

ALL ODISHA RICE MILLERS ASSOCIATION

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

Telefax: (0674) 2580933, 2583933

President: Shyamlal Agarwal (94370 51951)

Secretary: Santosh Kr. Agrawal(094330 11631)

www.aorma.in

Dated 20th January, 2012.

To,
The Branch Manager, Nafed,
Red Cross Bhawan,
Sachivalaya Marg,
Bhubaneswar-751022.

Dear Sir.

Sub: Participation of Millers as Custom Millers with you.

This is in continuation to our earlier letter dated 17.1.2012 on the above subject. Please also refer to the detailed discussions with you over phone by the undersigned. In the meantime, we have examined your draft agreement for custom millers and found that you want to adopt “pick and choose” policy.

It appears that you want to treat yourself at par with Oscsc Ltd only in paying Transport Charges. In this case, you also have to follow other procedures adopted by Oscsc regarding payment of various charges and acceptance of rice. Charges payable to Custom Miller for their performance will have to be specifically mentioned in the agreement to be executed between Nafed and Custom Millers irrespective of payment to you by FCI as is the case with Oscsc Ltd. The brief operational procedure may be as follows:-

1. You will pay all charges towards Mandi Labor, custody maintenance for 4 months, milling, gunny depreciation etc. as provided by Oscsc Ltd vide Letter No.461Dt. 6.1.2012.
2. The miller will furnish Bank Guarantee towards security deposit and Nafed will deliver paddy valued to the extent of 10 times of the security furnished by the miller.
3. Miller will not claim any interest as paddy will be financed by Nafed.
4. Gunny bags for CMR to be supplied by Nafed and rebate on gunny, if any imposed by FCI will be on Nafed A/c.
5. As the CMR will have to be delivered to FCI, an additional amount of Rs.20/- to be paid to cover labor and other expenses at FCI depot apart from TC on Rice. Alternatively, Nafed may take ex-mill delivery of rice from millers.
6. As is the case with Oscsc Ltd., Nafed will pay milling and all other charges to custom miller on monthly basis in respect of CMR delivered by it without waiting for payment from FCI.

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7. Nafed has to ensure that no deduction is made for earlier years and suitable measures are being taken to reimburse the deducted amount to millers in a phased manner as agreed and assured earlier.

The above procedure (except at Sl.5) is being followed by Oscsc Ltd and it is upto you to decide in what way you want to operate. Time is running out and it is quite unfortunate that nothing has come out in spite of our sincere involvement in discussions with you since more than 2 months apart from visit of the undersigned to meet your Managing Director at New Delhi.

Yours faithfully,

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

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