From: Director, Food, Civil Supplies and Consumer Affairs, Punjab.

To:
1. General Manager, Food Corporation of India, Punjab Region, Sector 31, Chandigarh.
2. Managing Director, PUNGRAIN, Sector 39, Chandigarh.
3. Managing Director, MARKFED, Sector 35, Chandigarh.
4. Managing Director, PUNSUP, Sector 34, Chandigarh.
5. Managing Director, Punjab State Warehousing Corporation, Sector 17, Chandigarh.

Memo No. RP-1 (1300)-2019/ 2019-20
Dated, Chandigarh the 16/9/2019

Subject: "The Punjab Custom Milling Policy for Paddy (Kharif 2019-20)"...regarding.

Please refer to the subject cited above.

2. A copy of "The Punjab Custom Milling Policy for Paddy (Kharif 2019-20)" is sent herewith for information and necessary action.

Enclosure- As above

Deputy Director (Rice)
for Director, Food, Civil Supplies and Consumer Affairs, Punjab.

Dated, Chandigarh the 16/9/2019

A copy of the above along with the copies of "The Punjab Custom Milling Policy for Paddy (Kharif 2019-20)" is forwarded to the following for information, necessary action and strict compliance:

1. All Deputy Directors (Field), Food, Civil Supplies and Consumer Affairs in the State of Punjab.
2. All District Controllers, Food, Civil Supplies and Consumer Affairs in the State of Punjab.

Deputy Director (Rice) 16/9/19
for Director, Food, Civil Supplies and Consumer Affairs, Punjab.

Dated, Chandigarh the 16/9/2019

A copy of the above along with the copies of "The Punjab Custom Milling Policy for Paddy (Kharif 2019-20)" is forwarded to the following for information and necessary action:

1. Private Secretary/Chief Principal Secretary to Chief Minister, Punjab.
2. Private Secretary/Chief Secretary, Punjab.
3. Private Secretary/Principal Secretary to Chief Minister, Punjab.
4. Private Secretary/Principal Secretary, Government of Punjab, Food Civil Supplies & Consumer Affairs.
5. Personal Assistant/Secretary, Mandi Board, Punjab.
6. All Officers at Head Office, Chandigarh.
8. All Dealing Hands, Rice Branch, Head Office.

Deputy Director (Rice) 16/9/19
for Director, Food, Civil Supplies and Consumer Affairs, Punjab.
The Punjab Custom Milling Policy for Paddy (Kharif 2019-20)
### List of Acronyms Used in This Policy Document

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Full Form</th>
</tr>
</thead>
<tbody>
<tr>
<td>AFSO</td>
<td>Assistant Food and Supplies Officer</td>
</tr>
<tr>
<td>BOD</td>
<td>Board of Directors</td>
</tr>
<tr>
<td>BRL</td>
<td>Beyond Rejection Limit</td>
</tr>
<tr>
<td>CC/CCL</td>
<td>Cash Credit/Cash Credit Limit</td>
</tr>
<tr>
<td>CCTV</td>
<td>Closed Circuit Television</td>
</tr>
<tr>
<td>CIBIL</td>
<td>Credit Information Bureau (India) Limited</td>
</tr>
<tr>
<td>CMP</td>
<td>Custom Milling Policy</td>
</tr>
<tr>
<td>CMR</td>
<td>Custom Milled Rice, CIBIL MSME Rank</td>
</tr>
<tr>
<td>DAC</td>
<td>District Allotment Committee</td>
</tr>
<tr>
<td>DDF</td>
<td>Deputy Director (Field), Food Civil Supplies &amp; Consumer Affairs</td>
</tr>
<tr>
<td>DFS</td>
<td>Director, Food Civil Supplies &amp; Consumer Affairs, Punjab</td>
</tr>
<tr>
<td>DFSC</td>
<td>District Controller, Food Civil Supplies &amp; Consumer Affairs</td>
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<tr>
<td>DM</td>
<td>District Manager</td>
</tr>
<tr>
<td>ECA</td>
<td>Essential Commodities Act</td>
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<tr>
<td>FAQ</td>
<td>Fair Average Quality</td>
</tr>
<tr>
<td>FCI</td>
<td>Food Corporation of India</td>
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<tr>
<td>FDR</td>
<td>Fixed Deposit Receipt</td>
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<tr>
<td>FSO</td>
<td>Food and Supplies Officer</td>
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<tr>
<td>GOI</td>
<td>Government of India</td>
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<tr>
<td>GPA</td>
<td>General Power of Attorney</td>
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<tr>
<td>GST</td>
<td>Goods and Services Tax</td>
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<tr>
<td>HDPE</td>
<td>High-Density Polyethylene</td>
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<tr>
<td>HUF</td>
<td>Hindu Undivided Family</td>
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<tr>
<td>IP Address</td>
<td>Internet Protocol Address</td>
</tr>
<tr>
<td>ITR</td>
<td>Income Tax Return</td>
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<tr>
<td>KMS</td>
<td>Kharif Marketing Season</td>
</tr>
<tr>
<td>KYC</td>
<td>Know Your Customer</td>
</tr>
<tr>
<td>IPC</td>
<td>Indian Penal Code</td>
</tr>
<tr>
<td>LLP</td>
<td>Limited Liability Partnership</td>
</tr>
<tr>
<td>MARKFED</td>
<td>Punjab State Co-operative Supply &amp; Marketing Federation Limited</td>
</tr>
<tr>
<td>MD</td>
<td>Managing Director</td>
</tr>
<tr>
<td>MICR</td>
<td>Magnetic Ink Character Recognition</td>
</tr>
<tr>
<td>MSP</td>
<td>Minimum Support Price</td>
</tr>
<tr>
<td>MT</td>
<td>Metric Tonne</td>
</tr>
<tr>
<td>NDC</td>
<td>No Dues Certificate</td>
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<tr>
<td>NFSA</td>
<td>National Food Security Act</td>
</tr>
<tr>
<td>NOC</td>
<td>No Objection Certificate</td>
</tr>
<tr>
<td>NPA</td>
<td>Non Performing Asset</td>
</tr>
<tr>
<td>OD</td>
<td>Over Draft</td>
</tr>
<tr>
<td>PAFC</td>
<td>Punjab Agro Foodgrains Corporation</td>
</tr>
<tr>
<td>PAN</td>
<td>Permanent Account Number</td>
</tr>
<tr>
<td>PDS</td>
<td>Public Distribution System</td>
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<tr>
<td>PFA</td>
<td>Prevention of Food Adulteration</td>
</tr>
<tr>
<td>PP Bags</td>
<td>Polypropylene Bags</td>
</tr>
<tr>
<td>PPCB</td>
<td>Punjab Pollution Control Board</td>
</tr>
<tr>
<td>PR</td>
<td>Provincial Reserve</td>
</tr>
<tr>
<td>PSFS</td>
<td>Principal Secretary to Government of Punjab, Department of Food Civil Supplies &amp; Consumer Affairs</td>
</tr>
<tr>
<td>PSPCL</td>
<td>Punjab State Power Corporation Limited</td>
</tr>
<tr>
<td>PUNGRAIN</td>
<td>Punjab State Grains Procurement Corporation Limited</td>
</tr>
<tr>
<td>PUNSUP</td>
<td>The Punjab State Civil Supplies Corporation Limited</td>
</tr>
</tbody>
</table>
INTRODUCTION

Punjab, the Food Basket of India, is primarily an agrarian state. Agriculture has an important role in the culture and economy of Punjab with two cereal crops, wheat and paddy, grown in rotation during the year. Paddy is the principal crop of the Kharif season while wheat is the principal crop of the Rabi season. Other than wheat and paddy, some quantity of maize and barley is also grown. Despite possessing only 1.54% area of India, Punjab is the largest contributor of wheat and rice in the central pool of Food grains and has earned the title of Granary of India or Food Basket of India. If we consider the sown area of the year, Paddy data for 2018-19 is expected to be about 170 lakh Metric tones.

The Government of Punjab has created a benchmark for hassle-free handling of food grain stocks, right from the stage of receiving food-grains at the purchase centres, to its cleaning, drying, storage and transportation with a focus on minimum wastage. As far as the operation of converting paddy procured by Government of Punjab through its agencies into rice and its delivery to Food Corporation of India (FCI) in the Central Pool is concerned, the department of Food, Civil Supplies and Consumer Affairs, Punjab endeavours to maintain complete transparency and a sound co-ordination between the procuring agencies and the rice millers by formulating a comprehensive policy for milling of paddy and facilitating proper administrative and financial mechanism to achieve the goals of the Government. The present policy document is a step in this direction.

1. SHORT TITLE AND COMMENCEMENT:
   a. The Policy shall be named as “The Punjab Custom Milling Policy for Paddy (Kharif 2019-20)”. 
   b. It shall extend to the whole of the State of Punjab. 
   c. It shall come into force with immediate effect and shall be applicable for the KMS 2019-20. 
   d. It shall be followed by all the procuring agencies (i.e. Pungrain, Markfed, Punsup, PSWC, ?AFC & FCI) and the Rice Millers and their successors/legal heirs, and all other stake holders in the paddy procurement/milling process. 
   e. Marketing Season commences from the 1st day of October each year or as per the dates notified by the Government of India. The paddy arriving in the mandis shall be procured by the government agencies as per the specifications laid down by the Government of India. Paddy so procured shall be got milled from the rice millers of the State as per various clauses provided in the Punjab Rice Procurement (Levy) Order 1983 & CMP 2019-20. No rice miller shall undertake the work of custom milling of any agency under any circumstances until or unless duly allotted for the purpose. In case any miller refuses the custom milling work allotted to him by the concerned procuring agency or willfully refuses to lift / accept the allotted paddy from the agency, his mill shall be blacklisted for a period of 3 years. The following terms and conditions shall be adhered to for the custom milling of paddy during Kharif Marketing Season 2019-20 by all concerned millers, and violation, if any, shall invite penal action as provided in ensuing provisions. For the purpose of custom milling of paddy, the State will be taken as a single unit.

2. DEFINITIONS: - Unless there be something repugnant in the subject or context, the terms defined in policy are used in the sense explained hereunder: -

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Full Form</th>
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<tbody>
<tr>
<td>PSWC</td>
<td>Punjab State Warehousing Corporation</td>
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<tr>
<td>PV</td>
<td>Physical Verification</td>
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<tr>
<td>RDF</td>
<td>Rural Development Fund</td>
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<tr>
<td>RM</td>
<td>Regional Manager</td>
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<tr>
<td>RO</td>
<td>Release Order</td>
</tr>
<tr>
<td>SARVABSI Act</td>
<td>The Securitisation and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002</td>
</tr>
<tr>
<td>SBI</td>
<td>State Bank of India</td>
</tr>
<tr>
<td>SPA</td>
<td>State Procurement Agency</td>
</tr>
</tbody>
</table>
a. "Acquisition Cost of paddy": means the cost incurred by the State Procurement Agencies for procuring paddy (i.e. MSP, Market fee, RDF, DAMI, Statutory Mandi Labour Charges, un-loading charges at mill premises, transportation charges for transportation to the mill premises, interest, cost of bags, administrative charges, drage expenses, Custody & Maintenance Charges and other statutory/non- statutory or operating expenses incurred, if any, including interest paid/payable by Government on CCL.

b. "Agency": Agency means FCI and all State Procurement Agencies i.e. Pungrain, Pungrain, Markfed, PSWC & PAFC.

c. "Business Entity" means an organization established as a separate existence for the purposes of carrying the business of custom milling of paddy and it may be a Corporation, Sole proprietorship, Partnership Firm, Limited Liability Partnership, Company (Public/Private), a trust or any other type of common business entity including lessee firms.

d. "Custom Milling" means the activity of de-husking and other operations including polishing, sorting, grading, etc. of paddy belonging to the State Procuring Agency(s) of Punjab by a rice miller to extract rice in a rice mill and deliver the same to FCI, for which he is entitled to milling charges at the rates determined by GOI from time to time.

e. "Center" means a particular place where space for the permanent storage of paddy/ rice/ milling of paddy, is available.

f. "Custom Milling Paddy": means the paddy purchased/procured by various procuring agencies, including FCI, and allocated to rice millers for the purpose of custom milling on agreed terms and conditions under the Custom Milling policy.

g. "De Novo": Starting from the beginning.

h. "Department" means the Department of Food, Civil Supplies and Consumer Affairs, Government of Punjab.

i. "Defaulter" means a miller who failed to supply the entire minimum rice due to him on account of paddy allotted/stored in his premises for custom milling by the due date (declared by Government of Punjab) of the previous years and/or who fails to settle his accounts with any of the procurement agency/agencies of the previous year(s) and/or is declared as a defaulter as such, under the relevant clauses of this policy.

j. "Director" means Director, Food, Civil Supplies and Consumer Affairs, Punjab.

k. "District Allotment Committee" means the District Level Committee formed in each district as per the relevant clauses of the policy, for allotment of various mills in the district to the Procurement Agencies and allocation of Custom milling paddy to rice millers as per this policy.

l. "District Collector" means an officer appointed by State Government, as District Collector/District Magistrate /Deputy Commissioner of a district and includes the Additional Deputy Commissioner or Assistant Commissioner or any other officer duly authorized by the Government or by the District Collector/District Magistrate/Deputy Commissioner to exercise the powers of a Collector.

m. "Family" means a group of two or more persons living together and having a shared commitment to a domestic relationship or related through blood, marriage or legal adoption or unrelated persons who jointly occupy and have equal access to all areas of a dwelling unit and who function together as an integrated economic unit.

Provided that the onus on any person claiming himself/herself as not to be part of the family lies upon him/her to prove his/her separate residence and economic independence.

Provided further that spouse(s) of the above person(s) would be included in the family unless legally separated by way of divorce duly registered with the competent authority.

n. "Free paddy" means the paddy allocated by a procurement agency to a miller for custom milling from the linked mandis without obtaining any additional fee from the miller and which is transported at the expense of the procurement agency.

p. "Joint Custody" means the same in sense and spirit as is given in Department's letter no. IR-2-2016/41 dated 20.01.2016.

q. "Legal Dispute" means the institution, commencement or pendency, whether by way of a notice or proceedings, of any dispute arising out of or in relation to allocation of paddy under this or any previous custom milling policy and includes any litigation, arbitration, criminal proceedings, etc. whether pending before a court, tribunal or other forum, between the miller and the state and/or the procurement agencies of the state.

r. "Lessee" means a miller who has taken a rice mill on lease for a minimum period of 11 months from the original owner by way of a deed duly registered under Registration Act, 1908 and incorporated in the revenue records.

s. "Mandi" or "Market" or "Purchase Centre" means a market established and regulated under The Punjab Agricultural Produce Market Act, 1961 (Punjab Act No. 23 of 1961) for the notified market area, and includes a market proper, a principal market yard, sub-market yard and private market yard.

t. "Mill/Rice Mill" means the plant, machinery and the premises including the land & precincts thereof in which or in any part of which, operations of custom milling of paddy are carried out.

u. "Mill Premises": means a definite place registered with the Department and having well-defined boundaries/limits on which a rice mill is established and where paddy is stored and custom milling operations are carried out.

v. "Miller" means the person registered under clause 3 of this policy and includes the Owner(s)/Partner(s)/Manager(s)/Trustee(s) of a business entity who manage(s) and has an ultimate control over all the affairs of such 'business entity' and would include any person who is responsible for day to day affairs and/or operations of the mill/rice mill in question.

w. "Milling Season" means the time period allowed by GOI/State Government for carrying out all the operations for procurement of paddy (Kharif 2019-20) and its custom milling & delivery of rice to FCI.


y. "Paddy" means Paddy before threshing or rice in husk which is as per FAQ specifications or relaxed specifications for paddy Grade-A issued by GOI.

z. "Paddy against Release Orders" or "RO paddy" means paddy issued to the miller in addition to the 'free paddy' allotted for custom milling, against an RO on prior deposit of an amount (at the rates prescribed by Government) on the agreed terms and conditions.

aa. "Permanent Milling Center" means a location in/around the vicinity of a cluster of rice mills, where storage space for food grains is available, where procurement staff of the agencies is permanently posted and at or from which the procurement/milling operations are monitored/controlled around the year.

bb. "Permanent Storage Center" means a place at which storage capacity for food-grains is available and procurement staff of the procuring agencies is permanently posted and where operations of storage of food grains are carried out/monitored throughout the year.

c. "Person" means a proprietorship/partnership firm/company (private or public limited), LLP, trust, society or HUF having a mill owned/leased by it.

d. "Rice": means paddy de-husked and includes broken rice which is as per FAQ specifications for rice issued by GOI.

e. "Specifications" means the specifications prescribed for paddy and rice by GOI from time to time.


