

**HARYANA STATE WAREHOUSING CORPORATION**  
**BAY NO.15-18,SECTOR-2,PANCHKULA**

No. HSWC/Tech/TA-4/PP/Kharif-2020/37816-824

Dated: 28.09.2020

**Through E-Mail**

To

All the District Managers,  
Haryana State Warehousing Corporation,  
in the field.

**Sub: Guidelines for procurement of Paddy and Custom Milling of paddy/ Milling Agreement during Kharif Marketing Season- 2020-21.**

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Reference subject cited above.

**1. Introduction**

The Government extends price support to paddy and Bajra through State Procuring Agencies and the Food Corporation of India (FCI). All the food grains conforming to the prescribed specifications offered for sale at specific Mandis and purchase centres are bought by the procurement agencies at the Minimum Support Price (MSP). The producers have the option to sell their produce to State Agencies/FCI at MSP or in the open market as is advantageous to them. Food grains procured by the State Agencies are ultimately taken over by the FCI for distribution under Targeted Public Distribution System (TPDS) and Other Welfare Scheme (OWS) throughout the country.

Objectives of food-grains procurement by Government Agencies are listed below:

- To ensure that farmers get remunerative price for their produce and do not have to resort to distress sale.
- To service the TPDS and other welfare schemes of the Government so that subsidized foodgrains are supplied to the poor and needy.
- To build up buffer stocks of foodgrains to ensure foodgrain security.

In consonance with the directions issued by Govt., the Corporation has prepared detailed policy guidelines, which are as under:-

**2. Prospectus of production of Paddy and Coarse grains:**

As per estimates of the Agriculture Department, paddy was expected to be sown in an area of about 12.00 lakh hectares as against 13.87 lakh hectares of the previous year. On the basis of report from Agriculture Deptt. and field it is estimated that about 68.00 lakh MT of levi-able paddy would arrive in the mandis and purchase centres of Haryana. Procurement agencies share would be around 64.00 lakh MT. The rest about 4.00 lakh MT is expected to be purchased by millers and dealers. In line with these estimates during KMS 2020-21, procurement agencies would be contributing about 42.88 lakh MT of custom milled rice (CMR) in the Central Pool.

**3. Main features of Kharif Procurement Policy.**

**a) Commencement of season:**

The procurement of levi-able paddy will be from **26.09.2020 to 15<sup>th</sup> December, 2020.**

**b) MSP of levi-able Paddy & Coarse grains:**

The Govt. of India has fixed the following MSPs of Paddy and Coarse grains:-

**PADDY:-**

COMMON = Rs. 1868/- per Qtl.

Grade "A" = Rs. 1888/- per Qtl.

In case prevailing prices of basmati, muchhal, PB 1509, 1121 fall lower than the MSP for Grade-A and common varieties then these varieties shall also be purchased by Government after due permission from GOI and it shall be recorded separately.

**c) Milling & delivery of rice**

The leviable paddy purchased by the procurement agencies will have to be got milled and the entire custom milled rice (CMR) produced from such paddy will have to be delivered to Central Pool by the end of April, 2021.

**d) Specifications :**

The specifications for Kharif Marketing Season 2020-21 have not been received from the Govt. of India (GOI), the same will be circulated to all concerned on receipt from Government of India, however, the specifications of KMS 2019-20 are given as under:-

**i) PADDY:**

	Foreign matter		Damaged, discoloured, sprouted & weevilled grains	Immature, shrunken, shriveled grains	Admixture of lower classes	Moisture content
	Inorganic	Organic				
Max.Limit (%)	1.0	1.0	5.0* * Damaged, sprouted and weevilled grains should not exceed 4%	3.0	6.0	17.0

The definitions of the above refractions and method of analysis are to be followed as per BIS 'method of analysis for food grains' Nos.IS:4333(Part-1:1996, IS: 4333(Part-II):2002 and 'Terminology for food grains' IS: No.2813-1995, as amended from time to time.

- The method of sampling is to be followed as per BIS method for sampling of Cereals and Pulses IS 14818-2000, as amended from time to time.
- Within the overall limit of 1.0% for organic matter, poisonous seeds shall not exceed 0.5% of which Dhatura and Akra Seeds (Vicia species) not to exceed 0.025% and 0.2% respectively.

**ii) RICE:**

S. No.	Refractions		Maximum Limits (%)	
			Grade "A"	Common
1	Broken*	Raw	25.0	25.0
		Parboiled/single parboiled rice	16.0	16.0
2	Foreign matter**	Raw/Parboiled/single parboiled rice	0.5	0.5

3	Damaged # /Slightly damaged grains	Raw	3.0	3.0
		Parboiled/single parboiled rice	4.0	4.0
4	Discoloured Grains	Raw	3.0	3.0
		Parboiled/single parboiled rice	5.0	5.0
5	Chalky Grains	Raw	5.0	5.0
6	Red Grains	Raw/Parboiled/single parboiled rice	3.0	3.0
7	Admixture of lower Class	Raw/Parboiled/single parboiled rice	6.0	--
8	Dehusked Grains	Raw/Parboiled/single parboiled rice	13.0	13.0
9	Moisture Content @	Raw/Parboiled/single parboiled rice	14.0	14.0

\* Not more than 1% by weight shall be small broken.

\*\* Not more than 0.25% by weight shall be mineral matter and not more than 0.10% by weight shall be impurities of animal origin.

# Including pin point damaged grains.

@ Rice (both Raw and Parboiled/Single Parboiled) can be procured with moisture contents up to a maximum limit of 15% with the value cut. There will be no value cut up to 14 % .Between 14% to 15% moisture, value cut will be applicable at the rate of full value.

e) **CMR price.**

The prices of CMR for the KMS -2020-21 have not been received so far; however, the same would be communicated immediately on receipt from Govt. of India.

**4. Mandi Infrastructure**

- a) **E-Kharid and MFMB :** All mandi operations will be done by E-kharid portal to be developed for which Meri Fasal Mera Byora(MFMB) portal will be used for ascertaining the produce cultivated by farmers. Then online registration of millers will be done accordingly. For smooth purchase of paddy in the mandi, daily scheduling of farmers will be done as per their choice mentioned in MFMB portal for the same quantity of paddy. Then generation of gate pass to exit challan, all entries shall be made on E-kharid portal.
- b) **Mandi identification and allotment**  
The State Govt. have already allotted mandis for procurement of paddy. Due to pandemic COVID -19, suitable number of additional purchase centres have also been opened in the State. It should therefore, be ensured that adequate staff is deputed to the allotted mandis on the commencement of Kharif Marketing Season 2020.
- c) **Entering the arrivals in record**  
The arrival of paddy in mandis will be entered in relevant Register by the procurement In-charge concerned. Such entries will also be made by the staff of Market Committees in their own "H" Register. The details of variety of paddy invariably should be given in the register along with the details of farmers. Simply writing of paddy in record will not serve the purpose. The varieties of paddy viz. common, Grade-A, Basmati etc. along with their further sub- varieties must be recorded. These registers will be maintained in addition to the entries made on e-kharid portal. The parallel (corresponding) entries for H register & bidding register and so on have to be made accordingly. In this regard, the instructions will also be issued by Chief Administrator (CA), Haryana State Agricultural Marketing Board (HSAMB), Panchkula separately.

d) **Role and duties of arhatias**

Arhatias will be asked whether they are going to participate in the procurement or not and they will be directed to start preparation for the same i.e. adequate arrangements of electric jharna, wooden crates and tarpaulins etc. An inspection committee at market committee level will be constituted to inspect and ensure the availability of aforementioned facilities with all the arhatias according to time table based inspection in the mandis. The data of MFMB will help to assign the number of farmers to each arhatias in the mandis and additional purchase centre.

E **Auctioning of stocks**

As per existing instructions of the Chief Administrator, HSAMB Haryana, auction of heaps will be undertaken every day from both sides of mandis at 10.00 a.m. and 3.00 p.m. simultaneously. The offices of the Market Committees will remain open on all holidays i.e. Saturdays/Sundays and gazetted holidays during Kharif Procurement Season 2020-21. The Deputy Commissioners and all concerned will ensure that auctioning of heaps take place regularly and any violation in this regard is not allowed to take place. 5 days regular purchase, Saturday default purchase, Sunday no purchase and transportation on all days.

e) **Purchase of Paddy**

- i. The purchase of Paddy will be made by HSWC on MSP strictly as per parameters/specifications already discussed in the foregoing paragraphs. It should be ensured that farmers do not, in any way, get price lower than the MSP and forced to resort to any distress sale of their produce. **In case, however, any stocks arrived in mandis do not conform to specifications, the same should be got improved by cleaning, drying or blending with good quality of paddy etc. In this connection, the farmers will be advised /educated by the staff on duty as well as by the staff of the Market Committee.**
- ii. It must be ensured that the **purchase of Paddy is made as per specifications and by carrying out proper visual inspection of stocks.** The laboratory staff of the Food Civil Supplies and Consumer Affairs Department i.e. Head Analysts & Junior Analysts should also be associated while effecting purchase. There will be a roster for Head analyst and analyst to visit the different mandi and additional purchase centres. To ascertain moisture contents in paddy, moisture meters, preferably digital moisture meters invariably may be used in every Mandi by HSWC and HSAMB.
- iii. For the convenience of the farmers, two boards in Hindi indicating specifications of Paddy/Bajra as laid down by Govt. of India and the price payable should be displayed at prominent and conspicuous places in each mandi. In case of big mandis the number of such boards may be increased according to need.
- iv. It would be the responsibility of the procurement Incharge to ensure that representative samples of Paddy i.e. 10% of the total heap are properly drawn everyday in each mandi and analyzed in order to determine its proper quality. While ascertaining the quality of Paddy, it must be ensured that the interest of the farmers are fully protected.
- v. **DMs are also advised to exercise strict supervision and control at all stages of operations during procurement so as to ensure that there are no malpractices or manipulations in transactions of procurement.**
- vi. The Market Committee will install CCTV camera at each gate of the Mandi/purchase centre. Weigh bridges will be installed in selected mandis at the entry and exit gates of mandi and weight recorded there should

figure in the gate pass on the entry gate. The employee of the Market Committee, HSWC and Food Department will sign the outward gate pass while transferring the paddy procured to the Rice Mill for milling purpose.

