructed to refund 80% of the deducted amount but what about the remaining 20%.

A new problem has come up as the Audit, without considering the grounds on which it was not imposed, is now objecting to non-deduction of holding charges. Deductions are being made from current bills as per Audit Report without giving any opportunity to the miller for explanation. Things are becoming more and more complicated day by day and millers are suffering for things beyond their control.

Contd.... 3..

**It is worth mentioning here that till KMS 2008-09, the millers were not paid a single paise towards custody maintenance charges.** And yet the millers had ensured safe storage of unspecified quantity of paddy stock supplied to them and helped the Corporation in lifting the paddy brought into the mandi by farmers without delay to avoid any possible agitation and law & order situation. In reward for this charity, millers are subjected to deduction of holding charges, which in some cases, amounted to even more than 60% of the amount of milling charges received by them. Crores of rupees are lying withheld from the bills of custom millers that may also lead to litigation. **Due to abnormal delay in redressal of this menace, there is wide spread resentment amongst the millers which may adversely affect procurement operations in some areas.**

In view of above facts, **an immediate serious thought is needed for permanent solution of the problem.** The millers have given their full support in good faith. They have performed on behalf of Corporation to the best of their ability. Some operational problem or delay cannot be ruled out but it might be quite un-intentional and beyond miller's control.

We therefore, most humbly suggest that the above facts & submission may kindly be placed before the higher authorities and **suitable approval from Board may be obtained for unconditional waiver and refund of all holding charges upto 2009-10 KMS** to avoid any possible Audit Objections in future. This will ensure continued wholehearted support from the millers as usual. Sir, this is an important issue and needs your immediate attention.

Thanking you,

Yours faithfully,

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

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