3. REGISTRATION:
Any person desirous of custom milling of paddy under this policy shall be required to register his/her mill with the Department, failing which such mill will not be eligible for consideration of
allotment of paddy and/or the carrying out of custom milling work of any procurement agency in the state. However, it is made clear that mere fact of Registration will not confer any right of allotment of any specific or definite volume of paddy for milling under this policy and no claim will be made or asserted against the state or any of the procuring agencies in this regard. The terms and conditions of such registration, the procedure and the fees in this regard are as under:

a. Terms and Conditions for Registration and De Novo Registration of already registered persons:
   (i) The person seeking registration shall:
      A. Ensure that the mill owned/leased is situated in the State of Punjab, comprising of a plot/land area duly owned/leased by it, having an electricity load and connection as well as the necessary plant & Machinery as required by the Department's Notifications/letters issued from time to time and shall submit along with the application documentation in support thereof to the satisfaction of the Department.
      The land obtained on lease by millers from the Government/Improvement Trust would be treated at par with free-hold land and the mills so established on this land, would also be treated as owner mills provided the Lease Deed in the above cases should be valid and is certified by the District Level Officer of the concerned Department of Punjab Government.
      B. Ensure and undertake that there is no change to the name or title in which the person carries on operations or to the legal structure of the constitution of the person during the currency of custom milling season.
      Provided that in case of death of the Owner/Partner/Director/Member of Society etc., the Director shall be competent to consider a request for such change of Owner/Partner/Director/member of society/trustee etc.
      C. Ensure and undertake that there shall be no sale or transfer in any manner of the property or the right of use of the property of the mill premises or any pledge, hypothecation, use of the property as collateral or surety of any form or manner during the pendency of custom milling of paddy and its delivery to FCI.
      D. Declare and certify that it has not been blacklisted for custom milling during any previous years, unless such factum of blacklisting has been absolved by clearance of dues or rendering of the necessary performance required or the passing of any final judicial order in the matter, as the case may be.
      E. Comply with the conditions of eligibility for allocation to an agency set out in Clause 4 hereinafter.

   (ii) A person shall be ineligible for consideration for registration where:
      A. The owner of a sole proprietorship firm is below the age of 18 years as on the date of application for registration
      OR
      Any of Members/Partners/Trustees/Directors etc. of the mill who are below the age of 18 years and are not working under guardianship of some other members/partners/trustees/directors etc. (who are above 18 years of age) as on the date of application for registration.
      B. The character, conduct or behavior (in case of the individuals connected with such person seeking registration) and the conduct of the business affairs (in case of a legal entity seeking registration) has been declared as detrimental to the interest of any of State in India or any of its friendly countries.
      C. Is in breach/violation/non-compliance of any of the conditions set out in Clause 4, 6 or 7 of this policy.

   (iii) A person registered previously shall be required to re-apply for a de novo registration where:
      A. Such registered person now intends to conduct milling operations in terms of this policy from a new mill premise, whether owned or leased;
B. If there is a change in title or change of constitution in the legal structure of the registered person i.e. including but not limited to a change in any of the partner/member(s)/director(s)/trustee(s) of the registered person.

C. There is a revision in the capacity of the mill from the time when the person last applied for registration.

(iv) A New mill or a Lessee Mill (after the expiry of its lease period) has to get itself registered de-novo.

In case of registration of such lessee rice mills where the owner party, lessee party and mill premises is the same but the lease period has expired, such registration may be removed at DFSC level only.

(v) A mill which was blacklisted for custom milling during the previous years due to any reason shall have to be registered afresh after being declared a clear mill.

b. Procedure for Registration:

(i) Any person seeking registration under this policy shall apply to the concerned DFSC no later than 19th September 2019 by providing all the required information as per Annexure-III/IIA to the policy.

(ii) Applications for registration received after 19th of September, 2019 in the office of concerned DFSC shall not be entertained.

(iii) The proformas duly filled and signed in Annexure III/IIA will be submitted to the DFSC, after due verification by the concerned Inspector, AFSO & FSO of the Department.

(iv) The person shall be registered by the concerned DFSC with the prior approval of the DFS, for which purpose the DFSC shall send all the cases received, by 19th of September, 2019 to the office of Director by 20th of September, 2019 positively, for approval. In case there is any delay in sending the application on the part of the DFSC office, strict disciplinary action shall be taken against the concerned officer/officials.

(v) The DFSC concerned shall maintain a register in Annexure-III, mentioning therein all the details provided in the application and process of registration.

(vi) A separate Register shall be maintained in Annexure-III for registration of lease hold business entities in which all the KYC parameters of both lessor and lessee will be recorded.

(vii) The record of registration of rice mills shall also be maintained on the website of the Department.

c. Registration Fee:

(i) A non-refundable registration fee of Rs. 10,000/- (Rupees Ten Thousand only) shall be charged from the miller for registration/re-registration of a single mill.

(ii) Such fee shall be paid to the DFSC of the concerned District and shall be deposited with Government of Punjab under head 'Head-1456-Civil Supplies-800-other Receipts-05 Miscellaneous Receipts (Registration Fee).

4. ELIGIBILITY CONDITIONS FOR ALLOCATION TO AN AGENCY:

A miller shall be considered as eligible for allocation to an agency under this policy, upon fulfilling all of the following conditions to the satisfaction of the DAC. It is made explicitly clear that a mere fulfilment of these conditions does not entitle the miller any right to allocation to any agency nor the allocation of any quantum of paddy. The eligibility conditions for allocation are:

a. Only millers who have a valid registration, as on the date of such allocation shall be considered for allocation to a procurement agency for custom milling of paddy for Kharif 2019-20.

b. The miller should have completed 100% custom milling of paddy for the previous Kharif seasons, delivered all the due rice to FCI on or before last date of milling (as fixed by Government for each KMS) and also must have cleared the pending/outstanding dues of the concerned agency (ies) to the satisfaction of the Department and/or the procurement agency in question.
c. If the Miller had availed 1% drage in terms of quantity of rice during any previous KMS, he must have Milled and delivered the entire rice due on paddy after deducting 1% drage & must have deposited/cleared statutory charges payable on such paddy, as per instructions of the Government, in this regard.

d. If a Miller, who was allotted paddy for custom milling during Kharif 2018-19, failed to deliver entire due rice on Custom Milling Paddy/R.O. on or before 30.06.2019 & has deposited the acquisition cost of the balance paddy fixed vide letter No. RP2(48/2007)-2619/144-1145 dated 21.05.2019 along with interest at prevailing SBI (CCL Rates), up to the date of such payment, he shall submit an NDC from the DM of the concerned agency in this regard prior to his being considered for allotment for Kharif 2019-20.

e. Each Rice Mill/Unit of Rice Mill must have an independent operational electricity connection in the name of the mill or its owner or proprietor on or before the date of its applying for allotment without which no allotment shall be made. 

Provided that where common electricity connection for more than one unit is installed in the same premises (having a common boundary), such connection shall be considered for allotment of only that unit in which such connection is physically installed.

Provided further that where more than one unit are situated within same complex having well marked boundaries and entries, under the same Management, each such unit shall be treated as an independent mill for the purpose of allotment. This would be subject to the condition that all such units shall have a separate operational electricity connection, consent letters issued by Punjab Pollution Control Board (as per norm of PPCB) and licenses issued by Punjab Mandi Board (as per norms of Punjab Mandi Board). However, they shall be allotted to a single procurement agency.

f. The rice mill should not be defaulter of any of the state procuring agency including FCI, during the previous year(s).

Provided that, if a defaulter mill had cleared all such previous dues of the government and procuring agencies for the previous year(s), to the full satisfaction of the Government/agency(ies), it may be considered as eligible for allotment, subject to the condition of producing an NDC from such procurement agency(ies).

g. The business entity i.e. the mill as well as its Owner/Partners/ Directors/Members/Trustees, etc. have to maintain a CIBIL Micro Small and Medium Enterprises (MSME) Rank (CMR) score of 6 and below and a CIBIL score of 600 and above respectively. In case the millers' individual or mill's CIBIL Score/CIBIL MSME Rank has been reported to be low due to some past irregular financial transaction and they have now cleared the irregularity with the concerned Bank or have made an arrangement with the concerned Bank for clearance of the said irregularity but the same is not being reflected in their CIBIL Score, it is clarified that the Millers, who have cleared their irregularities with the Bank, may be considered for allotment subject to the submission of “Irregularity Clearance Certificate/NOC” from the concerned bank/leader of the consortium of the banks of the miller and the concerned Bank will have to certify that they would not have any lien on the paddy allotted/stored with the miller by the State Agencies.

In case of lessee mills, the lessee, lessor as well as the other guarantors of the lessee have to satisfy the above criteria.

h. The mill premises and the miller should be free from litigation or legal disputes which attaches to the title, ownership or possession of the mill premises of the miller.

i. The Miller shall not be in breach/violation/ non-compliance of the conditions set out in Clause 3, 5, 6 or 7 of this policy

j. The mill premises must have suitable and working Fire-fighting equipment and CCTV arrangements in the premises, covering the area where paddy stocks are stored and milled. The Miller shall also keep the video footage of at least three months of these CCTV cameras and shall provide such video footages to the DM of the concerned agency as and when required.

k. The miller should have a plot/land area and plant & Machinery as required by Punjab Government, Department of Food Civil Supplies & Consumer Affairs (Rice Branch) notifications/letters issued from time to time i.e. at the time of the establishment of the mill.
Reference may be made to notifications/letters issued vide number 1734 dated 12.08.03, No. 2672-2679 Dated 21.08.07, No. 2823-2824 Dated 10.09.07, No. 2871-2872 Dated 17.09.2007, No. 2843 Dated 20.08.2016, No. 2770-71 Dated 01.08.2013, No. 2909-2910 Dated 13.08.13 and No. 3262 Dated 30.08.13.

5. PROCEDURE FOR ALLOCATION TO AN AGENCY:
   a. Composition of the District Allotment Committee: The DAC shall comprise of DMs of all the State Procuring Agencies and FCI in each district, under the chairmanship of the concerned DFS.
   b. Schedule for Allocation: The DAC shall strictly adhere to the following schedule of time for this purpose. In case of non-compliance to this schedule, the DAC shall be held responsible:

<table>
<thead>
<tr>
<th>Activity</th>
<th>Date by which to be completed</th>
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<tbody>
<tr>
<td>Registration of rice millers</td>
<td>20th September, 2019</td>
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<tr>
<td>Preparation of list of eligible and defaulter rice millers</td>
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<tr>
<td>Scrutiny of the list(s)</td>
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<tr>
<td>Issuance of list of millers allocated for custom milling</td>
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<td>Signing of agreement and deposit of security (ies) as per provisions of this policy</td>
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</table>

Provided that DFS has the powers to extend the date of allocation up to 5th October, 2019 by a general or special order.

Provided further that under no circumstances, allocation of a mill shall be admissible after the date so extended by DFS.

c. Guidelines for Evaluation:
   (i) All the district heads/DMs of the procuring agencies including FCI shall prepare an authenticated list of defaulters and eligible rice millers as set out in Annexure I and II to this policy, giving therein the nature of default and submit the same to the DFSC of the concerned District by 23rd September, 2019.
   (ii) DFSC concerned shall consolidate the lists received from DMs, include the defaulters of Pungrain and submit it to DDF -cum-Chairman, DAC with a copy of the same to the office of Director by 24th September, 2019. The copy of such list shall also be pasted on the notice board in the office of DFSC.
   (iii) Each Miller shall be allotted to a single agency only.
   (iv) The allotment of millers to various agencies shall, as far as possible, be done on the basis of consensus among all the committee members. In case of any dispute or difference of opinion among the committee members, the decision of the Chairman, DAC shall be final and binding.
   (v) The DAC will ensure that, as far as possible, millers are allotted to all the procuring agencies on the basis of share of paddy to be procured by each agency so as to avoid any disproportionate allotment.
   (vi) In case an agency completes its milling of paddy stored with a particular miller and is not desirous of getting any more paddy milled from that miller, then the same miller may be re-allocated to any other agency by the DAC, in consultation with the DMs of the concerned agencies.
   (vii) Where two or more rice mills/units owned by or under the control of the same miller or the same management/ownership/family of a miller are situated within a single boundary/wall/complex and do not have separate/distinct boundaries from each other within the
complex, all these mills together will be considered as one unit and all such millers as one miller and shall be allocated to any one of the agencies only.

(viii) Where more than one unit (rice mills) owned by or under the control of the same miller or the same management/ownership/family of a miller are situated within a single boundary wall/complex but having separate/distinct well-defined boundaries, in such case, each separate unit owned by such miller shall be treated as separate mill/miller for the purpose of allocation, all of which shall be allocated to any one of the agencies only.

(ix) While rejecting the allotment of a mill on the basis of its being defaulter or otherwise, DAC shall pass a detailed speaking orders, mentioning therein the reasons for such rejection/non-allotment.

(x) An allocation once made shall not be ordinarily changed. However, where such change is required, prior approval of DFS would be sought by the DAC, explaining the reasons and circumstances leading to such change.

(xi) If any of the agencies finds some discrepancy in allotment, capacity fixation, or violation of any clause(s) of this policy, the matter should be brought to the notice of Director immediately and the decision of the Director in this case shall be final and binding on all the agencies.

(xii) DAC shall adhere strictly to the guidelines for calculation of allocation of paddy to a miller as given in the relevant clauses of the policy.

(xiii) The miller should have sufficient and storage worthy space for storage of custom milled paddy allocated to it, which shall be verified and certified by the DM of the concerned agency before actual storage of paddy. Actual allotment of paddy may also vary on the basis of infrastructure, land, machinery, load of electricity connection etc.

(xiv) The miller shall have to submit a bank guarantee (as specified in Annexure XXII) to the concerned agency, before the actual storage of paddy in his/her premises, equal to the value of 5% (Five Percent) of Acquisition Cost of allocable free paddy above 4000 (four thousand) MT. The bank guarantee shall be released on delivery of due rice to FCI.