- vii. Once the Tractor Trolley of farmer carrying paddy arrives in the mandis from inward gate, it may be ensured that the same Tractor Trolley should come out from exit gate after unloading of paddy in empty mode.

g) **Method of sampling/analysis.**

- i) The representative samples of Paddy be drawn/ analyzed daily to determine their quality. For this purpose, a register should be maintained in each mandi in which details of such samples, together with the results are entered. The register should contain the columns such as date, time of drawing the sample, name of the arhtias/farmers etc. This register should be maintained in each mandi/purchase center, which can be inspected by any visiting officer. A report giving details of the samples so drawn be also sent daily to the Headquarters of the Food Civil Supplies and Consumer Affairs Department.
- ii) The method of sampling of Paddy as communicated by Govt. of India is as under:-

Particulars	Paddy(Common & Grade-A)
Analysis	BIS No. IS: 4333 (Part-I) 1996, IS: 4333 (Part-II), 2002 and 'Terminology' for foodgrains IS: 2813-1995 as amended from time to time.
Sampling	The method of sampling is to be followed as per BIS method for sampling of Cereals and Pulses IS: 14818-2000 as amended from time to time.

h) **Cleaning arrangements in Mandis**

The CA, HSAMB has made mandatory for every Arhatia to have electric fans/ jharnas, sufficient labour, wooden crates, polythene covers etc. This facility can be availed by any farmer to bring his produce upto the prescribed specifications. The staff of the Market Committees and **HSWC** must ensure that every arhatia in the mandis has made adequate arrangements of electric fans/jharnas, wooden crates, polythene covers etc. The instructions in this regard have already been issued by HSAMB. In case any arhtia fail to provide such mandatory facilities, it be brought to the notice of Market Committee and District Administration in writing. More detailed instructions **will be issued by HSAMB** regarding arhatias role and preparedness.

i) **Check against un-necessary rejection of food-grains in Mandis**

- (i) Complaints are generally received in some cases that the stocks of Paddy are rejected by the staff on the plea that these do not conform to the prescribed specifications and such stocks are purchased by the trade at very low rates and then passed on to the Procurement Agencies the next day or after a few days at the procurement prices. The procuring staffs have to be quite vigilant and should take all steps to ensure that the farmers are not exploited in any way and that there is no collusion of any kind between the procurement staff and the traders.
- (ii) Whenever the stocks of Paddy are rejected, it should be personally verified and checked by the staff of procuring agencies, whether the stocks were actually not in accordance with prescribed specifications and were rightly rejected and that these could not be improved by cleaning or otherwise. Further, in order to ensure that the stocks rejected are really beyond the prescribed specifications, samples of all such rejected stocks should invariably be drawn and analyzed in the Food Grains Laboratory of the District Food and Supplies Controller. A report about the rejected stocks

showing inter-alia the name of centre, number of heaps along with quantity, name of farmer along with proper address and the results of analysis may be sent on day-to-day basis to the District Office.

- (iii) An appeal committee will be constituted at mandi level and it will hear appeal of farmers regarding rejection/moisture cut issue at 4-00 PM every purchasing day.

**j) Mandi level committees for determining quality of food-grains**

A committee consisting of Assistant Food and Supplies Officer (AFSO) /Inspector Food & Supplies, Secretary, Market Committee or any official of the Market Committee, representative of the farmer/growers and local representative of Procuring agencies i.e. Food Department/FCI/Hafed/HWC be constituted in every mandi to determine the quality of disputed food-grains. In addition to settling the dispute, the market committee will also educate farmers about quality issues.

**k) Stenciling of bags**

The instructions regarding Colour coding/stenciling has been received from GOI vide letter No. 15(1)/2012-PY.III dated 24.04.2020 and same has already been separately communicated to all the District Managers. Accordingly, the stenciling of bags may be made in clean, legible, adequately bold and in fast colour.

**l) Filling of bags**

As per present instructions from GOI, the filling of paddy in 50Kg bags will be made 37.5 Kg. Any change intimated by GOI, will be circulated to all concerned.

**m) Stitching of bags**

The stitching of Paddy bags be made manually and 14 to 16 stitches are to be made on every bag as per standing instructions. In case any deduction is made by FCI on account of poor stitching etc. the recovery shall be effected from the labour contractors / as the case may be.

**n) Weighment of Purchase**

**Arrangements should be made to ensure that weighment of bags in the mandis is properly done. For this purpose, checking of stocks at random should be made before removing these from the shops of Arhtias with a view to ensure that no bag with lesser weight is filled.100% weighment of Paddy should be made at the designated weighbridges. These weighbridges may be on entry and exit gate of the mandi or purchase centre and computerized or as designated by agencies where facilities are not available at mandis. Weighment will be supervised by HSWC staff. No paddy should be given to the miller without 100% weighment as above.** The shortages if noticed, be brought to the notice of concerned Arhtias and cost thereof recovered accordingly.

- a) In case of numerical shortages, the value will be recovered from the concerned Arhtias at double the cost.
- b) Adjustment of excess/shortage in respect of same day receipt at storage point is allowed to the individual commission agent from his own stocks provided it is in the standard packing. Such shortages in weight are not allowed to be accepted in the shape of grains.

**o) Reconciled figures**

For the purpose of Paddy purchase normally KMS starts from 1<sup>st</sup> October 2020 and ends on 15<sup>th</sup> of December 2020. District Managers will ensure that purchase figures of Paddy are sent to their respective H.Qs. by 6-00

PM every day by email/google report apart from entries on the E-kharid portal.

5. **Arrangements made for Procurement:**

a) **Mandis and allocation thereof.**

- i) This season 197 mandis plus additional purchase centres have been made functional for procurement of paddy. No. of mandis/purchase centres can be increased as per exigencies. Allocation of these mandis amongst the procurement agencies have already been communicated to the District Managers separately. It may be ensured that mandis are equipped with basic amenities such as drinking water, toilets, electricity, platform and parking place etc. The District Managers will ensure that all mandis are inspected and cleaned well before the commencement of season to facilitate uninterrupted procurement operations.

b) **Procurement Agencies:**

Four Procurement Agencies namely: Food, Civil Supplies & Consumer Affairs Department 40% Hafed 40%, FCI 05% and HSWC 15% would effect the procurement of paddy. From the start of the season, the staff of Procurement Agencies will remain present in the mandis on the day allocated to them and affect the purchase of Paddy in the event of market price falling below the MSP.

c) **Rice Millers.**

The number of functional rice mills in the State is about 1302. The millers may be buying leviable Paddy as well as doing custom milling of Paddy purchased by the Procurement Agencies. For doing CMR work each rice miller will have to be registered online provisionally with the concerned District Food and Supplies Controller to be eligible for custom milling of agencies' paddy. For this, each rice miller shall pay a registration fee of Rs.3,000/- per mill apart from supplying other relevant information as detailed in **Annexure-I'**. The registration of rice mills will be for 1 year. The Provisional Registration Fee will not be refundable. The rice millers doing the CMR work will be under obligation to adhere to various terms and conditions and guidelines issued by the Government from time to time. All the Rice Miller interested for milling will have to register online in the prescribed proforma i.e. **Annexure-I**, attached with the policy, The concerned Inspector Incharge will verify and submit the same to DFSC office with his report/comments duly countersigned by the concerned AFSO. The DFSC/Section Officer and concerned Dealing hand of DFSC office will verify the contents of Annexure-I after online registration. Registration will be done online by the rice millers. **New registration will pay registration fees. Those who registered shall valid, they will not be required to pay registration fees**

Thereafter comprehensive report shall be submitted to the DFSC. In case the post of Section Officer is vacant, then the Superintendent will substitute the Section Officer. DFSC/DFSO will accept/reject the provisional registration with his remarks. Any new Mill will be registered only after the Physical Verification of the Mill and proper assessment of its installed capacity by a Committee.

**The process of registrations of mills will be made online.**

d) **Materials at Mills:**

Sufficient gunny bales of 50 kg. packing are available with you and more supply of gunny bales is in pipeline. These bales will be used in 50-50 ratio policy of GOI for filling of paddy as well as delivery of CMR. FCI also has adequate stocks of gunny bales, which will be used for this purpose.

Sufficient qty. of polythene covers, tarpaulins and fumigants are already available with you. Stocking of the packing material at the strategic points, well before the commencement of the season may be ensured so that no difficulty is experienced when the actual procurement starts. In case of any change in the packing material policy, the same would immediately be conveyed to the all concerned.

e) **Cash Credit Limit and payment to the farmers (FUNDS).**

The State Govt. is committed to make payments to farmers within 72 hours after paddy is received in storage location and approval of I-form. The mode of MSP payment (online account of farmer or online otherwise) shall be based on the option exercised by the farmers. **In case of any difficulty regarding funds, the Financial Advisor/ Senior Accounts officer, Head Office, may be contacted directly on Phone/Mobile. It should be ensured that farmers do not face any difficulty in getting the payment of their produce promptly.**

g) **Labour & Transportation:**

The contracts of transportation finalized during the Rabi Marketing Season 2020-21 will also be valid for the current KMS 2020-21. The transportation of paddy will be done by the transport contractor from mandi to the mills. It should be ensured that the contractors function smoothly and bottlenecks if any, are removed promptly in consultation with District Administration.

h) **Storage capacity:**

Sufficient covered storage accommodation is available with Rice Mills in the State. No constraints on this front are likely to be experienced for storage of procured paddy. Post delivery storage will be the responsibility of FCI.

i) **Control Rooms:**

A control room will be set up at Head office which will function during procurement season. Similarly, District Managers should also set up their own control rooms at their Headquarters **and will ensure to communicate information on line about the procurement to HO & all other concerned quarters in their Circles on day to day basis.** Head Office of HSWC will further communicate information, about the procurement, so received to Food Civil Supplies & Consumer Affairs Department, Haryana.

j) **Deployment of staff:**

District Managers will deploy sufficient staff in the mandis allocated to Haryana State Warehousing Corporation in their jurisdiction so that they resume the procurement operations as and when warranted by the situation.

6 **Policy regarding custom milling of paddy:**

In order to ensure smooth operation of custom milling of paddy during KMS 2020-21 procured by the State Procurement Agencies, the Govt. has issued following instructions which must be followed in letter and spirit.

