

## AGREEMENT

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

This agreement is made this \_\_\_\_\_ day of \_\_\_\_\_, 2008 between the Governor of Haryana, acting through District Food & Supplies Controller as authorised vide order dated 11.10.2007 issued vide Endst No.13/5/07-2FS 36437 dated 17.10.2007 (hereinafter called "the 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 First Party in accordance with the terms and conditions contained in this agreement.
  - (ii) The Miller/Second Party agrees to dedicate minimum 40% of its rated milling capacity for custom milling of the paddy of the First Party.
  - (iii) Till such time as the entire paddy provided to the Miller/Second Party by the First Party is milled to the satisfaction of the First Party, 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 has been milled satisfactorily.
  - (v) The Miller/Second Party shall be required to deliver custom milled rice of the same variety of paddy given to him by the First Party. Any deviation shall be at the risk and cost of the party.
  
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.
  
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 of the Miller/Second Party on a weekly basis (each Monday) shall inform the First Party about the total quantity of paddy received by him on the following format:-

Sr.No.	Date	Challan No.	Qty. of Paddy.	Total of the week.
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 First Party/Agency unless it has been duly issued and signed by authorised representative of the 1<sup>st</sup> party.
- (vi) The paddy stored in the mill of the Miller/Second Party shall remain in joint custody of both the parties.
- (vii) The Miller/Second Party, however, undertakes to mill approximately \_\_\_\_\_ MT of paddy purchased during Kharif Marketing Season 2008-09. The exact quantity of paddy shall be calculated as per actual delivery accepted by the Miller/Second Party.

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. 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.

6. The Miller/Second Party shall keep the record of the paddy received, paddy custom milled and rice delivered etc. on the following format and the details thereof on weekly basis will be sent to the First Party:-

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 Govt. for milling		Out-turn ratio for conversion of paddy in to rice	
4.		5.		6.	
Bags	Wt in Qtl	Bags	Wt in Qtl	Bags	Wt. in Qtl
(a)	(b)	(a)	(b)	(a)	(b)

Milling Rates		Qty. of Paddy milled	Balance unmilled 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 requisite information is not supplied by the Second Party then First Party reserves the 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 agency i.e. Government as well as of his own stocks.
- (ii) Authorized representatives of the 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. The Miller/Second Party shall apply for issuance of Release Order to the First Party well in time and as per instructions on the subject.
- (iv) The Miller/Second Party shall complete delivery of rice due to Government/Agency 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 31<sup>st</sup> March, 2009 as per following schedule:-

October & Nov., 2008	20%	of the allotted Paddy.
December, 2008	25%	-do-
January, 2009	25%	-do-
February, 2009	15%	-do-
March, 2009	15%	-do-

In the event of failure of the rice miller in delivery of due CMR against the paddy issued to him, the miller shall be liable to pay the cost of such short quantity of rice at one and a half time of the rates of CMR fixed by the Govt. of India, along with interest @ CCL pattern.

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. The reimbursement of Transportation Charges to the Miller/Second Party (if any) will be regulated as per Government of India's instructions in this regard.

10. For ensuring orderly milling operations, the Miller/Second Party agrees to furnish any other information as may be demanded by the First Party from time to time.

11. 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 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 of paddy upto 8Kms from mandi/purchase centre to mill will be done by the miller as per definition of "milling charges" revised by Govt. of India.
- (vii) Transportation milled rice to railway station and loading into wagons, inspection, weighment and sampling as per directions of the first party.
- (viii) Transportation of milled rice to the storage point of the First Party/ Agency and Food Corporation of India including those of hired godowns as per directions of the First Party/FCI, unloading of trucks and delivery after inspection.

- (ix) Weighment, sampling at scale point 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.
12. (i) The Miller/Second Party agrees to pay to the First Party a sum of Rs.2,00,000/- (Rs. two lakh only) as security for one tonne capacity; and additional Rs.1,00,000/- (Rs. one lakh only) for every additional one tonne capacity. The security may be obtained in the shape of FDR pledged in favour of the First Party before signing of the agreement. No interest shall be allowed on the said deposit of security at the time of returning of this amount.

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 for this purpose, security deposited would be refunded without interest.

- (ii) In addition to the above security, the Miller/Second Party agrees to provide additional guarantee in the shape of signed cheques drawn in favour of the First Party @ Rs. 25 lakh for each tonne milling capacity. The second party is bound not to cancel/alter the cheque without prior written consent of the first party.
- (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 through any act of omission and commission by the Second Party under this agreement. The sureties will be held liable jointly and severally for the loss caused to the state exchequer.
- (iv) An additional guarantee from another rice mill owner (operational) would also be required in addition to guarantee of the real owner of the mill, if second party has taken the mill on lease and is a lessee.

13. 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/Agency to forfeit the security 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/ Agency, over dues, or damage to its property/ stocks etc., and total losses caused to the state exchequer shall be recoverable as arrears of land revenue 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 the Govt. 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.