Illustration: If a mill has allocable free paddy of 4300 MT, he will have to submit a bank guarantee equal to the value of 5% of the Acquisition Cost of 300 MT.

(xv) The title/ownership of the mill must be free from any dispute/litigation and also there should be no dispute between the management of the business entity.

(xvi) DAC will get in writing from the miller that he/she shall not avail any limit/CCL/Loan etc., by pledging any stocks of the procuring agency, lying in the premises of the mill or allocated to the mill.

(xvii) DAC and the concerned DM of the procuring agency will ensure that all copies of identity proofs of the Owner/Partners/Directors/Members/Trustees, etc. including AADHAAR Card, Photographs, PAN Card, ITR of the last one year (three years in new mills), copies of PPCB consent, Punjab Mandi Board license, business entity establishment papers, etc are duly received and verified by the concerned DM before starting the storage of paddy in the mill premises. The above documents shall be compared and tallied with their originals by all the concerned field/district office officials of the procurement agencies. However, the latest electricity bills and their receipts shall be got deposited in original from all the millers before allotment and storage of paddy.

Note 1: Proceedings of the DAC meetings shall be prepared in a well drafted manner citing the reasons for rejection of a mill(s) if any, in respect of each list of allotment issued by DAC. The Proceedings of DAC meeting(s) shall be signed by all the members and Chairman of the Committee.

Note 2: Copy of the each such proceedings/list of allotted/rejected mills shall be sent to the office of DFS.

Note 3: All the members of DAC shall be equally and collectively responsible for any wrong/illegal allotment of mill and for violation of policy instruction.

6. ALLOCATION OF A MILLER OF A LEASED MILL: - In addition to the application of Clause 4 and 5 above, a miller who is operating from a leased mill shall only qualify for allocation to an agency provided that:
a. The lease has been executed for a minimum period of 11 months as on the date of allocation to an agency, has been duly registered under the Registration Act, 1908 and has been entered in the Revenue records, with proof of the same furnished by the miller to the DAC.
b. The Lessee (the Miller) and Lessor shall agree and shall furnish a joint undertaking that:
   i. If the Lessee (the Miller) fails to complete the milling before the expiry of lease, the lease shall be deemed to stand automatically extended till the date of completion of milling process and delivery of due rice to FC I and this requirement under this policy shall act as a novation of the lease deed between the parties without the need for any further formal documentation.
   ii. The properties of the owners who stood guarantee on behalf of the lessee shall remain under charge of the concerned procuring agency [ies] till the liabilities of the lessee are fully discharged.
   iii. If a leased rice mill is already hypothecated with any bank / financial institution/Government agency etc., the lessor / owner guarantor shall mortgage some other collateral security, of encumbrance free property of the value equivalent to the value of the mill, in substitution of the mill premises, with the concerned procurement agency. The concerned DM will fully satisfy himself about the market price of such property and the facts about the title of the property/its freehold-ship and free from encumbrance, prior to storing paddy in the mill.
c. The Lessee (the Miller) shall furnish the guarantee of the owner of the rice mill (lessor) and guarantee of two other owner rice mills eligible for custom milling, on a stamp paper of Rs.300/- (Rupees Three hundred) as per proforma attached with the policy.
d. The owners of the leased premises/others rice millers who furnish the guarantee, as above on behalf of the lessee (the Miller) must be duly authorized by a legally valid document to furnish the same i.e. in case of Company, there must be a resolution of the Company, in case of Partnership Firm, a resolution by all the partners and in case of any other Business Entity, by a valid legal document[s]
e. The major responsibility to satisfy itself about the bonafides of the lessee mill and creation of lien on properties in the name of the agency will be that of the concerned DM.

7. EVENTS OF DEFAULT - No mill/miller shall be considered for provisional registration/ final registration/ allocation to an agency or for allocation of paddy under this policy, if it has been declared as a defaulter in any of the previous years and/or is in breach /violation/ non-compliance of the following:

a. Any of the conditions set out in Clause 3 to 6 above;
b. If the miller in question has not milled the allotted paddy and/or has not delivered 100% rice due, on behalf of any of the procuring agency in previous year(s) and/or has not deposited the acquisition cost of balance paddy/rice due with interest to the concerned agency, such a mill/miller shall be treated as defaulter.
c. The miller shall also be considered as defaulter, if its owner or any of its partner/Member is also an owner/partner/member/lessee/lessor of another defaulter Mill.
d. If a mill owned, leased or operated by a previously declared defaulter miller is transferred either through sale/lease or any other mode to any other person/miller, then such other person/miller shall also be considered to be defaulter until all the dues of the agency of which such miller was defaulter, are cleared or the default cured and the concerned agency issues NOC in favour of such defaulter miller and such premises.
e. If a family member(s) of the owner/partner(s)/trustee(s)/member(s) of a mill is/are defaulters of any of the agencies in the previous year(s), such miller shall also be treated as a defaulter miller. Provided that if such a family member is not jointly occupying and is not having equal access to all areas of a dwelling unit and is functioning as an independent economic unit, such a member shall not be treated as family member. The onus of proof in this regard, to the satisfaction of the DFS (whose decision shall be final), will lie on the family member(s) of the owner/partner(s)/trustee(s)/member(s) of defaulter mill in question as well as the miller seeking allocation of agency.
f. The miller shall be considered as a defaulter if a police case/court case/arbitration case is pending against the miller on account of embezzlement and/or on account of non-delivery of rice and/or on account of non-clearance of any dues of any State Procurement Agency and/or declared blacklist by the Department/FCI including cases where blacklisting has been done on the basis of CII recommendation. However, if the miller clears the default of the concerned agency along with/interest at the rates for the relevant year(s), as decided by the Government from time to time and there is no pending recovery towards miller, he may be considered for allotment without prejudice to the outcome of the Criminal Case/FIR/Court Case/Arbitration Case pending against him. Provided that such defaulter mills would also furnish a NOC from all Procuring Agencies including FCI, before registration and allotment. Further provided that those mills whose blacklisting period has not got completed shall not be considered eligible for registration/allotment.

g. A Miller(s) who stood guarantor(s) to another miller which has subsequently defaulted and with whom a legal dispute has arisen on account of embezzlement of paddy or non-delivery of custom milled rice or pendency of any other due amount in any of the previous crop year(s) shall also be considered defaulter until the final decision is arrived at in such case/cases. However, if a miller, against whom a legal dispute is pending on account of non-delivery of rice or embezzlement of custom milling paddy or pendency of any other due amount, clears the amount of default along with 100% of such due interest, such a miller may be considered for allocation. Such an allocation shall be without any prejudice to outcome of the pending legal dispute.

h. The Miller against whom an arbitration award has been passed but has failed to deposit the amount awarded against him, shall be treated as defaulter, until he deposits the entire awarded amount with the concerned agency.

i. If the premises of a defaulter miller is sold by a Bank/financial institution by way of open auction, or otherwise disposed of by such Bank/financial institution, either by adoption of proceedings under the SARFAESI Act or other applicable law after the date of issue of this policy, the purchaser of such premises and the premises itself shall be treated as defaulter unless it is proved that there is neither any sham/clandestine transaction nor any other financial/family relationship between the buyer and the original owner of the mill. (Ref: CWP No. 20535 of 2017-M/s Rajesh Trading Co. vs. State of Punjab and others). In all such cases, the registration shall be done after passing of a speaking order by DFS.

Note: - In order to ensure the interests of the procuring agency(s) the DM of the concerned agency will ensure that all the properties of a defaulter miller(s) are attached in the name of the state agency(ies) prior to such auction by the financial institutions/banks etc.

j. The miller who has been banned by FCI for all business activities on account of delivery of rice “beyond rejection limits” (BRL) and/or beyond PFA specifications and/or mixed stock in the previous year(s) shall also be treated as defaulter miller.

k. If any agency reports any case of misappropriation of paddy of the previous year(s) by the miller.

l. If a miller is an owner/partner of more than one mill & it comes to notice at any stage, that only one mill is used to mill paddy and deliver rice on behalf of his other mills, it would be considered as an infringement of policy and accordingly all such mills shall be liable to be blacklisted.

8. SIGNING OF THE AGREEMENT BETWEEN THE AGENCY & THE MILLER

a. Every miller allocated to an agency shall execute an agreement with the agency to which it is allocated, within three working days from the date of allocation, in the given format along with the Annexures I to XXIII attached herewith, (which shall be made available in the shape of a brochure) on the stamp papers of Rs. 2000/- (Two Thousand Rupees). The same shall be duly registered with notary public.
b. In case of sole proprietorship mills, the agreement shall be signed necessarily by the owner/proprietor. In case of Partnership firms, Companies, Trusts, Societies agreement shall be signed by all the Partners/Directors (in case of companies)/Members (in case of Trust or Society), as the case may be, or any one of them duly authorized by all partners/directors/members in the partnership deed. Both the miller and DM of the concerned agency will sign on each page of the agreement. No GPA shall be entertained for signing the agreement.

c. Agreement must contain full signatures of the sureties and witnesses along with full particulars & address.

d. No paddy shall be stored in the mill premises unless the agreement mentioned above has been executed.

e. Three copies of the Agreement executed shall be prepared. First copy is to be retained by the DM concerned, second copy shall be sent to the MD of the concerned Agency and the third shall be handed over to the miller.

f. In case a mill is run by an Attorney holder, the original owners shall also be responsible for all the obligations/liabilities under this agreement. The Power Of Attorney to run a rice mill can be given only to the shareholder or partner of a rice mill and not to any other person. Transfer of Power Of Attorney to any person other than shareholder or partner shall tantamount to fraud and shall invite penal action as per Law. The DM of the concerned agency shall ensure the same.

g. At the time of executing an agreement for custom milling of paddy, the miller shall mandatorily disclose the details of all the properties owned by him/her and his/her family members, along with the present status of property (free/mortgaged).

9. EVENTS OF BLACKLISTING REGARDING ALLOCATION OF PADDY:

a. The following act, actions and/or events are prohibited and shall constitute a reason for blacklisting, for a period of three years, of a miller who has already been allocated paddy or is under consideration for allocation of paddy. The event of blacklisting shall be accompanied by removal of the balance paddy stocks lying in his premises which shall be lifted from his premises at his risk and cost and penalty of 15% shall be imposed on such expenses and legal action shall be taken against such miller and/or other millers who may also be involved. These are:

(i) No miller selected for allocation of paddy shall engage in the unauthorized custom milling of paddy i.e. paddy on behalf of other miller or paddy belonging to an agency other than the agency allotted to him.

(ii) There is a complete ban on use of genset while milling custom milling paddy and the use of a genset found on the premises of miller at any stage, shall invite an action of blacklisting.

(iii) No eligible miller to whom custom milling paddy is being allotted shall get his paddy milled from any other miller/defaulter millers.

b. The miller who has neither delivered levy rice nor paid levy penalty for the years 2007-08, 2008-09, 2009-10, 2010-11, shall give an undertaking that in case, the decision of the Court/Government of Punjab/FCI is in favour of the department, they shall pay entire amount along with interest @ 12% per annum.

10. ALLOCATION OF PADDY TO ELIGIBLE RICE MILL(S)

a. General:

(i) Allocation of a mill and Allocation of paddy is at the sole discretion of DAC, a miller cannot claim this as a matter of right.

(ii) As paddy is to be allocated to the miller subject to its availability with the procurement agencies at that particular milling centre, the shortfall, if any, will not be arranged from other milling centres or districts and this portion shall be deemed to have lapsed and the miller shall have no claim against it.
(iii) While calculating the eligibility of rice mills, the figures of actual purchase of paddy during KMS 2018-19 shall be considered and hypothetical increase of 10% shall not be assumed.

b. For New Mills

(i) For the purpose of this policy, a Mill/Miller is a new rice mill if:

A. It is established/registered with the office of DFSC after KMS 2018-19 and/or whose performance data for KMS 2018-19 is not available;

OR

B. It was engaged in the activity of custom milling in the year 2018-19, but has undergone a substantial change (above 50%) in its constitution/ownership/partnership outside the family after 30th April, 2019; Provided that if such a substantial change is within the family on account of death of family member or otherwise (by division of property among family members) it will not be treated a ‘new mill’ for the purpose of allocation, subject to the condition that none of the family member of such miller should have been a defaulter to any of the procuring agency in previous year(s).

OR

C. In case a rice mill was operated on lease last year and the same mill is to be operated by the owner party or any other lessor in KMS 2019-20, the rice mill shall be treated as a new rice mill.

(ii) A new rice mill shall be, as far as may be possible (without this vesting any right in this regard), allocated 2500 MT of free paddy for the Kharif 2019-20, under this policy for 1 tonne capacity. Subsequently, the new mills shall be as far as may be possible (without this vesting any right in this regard), allocated 500 MT of free paddy for the Kharif 2019-20 for every additional tonne of capacity, subject to maximum allocation, as far as may be possible (without this vesting any right in this regard), allocated 5000 MTs. It is made clear that no new mill shall have any legal right to claim extra paddy on the ground that its installed capacity is higher than any other rice mill, or for any other reason whatsoever. Their allocation of RO paddy shall be calculated as per clause 14 of the ibid policy.

(iii) So far as registration and allocation of paddy to new rice mills being set up in paddy deficit areas is concerned, it shall be subject to the following further terms and conditions:

A. Setting up of shellers is individual decision of sheller owner and Department is not bound to allocate paddy for custom milling. Registration of mills does not entitle an assured quantity of paddy for Custom Milling purposes; neither it makes it entitled for linkage with Mandis for Custom Milling purposes.

B. If the Department considers to link any mandi(s) with a particular miller, the miller will abide by the directions of the DFSC concerned and shall lift at least 20% of their Maximum Permissible Allocable paddy, if any, for Custom Milling from any other district. In such cases, the mills will be paid transportation charges as defined in Custom Milling Policy for 2019-20 for transporting paddy against Release orders.

C. Such millers shall not have any right to claim paddy from the local milling centre/any other place.

c. For existing mills:

(i) For the purpose of this policy, a mill shall be treated as an existing mill if it has performed the job of custom milling in the previous years including KMS-2018-19 and is not a ‘new mill’ under clause 10 of this policy.

(ii) The maximum permissible allocable quantity of free paddy to all such existing rice millers shall be decided solely on the basis of their performance of milling of Paddy during Kharif Marketing Season 2018-19. In order to decide the date of completion of milling by a miller, the date of uploading of Acceptance Note for the last delivery of
rice to FCI, on the e-portal of the department shall be considered as the date of completion of milling.

(iii) Wherever the quantity of paddy shifted through second shifting shall be deducted from the quantity of paddy to be allotted to the mill (whose/whom) paddy was shifted by the millers/agency in KMS 2018-19, the quantity of paddy shifted through second shifting at the recipient mill shall be excluded while calculating the performance of that particular mill. The date of completion of milling for the paddy shifted through second shifting shall also not be accounted for, while calculating the performance of the mill.

(iv) The millers who have completed entire milling of their stored custom milling paddy of KMS 2018-19 including R.O. paddy and delivered due resultant rice to FCI by 31-01-2019 will be eligible for an additional paddy allocation of 15% of free paddy milled in 2018-19 which shall be over and above the entitlement as in 2018-19.