(a) **Storage of Paddy:**

- i) Paddy procured by the Agencies will be stored in the premises of the allotted Rice Mills as per details given in subsequent paragraphs. The transportation of paddy from mandi/purchase centre to mill, will be done by the Govt. agencies. Hence the paddy will be delivered to the Millers in the



- mills itself, and they will be responsible for its quality and quantity till the rice is delivered to FCI in Central Pool.
- ii) The CCTV camera shall be installed at the gates of the Rice Mill and the Rice Millers will retain soft copy of footage for all the period mentioned in the agreement.
  - iii) The miller must make a declaration that he is doing CMR work only or other work also for which he has to make separate stock register and updation of these two stocks register has to be submitted to concerned agency after every 15 days. The Rice Millers will also maintain a stock register of the paddy allotted to him duly certified by the DM. The stock entered in the stock register by the Rice Millers will be verified by the DFSCs/DMs by constituting a committee of at least 3 officials/officers not below the rank of Manager, immediately after total allotment to the miller and before commencement of milling operation.
  - iv) In extreme emergencies and with prior written approval of the Managing Director, HSWC, Panchkula the paddy will be stored in our own godowns.
  - v) The Paddy stored in the premises of the rice mill will be under or the joint supervisory custody of the rice mill and HSWC. The responsibility for quantity and quality will be of the concerned rice millers. The concerned custodian staff of Agencies and Inspector/Sub-Inspector Food & Supplies Department will supervise. The rice millers will plan the daily CMR milling as per the stack number and entries in the register with I-form number to ensure priority milling and this plan has to be submitted to concerned agency for next 15 days. All the supervisory officers of the Procurement Agencies and Food Department i.e. DFSC/DFSO/AFSO and Manager/District Manager of the concerned agency will be held accountable for any irregularities if they are found not following the instructions and guidelines for supervisory controls and mandatory inspections. The millers will ensure the storage of the paddy stocks of the Agencies/department separately from his own stock by erecting a physical barrier such as a boundary wall or a proper and durable fencing by producing site plan duly approved by the architect.
  - vi) The paddy shall be delivered in the mandi/purchase centre by HSWC to the miller through Delivery Challan duly signed by the authorised representative of the HSWC. The miller on receipt of such delivery challan shall have a right to examine the paddy so delivered. The acceptance of paddy by the miller is testimony to the fact that paddy is as per specification fixed by the Govt. The miller shall record on a separate register the paddy received through each Delivery Challan every day.
  - vii) Once the paddy has been accepted through the Delivery Challan by the Miller, he or his representative shall put his signatures on the Delivery Challan. The paddy so received by the miller shall be considered to be correct in terms of quantity and quality and no disputes shall be entertained after such acceptance with regard to the quantity and quality of the paddy received by the miller.
  - viii) No Delivery Challan accepted by the miller shall be recognized by the HSWC unless it has been duly issued and signed by authorised representative of HSWC.
  - ix) Each Miller will prepare, a pictorial chart/sketch in triplicate depicting the positioning of the stacks with stack numbers, I-Form Number & number of bags in each stack. He will retain a copy of the above at his mill premises, second copy will be available with the concerned Warehouse Manager/Incharge and third copy will be kept in the District Office of Haryana State Warehousing Corporation for priority milling on fortnightly basis.
  - x) The joint physical verification of the paddy stocks shall be conducted as per Annexure-2 on a fortnightly basis. The miller will be responsible for quantity and quality of paddy stocks found at the time of physical verification and

the reports will be submitted regularly to Head Office of Haryana State Warehousing Corporation by the District Managers concerned.

- xi) **Two special verification of paddy will be conducted by constituting a committee under the chairmanship of Deputy Commissioner and Multi Agencies. First physical verification will be conducted in the month of November and second in the month of February. The committee will submit his report directly to the Government.**
- xii) **The Signature on cheque book will be got verified by the miller from his banker and a certificate must be issued by the miller/second party that the guarantor to the agreement is not his family member.**
- xiii) **In order to prevent the unscrupulous Rice Millers from making advance purchase of rice and to deter them from using bogus bills to show it as genuine purchase from the farmers, an undertaking from the rice millers be taken regarding the existing stock of the paddy and rice in their mills and same should be kept separately. For this 100% verification of premises of mills is to be carried out by the DCs through a committee constituted for this purpose and videography of entire inspection should be undertaken.**
- xiv) No paddy for CMR is to be given to those rice mills who could not show the genuine bills of their stocks already lying in their mills at the time of inspections before allotment of paddy.
- xv) The detail report of the release order(RO) for delivery of paddy to mills should be maintained.
- xvi) A Co-ordination committee including District Marketing Enforcement (DMEO) Mandi Secretary, DM/FCI and heads of all State Procurement Agencies under the chairmanship of DC should ensure proper monitoring of procurement operations.
- xvii) The full address of the guarantor with pin code and e mail id will be taken and the property pledged by the guarantor should be unencumbered.

**b) Stock Articles**

Stocks articles (tarpaulin, wooden crates and polythene covers etc) which may be supplied by the procurement agencies to the Rice Millers for proper storage of paddy must be returned progressively to the agency concerned after the liquidation of paddy and rice. In case the miller fails to return the same, procuring agency will claim its costs, along with compound interest @ 21% per annum. In case, procurement agencies fails to provide adequate number of tarpaulins and wooden crates, on the demand of the miller, the miller will arrange the same from his own resources for which he will be paid rent for the period of storage of paddy as fixed by the Government of India or the Department. The rent /usage charges for wooden crates will be paid after production of non-availability certificate of stock articles issued by the District Manager concerned **@ Rs. 15/- per tonne of the paddy w.e.f KMS 2020-21 stored by the concerned agency.** Further, rates for tarpaulin w.e.f KMS 2020-21 will be got fixed from the Government.

**(c) Milling Committee:**

The State Govt. has constituted a Milling Committee under the Chairmanship of Deputy Commissioner for every District. The District Heads of Procurement Agencies including FCI and two nominees of Rice Millers, nominated by the Rice Millers Association are its Members and District Food and Supplies Controller is its Member Secretary. An officer from the Headquarters of the State Procurement Agency can also participate in the proceedings of the Committee. The Committee will also ensure that the time schedule for custom milling of Paddy, the delivery of CMR to Central Pool and other terms and conditions of the Agreement are adhered to. For this District milling committee must review the quantum of

delivery of CMR by each mill by the end of November, and every week after that. If any mill/mills are lagging behind in delivery and District Milling Committee feels that the particular mill/mills can not deliver the rice within the stipulated time frame, the paddy stored in the premises of such mill/mills should be immediately shifted to other mill/mills premises at the risk and cost of the defaulter mill/mills. This should be done seeing the performance of the mill/mills where paddy is to be shifted. The distance should be kept to the minimum. This pattern should continue in rest of the season also.

The following schedule will be completed before the commencement of procurement season by the District Allotment Committee:

- i) Online registration of eligible rice mills.
- ii) Scrutiny of the list.
- iii) Issuance of list of allotted rice mills.
- iv) Signing of agreement and deposit of security etc by the allotted millers.

**(d) Shifting of paddy:**

The surplus Paddy, if any, at a centre may be shifted with the prior approval of District Milling Committee for its storage to the nearest milling centre keeping in view the availability of milling capacity of later. In case, the nearest centre does not have adequate or surplus milling capacity, the surplus Paddy will be shifted to the next nearest milling centre and so on.

In case the Paddy is still surplus in the district, each Procurement Agency will chalk out a detailed plan to shift such Paddy for milling to the nearest District, where adequate milling capacity is available with the approval of the Distt Milling Committee and it's Head of the Department. The DFSC/DM of the procurement agency will convey the surplus milling capacity and paddy to their Headquarter after decision in the Distt. Milling Committee with specific recommendation regarding surplus paddy and capacity. Thereafter, the consent of receiving district will be taken before shifting of paddy and the receiving district will also inform the District Milling Committee and FCI. The barest minimum quantity of Paddy should be shifted. It should be ensured that Paddy is shifted directly from the purchase centre /mandi to the mill premises and no cross movement of Paddy stocks should take place. As mentioned earlier the approval of shifting of Paddy be obtained from the concerned Head of the Procurement Agency i.e. DFS and MD of the procurement agencies. Physical Verification shall be conducted before shifting of paddy from the mill to avoid notional transfer and to prevent bogus transport and labour bills. Physical Verification shall also be conducted at the mill that has received such transferred paddy immediately on arrival of paddy in the mill.

In case any miller brings paddy from other distant mandis then transportation charges will be given to miller from the nearest mandis and this lifting will be allowed after due permission of DMC.

**(e) Allotment of Rice Mills to State Procuring Agencies:**

Allotment of rice mills for custom milling of Paddy will be made by District Milling Committee. The rice mills, which have satisfactorily delivered entire CMR of KMS 2019-20, are to be considered as eligible for allotment of Paddy. All the allotments of rice mills should preferably be completed before the commencement of the season. The rice mills are to be allotted to all the Procurement Agencies in proportion to the Paddy to be procured by them. One rice mill should not be given paddy of more than one procuring agency. In case, one agency completes its milling of Paddy stored with a particular rice mill and does not want to get more Paddy milled from it, the same mill can be formally allotted to other Agency by the

Milling Committee before the start of the season. After this date, the allotment cases shall be sent to Director for approval with the recommendation of District Milling Committee. Allotment once made shall not be changed, whenever any necessary change is required, it shall be done at the level of Director and the same shall become final.

A list of all defaulter rice mills of all the Procurement Agencies of all previous years should be prepared and the same should be submitted to the District Milling Committee as well as to the Head office, District offices of all state procuring agencies and their subordinate staff. Further, no paddy shall be allotted to any rice mill, who has not been registered online. The default will be on the following counts and following shall not be eligible for allotment of Paddy for Custom Milling of the rice:-

1. Individual/Firm/Company/Partnership/Proprietorship who have defaulted in the past
2. Individual/Firm/Company/Partnership/Proprietorship who are in arbitration with agency for past dispute
3. Individual/Firm/Company/Partnership/Proprietorship against whom FIRs have been lodged.
4. Individual/Firm /Company/Partnership/Proprietorship whose premises have been defaulted
5. Directors of defaulting Firm/Company/Partnership/Proprietorship will be considered as defaulters, if they are directors/partner/proprietor of any new legal entity.

**f) Allocation of Paddy for Custom Milling of Rice.**

The allocation of leviable Paddy purchased by the Procurement Agencies will preferably be allocated to the millers, whose mill premises are safe for Paddy storage and are having boundary walls around the said premises and also having gates.

Further, the following conditions will be applicable regarding above parameters:-

1. Certificate of Tarriff commission will be valid at the time of registration. The rice miller will certify by submitting the certificate from DIC that the capacity shown in his agreement is correct.
2. The DFSC/DM of the concerned procurement agency will verify the milling capacity as per record and will submit before the Distt. Milling Committee along with certificate.

The allotment of paddy will be as under vis a vis capacity of mills.