14. The delivery of rice by miller will be regulated as under:-

- (i) The Miller/Second Party of one tonne capacity shall be required to lift minimum of 100 tonnes of paddy against receipt of guarantee in the shape of cheque/s alongwith two sureties in every period of 5 (five) days, excluding Sundays and other holidays observed by the First Party. In case of more than one tonne milling capacity, the rate of lifting, processing of paddy and guarantee shall increase pro-rata with the capacity of the mill/ quantity of paddy stored with him. The Miller/Second Party shall deliver the manufactured rice in Central Pool as per terms mentioned in this agreement hither-to-force and as per instructions of the First Party/Agency.

- (ii) The Miller/Second Party shall not mill paddy without release order or unauthorizedly convert into rice, which shall tantamount to defalcation and Agency will be entitled to initiate civil/criminal action against the Miller/Second Party. The Miller/Second Party will be liable to pay the interest @ CCL interest of the value of paddy for the duration of defalcation. In addition, the Miller/Second Party alongwith his mill premises will also be blacklisted.
  - (iii) The Miller/Second Party agrees to mill the paddy kept at any other storage point of the First Party/ Agency by way of mutual consent.
  - (iv) The Miller/Second Party shall process the paddy as early as possible after issuance of Release Order but not later than five days of the date of RO excluding Sundays and other holidays declared by State the First Party under Factories Act.
  - (v) Ordinarily subsequent Release Orders shall be issued only on satisfactory delivery of the rice to FCI against the paddy released in the previous Release Orders.
15. (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 so prescribed by the First Party from time to time. The specifications applicable in this case shall be prescribed by the First Party from time to time and shall be binding on both the parties.
- (ii) The bye-products of the milling operations viz broken rice, rice kani, 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 state.
16. 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 as per rates prescribed by the Government of India.
17. 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 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 concerned agency immediately after the delivery of rice for claiming payment from Food Corporation of India failing which he shall be liable to pay CCL rate of interest for the delayed period. All the expenditure including labour, loading, unloading, transportation and any other expenditure etc. incurred in connection with the delivery of rice within 8 Kms., shall be borne by the Miller/Second Party. In case rice is delivered beyond 8 KMs, the expenditure incurred by the Miller/Second Party on this account shall be regulated as per instructions of Govt. of India.
18. (i) The rice shall be delivered in 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 First Party in regard to the cost and disposal of the gunny bags used for delivery of paddy/rice.

19. This agreement shall remain in force upto \_\_\_\_\_ or clearance of dues whichever is later. Thereafter, it may be extended at the discretion of the First Party/Agency. However, Government/Agency 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, which is in his custody, and also return the stocks as per specifications and as per direction of the 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 Director Food and Supplies, Haryana/Managing Director in this regard shall be final and no claim shall be entertained against the First Party/Managing Director 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 (having one tonne capacity) if a minimum of 5% of paddy allotted to him is not milled per week and also at liberty to initiate action to get the payments stopped against the deliveries of levy rice.

20. The First Party does not guarantee any definite volume of work relating to shelling of paddy at any time or throughout the 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/Agency may decide and no claim shall lie against the First Party/Agency for such withdrawal/distribution of work.

21. The Director Food and Supplies, Haryana/Managing Director of the Agency 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 to take suitable remedial action in terms of this agreement and as per law.

23. All the disputes and difference arising out of or in any manner touching or concerning this agreement whatsoever (except as to any matter the decision of which is expressly provided for in the contract) shall be referred to the sole arbitration of the Director Food and Supplies, Haryana/Managing Director of the Agency or any person appointed by them in this behalf. There will be no objection to any such appointment that the person appointed is or was an employee of Food and Supplies Department, Haryana/Agency 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 Director Food and Supplies, Haryana/Managing Director 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 Miller/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, this will not debar First Party from initiating civil and criminal proceedings against the Second Party as well as against the sureties.

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 witness:-

Signature_____ Name_____ Date_____ Designation_____ for & on behalf of the Governor of Haryana (First Party) Signature_____ Name_____ Date_____ Miller/Second Party	(1)     (2)	Witness: Signature_____ Name_____ Date_____ Designation_____  Signature_____ Name_____ Date_____ Designation_____
Signature_____ Name_____ Date_____ Surety No.1  Signature_____ Name_____ Date_____ Surety No.2	(1)     (2)	<u>Witness:</u> Signature_____ Name_____ Date_____ Designation_____  Signature_____ Name_____ Date_____ Designation_____

**Annexure-1**

**Form of Provisional Registration**

1. Name/Location of the mill
2. Correspondent 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 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 raw 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

**Signature & Stamp  
of Rice miller**

.....  
For office use only  
Report of PR Inspector Incharge

**Signature & Stamp of  
P R Inspector Incharge**

Accepted Provisional Registration/Rejected

Provisional Registration because

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



**Annexure-II**

**Form for obtaining contact numbers. (levy Rice)**

1. Name of the Rice Mill.
2. Location of the Rice Mill.
3. Accounts of Leviable Paddy and its Milling ( As on Date .....in qtls.
  - (a) Total leviable Paddy Purchased =
  - (b) Total leviable Paddy Milled =
  - (c) Levi Rice due as per milling =
  - (d) levi Rice delivered =
  - (e) Remaining Levi Rice =

**(Name and Seal of Owner/Partner/Lessee)**

*..... For office use only.....*

After examining the accounts of the Mill.....Contact NOs issued

NOs of Contacts NOs .....

**(Name and Seal of Issuing Authority)**