(v) The millers who have completed entire milling of their stored custom milling paddy of KMS 2018-19 including R.O. paddy and delivered due resultant rice to FCI by 28-2-2019 will be eligible for an additional paddy allocation of 10% of free paddy milled in 2018-19 which shall be over and above entitlement of paddy as in 2018-19.

(vi) The millers who have completed entire milling of their stored custom milling paddy of KMS 2018-19 including R.O. paddy and delivered due resultant rice to FCI by 30-03-2019 will be eligible for an additional paddy allocation of 5% of free paddy milled in 2018-19 which shall be over and above entitlement of paddy as in 2018-19.

(vii) The millers who have completed entire milling of their stored custom milling paddy of KMS 2018-19 including R.O. paddy and delivered due resultant rice to FCI by 30-04-2019 will be eligible for a maximum permissible allocation of paddy which shall be equal to their entitlement as in 2018-19.

(viii) The millers who have completed entire milling of their stored custom milling paddy of KMS 2018-19 including R.O. paddy and delivered due resultant rice to FCI after 30-04-2019 but by 31-05-2019, their maximum permissible allocation of paddy would be decided after deducting 5% of free paddy milled in 2018-19 from the entitlement of paddy as in 2018-19.

(ix) The millers who have completed entire milling of their stored custom milling paddy of KMS 2018-19 including R.O. paddy and delivered due resultant rice to FCI after 31-05-2019 but by 30-06-2019, their maximum permissible allocation of paddy would be decided after deducting 10% of free paddy milled in 2018-19 from the entitlement of paddy as in 2018-19.

(x) The millers who had not completed their entire custom milling of 2018-19 by 30-06-2019 but cleared their dues by depositing the acquisition cost of paddy/rice, their maximum permissible allocation of paddy would be decided after deducting 15% of free paddy milled in 2018-19 from the entitlement of paddy as in 2018-19.

(xi) All those millers which could not complete the milling of paddy in time during KMS 2018-19 and from which paddy had to be shifted to other mills, would be allocated a maximum permissible amount of paddy as per entitlement during KMS 2018-19 after deducting the quantity of paddy which had to be shifted out of the mill during KMS 2018-19. Provided that all such millers shall not be entitled to any additional paddy entitlement, irrespective of the date of completion of their milling. However, a cut would be imposed for completion of milling and delivery of rice after 30.04.2019 as provided in the above sub clauses, as the case may be.

(xii) The Mills/millers which have dryers and sortexes installed in their mill premises would get 5% additional allocation of paddy on account of each i.e. 5% additional allocation on account of dryers and 5% additional allocation on account of sortex.

(xiii) The millers which received extra free paddy/RO paddy during KMS 2018-19 either by suppressing the material facts or by misleading the authorities to arrive at such a decision, shall get the allocation of paddy after deduction of allocable amount by the same extra quantity.

d. No vested/legal right: It is made categorically clear that in applying the mechanism of allocation of paddy under this Clause:
The quantity of paddy that may be allocated to a given miller represents the maximum permissible allocable quantity of paddy to such miller. The above Clauses are merely an arithmetical aid to such determination of such maximum permissible allocable quantity of paddy, to such miller, and do not confer any right to a miller for allocation of such or any other quantity of paddy.

Such maximum permissible allocable quantity of paddy, not being a vested and/or other legal right in the miller, may be decreased on pro-rata basis if the arrival of paddy at the concerned milling centre is not sufficient. The paddy shall be allocated to all the eligible rice mills in a milling centre in proportion to the availability of paddy at the milling centre concerned and proportionate cut, if any, will be imposed on the maximum permissible allocable quantity of paddy, on all the rice mills in that paddy deficit milling centre.

In no case, paddy in excess of maximum permissible allocable quantity of paddy, (as per above clauses) shall be allocated to any of the mill, even if there is an excess arrival of paddy at that milling centre.

No miller can claim allocation of paddy from any particular mandi. It is the prerogative of DAC to decide as to which mandi is to be linked with a mill, keeping in view the equitable distribution and to minimization of transportation cost.

Illustration 1. Let's assume that a mill having maximum permissible allocable quantity of paddy of 4500 M.T. was actually allocated 3000 M.T. paddy in KMS 2018-19 and had milled and delivered the entire paddy (Including RO) by 28th February, 2019. The mill also has the facility of dryer only in the premises.

The maximum permissible allocable quantity of paddy (If no shifting is carried out from such mill during KMS 2018-19) in this case shall be

\[ = (4500 + 3000 \times (10\% + 5\%)) = 4950 \text{ M.T.} \]

Illustration 2. Let's assume that a mill having maximum permissible allocable quantity of paddy of 3500 M.T. was actually allocated 3000 M.T. paddy in KMS 2018-19 and it had milled and delivered the entire paddy (Including RO) by 31st May, 2019. The mill also has the facility of dryer and Sortex (both) in the premises.

The maximum permissible allocable quantity of paddy (If no shifting is carried out from such mill during KMS 2018-19) in this case shall be

\[ = (3500 + 3000 \times (-5\% + 5\% + 5\%)) = 3650 \text{ M.T.} \]

Illustration 3. Let's assume that a mill having maximum permissible allocable quantity of paddy of 4000 M.T. was allocated 3000 M.T. paddy in KMS 2018-19, 1000 MT of paddy had to be shifted out of that mill during KMS 2018-19 and it delivered rice of remaining 2000 MT paddy on or before 30.04.2019.

The maximum permissible allocable quantity of paddy in this case shall be

\[ = (4000-1000) = 3000 \text{ M.T.} \]

11. LINKING OF MANDI(S) AND RICE MILLS

a. Linking should be got done by the agencies at the time of allocation of rice mills.

b. The DAC shall make all efforts while linking rice mills and mandis in such a way to as reduce the expenditure on transportation of paddy to a bare minimum. Centers/mandis shall be linked with the nearest milling center/storage center keeping in view the availability of milling capacity at the milling/storage center(s) at which paddy is proposed to be stored/milled.

c. Mandis should preferably be linked with the rice mills situated within the same milling center.

Provided that, where a rice mill is situated in any adjoining milling center (either in the same district or in any other district) and the distance of mandi and such mill is considerably lesser than the distance between mandi and the mill within the same milling center, such a mill shall be linked with nearest mandi unless the miller(s) at the same center are ready to pay (by way of an undertaking in this regard) the extra cost of transportation. DDF concerned shall prepare a list of such Mandis and mills mentioning therein distances from all such mandis.
Provided further that while linking of mandis and millers in such cases, equitable distribution of paddy to the mills in respective milling centres shall be the guiding principle and in no case the storage of paddy in such mills shall exceed the maximum free allocable paddy after proportionate cut of the respective milling centre. Provided that if a dispute arises between millers and the agencies regarding equitable distribution of paddy or otherwise, it shall be decided by the DDF-cum-Chairman DAC.

Further, an appeal against such decision by the DDF-cum-Chairman DAC shall lie with the DFS and subsequently with PSFS.

d. DAC should allot mandis in such a manner so as to ensure that paddy is shifted directly from the purchase centre/mandi to the storage points/mill premises and no cross-cross movement of paddy stocks takes place. If any cross cross movement is detected at a later stage DAC shall collectively be held responsible and liable for disciplinary action, in addition to recovery of extra expenditure incurred in such crosscross movement, from the responsible member(s) of DAC.

e. After linking all the mandis and mills, information in proforma (Annexure XXI) shall be submitted by every DFSC to the office of Director. A soft copy of final linking of all the mandis and mills shall also be sent to the office of Director by and e-mail at adfsriceho90@gmail.com and directorfoodsupplies@gmail.com.

12. STORAGE OF PADDY AT THE PREMISES OF THE MILL(S)

a. Each allocated rice miller shall submit a Custom Milling Security amount of Rs. 125/- (Rupees One Hundred Twenty Five only) for every MT of paddy or part thereof allotted after centre cut to his mill in the form of a demand draft in favour of Managing Director of the concerned agency. It must reach the designated Office of the respective agency by 30.09.2019. No paddy shall be stored in a rice mill/ a miller’s premises which does not deposit the requisite security amount.

b. The paddy shall be allotted to all the eligible rice mills in a milling centre subject to the availability of paddy at the milling centre concerned and cut, if any, will be imposed on the quantum of allotment in ratio and proportion on all the mills at that particular milling centre. **Further, the paddy in all the rice mills/millers at the milling center will be stored proportionately, in five rounds of 20% each of the millers’ actual allocation. DFSO/Equivalent official of the SPAs would evaluate paddy storage amongst millers of a milling centre and would ensure that paddy is equitably amongst millers of a milling centre and also ensure that the subsequent round of paddy storage shall start only after paddy storage of the previous round is completed in each eligible rice mill.**

c. The concerned Inspector/AFSO/FSO/DFS or equivalent rank officials/officials of the concerned agencies shall be responsible for storage of paddy in excess of the allocation to a miller. If paddy is stored over and above allocated limit, it shall be shifted at the risk and cost of the responsible Inspector/AFSO/DFS or equivalent rank officials/officers of the other procuring agencies.

d. Paddy procured and stored in various rice mills/millers, by the agencies shall be in joint custody of the Miller and the Agency till its custom milling is completed and rice is delivered to FCI.

e. The miller shall not mix any other paddy with Custom milling paddy lying in his premises. The custom milling stocks must be kept separate by well-defined partitions/boundaries/fencings etc. All such paddy stocks shall be subject to Physical Verification/inspection by the officials/officers of the concerned agencies, at any time. The miller shall provide suitable access to the entire paddy stock at the time of PV/Inspection. If such an access is not given by the miller, he shall be blacklisted for three years and the paddy stored at his mill premises shall be shifted at his risk and cost, after giving him due written notice of the proposed action.

f. The Miller shall be responsible for the safe custody of quantity and quality of the paddy stored in his mill premises.

g. On receipt of the entire paddy, each miller shall prepare in triplicate a pictorial chart/sketch depicting the position of the stacks, stack number and the number of bags in each stack. He
shall retain the first copy in his mill premises, 2nd copy shall be provided to the inspector in-charge of the concerned agency and the third copy shall sent to the office of the DM of the concerned procuring agency, with whom joint custody is to be maintained.

h. The miller is bound to store the paddy only at the storage points in the mill or its adjoining places for which approval is given by the concerned agency in advance. No paddy shall be allowed to be stored, under any circumstances, at a place not authorized/approved by the DM of the concerned agency.

i. The entire stock stored at the mill premises shall be reconciled by the Inspector in-charge of the concerned procuring agency and a detailed report of the same shall be submitted to DM of the district, within 7 days of completion of storage.

j. In case a miller or a member of his family is engaged in the business of commission agent/Arthiya, custom milling shall not be allocated to the agency for which he is working as commission agent. Further, the paddy purchased by the commission agent shall not be stored in his own rice mill or his family members' rice mill, if the commission agent shop and rice mill are operated by members of same family. In case of any violation of this provision, the concerned miller as well as the staff of the concerned agency shall be squarely responsible for any loss to the agency/FCI. In addition to recovery of such loss from the responsible persons suitable administrative/legal action shall also be initiated against the responsible persons/commission agent/miller.

k. If a miller, who has been allocated paddy by DAC, refuses to receive the paddy on one pretext or another and/or on flimsy grounds, the following procedure shall be followed –
   (i) DFSO/AFSO/Field officer of the concerned agency, would inform the DM immediately.
   (ii) The DM shall issue at least 24 hour notice to the miller to lift the paddy or explain the valid reasons of non-lifting.
   (iii) In case of non-submission of valid reason for non-lifting within 24 hours by the concerned miller, the DM shall recommendation to the DAC for imposing an equivalent (to the quantum of paddy un-lifted) cut in allocation of paddy to such mill.
   (iv) The DAC shall pass appropriate speaking orders within 24 hours of the receipt of such recommendation in this regard.
      If a miller repeatedly refuses to receive allocated paddy, the DAC may consider ordering for cancellation of his allotment and further may also consider subsequent blacklisting of the miller for a maximum period of three years. Thereafter, order for second shifting of the paddy stored in his mill shall be got issued from the competent authority as per the relevant clauses of this policy.

13. STORAGE OF PADDY IN OWN CUSTODY OF THE AGENCY.
   a. As far as possible, all custom milling paddy must be stored in joint custody. However, DM of the concerned agency may store bare minimum paddy in the custody of the procuring agency only in case of compelling circumstances and that too, with the prior approval of MD.
   b. Such own custody paddy must be stored at a place not more than 8 K.M.s distance from the mills allotted to such agency and best efforts should be made to get this paddy milled at an earliest in order to avoid financial loss to the agency.
   c. The responsibility for quality and quantity of the paddy stored under own custody, shall remain with the concerned staff of the agency.

14. PADDY ALLOCATION UNDER RELEASE ORDER (RO) SCHEME:
   a. Quantum of RO Paddy – The maximum allocable quantum of paddy under RO scheme (both Inter District and Intra District) for custom milling shall ordinarily be determined as under:

<table>
<thead>
<tr>
<th>Allocable during KMS 2019-20</th>
<th>Maximum permissible allocable quantity to be issued (intra district and</th>
</tr>
</thead>
</table>
Provided that the quantum of the maximum permissible allocable quantity of paddy under RO scheme (both Inter District and Intra District) can be increased by the DFS through a written speaking order, a copy of which shall be sent to the office of PSFS.

Note: The DM of the concerned agency at the time of recommendation regarding RO shall certify that sufficient space inside and/or adjoining the rice mill where paddy is to be stored, is available and the space adjoining the mill is duly recorded in the record of the concerned agency.

b. General: While shifting the paddy under R.O. Scheme the following points shall be kept in mind:

(i) No procuring agency can issue the paddy under R.O. Scheme, except with the prior approval of DFS.

(ii) Only the allocated rice mills are allowed to lift the paddy under this Scheme.

(iii) Since the transfer of paddy under this Scheme is on the basis of PR to PR, all applications for lifting of such paddy should bear the recommendations of the concerned DFSC, who shall ensure and certify that the concerned rice mill is an allotted rice mill and is in a position to mill the paddy so lifted, keeping in view the past performance of the mill under consideration.

(iv) In case of procuring agencies, other than PUNGRAIN, the recommendations of the concerned DM of the procuring agency will also be forwarded to head office by DFSC along with his recommendation.

(v) If any surplus paddy is available with any procuring agency, either within or outside the district, it shall be shifted against the R.O. Scheme, only after the depositing of a non-refundable R.O. Fee @ Rs. 30/- per M.T to the District Manager, Pungrain of the concerned district. Provided that in case of shifting of paddy from a Paddy Surplus and Milling Capacity Deficit District, (such as Amritsar, Fazilka, Ferozepur, Gurdaspur, Pathankot and Tarn Taran) the non-refundable R.O. Fee shall be charged @ Rs. 15/- per M.T., and the release order will be issued on priority from above mentioned "Paddy Surplus and Milling Capacity Deficit Districts" to which millers shall not have any objection.

(vi) Payment of non-refundable fee for ROs does not confer any right to the miller or bound the Department to issue RO to the miller. It will outrightly be subject to the availability of paddy.

(vii) DFS has the discretion to increase or decrease the quantity recommended by the DFSC without explaining any reasons.

(viii) Paddy allotted under RO Scheme shall be in multiples of 100 M.Ts. In case, fraction of 100 MT is balance left in the mandi at the end, the entire quantity shall be included in the last RO.