The Capacity of the mills will be decided as under:-

- Mills having milling capacity upto 1MT/hour - 4000 MT
- Mills having milling capacity upto 2MT/hour - 5000 MT
- Mills having milling capacity upto 3MT/hour - 6000 MT
- Mills having milling capacity upto 4MT/hour or above - 7000 MT

**g) The following instructions should also be adhered to before allotment of Paddy:-**

- (i) In case the miller lift Paddy without release order, unauthorizedly converts it into rice, theft or misappropriation it shall tantamount to defalcation and Agency will take criminal action against the miller. The miller will be liable to pay the interest @ CCL rate of interest on the value of Paddy for the duration of defalcation. In addition, the miller along with his mill premises will be blacklisted.
- (ii) Hafed Rice mills can also be used for storage/milling of paddy by the procuring agencies. Every care should be taken to treat Hafed rice mills and private mills at parity.

- (iii) **No rice miller shall pledge paddy belonging to the State Procuring agencies with the banks for availing cash credit limit for his own business transactions. If any miller indulges in this malpractice, he should immediately be black listed and the stock of paddy/rice should be shifted from his mill to other mill/mills at his risk & cost.**
  - (iv) Premises of a defaulter miller auctioned by a financial institution/commercial bank shall not be considered for allotment during KMS 2020-21, if there is any objectionable relation between the buyer and the previous owner. However these premises can be considered for allotment only in case there is no such relation between the buyer and the previous owner and the premises has been duly auctioned by the financial institution/Bank as per laws applicable. The decision in each such case (s) will be taken at the level of Director, Food Civil Supplies and Consumer Affairs and shall be final.
  - (v) There shall be complete ban on the miller to mortgage, gift, sell or transfer the mill through any means to any other person till the dues of Custom Milled Rice are cleared (Affidavit from the miller should be taken in this regard in advance)
  - (vi) In case of sole proprietorship, partnership firm, Private Limited company and Societies there shall be a complete ban on change of proprietor, partners, Directors or Members of Societies, once an agreement has been entered into for Custom Milling of Paddy or mill is allotted for Custom Milling or Paddy is stored in the mill for Custom Milling till the entire Custom Milled Rice due is delivered to FCI and account is settled with concerned Procurement agency.
  - (vii) The allotment of paddy to the Rice Millers for CMR, KMS 2020-21 should be according to the capacity of the plant. During the previous year's Procurement, Agencies have allotted paddy to the Rice Millers in violation of prescribed CMR Policy as well as quantity of allotted paddy upto 14000 MTs approx. without considering the plant capacity within the territorial jurisdiction of Haryana. Pick and choose method have been adopted in allotment of paddy for CMR wherein some of the Rice Millers issued less quantity by the procuring agencies without considering their capacity as well as electricity connection.
  - (viii) Rice Millers who are not having ownership of land on which Rice mills is installed consider as lease holder and same may kindly be treated as lease.
  - (ix) Some of the rice millers have registered two units within same premises without having land ownership/lease so there should be specifically prescribed regarding submission of title of land.
  - (x) In those cases where the miller is also running a Commission Agent's shop then in such a case his rice mill shall not be allotted to the agency for which he is working as a Commission Agent.
  - (xi) The postal address with pin code and e-mail id of the mill proprietor and guarantor should be taken.
  - (xii) The mill must be insured against theft and fire to the losses.
  - (xiii) Web based updation of the status of paddy of mills in the district starting from Manager/Incharge-SubInspector-Inspector-AFSO-DFSC/DM-arhatias-miller-FCI depot on weekly basis.
  - (xiv) The quantity of the paddy should be mentioned in the agreements well in advance.
- (h) **Execution of Agreements:**

Millers doing custom milling of paddy shall execute an agreement with the concerned procurement agencies/HSWC immediately in the prescribed proforma and complete all other formalities in this regard, failing which the allotment of paddy shall be cancelled. **Signatory to the agreement must be authorized by the partners/Directors through a legally executed**

**General/Special Power of Attorney.** They will have to adhere to the various terms and conditions incorporated in the agreement. No paddy will be given to any miller without executing proper agreement. All the columns of the Agreement should be properly filled and each should be signed by both the parties. It will be the joint responsibility of the Managers/District Managers to ensure that the agreement is executed with the Rice Mill totally in concurrence with the Policy and all relevant documents, security, Bank Guarantee (where ever applicable) in each & every case.

The agreement should be complete in all respect and duly signed by all the executers and submitted to Head office.

(i) **Guarantee:**

Guarantee is to be taken in the shape of signed MICR Post dated cheques drawn in favour of the DFSC/DM for Rs. 50 lakhs for each ton of milling capacity from the miller, duly signed and filled in the handwriting of rice millers. The post dated cheques should be complete in all respect. The name of the firm must be printed on the cheque. The second party is not empowered to cancel/alter the cheque without prior written consent of the first party that is the agency. A cancelled cheque is to be obtained from both the guarantors. The reputed Arthatias/ commission agents shall stand surety for the miller to the extent of the same amount (50 lakh) as the cheque delivered by him. Name of Guarantor may be changed at any time before allotment of paddy.

(j) **Security amount:**

Security amount of Rs. 10,00,000 (Rs. Ten lakh only) for first one tonne capacity and Rs. 5,00,000/- (Rs. Five Lakh only) for every additional one tonne capacity or in proportionate shall also be obtained. The security may be obtained in the shape of FDR pledged in the name of DFSC/DM of concerned procurement agency and shall be valid till the final execution of agreement.

(k) **Delivery of rice :**

Delivery of CMR/levy rice will be governed by the following instructions/guidelines:

- I. The miller shall utilize the milling capacity strictly on the basis of paddy stocks stored by the Government/Agencies and paddy purchased by millers at his own. **The miller has to maintain the ratio for delivery of custom milled rice and his own milling of rice.**
- II. **The miller shall be liable for out turn ratio of rice i.e. 67 % & 68 % for Raw Rice and Par-boiled rice respectively or as per Govt. of India's instructions.**
- III. In case the milling of paddy of the Agencies is delayed, Section-10 of the Levy Order, 1985 will be invoked.
- IV. The rice miller shall be required to manufacture entire rice as per specifications laid down by the Govt. of India and deliver the same to FCI at its depot by 30 the April, 2021. The transportation/incidentals charges, if any, shall be paid in accordance with the instructions issued by the Govt. of India from time to time. The delivery schedule of CMR shall be regulated as under:-

Up to Dec. 2020	=	30% of the allotted Paddy.
January, 2021	=	20% -do-
February, 2021	=	20% -do-
March, 2021	=	20% -do-
April, 2021	=	10% -do-

- V In the event of failure to deliver CMR, within stipulated period, the miller, as a penal provision, shall be liable to pay interest @ CCL rate of interest for

delayed period on the delivery of CMR from the date it becomes due till the date of realization towards the left over quantity/stocks. District Milling Committee will ensure that the holding charges should be deducted in uniform pattern by all agencies.

- VI In the event of failure of due delivery of CMR by the rice miller against the paddy issued, the miller shall be liable to pay the cost of such short quantity of rice @ 110 % of rates of CMR as fixed by the Govt. of India along with interest @ 12% p.a. on the actual payable amount from 1<sup>st</sup> May till the date of actual payment. However, the waiving off the penalty is not appealable.
- VII Delivery of CMR will start immediately. **The rice miller shall be required to deliver CMR of the same variety of the paddy allotted to him for custom milling. Inter changeability of Common rice into Grade-A, rice shall not be made.** CMR to be delivered against Common Paddy variety should be allotted Lot No. with different series so as to differentiate/distinguish it from Grade 'A' variety. In case of any exchange of Common Grade Rice during CMR delivery against Grade 'A' rice, the concerned Manager/Incharge & DM will be jointly responsible for the lapse.
- VIII The liability of quality cuts on rice, if any, and other deductions made by FCI, shall be that of the miller.
- IX In order to streamline and regulate the delivery of CMR contact numbers will be issued by a Committee headed by Inspector Food & Supplies of concerned PR Centre, one representative of State Procurement Agencies and one representative of rice miller nominated by the Rice Millers Association.
- X The rice miller will deliver rice to the Central Pool in 50 kg. new bags provided by HSWC.
- XI In case, rice miller fails to deliver the CMR of KMS 2020 of the **HSWC** as per the stipulated schedule and the **HSWC** has to shift the paddy stocks, it would be done at the risk and cost of the miller concerned giving him 7 days notice for this purpose. This paddy will be shifted after approval of the Director, Food and Supplies Department/Managing Directors of the concerned agency under intimation to FCI. The miller and his mill premises will be blacklisted in that event.
- XII **In case of death of owner of rice mills or guarantors/sureties, their legal heirs/successors /assigns shall inherit assets and liabilities of the deceased.**
- XIII Food Corporation of India (FCI) shall provide space for delivery of Custom Milled Rice to the Rice Millers in proportion to the paddy allotted to them by the procurement agencies for custom milling of paddy procured by them under Minimum Support price (MSP) Scheme of the Government of India . For this FCI at district level (revenue district Haryana) will issue linkages of Rice Millers with storage points, in consultation with all the procurement agencies by the end of October 2020. The concerned District Food and Supplies Controller will submit month wise requirement of space in the storage points mentioned above in consultation with all the procurement agencies in the district (including FCI) in the first week of November 2020. The schedule circulated will take care of entire delivery of CMR by 30.04.2021. In case, FCI due to space crunch, loading of specials, paucity of staff or Strike of staff or labour in FCI, will issue certificates stating clearly the time period for which it was not able to offer space or accept

delivery of rice. These certificates should be counter signed by the Area Manager, FCI of the District. On the basis of these certificates district heads of procurement agencies will pass speaking orders in the respect of penal provision with regard to late delivery of CMR. In case, where FCI has not given such certificates and the facts clearly establish that delay is not on the part of the rice mills, district heads of procurement agencies will send a comprehensive detail of facts to their headquarters and with the permission/approval of headquarters, will pass speaking orders. However, in case where delay is attributable to rice mills, penalty in the form of penal provision shall be enforced.

- xiv. The concerned procuring head in the district shall prepare average monthly CMR delivery plan in advance to ensure that the mills adhere to the delivery plan. Also the FCI will make a average monthly District wise intake plan for CMR at various Depots in accordance with the advance delivery plan of SPAS.
- xv. Unloading of paddy should be done by rice millers and they will get payment for it.
- xv. Due to prevailing Government Policies area of cultivation of crop of paddy will reduce wherein arrival of paddy will be expected to less quantity: the allotment of paddy quantity to the Rice Millers should be reduced.
- xvii. User charges/rent regarding the arrangement of **wooden crates** by the rice millers should be fixed for Rs. 15/- per tone of the paddy quantity before finalizing the CMR policy of the crop year KMS 2020-21.

#### **(L) Payment of milling charges**

Milling charges payable will be @ Rs.10/- and Rs.20/- per quintal of paddy for Raw and Parboiled rice respectively. The miller shall be entitled to the milling charges after completion of the entire milling operations and satisfactory delivery of rice to the FCI on behalf of the Government as per rates and policy prescribed by the Government of India. The issue of revision in milling charges is under consideration of the Government of India. **In case, milling charges are changed the millers will get the payment accordingly. All bye-products viz. broken rice, rice kani (rice husk and rice bran etc.) shall be the property of the rice miller.** He (Miller) shall be responsible for payment of any Central or State taxes duties levies, cess etc. whatever applicable on bye products obtained from milling of paddy. The rice millers will be bound to follow any change in the policy made by the Government of India from time to time. The terms of shelling/processing shall include all operations related to or co-incident to the process of milling of paddy and which shall also include the following operations:-

- (i) Drying of paddy stocks.
- (ii) Katai of paddy bags before de-husking.
- (iii) De-husking of paddy stocks.
- (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 railway station and loading into wagons, inspection, weighment and sampling as per directions of the Government/FCI.
- (vii) Transportation of milled rice to the storage point of the Government and Food Corporation of India including those of hired godowns as per directions of the Government/FCI, unloading of trucks and delivery after inspection.



- (viii) Weighment, sampling at scale point will be at the cost of the miller.
- (ix) Delivery of A-note, weight checks memo and other relevant documents for claiming payment from the Food Corporation of India.
- (x) The miller shall stitch a raxin slip/canvas slip with each bag bearing name of the mill/ Centre/ District/ category of rice/net weight/ contact No./ crop year on the bags.
- (xi) Transportation charges for transportation of paddy from mills to FCI godown will be payable on the basis of the rates fixed by the Deputy Commissioners of the State or FCI's rate whichever is lower from 0 KM onwards for the actual distance as per the Government of India letter No. 192(14)/2015-FC A/cs dated 30<sup>th</sup> September 2015.
- (xii) Driage charges will be payable @ 1% of MSP of paddy in case of raw rice. No driage charges will be payable in case of par-boiled rice.
- (xiii) GST would be payable by the millers at applicable rate on all types of amount recoverable from millers.
- (xiv) Deduction relating to penalty /interest etc. shall be made from the bills of the Rice Mills only after due notice to the rice millers in this regard.
- (xv) Deductions relating to quality cuts on rice, if any and other deductions made by FCI, shall be made from bills of the rice mills.
- (xvi) Deduction related to moisture cut shall be in the form of more paddy i.e weight and not payment cuts.
- (xvii) Mechanized covering and uncovering of stocks. Proper record of gunny bales have to be maintained in mills. Proper review of stocks in mills should be done on weekly basis and report to be submitted to Hq. FIFO based milling of paddy stored in the mills premises.
- (xviii) Mapping the transporter from mandi to storage, then points/mills and FCI depots.
- (xix) Loading, unloading and stacking charges regarding the arrangement of paddy by the rice millers as notified by Haryana State Agricultural Marketing Board from time to time as per the prescribed policy of wheat etc. should be prescribed in CMR Policy for the year 2020-21. FCI is already paying these expenses to the commission agents and contractors within the territorial Jurisdiction of Rohtak.
- (xx) For delivery of CMR after deduction of driage of 1% on paddy i.e. 99 kgs of paddy quantity. At the time of physical verification by the government agencies quantity of paddy should be considered as 99 Kgs against 100 Kgs of paddy.

## **7. Thrust areas during Procurement:**

### **a) Review and co-ordination.**

The District Milling Committee will rigorously review and co-ordinate the procurement operations from time to time and its information will be given to the Heads of the Procurement Agencies. Similarly, the Heads of the Procurement Agencies will also conduct review of the procurement operations periodically. Review meetings will also be held at higher levels in the State and invariably at the level of Director Food, Civil Supplies and Additional Chief Secretary to Govt. of Haryana, Food & Supplies, Department. The Heads of the Procurement Agencies will ensure proper co-ordination and monitoring procurement operations.

### **b) Inspection of mandis.**

The Deputy Commissioners will ensure that the mandis in their jurisdiction are inspected by them and other senior officers viz Additional Deputy Commissioner and SDMs etc. Major events taking place in the mandis are reported to higher level and appropriate action, as warranted by situation, is taken promptly. Similarly, the mandis allocated to HSWC should be

inspected by District Managers concerned periodically so as to sort out any problems/bottlenecks on the spot. It should be ensured that no trading of paddy by the traders from neighbouring State be allowed and SSP will setup round the clock nakka.

c) **Clearance of Mandis:**

The District Administration and the District Heads of the Procurement Agencies will ensure that the stocks purchased by them are lifted and the mandis are cleared on the same day. No glut is allowed to take place in the mandis. In fact, the Procurement Agencies must finalize/execute the custom milling agreements with the millers well before the commencement of the season and the Paddy purchased by them must be lifted from mandis and stored for its custom milling immediately after purchase. The arrangements to ensure proper weighment of procured food grains be made in all the mandis and random checking be made before lifting the procured stocks.

d) **Proper and safe storage of Paddy :**

It would be ensured that the Paddy so purchased are stored properly and kept under safe custody so that there is no chance of any pilferage or damage to stocks. **Paddy stocks stored in the rice mills should be checked/verified as frequently as possible to avoid chances of any malpractice/ misappropriation.**

e) **Education of farmers:**

HSWC with the co-operation of the Market Committees, will educate the farmers through Press, Television, All India Radio and Public Relation Department of the State. This will be with a view to advice the farmers to bring their produce to the mandis in a neat and clean condition. The farmers must know the prescribed parameters of quality so that they bring their produce accordingly and the same is purchased by the millers/Procurement Agencies/HSWC immediately on its arrival. In the event of any heap of Paddy/Bajra not conforming to the prescribed specifications, farmers would be advised by the staff available in the mandis to dry and clean the stocks or blend it with good quality stocks so as to bring it upto the prescribed specifications for which infrastructure has been created with each Arhtias in the mandis.

f) **Watchful eye on the Role of Arhtia**

Market Committee will keep watchful eye on the arhatias and ensure availability of electric fans/jharnas, wooden crates and tarpaulins etc. with the arhatias

g) **Functioning of labour and transportation contractors.**

A watchful eye has to be kept on the functioning of all the labour and transportation contractors in the Mandis. Efficient functioning on their part makes the procurement operations smooth and avoids any glut in the mandis. It be ensured that these contractual arrangements function smoothly and in case of any failure on their part, alternate arrangements are made promptly so that the procurement operations are not hampered.

8. **Maintenance of Accounts on the purchase of foodgrains:**

- a) The accounts of the food grains purchased on MSP are to be maintained in accordance with the instructions issued from time to time. Necessary

accounts & returns must be sent to Financial Adviser/ Senior Accounts officer, Haryana State Warehousing Corporation, Panchkula as per his directions/instructions, regularly.

- b) Corporation takes a serious view about the incomplete and improper maintenance of various documents particularly the **bidding register/gate passes/stock registers** etc. Complete & proper documents, record and accounts as required be maintained and special stress is laid on **the correct maintenance of gate passes/bidding register.** Every heap of the Paddy must be entered in the bidding register and no heap is allowed to remain unaccounted for. In case the above mentioned record are not maintained regularly on day to day basis, it will render the official concerned as well as the supervisory Officers/officials including the District Manager, responsible for stern disciplinary action. It should be particularly noted that for every movement of foodgrains taking place from mandi to miller premises or godowns within the centre for storage, gate pass should be invariably prepared/issued.
- c) Recording of paddy variety-wise i.e. PR-Sarbati, Muchchal or Basmati and leviable paddy etc. (Common/Grade-A), instead of word 'paddy', in the bidding register be also ensured. Entry of the same in 'H' Register of the Market Committee as well as commission agents be ensured. It is also necessary that at the close of the day, the bidding register and 'H' Register maintained by the Market Committee and arhtiyas is signed by concerned HSWC official on procurement duty, authorised representative of Market Committee and concerned Inspector/ Sub-Inspector of Food & Supplies Department.
- d) The accounts must be maintained as per laid down procedures and guidelines and every detail about the procurement operations must also be maintained properly.
9. All minor disputes relating to interest, penalty, holding charges, milling charges including interpretations pertaining to the policy of custom milling of paddy between the millers and the **HSWC** shall be resolved through arbitration by an arbitrator to be appointed by the Managing Director, Haryana State Warehousing Corporation, on the request of any of the party in the agreement. There shall be no objection to any such appointment by the miller concerned. However, the cases of fraud, theft or misappropriation etc. are not covered under this clause and in such cases legal proceedings as deemed fit will be initiated by HSWC against the miller as well as against the sureties.

This policy for procurement of paddy/Rice is issued after consultation with all concerned by the procurement branch of the Food Department, but the issues concerning to maintenance of accounts, realization, payment, payment of bonus packing material and storage space will be dealt with by the concerned branches of the Corporation. These offices/branches will be responsible for any default/negligence in the implementation of the policy or guidelines issued from time to time. The DMs/DFSCs of the Procurement agencies will be personally responsible for non-executing the agreement or implementing the policy in letter & spirit.

**If anything has been missed/left inadvertently regarding process of procurement of paddy and CMR delivery in the Procurement Policy 2020-21/Agreement, then policy of FCI will prevail.**

In line with the above policy, a copy of the draft agreement for KMS 2020-21 is also enclosed for information and necessary action at your end.

DMs are further advised to get the copy of these instructions downloaded from E-mail and circulate it to all the Managers/concerned staff posted at the Warehouses/Distt. Office under their charge immediately.

Any violation of this compendium shall be viewed seriously. The receipt of this communication may please be acknowledged.

**Encl: As above**

**MANAGER(S&T)**

For MANAGING DIRECTOR

Endst. No. HSWC/Tech/PP/Kharif-2020/ 37816-965 **Dated: 28.09.2020**

A copy of the above is forwarded for information and necessary action to:

1. PS to Chairman/PA to M.D. for information of Chairman/ Managing Director.
2. All the Officers at Head Office except Financial Adviser/ Senior Accounts Officer, HSWC, Panchkula.
3. Financial Adviser/ Senior Accounts Officer HSWC, Panchkula. He is requested to issue necessary guidelines to their Accountants posted at Distt. Offices to monitor/ maintain head wise expenditure/realization of amount from FCI/millers on various heads as per Govt. instructions/agreement and send this information of actual head wise expenditure on the purchase/deliveries of paddy/CMR to State Govt./JCFA, Haryana, after end of Kharif Season to enable them to prepare final proposal to be sent to GOI for revising the rate of various components of Provisional Rates fixed by GOI for KMS 2020-21, accordingly.
4. SAO/SAM (A), H.O and all the Accountants in Head Office/ field.
5. DM (QC)/AM (QC)/TAs/JTAs at Head Office/Distt. Offices.
6. All the Managers/Incharges, State Warehouses in Haryana.