(ix) Transportation charges on movement of RO paddy would be reimbursed by the procuring agencies to the millers at the rates refundable by FCI on the basis of rates decided by the committee constituted as per revised principles notified by GOI regarding reimbursement of transportation charges. Difference between the transportation costs borne by the miller and those refunded by the FCI would be entirely borne by the miller.

(x) Reimbursement of the transportation charges to the miller shall be made by the recipient district, only after the actual arrival of paddy at the mill and after due verification of stock physically by the concerned staff of the agency and further after
its entry in the PR record and portal of the recipient district. The reimbursement would be disbursed on receipt of the same from FCI (Annexure A3, S.No 18).

(xi) No additional security or supplementary agreement is required from the miller(s) against allotment of paddy under RO scheme. Acceptance of paddy under this scheme shall be the part of the original agreement signed between the miller and the agency concerned.

(xii) No Miller shall be allowed to lift paddy of an agency other than the agency, to which his mill is allotted for custom milling for KMS 2019-20.

(xiii) Non-refundable RO fee may be deposited either cash or by way of draft in the designated bank for lifting paddy against the Release Orders for which the rice millers shall collect Pre-Printed Fee Deposit Slips from the concerned DM Pungrain. All such slips shall be got checked and signed from the DM Pungrain before depositing the same into the concerned Bank.

(xiv) The shifting of paddy against RO is on the basis of PR to PR, the dispatching inspector must take two hard copies of the Receipt of Paddy from the recipient Inspector. A copy should be submitted to the district office and other copy should be kept in the custody of the concerned Inspector of dispatching center.

(xv) The RO fee shall be non-refundable in all cases, expect the case where no RO is issued by the Competent Authority.

(xvi) The miller shall lift the paddy against RO within ten days from the issuance of Release Order for the additional paddy, failing which the next eligible rice miller shall be considered for allotment of additional paddy. However, in case of advance ROs for lifting paddy from the excessively surplus districts, the validity shall be till the date notified by the Director, Food, Civil Supplies & Consumer Affairs, Punjab.

c. Within District (Intra-District):

(i) Surplus paddy, if any, at a milling center shall be shifted under the Release Order (RO) Scheme for its storage in other mills falling within the milling center/district in such a way that transportation cost may be kept to the bare minimum.

(ii) The ROs of paddy to be shifted for all the agencies within the same milling center/ district mills will be issued by the concerned DFSC, as per decision of the Committee headed by Deputy Commissioner of the District and consisting of all the DMs of the procurement agencies.

(iii) A copy of such ROs shall be endorsed to the concerned Deputy Director (Field), MDs of the concerned agencies and to the DFS.

(iv) DFSCs in the paddy surplus districts will send information to head office through Deputy Commissioner about the expected surplus paddy (after allocation of free paddy to rice mills as per their maximum permissible allocation of paddy) in the district and quantity of paddy they plan to issue within-district through ROs well in advance, so that the remaining surplus paddy may be issued on Inter District ROs. The above information shall reach the head office by 5th October, 2019 by all means.

(v) However, if the actual arrival during the Kharif Marketing Season is less or more than the above conveyed information, the DFSC concerned shall intimate the same also to Head Office from time to time so that ROs can be issued on the basis of actual arrivals in the mandis.

(vi) As far as possible, the local millers within the center or within the district or millers having mill nearest to the mandis should be given preference for allotment of paddy against Release Orders.

d. Outside the District (Inter-District)

(i) Surplus paddy, if any, available with any procuring agency in a district shall be shifted only as per the plan approved by the DFS and against the submission of non-refundable fee as defined in RO Scheme by the millers of the district, where the paddy is proposed to be shifted.
Provided that, keeping in view the specific problem of the districts and the exigencies of the situation, the paddy of any procurement agency can be shifted from one district to another district irrespective of the fact whether the paddy in that district is surplus or not.

(ii) The decision in such cases will be taken at the level of DFS and will be final.
(iii) A copy of these ROs will be sent to all the Managing Directors of procuring agencies for their information and record.
(iv) Paddy from capacity deficit milling centres can be shifted to the interested millers of other milling centres/districts. The cost as to transportation either within or outside the district shall be as specified in the relevant clauses under the RO Scheme.

15. SECOND SHIFTING OF STORED PADDY:-

a. In case the paddy stored a Rice mill is not being milled as per schedule on account of one reason or the other, the concerned agency reserves the right to get the paddy shifted to any other rice mill at the risk and cost of the original allocated miller.

b. In case of second shifting of paddy i.e., paddy already shifted and stored at any particular place/mill, the procuring agency shall shift paddy to the rice mills already allotted to them after getting approval from the DFS.

c. Recommendations of the DMs of concerned agencies of both the recipient and dispatching districts must be sent along with the proposal for such cases of second shifting by the DFSCs concerned. In case of PUNGRAIN paddy, DFSCs/DMs PUNGRAIN of both the districts shall send their recommendations.

d. The DFSCs and DMs of the concerned agencies before recommending such shifting to the office of DFS, shall ensure availability of space and other factors needed for the smooth delivery of rice by the stipulated period in the central pool.

e. Until, whole of the due rice is delivered by the transferee miller to FCI, both, the transferor and the transferee miller shall be liable for the entire quantity of paddy shifted for milling in second shifting. In case of any default, neither of the millers shall be considered for allotment in the current/ensuing years, until they have obtained an NOC from the concerned agency.

Explanation: In case of embezzlement of paddy or deterioration of quality of stocks after the transfer of the paddy in second shifting, the responsibility will be of the transferee miller, if the transferor has the final receipt of the quantity/quality of paddy so transferred.

f. The paddy shall be shifted to only those rice mills, which have completed 100% custom milling of its original allotment and that too subject to Physical Verification/Certification by DFSC.

g. Specific reasons are to be recorded in writing, for allowing/disallowing a proposal. Provided, however that, under certain exceptional circumstances, paddy from such mills which are declared defaults on account of their having delivered BRL rice and/or are not delivering rice as per the stipulated schedule during mid-season as laid down in the policy, or have become non-functional due to any other reasons whatsoever, can be shifted to other allotted mills even though such mills might not have completed their 100% milling. In such cases, the decision of DFS shall be final.

h. Physical Verification shall be conducted by the concerned officials/officers before shifting of paddy from any mill to ensure genuineness of transaction and availability of paddy in said mill. Physical Verification shall also be conducted by the concerned officials/officers at the mill that has received such transferred paddy immediately on arrival of paddy in the mill.

i. Both the above PVs shall also be video graphed by the concerned officials/officers of the agencies and their record shall be maintained with the concerned agency’s DM.

j. The concerned DFSC/DM will scrutinize these PV Reports and video-graphy and if any discrepancy is observed by him, it shall immediately be brought to the notice of DFS.

k. Paddy so shifted must be reflected on portal & PR records of both the districts (transferee & transferor).
1. In case of Second shifting of paddy among different agencies i.e. if recipient miller & sender miller belong to different agencies, then before shifting of paddy, the recipient miller has to make fresh agreement with the DM of the same agency to which the miller from whose mill paddy is to be shifted, was allotted.

16. PHYSICAL VERIFICATION (PV) OF PADDY

a. Initial storage of paddy within a rice mill shall be video graphed. The same shall also be video graphed, when the entire storage of paddy is completed. After that, physical verification shall be video graphed once in every two months. The Custodian Inspector or equivalent official of the concerned agency shall ensure that the above exercise is carried out from time to time. A proper record of these video-graphed recordings shall be maintained and kept in the office of DM concerned.

b. First physical verification of stock will be carried out within 10 days of start of storage of paddy to prevent bogus billing. If miller intends to store own purchased paddy/rice in his mill, it should be stored and marked separately from the CMR paddy as per relevant clauses of this policy. Further, such paddy/rice must have supporting sale bills/invoices/transportation proof and proof of deposit of requisite market fee, RDF, etc. Otherwise, such unaccounted paddy/rice so found in mill premises would invite penal action including cancellation & blacklisting of the mill.

Further, such miller shall ensure that the procured rice is a genuine trade commodity (that it is not diverted from the NFSA/other PDS (Public Distribution System)/Welfare Schemes), otherwise criminal proceedings under relevant section of IPC (Indian Penal Code) and ECA (Essential Commodities Act) shall be initiated against the mill Owner(s)/Partner(s)/Manager(s)/Trustee(s).

c. Subsequent PVs shall be carried out by the staff of the concerned procurement agency at least once, in a fortnight. Copies of such PV reports shall invariably be submitted to the DM of the respective agency. The PV reports must contain all the details of paddy stored, paddy milled and rice delivered and balance paddy lying in the premises. Besides reporting the position of stock quantitatively, its' qualitative position should also be reported in the PV.

d. The following norms shall strictly be followed at the time of FORTNIGHTLY Physical Verifications:

(i) The responsibility of physical verification by the field staff and officers, its quantum of fortnightly PV shall be: -

<table>
<thead>
<tr>
<th>Sr. No</th>
<th>Designation of field staff/officers by whom PV is to be carried out</th>
<th>Minimum Quantum of mills to be physically verified</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Inspector or Equivalent Officer of each procuring agency</td>
<td>100%</td>
</tr>
<tr>
<td>2</td>
<td>AF SO or Equivalent Officer of each procuring agency</td>
<td>50%</td>
</tr>
<tr>
<td>Note 1:</td>
<td>Every AF SO/Equivalent Officer will carry out PVS on rotational basis every fortnight in such a way as to cover all (100%) mills every month.</td>
<td></td>
</tr>
<tr>
<td>Note 2:</td>
<td>Physical Verification of a rice mill, where 10,000 MTs and above paddy is stored, shall be carried out jointly by the Inspector and AF SO. (i.e. Sr. No. 1 &amp; 2)</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>FSO or Equivalent Officer of each procuring agency</td>
<td>25%</td>
</tr>
<tr>
<td>4</td>
<td>DFSC/DM or Equivalent Officer of each procuring agency</td>
<td>10%</td>
</tr>
<tr>
<td>5</td>
<td>DDF/RM or Equivalent Officer of each procuring agency (See sub-clause iii below)</td>
<td>10 rice mills</td>
</tr>
</tbody>
</table>

(ii) Officers given at Sr. No. 3 & 4 shall, necessarily, conduct the PVS of mills having lowest milling percentage and lagging behind the prescribed schedule of milling in the policy.

(iii) DDF/RM or Equivalent Officer of each procuring agency shall carry out the PV of 10 rice mills every fortnight, selecting two rice mills from each district having lowest milling percentage.

(iv) PV of the rice mills, where 15000 MTs or more (local linkage + paddy issued against R.O.) paddy is stored, must be carried out by DFSC/DM of concerned agency personally every month.

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17. MILLING OPERATIONS

a. The Miller shall purchase a minimum quantity of 150 M.Ts. of paddy in his own account or he shall deposit an amount of Rs. 5.00 lakh (Five Lakh only) non-refundable and Rs. 5.00 lakh (Five Lakh only) refundable with DM PUNGRAIN in the shape of a demand draft, in favour of Managing Director, PUNGRAIN, irrespective of the fact that such a mill has been allotted to another procuring agency to be eligible for starting custom milling operations. The refund of the refundable levy security would be made after the last date of delivery of paddy to those millers who have delivered 100% due rice to the FCI. No interest shall be paid on the above securities.

Provided that above clause is not applicable in case of Markfed, where paddy is stored in their own modern rice mills.

b. Stocks of paddy for milling shall be issued by the staff of procuring agencies in lots of 200 M.T. (two stacks) each through a release order issued by the concerned inspector/official in-charge against delivery of advance rice to FCI. Paddy issued/received without a proper release order shall be treated as a serious lapse. Subsequent lot of paddy for milling shall be issued only after the delivery of entire rice due on previous lot to FCI and after receipt and uploading of acceptance note and weight check memo on the concerned website.

c. A record of all the release orders issued by an agency shall be kept in the district office, by all the agencies.

d. If a miller lifts the paddy without any release order and threshes the paddy to rice, it shall be treated as defalcation of stocks and concerned agency/department may initiate punitive action against the miller. The miller shall be liable to pay the interest @ 12% per annum for the value of paddy and for the duration of such defalcation.

e. The miller shall not be permitted to convert any quantity of paddy into rice until he submits bank guarantee or FDR of the equal value of paddy defalcated to the concerned agency and obtains permission for milling.

f. Each miller shall maintain the Stock Registers, the number of pages of which shall be duly authenticated and verified by the concerned field staff (Inspector/AFSO).

g. Payment of milling charges:

(i) The miller shall be paid milling charges for custom milling of paddy, at the rates fixed by Government of India.

(ii) Milling and other charges payable to millers would be inclusive of all applicable taxes.

(iii) Rice extracted over and above the Minimum permissible limit out of the paddy issued for custom milling as per the relevant clauses of this policy shall be the property of the procuring agency and miller shall deliver the same to FCI on behalf of the procuring agency, without any extra claim.

(iv) The by-products such as broken rice, rice kani (rice husk and rice bran etc.) shall be retained by the miller. All the applicable taxes pertaining to by-products, if any, shall be borne by the miller.
(v) Where any defacement of paddy is noticed, all the by-products lying in the mill premises from the part paddy milled shall automatically be treated as belonging to the agency.

(vi) The miller shall settle all accounts with the concerned agency within 15 days from the date of completion of hundred percent delivery of custom milled rice.

18. OUT-TURN RATIO
The Minimum out-turn ratio (Fixed by GOI) of custom milled paddy shall be as follows:

a. Minimum 67% for raw rice.

b. Minimum 68% for par-boiled rice.

c. Benefit of Driage shall be given only in monetary terms to the rice millers at the rate prescribed by Government of India for driage allowance, on actual delivered quantity of rice to FCI, which would be subject to the condition that miller has delivered 100% due rice to FCI or the miller has deposited acquisition cost of balance rice with the concerned agency.

d. However, par-boiled rice mills are not eligible for driage benefit.

19. SERVICES TO BE PROVIDED BY THE MILLER

a. Every rice miller is bound to have a Static IP Address in the mill premises and shall give this IP Address to the Department/Agencies.

b. As soon as storage of paddy starts in a mill, the miller would verify the same, through the above mentioned Static IP address, on department's official web site. The process of generating contract numbers shall be initiated only when miller verifies the paddy stored in his/her mill and fulfills other statutory/non-statutory obligations. This verification of paddy by miller would also imply his acceptance of milling contract.

c. The miller who has been allocated paddy for custom milling shall provide following services at his own expense:

(i) After the paddy is unloaded and stacked at the rice mill/storage point by Labour Contractor appointed by the Agency, paddy shall be stored at the rice mill/approved storage point by the miller at its own expenses after completion of agreement with the concerned agency.

(ii) Subsequent operations like Loading of paddy from storage point, its transportation & unloading for milling at haudi/drying.

(iii) De-stacking of paddy.

(iv) Drying of paddy stocks.

(v) Katai of paddy bags before de-husking.

(vi) Re-stacking of paddy stocks.

(vii) De-husking of paddy stocks.

(viii) Filling up of bags of rice prior to dara making.

(ix) Dara making of rice bags and filling/sewing of bags with double line machine stitching.

(x) Transportation of rice to FCI depot.

(xi) Delivery of acceptance notes, weight-check memos and other relevant documents from FCI for claiming payment and uploading the same at official website as per directions of the Government from time to time.