**MANAGER(S&T)**

For MANAGING DIRECTOR

**AGREEMENT****(TO BE EXECUTED ON A STAMP PAPER OF Rs.100/-)**

This agreement is made this \_\_\_\_\_ day of \_\_\_\_\_, 2020 between the **Managing Director, Haryana State Warehousing Corporation**, acting through Manager, State Ware House \_\_\_\_\_ and counter signed by the District Manager concerned as authorised vide Head Office letter No. HSWC/Tech./Milling Agreement/2015/13844-852, dated 15.4.2015, on the subject titled "**Delegation of Powers**" (hereinafter called "**the Haryana State Warehousing Corporation**")/ "**First Party**" which expression shall unless repugnant to the context or meaning thereof include its successors and assigns) of the one part and \_\_\_\_\_ (hereinafter called "**the miller**")/ "**Second Party**" which expression shall, unless repugnant to the context or meaning thereof, include its successors and assigns) of the other part:

IN RESPECT OF Whereas the "First Party" is desirous of having paddy milled into rice from the miller/ "Second Party" as per clause 10 of the Haryana Rice Procurement (Levy) Order, 1985, as amended from time to time and the miller/"Second Party" agrees to mill paddy on the terms and conditions hereinafter contained and the first party or Director, Food & Supplies, Haryana can also impose further terms and conditions under clause 10 of the Haryana Rice Procurement (Levy) Order, 1985, if need be;

Now, therefore, it is hereby agreed and declared by and between the parties as follows:

- (1) (i) The miller/Second Party agrees to custom mill the paddy of the **Haryana State Warehousing Corporation/ First Party** in accordance with the terms and conditions contained in this agreement.
  - (ii) The miller/ Second Party agrees to dedicate minimum 40% or as required of its rated milling capacity for custom milling of the paddy of the **Haryana State Warehousing Corporation/First Party**.
  - (iii) Till such time as the entire paddy provided to the miller/ Second Party by the **First Party/ Haryana State Warehousing Corporation** is milled to the satisfaction of the **First Party/ Haryana State Warehousing Corporation**, the miller/ Second Party agrees not to custom mill the paddy of any other person or agency or in any other manner diverts its milling capacity for any other purpose.
  - (iv) The miller/ Second Party shall not take any action like disconnection of electricity connection etc. which has the effect of reduction of its milling capacity till such time as the entire paddy of the **First Party/ Haryana State Warehousing Corporation** has been milled satisfactorily.
  - (v) The Rice Miller/ Second Party shall be required to deliver custom milled rice of the same variety of paddy given to him by the **First Party/Haryana State Warehousing Corporation**. Any deviation shall be at the risk and cost of the miller/second party. The Miller/Second party shall be required to deliver Custom Milled Rice at Out Turn Ratio of 67% in case of Raw rice or as per Govt. of India instructions.
2. The miller/Second Party shall be supplied paddy, in accordance with his rated capacity, by the District Milling Committee as per the policy formulated by State Government, for custom milling of paddy procured by various agencies of the State Govt. from time to time including guidelines for KMS 2020-21.
  3. The paddy to be milled by the miller/Second Party shall be provided from \_\_\_\_\_ and \_\_\_\_\_ centres. These centres can be altered with the mutual consent.

4. (i) On receipt of the paddy through delivery Challan, the miller/ Second Party shall cause the Challan to be signed by him or his representative.
- (ii) The Miller/ Second Party shall record on a separate register the paddy received through each Delivery Challan every day.
- (iii) One of the authorized partner/representative of the miller/ Second Party on a weekly basis (each Monday) shall inform the **Haryana State Warehousing Corporation/ First Party** about the total quantity of paddy received by him on the following format:-

<u>Sr.No.</u>	<u>Date.</u>	<u>Challan No.</u>	<u>Qty. of Paddy.</u>	<u>Total of the week</u>
1	2	3	4	5

- (iv) Once the paddy has been accepted through the Delivery Challan by the Miller/ Second Party, he or his representative shall put his signatures on the Delivery Challan. The paddy so received by the miller/ Second Party shall be considered to be correct in terms of quantity and quality and no disputes shall be entertained after such acceptance with regard to the quality and quantity of the paddy received by the miller/ Second Party.
- (v) No Delivery Challan accepted by the miller/ Second Party shall be recognised by the **Haryana State Warehousing Corporation/ First Party** unless it has been duly issued and signed by an authorised representative of the **First Party/Haryana State Warehousing Corporation**.
- (vi) The paddy stored in the mill of the miller/Second Party shall remain in his custody and he will be responsible for any shortage or damage to paddy/rice stock. Paddy procured by the **Haryana State Warehousing Corporation** will be stored in the premises of the allotted Rice Mills as per details given in subsequent paragraphs. The transportation of paddy from Mandi/purchase centre to mill will be done by the millers and not by the Govt Agencies keeping in mind the policy of Govt of India regarding "Milling Charges". Hence the paddy will be delivered to the Millers in the Mandi itself, and he will be responsible for its quality and quantity till the rice is delivered to FCI in Central Pool.
- (vii) The miller/second party, however, undertakes to mill approximately \_\_\_\_\_ MTs of paddy purchased during Kharif Marketing Season 2020-21. The exact quantity of paddy shall be calculated as per actual delivery accepted by the miller/second party. **The details of actual delivery statement signed by both parties will be part of this agreement.**
- (viii) Provided further that the first party/ **Haryana State Warehousing Corporation** does not guarantee any definite volume of work relating to selling of paddy at any time or throughout period of contract. The mere mention of any item of work in this contract shall not by itself confer a right on the Miller/Second Party to demand that the work relating to shelling of paddy at a particular centre/Mandi should necessarily or exclusively be entrusted to him. The First Party shall have the exclusive right to support one or more Millers for any particular centre/Mandi and to distribute the work between such Millers in any manner that the First Party/ **Haryana State Warehousing Corporation** may decide and no claim shall lie against the First Party/ **Haryana State Warehousing Corporation** for such withdrawal/distribution of work.
- (ix) The miller/Second Party agrees to install CCTV cameras at the gates of the Rice Mill and the Rice Millers will retain soft copy of footage for all the period mentioned in the agreement.

- (x) The miller/Second Party will also maintain a stock register of the paddy allotted to him duly certified by the District Managers, HSWC. The stock entered in the stock register by the rice millers will be verified by the District Managers, HSWC by constituting a committee of at least three officer/official not below the rank of Manager/Incharge immediately after total allotment to the miller and before commencement of milling operation.
5. The miller/Second party shall ensure that the paddy within his premises is stored in a scientific manner so that it does not get damaged or lost in any manner whatsoever. Each stack in which the paddy is stored shall be given a stack number. The miller/Second party shall make good the loss, if any, caused to the paddy stored in his premises due to any reason.
6. The miller/ Second Party shall keep the record of the paddy received, paddy custom milled and rice delivered etc. by maintaining a stock register duly certified by the District Managers and custodian of the stock and will submit the report on the following format and furnish the details thereof on weekly basis to the **First Party/Haryana State Warehousing Corporation:**

Name of the Agency	Name of the Storage Centre	Variety of paddy
1.	2.	3.

Stocks of paddy		Qty. of paddy issued out of col. 4 by HSWC for milling		Out-turn ratio for conversion of paddy into rice	
4.		5.		6.	
Bags	Wt in Qtl	Bags	Wt in Qtl	Bags	Wt. in Qtl
(a)	(b)	(a)	(b)	(a)	(b)

Qty of rice delivered(in Qtls)		Qty. of Paddy milled	Balance un milled paddy
7.		8.	9.
Raw	Par-Boiled		
(a)	(b)		

Signatures of Miller with date (NAME IN CAPITAL LETTERS)	Signatures of inspecting Authority / Centre Incharge with date
10.	11.

**If the above-said requisite information is not supplied by the Second Party well within the time, then First Party reserves his right to initiate remedial proceedings against the Second Party as per law.**

7. (i) Since the Miller/ Second Party is also entitled to utilize the part of his capacity for milling of his own paddy, he shall keep a separate record with regard to the stocks of paddy and rice of both the parties separately. He shall further allow and facilitate inspection of record and physical inspection of paddy and rice belonging to the **Haryana State Warehousing Corporation** i.e. Government as well as of his own stocks.

- (ii) Authorized representatives of the Government/ **Haryana State Warehousing Corporation/ First Party** shall be entitled to inspect the record and the stocks at any time during the milling season.
- (iii) The miller/ Second Party shall carry out the milling operations only of that paddy in respect of which the Release Order has been duly issued by the **First Party/Haryana State Warehousing Corporation**. The miller/ Second Party shall apply for issuance of Release Order to the **Haryana State Warehousing Corporation/First Party** well in time and as per instructions on this subject.
- (iv) The miller/ Second Party shall complete delivery of rice due to Govt./ **Haryana State Warehousing Corporation** on the total quantity of paddy issued to him within 10 (ten) days of the issuance of paddy by way of Release Order to him. Rice against entire stock kept in his mill shall be delivered not later than the 30<sup>th</sup> April, 2021 as per following Schedule:-

The delivery schedule of CMR shall be regulated as under:-

Up to Dec. 2020	=	30% of the allotted Paddy.
January, 2021	=	20% -do-
February, 2021	=	20% -do-
March, 2021	=	20% -do-
April, 2021	=	10% -do-

In the event of miller's failure to deliver Custom milled rice, within the stipulated period as mentioned above, the miller as a penal provision, shall be liable to pay interest @ **CCL rate of interest** for delayed period on the delivery of CMR from the date it becomes due till the date of actual realisation towards the left over quantity/stocks of paddy .

**In the event of failure of due delivery of the CMR by the rice miller against the paddy issued to him, the miller shall be liable to pay the cost of such short quantity of rice @ 110% of the rates of CMR as fixed by the Govt. of India along with interest @ 12% p.a. on the actual payable amount from 1<sup>st</sup> April till the date of actual payment. However, the waiving off the penalty is not appealable.**

8. The Miller/Second Party shall get the entire stocks of paddy and rice duly insured. In case of his failure to do so, he shall be responsible for all consequences/ damages arising on this account.
9. For ensuring orderly milling operations, the miller/ Second Party agrees to furnish any other information as may be demanded by the Government/ **Haryana State Warehousing Corporation/ First Party** from time to time.
10. The miller/Second Party agrees to shell/process the paddy at the rates fixed by the Government of India from time to time. The terms of shelling/processing shall include all operations related to or co-incident to the process of milling of paddy and which shall also include the following operations:
- (i) Drying of paddy stocks.
  - (ii) Katai of paddy bags before dehusking.
  - (iii) Dehusking of paddy stocks.
  - (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 charges for transportation of paddy from mandis/purchase centre to mills and for rice from mills to FCI godowns will be payable on the basis of the rates fixed by the District Collectors of the State or FCI's rate whichever is lower from 0 KM onwards for the actual distance as per Govt. of India letter No. 192(14)/2015-FC A/cs dated 30.09.2015
  - (vii) Transportation of milled rice to railway station and loading into wagons, inspection, weighment and sampling as per directions of the Government/**Haryana State Warehousing Corporation/First Party/FCI.**
  - (viii) Transportation of milled rice to the storage point of the **First Party/Haryana State Warehousing Corporation** and Food Corporation of India including those of hired godowns as per directions of the Government/FCI, **Haryana State Warehousing Corporation/First Party**, unloading of trucks and delivery after inspection.
  - (ix) Weighment, sampling at scale point will be at the cost of the miller/ Second Party.
  - (x) Delivery of A-note, weight checks memo and other relevant documents for claiming payment from Food Corporation of India.
  - (xi) The miller/Second Party shall stitch a raxin slip/canvas slip with each bag bearing name of the mill/ Centre/ District/ category of rice/net weight/ contact No./ crop year on the bags.
  - (xii) **Drriage charges will be payable @ 1% of MSP of paddy on raw rice. No Drriage charges will be payable on parboiled rice.**
  - (xiii) **The liability of quality cuts on rice, if any, and other deductions made by FCI, shall be that of the miller.**
  - (xiv) **Goods & Services Tax (GST) would be payable by the millers at applicable rate on all types of amount recoverable from millers.**
  - (xv) **The liability of deductions relating to penalty/interest etc. shall be borne by the miller.**
11. (i) The miller/Second Party agrees to pay to the **First Party/Haryana State Warehousing Corporation** a sum of **Rs.10,00,000/- (Rs. Ten lakh only) as security for first one tonne capacity; and additional Rs.5,00,000/- (Rs. Five lakh only) for every additional one tone capacity or proportionately.** The security will be obtained in the shape of FDR pledged in favour of **First Party/Haryana State Warehousing Corporation** before signing of the agreement and shall be valid till the final execution of agreement.
- Provided, further that if the miller/Second Party performs and completes the contract in all respects and presents a "No Objection Certificate" from officer/official nominated by the **First Party/ Haryana State Warehousing Corporation** for this purpose, **interest payable by the bank on FDR will be allowed in the miller's/second party account.**
- (ii) In addition to the above security, the miller/Second party agrees to provide additional guarantee in the shape of signed MICR post dated cheque drawn in favour of the **First Party/Haryana State Warehousing Corporation** for Rs. 50.00 lakh for each tonne milling capacity. **The cheque should be complete in all respect. The name of the firm must be printed on the cheque.** The Second Party/ Miller is not allowed to cancel/ alter the cheques without prior written consent of **First Party/Haryana State Warehousing Corporation.**
  - (iii) The Miller/Second Party agrees to provide **two "Third Party" sureties of Arthias of the same mandi/purchase centre having reliability and**

**good reputation.** The reputed Arthias shall stand surety for the loss that may accrue to the **First Party/Haryana State Warehousing Corporation** by any act of omission & commission of the miller/second party under this agreement. The sureties will be held liable jointly and severally for the loss caused to the State exchequer/ **Haryana State Warehousing Corporation and the loss will be made good through recovery suits or through District Collector under arrears of Land Revenue Act 1881.**

- (iv) **The signature on the cheque will be got verified by the miller from his banker.**
- (v) **A certificate must be issued by the miller/ second party that the guarantors to the agreement are not his family members.**
- (vi) The second party agrees to an additional guarantee from the owner of rice mill taken on lease and from owner of other two operational rice mills in the District for allotment of paddy to such millers for milling if the rice mill is taken on lease by the second party. The second party (lease mill) also agrees to give four post dated cheques as guarantee equivalent to the cost of paddy entrusted for milling which shall have no limitation of money endorsed on cheques for withdrawal purposes.
- (vii) Paddy/rice is the property of the procurement agency and any charge on it of bank/financial institution by the rice miller is a criminal breach of trust, and for that the miller would be liable to be prosecuted.
- (viii) **An affidavit is to be taken from the miller to the fact that he/she is the owner/lessee of the mill/ premises.**

12. In case the miller/Second party fails or neglects to observe or perform any of his obligations under the contract, it shall be lawful for the **First Party/Haryana State Warehousing Corporation** to forfeit the security amount after granting due opportunity and get the work executed at the miller's/Second Party's risk and cost. In case loss is caused to the **First Party/Haryana State Warehousing Corporation**, over dues, or damage to its property/ stocks etc., and the total losses caused to **Haryana State Warehousing Corporation/ First Party** shall be recoverable through concerned District Collector under arrears of land revenue Act of 1881 from the miller/Second Party/Sureties. In addition, such Miller and his Mill premises shall be liable to be blacklisted for future.

Provided further that **Haryana State Warehousing Corporation/First Party** shall be within its right to recover the losses or damages from the millers as well as from the sureties jointly and severally in accordance with law.

**13 The delivery of rice by miller will be regulated as under:**

- (i) The Miller/Second Party shall not mill paddy without release order. Theft or misappropriation shall tantamount to defalcation and agency will be entitled to initiate civil/criminal action against the miller/ second party. In addition, the Miller/Second Party and the mill premises will also be blacklisted.
- (ii) The Miller/Second Party agrees to mill the paddy kept at any other storage point of the First Party/Haryana State Warehousing Corporation by way of mutual consent.
- (iii) The Miller/Second Party shall process the paddy within five days of issuance of Release Order.
- (iv) In case, rice miller fails to deliver the CMR of KMS 2020 of Haryana State Warehousing Corporation as per the stipulated schedule and the Haryana

State Warehousing Corporation has to shift the Paddy stocks, it would be done at the risk and cost of the miller concerned giving him 7 days notice for this purpose. The miller and his mill premises shall also be blacklisted.

- (v) There will be complete ban on the miller to mortgage, gift, sell or transfer the mill through any means to any other person till the dues of Custom Milled Rice are cleared (Affidavit from the miller should be taken in this regard in advance)
- (vi) In case of sole proprietorship, partnership firm, Private Limited company and Societies there shall be a complete ban on change of proprietor, partners, Directors or Members of Societies, once an agreement has been entered into for Custom Milling of Paddy or mill is allotted for Custom Milling or Paddy is stored in the mill for Custom Milling till the entire Custom Milled Rice due is delivered to FCI and account is settled with Haryana State Warehousing Corporation.

14.

- (i) The Miller/Second Party agrees to deliver rice to FCI directly as per prescribed quality specifications and in accordance with the out turn ratio @ 67% in case of raw rice and @ 68% in case of par-boiled rice or prescribed by the First Party from time to time.
- (ii) The bye-products of the milling operations viz broken rice, rice kanki, rice husk and rice bran etc. shall be the property of the miller/Second Party and in case of losses caused to the first party by the second party, the bye-products mentioned above are liable to be confiscated to the first party. The second party (Miller) shall be responsible for payment of any Central or State taxes, duties, levies, cess etc. including any new tax levied by the Government of India/ State wherever applicable on bye-products obtained from milling of paddy.

15.

The miller/Second Party shall be entitled to the milling charges after completion of the entire milling operations and satisfactory delivery of rice to the FCI on behalf of the **First Party/ Haryana State Warehousing Corporation** as per rates prescribed by the Government of India i.e. milling charges payable will be @Rs. 10/- and Rs. 20/- per qtl of paddy for Raw and Parboiled rice respectively. **In case, milling charges are changed by the Govt. of India, the millers will get the payment accordingly.**

16.

The delivery of rice shall be deemed to have been completed by the miller/ Second Party after the stocks are loaded into wagons or delivered into the godowns as per directions of the authorised/responsible official of the **First Party/Haryana State Warehousing Corporation/Government** after necessary weighment/ inspection and approval of the quantity in accordance with the prescribed procedure of the First Party at the cost of the miller/Second Party. It will be the responsibility of the miller/Second Party to supply 'A' note, weight check memo and all other relevant documents to the **Haryana State Warehousing Corporation** immediately but not later than 7 (Seven) days after the delivery of rice for claiming payment from Food Corporation of India failing which he shall be liable to pay interest @ **12% p.a.** for the delayed period. All the expenditure including labour, loading, unloading, any other expenditure etc. incurred in connection with the delivery of rice, shall be borne by the miller/Second Party. **Transportation/Cartage charges for transportation of rice from mills to FCI godown will be payable on the basis of the rates fixed by the Deputy Commissioners of the State or FCI's rates whichever is lower from 0 KM onwards for the actual distance .**

17. Stocks articles (tarpaulin and Polythene covers etc) which may be supplied by the procurement agencies to the Rice Millers for proper storage of paddy must be returned progressively to the agency concerned after the liquidation of paddy and rice. In case the miller fails to return the same, procuring agency will claim its costs, along with compound interest @ 21% per annum. In case, procurement agencies fails to provide adequate number of tarpaulins/ wooden crates on the demand of the miller, the miller will arrange the same from his own resources for which he will be paid rent/usage charges for the period of storage of paddy as fixed by the Government of India or the Department. The rent /usage charges for wooden crates will be paid after production of non-availability certificate of stock articles issued by the District Manager concerned\_@ **Rs. 15/- per tonne of the paddy w.e.f KMS 2020-21 stored by Haryana State Warehousing Corporation.** Further, rates for tarpaulin w.e.f KMS 2020-21 will be got fixed from the Government.
18. (i) The rice shall be delivered in new jute gunny bags of 50 Kg and in accordance with the instructions to be issued by the State Government from time to time.
- (ii) The miller/Second Party agrees to abide by the instructions issued by the **HSWC/First Party/Govt.** in regard to the cost and disposal of the gunny bags used for delivery of paddy/rice.
19. This agreement shall remain in force till 31.07.2021 or clearance of the CMR and other dues of Haryana State Warehousing Corporation whichever is later. Thereafter, extension will be automatic and at the discretion of the First Party/Managing Director, Haryana State Warehousing Corporation. However, Haryana State Warehousing Corporation reserves the following right:
- (a) to terminate the agreement with the miller/Second Party for shelling of paddy into rice at any time during its period without assigning any reason. In that event, the miller/Second Party shall render complete accounts of paddy, rice and gunny bags to the **First Party/ Haryana State Warehousing Corporation** which is in his custody and also return the stocks as per specifications and as per direction of the **Haryana State Warehousing Corporation/ First Party.**
- (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 miller, if he considers, it is necessary to do so. The decision of the **Managing Director, Haryana State Warehousing Corporation** in this regard shall be final and no claim shall be entertained against the **First Party/ Managing Director, Haryana State Warehousing Corporation** for any loss or damage suffered or alleged to have been suffered by the miller/Second party on account of such withdrawal of the work.
- (c) to terminate the contract at the risk and cost of the rice miller if a minimum required paddy allotted to him is not milled as per capacity and also at liberty to initiate action against him as per agreement.
20. **In case of death of owner of rice mills, the guarantors/sureties or their legal heirs/successors /assigns shall inherit assets and liabilities of the deceased.**
21. The **Managing Director, Haryana State Warehousing Corporation** shall be at liberty and have right to relax any clause of the agreement in case of genuine emergency after recording reasons in writing.