(xii) Miller shall stitch a rexine slip/canvas slip with each bag, bearing name of the mill/Center/District/agency/category of rice/net weight/contract no./crop year on the bags.

(xiii) The miller shall be responsible for maintaining the quality and quantity of the paddy/rice stocks till the delivery of rice to FCI under the supervision, control and assistance of the agency officials.

(xiv) Under no circumstances, miller shall use the agency's paddy stored with him for the purpose of delivery of advance rice to FCI for securing FCI paddy.

(xv) Miller shall arrange such a number of jute bags as are determined by GOI vide its letter dated 18.05.2017 for filling and storing and transporting paddy to his mill.
premises, subject to any change in the above instructions by GOI and would maintain the requisite documents and would provide the requisite certificate as prescribed by GOI from time to time. He shall be paid usage charges for this service @ rate fixed by GOI, from time to time.

Provided that, if a miller refuses to make such arrangement he shall be disqualified for allotment any quantity of custom milling paddy.

d. He shall abide by the instructions given by the department regarding the release of contract numbers from time to time. The miller shall ensure that the “Acceptance Note”, Weight Check Memo and all other relevant documents are uploaded by FCI on the Department Portal for claiming payment from FCI, failing which the release order for due quantity shall not be issued. The rice miller shall enter the data of paddy storage at the website of the department and after verification of the same by the concerned DFSC miller will automatically get the contract numbers. The entry of data of paddy stored in the mill shall be deemed as acceptance of the quantity and quality of the same to the satisfaction of the miller.

e. Each allotted miller shall also submit MICR cheque drawn in favour of MD of the agency concerned @ Rs. 45 lakh for every 2000 MT of paddy or part thereof stored in his mill.

f. If a rice miller is found guilty of tampering with the official data /record or adopts malpractice in this regard, he shall be declared defaulter by DAC by passing a well-reasoned order, and such orders are appealable before DFS.

20. SCHEDULE FOR DELIVERY OF RICE

a. After linking of mandis and rice mills by the DAC, Concerned Area Manager (FCI) shall intimate the DAC & Millers about the linking plan of miller and storage depots of FCI, where the millers have to deliver CMR. Area Manager, FCI shall also intimate the latest status of the vacant space, to the concerned agency on the first of every month.

b. Millers shall run the mill to its optimum capacity, so as to achieve the target for milling of paddy as fixed according to the scheduled time frame as per policy.

c. Miller is exempted from delivery of any levy rice on his privately purchased paddy.

d. Delivery of custom milled rice to FCI will commence immediately from the start of KMS 2019-20.

e. Scheduled time for delivery of custom milled rice shall be as under:

<table>
<thead>
<tr>
<th>Month</th>
<th>Progressive %age of CMR to be delivered</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to 31st December 2019</td>
<td>35%</td>
</tr>
<tr>
<td>Up to 31st January 2020</td>
<td>60%</td>
</tr>
<tr>
<td>Up to 28th February 2020</td>
<td>80%</td>
</tr>
<tr>
<td>Up to 31st March 2020</td>
<td>100%</td>
</tr>
</tbody>
</table>

Note: - The progress of milling shall invariably be monitored by the concerned agency as per time schedule. Mills lagging behind the time schedule are liable to shift their paddy at their risk and cost along with charging the interest @ 12% on the acquisition cost of such paddy from the date of its storage to the date of shifting. Also the penalty, if any, imposed by the Government of India on the State agencies due to delayed/non-delivery of rice, shall be paid by the concerned rice miller.

f. While milling paddy, miller shall ensure that rice extracted out of paddy is as per norms and specifications fixed by GOI and shall deliver the rice at the storage depot of FCI as linked by its Area Manager.

g. The miller shall be paid cost of transportation and other incidental charges at the rates approved/reimbursed by GOI/FCI and any extra cost if any shall be borne by the miller.

h. Any quality cut imposed by FCI on the rice delivered to it by the miller, shall be the liability of the miller and shall be charged from the miller at 12% interest from the date such deduction is made by FCI to the date of its final adjustment/payment by the miller, in the accounts of the agency.

i. Miller is bound to deliver the entire rice, due to FCI, in a pack of 50 Kg. B-Twill, A-class gunny bags as per FCI specifications. The cost of surplus new gunny bags retained by the
millers used for packing of paddy shall be realized from the millers at the rates fixed by State Government or under the instructions issued from time to time.

j. The delivery of rice by the miller shall be deemed to have been completed at the FCI godown, only after the issuance of Acceptance Note and Weight Check Memo by the FCI. The miller shall ensure that the “Acceptance note”, Weight Check Memo and all other relevant documents are uploaded by FCI on the e-Portal of the Department within 72 hours of delivery of rice, for claiming payment from FCI. If the miller fails to do so he shall not be entitled to issue of further release order for custom milling of paddy.

k. Miller shall be responsible for payment of GST and other taxes applicable on the amounts/costs recoverable from him.

21. SECURING THE LOSS OF STOCKS.

a. The paddy and its containers (gunny bags) supplied by the state procuring agency is the property of the State Government until the entire due rice is delivered to FCI, and being the custodian of such stock, miller shall be responsible for its safe custody and making appropriate arrangements for the protection of stock.

Provided further that:

(i) The miller shall not pledge such paddy/rice with any bank/financial institution or otherwise to avail cash credit limit/loan for his business or any other purpose.

(ii) If a miller is found responsible for pledging the government stock/stock articles etc., at any stage he shall be liable for punitive action by the concerned agency for recovery of the stocks and the paddy/rice lying in his possession on such date shall be lifted from the premises at his risk and cost and in addition he shall be charged with an interest @ 12% of the cost of acquisition of the paddy so shifted and also the cost of acquisition of paddy along with 12% interest on any shortfall or paddy in possession of such bank/financial institution, which the procuring agency was not allowed to lift by such bank/financial institution/court etc.

(iii) It shall be the responsibility of the miller to submit a list of banks/lead banks with which he has business relations/interests.

(iv) On receipt of such list the DM of the concerned agency will consolidate a list of all the mills along with paddy allotted and stored in them and forward copy of such list to the lead banks/banks (of the millers) directing them to not to approve/release any Limit/loan against such agency stocks.

(v) No miller shall sell/transfer/mortgage/gift the property of his mill, its premises, land, machinery erected over it, till he clears the pending dues of Custom milled rice or on any other account to the concerned procurement agency. The concerned procurement agency shall have the first charge over such mill premises/land/machinery if such a premises, mill/machinery and building are sold/disposed off without clearing the dues.

(vi) The property of a defaulter mill, its premises, land, machinery erected over it, shall not be sold/transfered/mortgaged/gifted without the prior approval of the DFS. Before granting such permission, DFS shall get a report from the concerned agency, regarding pending dues, nature of default, value of stocks lying with the miller, etc. The concerned procurement agency shall have the first charge over such mill premises/land/machinery if such a premises, mill/machinery and building are sold/disposed off without the prior permission of DFS.

(vii) Each allotted rice miller shall submit two signed undated payee’s account MICR cheques in favour of Managing Director of the concerned agency in token of security of stocks. The first cheque equal to the 50% of the acquisition cost of paddy intended to be stored in his premises shall be submitted prior to the start of storage of paddy. The other cheque for remaining 50% shall be submitted immediately after the completion of storage entire allocated quantity of paddy.

(viii) These two cheques taken from the miller equivalent to cost of paddy entrusted for milling shall have no limitation of money endorsed on them for withdrawal purposes.
(ix) In case of any default by the miller and to recover the amount due to miller along with interest, MD of the concerned agency is free to liquidate the entire amount of cheque(s), irrespective of the amount due to such miller.

(x) Acquisition cost of paddy along with interest paid/payable by Government on CCL shall be charged (from 01.11.2019 onwards till date of actual payment) on the stock of paddy for which miller fails to deliver the rice to FCI by 31st March 2020 unless the Government decides to extend the last date of milling and delivery of rice to FCI in view of shortage of space with FCI or any other administrative exigencies. For the calculation of such waiver, the report regarding shortage of space with FCI would be obtained from the Regional Office, FCI Punjab, Chandigarh by the concerned account settlement authority. However, the miller shall not be paid any milling charges on the paddy for such un-delivered rice left even after the extended date of milling.

(xi) The last date for clearing all the payments with the agency(s) and government is 31st May, 2020 or the date notified by the department, failing which a penal interest @ 3% shall be charged over and above the interest payable as per the above sub clause. 

Provided further that such a miller shall not be considered for allocation/allotment of paddy for the year 2020-21, until he clears all the dues.

b. If a miller clears all the dues (Cost of acquisition of paddy along with interest and penal interest) of balance un-milled paddy, such balance un-milled paddy and by-products shall become property of the rice miller. DM of the concerned agency will issue an invoice to sale and release order for the same, after confirming the clearance of all the dues of the miller.

c. If the miller fails to clear the amount due (Cost of acquisition of paddy+ interest + penal interest) on account of un-milled paddy by 31-05-2020 or the date notified by the department, the concerned agency shall initiate action against such miller within 15 days of the last date for such settlement of account. Any stock and by-products lying in the premises of the miller shall be auctioned by the concerned agency at the risk and cost of the miller(s) to recover the amount in full or a part thereof.

d. Action taken by the agency for lifting/auction of un-milled paddy shall not be construed in any manner to be trespassing on the mill premises. The miller will ensure that DM or an officer appointed by him shall not be obstructed access to the stock lying in the mill premises for the purposes of lifting or auction. The defaulter miller cannot participate in the auction process/proceedings.

e. The miller shall be responsible for any loss to stock by way of misappropriation/ fire/theft etc., or if he fails to deliver rice according to the specifications or fails to deliver the rice by the due date, he shall be charged with the cost of paddy + interest @ 12% + administrative charges + incidental charges + carryover charges etc., along with applicable GST. However, the interest component would not be chargeable up till 30.06.2020, if the delay is due to shortage of space with FCI. For the calculation of such waiver, the report regarding shortage of space with FCI would be obtained from the Regional Office, FCI, Punjab, Chandigarh by the concerned account settlement authority.

f. In case of any embezzlement/loss of paddy/rice etc., the State agency shall be at liberty to launch criminal prosecution against the concerned miller besides availing other legal remedies in accordance with law. It shall be the responsibility of the concerned procurement agency to recover the cost of allotted paddy from the concerned/defaulters and deposit the same in CCL account.

g. For black listing a rice miller under various clauses of the policy/agreement, he shall be duly given a written notice of the proposed action and an opportunity of personal hearing before proceeding against him, in terms of the CMP 2019-20 and the mechanism set out thereof shall apply for such purposes.

22. STOCK ARTICLES 

a. Miller shall arrange suitable number of crates for storage of custom Milling paddy in his mill premises, for which he shall be paid user-charges @ Rs. 15/- per tonne of the paddy stored and delivered to FCI on behalf of the concerned agency.
b. The required quantity of polythene Sheets /Tarpaulins/ Nets etc., shall be provided by the procuring agency on returnable basis and miller shall be responsible for its safe custody and maintenance. If a miller fails to return the stock articles supplied by the agency after the completion of milling or in case of damage to the stock articles, the value of such stock articles along with 18% simple interest per annum shall be recovered or adjusted in his milling bills.

23. TRANSPORTATION OF PADDY
a. The responsibility of transporting free paddy stocks from mandi yard to the mill premises lies with the Transport contractor of such agency.

b. However, if a transport contractor fails to provide appropriate number of trucks or does not provide trucks at all, the concerned agency is free to get such work of transportation done by the rice millers at the risk and cost of the transport contractor, at the cartage/transportation rates, as the case may be, duly approved by the District Tender Allotment Committee under The Policy for Transportation of Food grains for the year 2019-20. This provision shall also be applicable for other jobs like transportation of jute/PP/HDPE bales, stock articles, etc.

c. It shall be the responsibility of the miller to make appropriate arrangements of transportation for lifting of paddy and stock articles etc., from mandi or storage points if such a situation arises at any time.

24. ORDERS PASSED UNDER THIS POLICY AND ALTERNATIVE DISPUTE RESOLUTION MECHANISM
a. All orders passed under any of the provisions of this Policy shall be passed after the Miller has been given a written notice of the proposed action and an opportunity of personal hearing before proceeding against him. Given the short timelines of the crop season, a notice of 2 days shall be issued to the Miller and a maximum of one adjournment for personal hearing.

b. A first appeal from orders passed by the DAC related to any clause of this policy shall lie with the DFS and a second appeal therefrom with the PSFS. The Decision of PSFS in such appeals shall be final and binding.

c. All the disputes and differences arising out of or in any manner touching or concerning the agreement whatsoever shall be referred to the sole arbitration of an Arbitrator to be appointed by the SPA. The award of the Arbitrator shall be final and binding on the parties to the contract.

d. Provided that any demand for arbitration in respect of any claim(s)/dispute between both the parties, under the contract shall be in writing and shall be 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 shall be deemed to have been waived off and the agency shall be 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.

e. The award of such arbitrator shall be final and binding on all the parties to the contract. In the event of death of an Arbitrator or his being transferred or vacating his office or being unable to act for any reason, the Managing Director concerned at the time of such transfer, vacation of office, death or inability, shall appoint another person to act as Arbitrator or himself/herself act as Arbitrator. Such a person shall be entitled to proceed with reference from the stage where it was left by his predecessor.

f. Subject as aforesaid, the Arbitration and Conciliation Act 1996, the Arbitration and Conciliation (Amendment) Act 2015 or any statutory re-enactment or modifications thereof shall apply to the arbitration provided under this clause. However, the cases of fraud, theft, misappropriation etc. on the part of the miller are not covered under this clause and in such cases legal proceedings as deemed fit shall be initiated by the agency against the miller as well as against the sureties.

g. In cases where documents of agreements are lost during arbitration/civil proceedings and the miller has delivered even a single consignment of custom-milled rice to FCI, it shall be presumed that the Agreement containing the Arbitration Clause did actually exist but has
been deliberately lost by some vested interests. This Clause shall be acceptable to all the stakeholders.

25. **POWERS TO RELAX/AMEND/INTERPRET/ADD/DELETE:**

If a question arises with regard to the relaxation/amendment/interpretation of the provisions of this policy, DFS shall be competent to amend/relax and interpret any of the provisions of this policy. The DFS also reserves the right to delete or add any provision in the Custom Milling Policy 2019-20 at any time in view of any exigency and/or keeping in view the financial interest of the State Exchequer and/or in public interest.

Director, Food Civil Supplies & Consumer Affairs, Punjab.
AGREEMENT

(Agreement to be executed on stamp paper of Rs.2000/- and to be attested by Notary Public and each page to be signed by the District Manager and the Miller)

This Agreement is made this __________ (day) of __________ (month) of Two Thousand Nineteen between _________ (complete address) through its authorized officers i.e., District Food and Supplies Controller/District Manager (hereinafter called the “Government/Agency”) which expression includes its successors and assigns on the One part

And

M/s ________________ through its Proprietor/ Partner/ Director/Managing Member in case of Societies/ Karta in case of HUF namely ________________ (hereinafter called the “Miller” which expression shall, include its Successors/Legal Heirs and Permitted Assignees/Executers) on the other part.

WHEREAS the Government/Agency is desirous of having paddy milled into rice from the miller as per various Clauses of the Punjab Rice Procurement (Levy) Order, 1983 (as amended from time to time)(hereinafter referred to as the Levy Order 1983) as well as The Punjab Custom Milling Policy for Paddy (Kharif 2019-20) (as amended from time to time), (hereinafter referred as the CMP 2019-20) which the Miller has acknowledged to have read and accepted and which terms and conditions shall be deemed to be incorporated as part of this agreement between the parties.