22. Any deviation from these clauses shall be considered breach of the agreement which will entitle the **First Party/ Haryana State Warehousing Corporation** to take suitable remedial action in terms of this agreement and as per law.
23. Food Corporation of India (FCI) shall provide space for delivery of Custom Milled Rice to the Rice Millers in proportion to the paddy allotted to them by the procurement agencies for custom milling of paddy procured by them under Minimum Support price (MSP) Scheme of the Government of India. For this, FCI at district level (revenue district Haryana) will issue linkages of Rice Millers with storage points, in consultation with all the procurement agencies by the end of October, 2020. The concerned District Food and Supplies Controller will submit month wise requirement of space in the storage points mentioned above in consultation with all the procurement agencies in the district (including FCI) in the first week of November, 2020. **The schedule circulated will take care of entire delivery of CMR by 30.04.2021. In case, FCI due to space crunch, loading of specials, paucity of staff or strike of staff or labour in FCI, will issue certificates stating clearly the time period for which it was not able to offer space or accept delivery of rice. These certificates should be issued in the same month and should be counter signed by the Area Manager, FCI of the District.** On the basis of these certificates DM, HSWC, will pass speaking orders in the respect of penal provision with regard to late delivery of CMR. In case, where FCI has not given such certificates and the facts clearly establish that delay is not on the part of the rice mills, District Heads of procurement agencies will send a comprehensive detail of facts to their Headquarters and with the permission/approval of Headquarters will pass speaking orders. However, In case where delay is attributable to rice mills penalty in the form of penal provision shall be enforced.
24. All the minor disputes relating to interest, penalty, holding charges, milling charges and differences arising out of interpretations or in any manner touching or concerning this agreement whatsoever shall be referred to the sole arbitration of the **Managing Director, Haryana State Warehousing Corporation** 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 **Haryana State Warehousing Corporation** and he 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 both the parties to this contract. It is a term of this contract that in the event of transfer, vacation of office or being unable to act for any reason of a person appointed as an arbitrator by the **Managing Director, Haryana State Warehousing Corporation** at the time of such transfer, vacation of office, death or inability shall appoint another person to act as an arbitrator. Such a person shall be entitled to proceed with reference from the stage where it was left by his predecessor.

Provided that any demand for arbitration in respect of any claim(s) of the millers/Second Party, 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/Second Party 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 arbitration shall be the discretion of the arbitrator who may make suitable orders in his award.

Subject as aforesaid, the Arbitration and Conciliation Act, 1996, shall apply to the arbitration provided under this clause. However, the cases of fraud, theft, or misappropriation etc. on the part of Second party/Miller are not

covered under this clause and in such cases legal proceedings as deemed fit will be initiated by the First Party/Haryana State Warehousing Corporation against the Second party as well as against the sureties.

25. If anything has been missed/left inadvertently regarding process of procurement of paddy and CMR delivery in the Procurement Policy 2020-21 /Agreement then policy of FCI will prevail.

IN WITNESS WHEREOF both the parties have subscribed their respective hands and signed this agreement on these presents on the place, date, month and year first above mentioned in the presence of the following witnesses:

<p>Sign. of Manager .....</p> <p>_____</p> <p>Name_____</p> <p>Date_____</p> <p>Designation_____</p> <p><b>Counter signed by DM</b></p> <p>Sign. ....</p> <p>_____</p> <p>Name_____</p> <p>Date_____</p> <p>Designation_____</p> <p><b>for &amp; on behalf of the Managing Director, Haryana State Warehousing Corporation (First Party)</b></p>	<p>1</p>	<p><b>Witness:</b></p> <p>Signature_____</p> <p>Name_____</p> <p>Date_____</p> <p>Designation_____</p>
<p>Signature_____</p> <p>Name_____</p> <p>Date_____</p> <p>Designation_____</p> <p><b>for &amp; on behalf of the Miller (Second Party)</b></p>	<p>2</p>	<p>Signature_____</p> <p>Name_____</p> <p>Date_____</p> <p>Designation_____</p>
<p>Signature_____</p> <p>Name_____</p> <p>Date_____</p> <p>Designation_____</p> <p><b>Surety No.1</b></p>	<p>(1)</p>	<p><u>Witness</u></p> <p>Signature_____</p> <p>Name_____</p> <p>Date_____</p> <p>Designation_____</p>
<p>Signature_____</p> <p>Name_____</p> <p>Date_____</p> <p>Designation_____</p> <p><b>Surety No.2</b></p>	<p>(2)</p>	<p>Signature_____</p> <p>Name_____</p> <p>Date_____</p> <p>Designation_____</p>

**SECURITY BOND BY A SURETY**

By this Bond Shri/M/s. \_\_\_\_\_ s/o Shri  
 \_\_\_\_\_ residing at \_\_\_\_\_  
 \_\_\_\_\_ hereinafter referred  
 to as the Surety acknowledges himself to be bound to Haryana State Warehousing  
 Corporation, Bay No.15-18, Sector-2, Panchkula hereinafter referred to as the "First Party"  
 for the performance of the contract of milling of paddy for the Kharif Marketing Season  
 with M/s. \_\_\_\_\_ hereinafter referred to as  
 "Second Party".

**WHEREAS:**

1. The First Party has executed an agreement with Second Party for milling of paddy for the Kharif Marketing Season to be completed till 30.04.2021.
2. That for the said agreement being executed between the two parties for performance of the said contract, is being secured by a mortgage of the property of the surety described in the Schedule here under written and which the surety has made at the request of "Second Party".

**NOW THIS DEED WITNESSETH** that in pursuance of the request made by Second Party to the surety , the surety do hereby guarantor and covenants with the first party that in default of the performance of the said contract by the Second Party, the Surety shall indemnify the first party for the losses so incurred. Surety, doth hereby grant and transfer by way of mortgage the said property described in the Schedule hereunder written TO HAVE and TO HOLD the same unto the First Party subject to the covenant for redemption hereinafter contained and it is agreed and declared that in the event of the Surety being required to pay the losses on default by the Second Party and on the surety so paying the said amount or any part thereof due and payable to the First Party, the First Party shall release and re-convey the said property to the Surety but at the costs of the surety and it is further agreed that in the event of the surety becoming liable and failing to pay the said amount or any part thereof as aforesaid, the First Party will be entitled to sell the said property through a Court of law and to appropriate or apply the net sale proceeds thereof towards payment of the amount to the First Party by the surety and/or the Second Party including costs of the suit and sale proceedings and to pay the balance if any to the surety.

And the Surety covenants with the First Party that he has full right to mortgage the said property as aforesaid.

And the condition of the Bond is that it will be void if the second party pays the said amount to the first party with interest as aforesaid, within the time stipulated otherwise, and failing which this Bond will remain in full force and effect.

**DETAILS OF PROPERTY:**

Signed and delivered by the within named surety Mr. _____ In the presence of	_____ _____
---	----------------

- i) \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_
- ii) \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_



**Annexure-1**

**Form of Provisional Registration**

1. Name/Location of the mill
2. Correspondence Address
3. Permanent Address
4. Detail 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 detail of machinery) and whether the mill is raw or par-boiled rice mill
7. Income Tax Return for last five years (Individually of each partners)
8. Connected load of the rice mill
9. Detail of liabilities, whether a partner/owner/lessee of a defaulter rice mill (Give affidavit duly attested)
10. Proof of electricity connection in the name of the mill (copy of the latest bill be enclosed)
11. If a new rice mill, copy of Registration documents/Bills of the machinery installed and attested of the approved map of the rice mill
12. If a new rice mill, a certificate from HVPN that the electricity connection is functional
13. Whether the mill is in litigation with any agency, if yes, give detail thereof.
14. Mere provisional registration will not make me eligible for allotment of paddy for milling during KMS 2020-21.
15. The provision contained in the milling policy KMS 2020-21 will also be binding on me.

**Signature & Stamp  
of Rice miller**

.....

**For office use only (Report of PR Inspector In-charge)**

I certify that all the required documents are enclosed with the application form. Further it is also certified that the Rice Mill is fit for provisional registration or not (with full justification) .

**(Counter signed by concerned AFSO)**

**Signature & Stamp of  
PR Inspector Incharge**

**Found that the Rice Mill is eligible for provisional registration or not (Yes or No)**

After checking the facts and documents attached with application form and verification report of rice mill was found fit for allotment of paddy

**(Concerned Accountant)**

**(Section Officer)**

**(Supdt.)**

**(DFSO)**

**(In case the post of SO is vacant)**

Accepted Provisional Registration/Rejected Provisional Registration because

.....  
.....  
.....

**Signature & Stamp of  
District Food & Supplies Controller**

**Annexure-2**

**HARYANA STATE WAREHOUSING CORPORATION,**

**Distt. Office** \_\_\_\_\_

**Fortnightly Physical Verification report of paddy given to the rice miller for Custom Milling**

**Ending period** -----

**Name of District**-----

**Name of Centre**-----

**Fig in MTs**

1. Name and address of the Rice Miller
2. Date of last physical verification
3. Opening stock of leviable paddy given for Custom Milling
4. Paddy given for Custom Milling during fortnight
5. Total paddy (column No. 3 + 4)
6. Rice produced during fortnight
7. Rice delivered to FCI during fortnight
8. Balance rice if any
9. Balance paddy along with no. of stacks with the miller found at the time of physical verification (stack wise detail be enclosed)
10. Balance paddy with the miller as per stack report godown register
11. Difference if any with justification

Signatures of  
**Miller**

Signatures of  
**Warehouse Manager**

Signatures of  
**District Manager**