AND WHEREAS the Miller agrees to mill paddy on the Terms and Conditions deemed to have been incorporated from the Levy Order 1983 as well as the CMP 2019-20 as well as those contained in this agreement and the latter are set out as under:

Now, therefore, it is hereby agreed and declared by and between the Parties that:-

1. The Miller shall not undertake custom milling of paddy of any other Government Agency /FCI or of any other person or of any concern unless and until the miller completely delivers rice processed out of paddy duly allocated by the State Government/Agency in terms of the CMP 2019-20.
   a) The miller shall utilize entire milling capacity strictly on the basis of paddy stocks stored by Govt. Agency and purchased by the miller in his account.
   b) The miller shall not get the electricity connection of his mill disconnected till completion of milling of contracted paddy.

2. The quantity of paddy stored in the rice mill will be as per the final receipt (attached) on completion of storage of paddy, which will be jointly signed by the Rice Miller, and the District Manager of the concerned agency.

3. The miller shall have to submit a bank guarantee (as specified in Annexure XXII) to the concerned agency, before the actual storage of paddy in his/her premises, equal to the value of 5% (five percent) of Acquisition Cost of allocable free paddy above 4000 (four thousand) MT.

4. The miller shall keep the record of custom milling of paddy in the following Proforma and shall submit fortnightly report to the District Food & Supplies Controller/Concerned Agency which will be up-dated at the time of receipt of additional paddy if any, for custom milling and of the delivery of each consignment of rice to the Central Pool-

<table>
<thead>
<tr>
<th>1</th>
<th>Name of Agency</th>
<th>2</th>
<th>Name of the Storage Centre</th>
<th>3</th>
<th>Variety of Paddy</th>
</tr>
</thead>
<tbody>
<tr>
<td>4</td>
<td>Stocks of Paddy</td>
<td>5</td>
<td>Qty. Of Paddy issued out of Col.4 by Govt./Agency for Milling into Rice</td>
<td>6</td>
<td>Out-Turn Ratio for conversion of Paddy</td>
</tr>
</tbody>
</table>
5. The miller shall undertake milling of paddy at the rates fixed by the Government of India from time to time and provide services as per details given below:

   a) After the paddy is unloaded and stacked at the storage point by Labour Contractor appointed by the Agency, subsequent operations like loading of paddy from storage point, its transportation & unloading for milling at haudi/drying.

   b) De-stacking of Paddy.

   c) Drying of Paddy Stocks.

   d) Katai of paddy bags before de husking.

   e) Re-stacking of paddy stocks.

   f) De-husking of paddy stocks.

   g) Filling up of bags of rice prior to clara making.

   h) Dara making of rice bags and filling/sewing of bags with double line machine Stitching.

   i) Transportation of rice to FCI Depot.

   j) Delivery of Acceptance Notes, Weight-Check Memos and other relevant documents for claiming payment from the Food Corporation of India and getting them uploaded on website as directed by the Government from time to time.

   k) Miller shall stitch a rexine slip/canvas slip with each bag, bearing Name of the Mill/Centre/District/Category of Rice/ Net Weight/ Contract no./ Crop Year on the bags.

   l) The miller shall be responsible for maintaining the quality and quantity of the paddy/rice stocks till the delivery of rice to FCI under the supervision, control and assistance of the agency officials. The Miller shall also take all the effective safeguards and cooperate in the inspection mechanisms included in the ibid policy to prevent any instance of defalcation.

   m) The delivery of paddy shall be made on book weight to the millers. In case paddy is delivered from storage depot of the procuring agency, it shall be transported by the miller at its own cost. Paddy shall be in the joint custody of the agency and the miller, till its milling is completed and rice delivered to Food Corporation of India (The definition of Joint Custody shall be as per Department’s letter No. RP-2-2016/41, dated 20.01.2016).

   n) Miller shall arrange such a number of jute bags as are determined by GOI vide its letter dated 18.05.2017 for filling and storing and transporting paddy to his mill premises, subject to any change in the above instructions by GOI and would maintain the requisite documents and would provide the requisite certificate as prescribed by GOI from time to time. He shall be paid usage charges for this service @ rate fixed by GOI, from time to time. No paddy shall be allocated to any miller who refuses to arrange proof of having custody of required number of jute bags for filling and storing of paddy as per policy of Government of India regarding usage charges payable to millers.
The responsibility of transporting free paddy stocks from mandi yard to the mill premises lies with the Transport contractor of such agency. However, if a transport contractor fails to provide appropriate number of trucks or does not provide trucks at all, the concerned agency is free to get such work of transportation done by the rice millers at the risk and cost of the transport contractor, at the cartage/transportation rates, as the case may be, duly approved by the District Tender Allotment Committee under The Policy for Transportation of Food grains for the year 2019-20. This provision shall also be applicable for other jobs like transportation of jute/PP/HDPE bales, stock articles, etc. It shall be the responsibility of the miller to make appropriate arrangements of transportation for lifting of paddy and stock articles etc., from mandi or storage points if such a situation arises at any time.

p) The miller shall bear the extra expenditure incurred by agency for transportation of paddy that has to be borne by the agency where any sheller is situated in some adjoining milling centre (within the same district or in any district) and the distance of mandi and such sheller is considerably lesser than the distance between the mandi and the miller.

q) Transportation charges on movement of RO paddy would be reimbursed by the procuring agencies to the millers at the rates refundable by FCI on the basis of rates decided by the committee constituted as per revised principles notified by GOI regarding reimbursement of transportation charges. Difference between the transportation costs borne by the miller and those refunded by the FCI would be entirely borne by the miller. Reimbursement of the transportation charges to the miller shall be made by the recipient district, only after the actual arrival of paddy at the mill and after due verification of stock physically by the concerned staff of the agency and further after its entry in the PR record and portal of the recipient district. The reimbursement would be disbursed on receipt of the same from FCI.

6. The miller shall be responsible for the safe custody of paddy stocks (both quantity and quality) till the delivery of rice as per Out-Turn Ratio fixed by the Government of India.

7. The miller shall submit two signed undated payee's account MICR cheques in favour of Managing Director of the concerned agency in token of security of stocks. The first cheque equal to the 50% of the acquisition cost of paddy intended to be stored in his premises shall be submitted prior to the starting of storage of paddy. The other cheque for remaining 50% shall be submitted immediately after the completion of storage entire allocated quantity of paddy. These two cheques taken from the miller equivalent to cost of paddy entrusted for milling shall have no limitation of money endorsed on them for withdrawal purposes. In case of any default by the miller and to recover the amount due to miller along with interest, MD of the concerned agency is free to liquidate the entire amount of cheque(s), irrespective of the amount due to such miller.

8. The miller shall ensure that the resultant rice after milling of paddy is aerated for 72 hours before its filling in bags and that the degree of polish given to rice shall be 5%.

9. The by-products viz. broken rice, rice kani, phuk (rice husk) etc. obtained during the manufacture of rice shall be the property of the miller and the Government/Procuring Agency shall have no right or responsibility in this regard. All the taxes pertaining to by-products, if any, shall be borne by the miller and the State procuring agencies are not responsible for this. But in case of any defalcation, these by-products lying in the mill from part paddy milled will automatically belong to agency and not to the miller.

10. At the time of delivery, the stocks of rice shall be subject to the inspection as per provisions of the Levy Order 1983 and CMP 2019-20 (both as amended from time to time), or as per any other order or notification issued by the Govt. of India/State Government from time to time.
Any quality allowance determined at the time of inspection according to the specifications shall be recovered from the miller’s bills.

11. The entire quantity of rice of all varieties delivered by the miller to the Government/Agency shall conform to the specifications laid down in the levy order 1983 (as amended from time to time), or in any other order or notification issued by the Govt. of India/State Government from time to time. The stocks of rice not conforming to the specifications so laid down shall be liable to be rejected. The miller shall be required to manufacture rice as per specifications laid down by the Government of India and deliver the same to the Food Corporation of India, at its depots by 31.03.2020.

12. The miller shall deliver rice on the total quantity of paddy stored with him, at regular intervals, not later than 31-03-2020. The miller shall ensure milling of paddy and delivery of rice as per the following schedule:

<table>
<thead>
<tr>
<th>Month</th>
<th>Progressive %age of CMR to be delivered</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to 31st December 2019</td>
<td>35%</td>
</tr>
<tr>
<td>Up to 31st January 2020</td>
<td>60%</td>
</tr>
<tr>
<td>Up to 28th February 2020</td>
<td>80%</td>
</tr>
<tr>
<td>Up to 31st March 2020</td>
<td>100%</td>
</tr>
</tbody>
</table>

Mills lagging behind the time schedule are liable to shift their paddy at their risk and cost along with charging the interest @ 12% on the acquisition cost of such paddy from the date of its storage to the date of shifting. Also the penalty, if any, imposed by the Government of India on the State agencies due to delayed/non-delivery of rice, shall be paid by the concerned rice miller.

13. However, in case there is no space available with FCI for acceptance of custom milled rice, the above mentioned time schedule shall be extendable as per decision taken by the Government.

14. A lessee rice mill, who fails to complete the milling operations before the expiry of his lease period, shall extend the lease period of his mill till the completion of milling operations.

15. Acquisition cost of paddy along with interest paid/payable by Government on CCL shall be charged (from 01.11.2019 onwards till date of actual payment) on the stock of paddy for which miller fails to deliver the rice to FCI by 31st March 2020 unless the Government decides to extend the last date of milling and delivery of rice to FCI in view of shortage of space with FCI or any other administrative exigencies. For the calculation of such waiver, the report regarding shortage of space with FCI would be obtained from the Regional Office, FCI, Punjab, Chandigarh by the concerned account settlement authority. However, the miller shall not be paid any milling charges on the paddy for such un-delivered rice left even after the extended date of milling.

16. If a miller clears all the dues (Cost of acquisition of paddy along with interest and penal interest) of balance un-milled paddy, such balance un-milled paddy and by-products shall become property of the rice miller. DM of the concerned agency will issue an invoice to sale and release order for the same, after confirming the clearance of all the dues of the miller.

17. If the miller fails to clear the amount due (Cost of acquisition of paddy+ interest + penal interest) on account of un-milled paddy by 31-05-2020 or the date notified by the department, the concerned agency shall initiate action against such miller within 15 days of the last date for such settlement of account. Any stock and by-products lying in the premises of the miller shall be auctioned by the concerned agency at the risk and cost of the miller(s) to recover the amount in full or a part thereof.

18. Action taken by the agency for lifting/auction of un-milled paddy shall not be construed in any manner to be trespassing on the mill premises. The miller will ensure that DM or an officer appointed by him shall not be obstructed access to the stock lying in the mill premises.
for the purposes of lifting or auction. The defaulter miller cannot participate in the auction process/proceedings.

19. The miller shall be responsible for any loss to stock by way of misappropriation/ fire/theft etc., or if he fails to deliver rice according to the specifications or fails to deliver the rice by the due date, he shall be charged with the cost of acquisition of paddy + interest @ 12% + administrative charges + incidental charges + carryover charges etc., along with applicable GST. For the calculation of such waiver, the report regarding shortage of space with FCI would be obtained from the Regional Office, FCI, Punjab, Chandigarh by the concerned account settlement authority.

20. In case of any embezzlement/loss of paddy/rice etc., the State agency shall be at liberty to launch criminal prosecution against the concerned miller besides availing other legal remedies in accordance with law. It shall be the responsibility of the concerned procurement agency to recover the cost of allotted paddy from the concerned/defaulter and deposit the same in CCL account.

21. For black listing a rice miller under various clauses of the policy/agreement, he shall be duly given a written notice of the proposed action and an opportunity of personal hearing before proceeding against him, in terms of the CMP 2019-20 and the mechanism set out thereof shall apply for such purposes.

22. The miller shall not mill paddy of the agency other than the one allocated to him. In case he does so, he shall be black listed and the paddy stocks shall be lifted from his premises at his risk and cost.

23. Each allocated rice miller shall submit a Custom Milling Security amount of Rs. 125/- (Rupees One Hundred Twenty Five only) for every MT of paddy or part thereof allotted after centre cut to his mill in the form of a demand draft in favour of Managing Director of the concerned agency. It must reach the designated Office of the respective agency by 30.09.2019. No paddy shall be stored in a rice mill/ a miller’s premises which does not deposit the requisite security amount.

24. For depositing the above mentioned security, the mills shall collect pre-printed Security Deposit Slip from the District Manager of the concerned agency. Duly filled slip shall be got checked and signed from the District Manager of the concerned agency before depositing with any branch of designated Bank.

25. The miller shall purchase a minimum quantity of 150 M.Ts. of paddy in his own account or he shall deposit an amount of Rs. 5.00 lakh (Five Lakh only) non-refundable and Rs. 5.00 lakh (Five Lakh only) refundable with DM PUNGRAIN in the shape of a demand draft in favour of Managing Director, PUNGRAIN, irrespective of the fact that such a mill has been allotted to another procuring agency to be eligible for starting custom milling operations. The refund of the refundable levy security would be made after the last date of delivery of paddy to those millers who have delivered 100% due rice to the FCI. No interest shall be paid on the above securities.

Provided that above clause is not applicable in case of Markfed, where paddy is stored in their own modern rice mills.

26. In case the miller fails or neglects to observe or perform any of his obligations under the contract, it shall be lawful for the Government/Agency to forfeit the security after granting due opportunity and get the work executed from some other source at the miller’s risk and cost, and the mechanism set out in CMP 2019-20 shall apply for such purposes. In case of any recovery/dues, loss or damage to any Government/ Agency’s Property, any extra expenditure incurred or damages suffered by the Government/Agency, it shall be made good from the amount of security deposit furnished by the miller or in any other manner as per law applicable.
Provided that if the losses or damages exceed the amount of security deposit, Government/Agency shall be within its right to recover the same in accordance with law.

Provided further that if the miller performs and completes the contracts in all respects and presents a “No Due Certificate” from any official nominated by the Government/Agency for the purpose, security deposited shall be refunded without interest.

27. The Government/Agency does not guarantee any definite volume of work relating to shelling of paddy at any time during the period of contract. The mere mention of any type of work in this contract shall not by itself confer a right on the miller to demand that work relating to shelling of paddy at a particular centre/mandi be necessarily or exclusively entrusted to him. Paddy is to be allocated to the miller subject to its availability with the procurement agencies at that particular milling centre, the shortfall, if any, will not be arranged from other milling centres or districts and this portion shall be deemed to have lapsed and the miller shall have no claim against it, neither the Rice Mill owner shall have any such rights on registration to get definite volume of paddy stored for milling by him only. It is made categorically clear that:

a) The quantity of paddy that may be allocated to a given miller represents the maximum permissible, allocable quantity of paddy to such miller. Any calculation of such quantum is merely an arithmetical aid to such determination of such maximum permissible, allocable quantity of paddy, to such miller, and does not confer any right to a miller for allocation of such or any other quantity of paddy.

b) Such maximum permissible, allocable quantity of paddy, not being a vested and/or other legal right in the miller, may be decreased on pro-rata basis if the arrival of paddy at the concerned milling centre is not sufficient. The paddy shall be allocated to all the eligible rice mills in a milling centre in proportion to the availability of paddy at the milling centre concerned and proportionate cut, if any, will be imposed on the maximum permissible, allocable quantity of paddy, on all the rice mills in that paddy deficit milling centre.

c) In no case, paddy in excess of maximum permissible, allocable quantity of paddy, (as per the clauses of CMP 2019-20 and its subsequent amendments) shall be allocated to the miller, even if there is an excess arrival of paddy at that milling centre.

d) No miller can claim allocation of paddy from any particular mandi. It is the prerogative of DAC to decide as to which mandi is to be linked with a mill, keeping in view the equitable distribution and to minimize transportation cost.

Any claim raised by the Miller in this regard, would constitute a breach of this clause and this Agreement and it would lead to an encashment of the Bank Guarantee submitted by the Miller, at the discretion of the Government Agency.

28. As far as registration and allotment of paddy to new rice mills being set up in paddy deficit areas is concerned, it shall be subject to the following terms and conditions:

a) Setting up of shelter is individual decision of shelter owner and Department is not bound to allocate paddy for custom milling to such rice mills. Registration of mills does not entitle an assured quantity of paddy for custom milling purposes neither it makes the miller entitled for linkage with Mandis for custom milling purposes.

b) If the Department considers to establish linkage of any mandi(s) with a particular miller then miller will abide by the directions of District Controller, Food and Civil Supplies of the concerned district or Director, Food and Supplies, Punjab to lift at least 20% of their entitled paddy, if any, for Custom Milling purposes from District Tamotaran or any other place as directed. The mills will be paid transportation charges as defined in Custom Milling Policy for 2019-20 for transporting paddy against such Release orders.

c) Such millers will not claim paddy from the local milling centre/any other place and would have no legal right in this regard whatsoever and have waived any such right in law.
29. The quantity of allocation to any miller (new/old) may be decreased on pro-rata basis if the arrival of paddy at the concerned milling centre is not sufficient. The paddy shall be allocated to all the eligible rice mills in a milling centre in proportion to the availability of paddy at the milling centre concerned and proportionate cut, if any, will be imposed on the quantum of allocation on all the rice mills in that paddy deficit milling centre.

30. The required quantity of polythene Sheets/Farpaulin/ Nails etc., shall be provide by the procuring agency on returnable basis and miller shall be responsible for its safe custody and maintenance. If a miller fails to return the stock articles supplied by the agency after the completion of milling or in case of damage to the stock articles, the value of such stock articles along with 18% simple interest per annum shall be recovered or adjusted in his milling bills.

31. The issuance/lifting of paddy and delivery of rice by miller shall be regulated as under:
   a) The miller shall obtain the contract numbers from the web portal as per the directions of the Govt. Miller shall not fudge any figure related with the custom milling or levy for taking undue benefit. If found guilty, shall be punished in accordance with law, besides being blacklisted for a period of three years.
   b) The miller shall be required to lift paddy stocks from the storage point or any other place as mentioned in the release orders within 7 days of issue of release orders.
   c) For the purpose of milling of paddy, stocks will be issued by the staff of procuring agencies in lots of 200M.T. (two stocks), each through a release order against delivery of advance rice to FCI and that paddy issued / received without a proper release order shall be treated as a serious lapse. Subsequent lot of paddy for milling shall be issued only after the delivery of entire rice due on previous lot to FCI and after receipt and uploading of acceptance note and weight check memo on the concerned website. The agency shall keep a proper record of issuance of release orders of paddy.
   d) The miller shall not mill paddy without issuance of proper release order. The stock of paddy milled without proper release order shall be considered as unauthorized conversion which would invite severe penalty.
   e) The miller shall not mortgage, gift, sell or transfer the mill by any means to any other person/entity/bank/financial institution till the dues of Custom Milled Rice are cleared of the concerned procurement agency.
   f) In case of Sole Proprietorship, Partnership Firm, Private Limited Company, Limited Liability Partnership 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 a mill is allotted for Custom Milling or the 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. However in case of death of any Sole Proprietor/Partner/ Director/Member of Society, then Director, Food Civil Supplies & Consumer Affairs, Punjab can consider such request for change of management/ownership on merit of the case.

32. The delivery of rice by the miller shall be deemed to have been completed at the FCI godown only after the issuance of Acceptance Note and Weight Check Memo by the FCI. The miller shall ensure that the “Acceptance note”, Weight Check Memo and all other relevant documents are uploaded by FCI on the e-Portal of the Department, for claiming payment from FCI. If the miller fails to do so he shall not be entitled to issue of further release order for custom milling of paddy.

33. Entire rice shall be supplied by the rice miller in 50 Kg. Jute bags as per the directions of the Govt. of India/State Government. The rice shall be packed in standard size, double lines machine stitched bags. The rice miller shall keep proper account of all gunny bags.
34. Each miller shall be bound by the decision/policy of Government of India/State Government regarding the once used/old gunny bags for filling and storage of paddy in KMS 2019-20 issued by the Government of India/State Government from time to time and other orders, notifications, circulars etc. that may be issued from time to time.

35. The Miller shall arrange wooden crates at his own level for the storage of custom milled paddy of the agency allotted to him for which he shall be paid Rs.15/- per tonne of paddy as usage charges.

36. The contract shall come into force with effect from 01.10.2019 and shall remain in force up to 30.09.2020 or clearance of dues whichever is later. Thereafter, it may be extended at the discretion of the Managing Director of concerned agency for a further period on the same terms and conditions. The Managing Director however, reserves the right:-
   a) To terminate the agreement, with effect from 24 hours, with the miller for milling of paddy into rice at any time during its currency without assigning any reason. In that event, the miller shall render complete accounts of paddy, rice and gunny bags to the Government/Agency in his custody and also return the stocks as per direction of the Government/Agency.
   b) To withdraw from the miller, at any time, with effect from 24 hours, any milling work in respect of whole or part of the stocks covered by the contract not yet lifted by the miller for milling, if he considers it necessary to do so. The decision of the Managing Director of the concerned agency in this regard shall be final and no claim shall be entertained against the Government/Agency for any loss or damage suffered or alleged to have been suffered by the miller on account of such withdrawal of work.

37. The miller shall, so long as required by the Government / Agency during the period of this agreement, deploy whole of his mill for custom milling of paddy under this agreement and shall not carry on any other work except milling of his own paddy. If the miller wants to undertake milling of paddy on private basis of any other agency other than allotted, he shall have to obtain the prior permission of the Director, Food, Civil Supplies and Consumer Affairs, Punjab in writing.

38. A balance sheet in triplicate prepared by the millers to show the balance of paddy and rice brought forward from the previous fortnight or the quantity of paddy received during the fortnight, the quantity of paddy milled and products obtained there from during the fortnight and the balance of paddy and rice in stocks on the last day of fortnight, shall be submitted by the millers to the DM of the concerned agency after the completion of all milling operations.

39. The rice miller shall not pledge the paddy/rice of the State agencies with the commercial banks for availing cash credit limit. If he indulges in this malpractice, he will be immediately blacklisted and the stocks of paddy/rice shall be lifted from his mill and shifted to other mills at miller's risk and cost.

40. OUT-TURN RATIO:-The Minimum out-turn ratio (Fixed by GOI) of custom milled paddy shall be as follows:
   a) Minimum 67% for raw rice.
   b) Minimum 68% for par-boiled rice.
   c) Benefit of Driage shall be given only in monetary terms to the rice millers at the rate prescribed by Government of India for driage allowance, on actual delivered quantity of rice to FCI, which would be subject to the condition that miller has delivered 100% due rice to FCI or the miller has deposited acquisition cost of balance rice with the concerned agency.
   d) However, par-boiled rice mills are not eligible for driage benefit.

41. It is reiterated that all the terms and conditions / provisions of the CMP 2019-20 duly approved by the State Government (and as may be amended from time to time) and all orders,
notifications and communication issued thereunder shall be treated as part of this Agreement and both the parties hereby agree to completely abide by them.

42. Apart from the provisions of the Levy Order 1983 and the CMP 2019-20 (both as amended from time to time), which stand incorporated as terms and conditions of this Agreement, it is mutually agreed by both the parties that the terms and conditions not visualized and not covered in this agreement shall be incorporated by the Government/Agency by modifying the agreement in case of exigencies, which shall be binding on both the parties.

43. The Government/Agency will issue further instructions if any in this regard for execution of terms and conditions which shall form a part of this agreement.

44. In the event of any dispute covering or arising out of this contract/agreement the jurisdiction of the court shall be at the concerned district within which the dispute has arisen and it is hereby expressly agreed that neither party shall be competent to bring any case/suit in regard to the matters covered by this agreement at any place other than the concerned district and the mechanism under CMP 2019-20 shall apply for such purpose. Without prejudice to this, the concerned District Manager is empowered to initiate both civil and criminal action against the defaulting miller in appropriate Court of Law on behalf of the concerned Agency.

45. The miller shall not sublet, transfer or assign this contract or any part thereof to anybody.

46. The Miller binds himself to carry out such instructions as are incidental to this agreement and as may be issued by the Corporation or its officer from time to time. The Miller shall strictly abide by the rules, regulations and orders thereon under the various Central and State Government Acts and Rules. The Miller shall be liable for all charges regarding expenses incurred by the Corporation for the negligence and/or non-performance of any service under the agreement and his failure to carry out the instructions.

47. In the event of the miller winding up his business or entering in to any agreement with his creditor, failing to observe any of the terms of this agreement, the Corporation shall have right to terminate agreement forthwith in addition to and without any prejudice to any other right or remedies which Corporation may have and the Corporation may claim from the miller the loss/damages sustained, costs incurred by reason of the breach of the agreement, or part thereof by the miller. The miller shall also deliver to the Corporation all quantities of food grains that shall be at his possession, or control and all books, accounts and documents relating to the said agreement.

In witness thereof, the parties hereto have signed this agreement on day and year first above written.

Signature of Miller
(Name and full address)

Signature of District Manager
(Name and full address)

Witness: 1. (Signature)
(Name and full address in Capital Letters)
(Inspector In-charge/Concerned Area Inspector of the agency, as witness to the signatures of the miller)

Witness 2. (Signature)
(Name and full address in Capital Letters)

Place -

Dated:
# ANNEXURE 1

**PROFORMA-I**  
(As required vide 5 (c) (i) of CMP 2019-20)

<table>
<thead>
<tr>
<th>Name of Mill</th>
<th>Whether the Miller has to deliver rice of previous crops, if yes, give detail.</th>
<th>Whether the Miller has any other pending dues regarding previous crops, if yes, give detail.</th>
<th>Whether a criminal case is pending against the owner of any other defaulter mill.</th>
<th>If defaulter, give detail.</th>
<th>Whether the owner/ partner of this rice mill is/ was partner/ owner of any other defaulter mill.</th>
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<td>1</td>
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</table>

**SIGNATURE OF THE CONCERNED DISTRICT MANAGER**
ANNEXURE II

PROFORMA -II
(As required vide 5 (c) (i) of CMP 2019-20)

LIST OF DEFAULTER RICE MILLS YEAR WISE:

<table>
<thead>
<tr>
<th>Name of the Defaulter Rice Mill</th>
<th>If Lessee, then name of the owner Party</th>
<th>Whether guarantee taken from owner party and two other millers</th>
<th>Kind of Default</th>
<th>Whether the owner/ partner of this rice mill is/ was partner/ owner of any other defaulter mill, if yes give details</th>
</tr>
</thead>
<tbody>
<tr>
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<td>4</td>
<td>5</td>
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<tr>
<td>Year</td>
<td>Qty</td>
<td>Amount</td>
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</tbody>
</table>

SIGNATURE OF THE CONCERNED DISTRICT MANAGER
ANNEXURE III

PROFORMA - III (For mills not on Lease)

REGD. No. ____________________

To be filled & submitted by the miller and to be verified by the Inspector, then by the DFSC Office Staff on basis of record.

1. Name/Location of the Miller/premises
2. Correspondence Address
3. Permanent Address
4. Phone No./Mobile No./Email:
5. Milling Centre:
6. PAN Number of the Mill:
7. Whether Mill is: Raw ___ or Par-Boiled ___
8. Type of Ownership: Proprietorship/Partnership Firm/Trust/Pvt. Ltd. Co./LLP/Society etc.
9. Details of the partners/directors/proprietor/members and their addresses (Separately for each partner) as the case may be.

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Name</th>
<th>Address</th>
<th>Mobile No.</th>
<th>Designation</th>
<th>PAN Card No.</th>
<th>AADHAAR No.</th>
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</table>

10. Capacity of the rice mill (along-with details of machinery/Land/Electricity Load):
a) Machinery:
   i) Rule (traditional/Pneumatic Air compressor):
   ii) Separator (Petty) (Normal with No. of Boxes/Dandekar/Japanese/Other):
   iii) Polisher/Whitener:

b) Land (in acres):

c) Name of Owner or Land:

d) Details of the Land (Khasra No./Khatauni No./Khevat No. etc);

e) Electricity Load:
f) Tonne Capacity of the Mill:

11. Income Tax Returns for last three years (Individually of partners, owners/lessee):


13. Details of liabilities.

14. Proof of electricity connection in the name of the mill

15. Whether the mill was ever blacklisted/declared defaulter, if yes, give details.
a) Order No. of Blacklisting
b) Period of Blacklisting.
c) NOC Obtained or not:
d) Orders regarding revoking the blacklisting passed or not:
e) Whether any amount is recoverable from the mill or lessor.
f) Whether any criminal/civil/arbitration case is pending against the mill/lessor.
16. Whether the mill was involved in any CBI cases.

17. If a new rice mill, copy of registration documents /bills of the machinery installed and attested copy of the approved map of the rice mill.

18. If a new rice mill, a certificate from PSPCL that the electricity connection is functional.

19. Whether the mill is in litigation with any agency, if yes, give details thereof.

20. Quantity of paddy shifted, if any, from this mill in KMS 2018-19.

21. Considered for allocation, if not, give reason in brief (to be filled later):

22. Maximum permissible allocable quantity of paddy to be stored / allocated or delivered as per CMP 2019-20:
   (to be filled by office)

23. Detailed of Registration Fees:
   a) Draft No. & Date: 
   b) Amount: 
   c) Deposited on: (to be filled by office)

Signature of the Miller

Signature of official who checked and completed the file

Signature of the Inspector

Counter Checked By

Scanned by CamScanner
ANNEXURE III A

PROFORMA - III A (For Mills on Lease)
REGD. No. ____________________________

To be filled & submitted by the Miller and to be verified by the Inspector, then by the
DSNC Office Staff on basis of record.

1. Name/Location of the Miller/Mill premises:

2. Correspondence Address

3. Permanent Address

4. Phone No./Mobile No./Email:

5. Milling Centre:

6. PAN Number of the Mill:

7. Whether Mill is: Raw __ or Par-Boiled __

8. Type of Ownership: Proprietorship/Partnership Firm/Trust/Pvt. Ltd. Co./LLP/Society etc.

9. Details of the partners/directors/proprietor/members and their addresses (Separately for each
partner) as the case may be.

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Name</th>
<th>Address</th>
<th>Mobile No.</th>
<th>Designation</th>
<th>PAN Card No.</th>
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10. Capacity of the rice mill (along-with details of machinery/Land/Electricity Load):
   a) Machinery:
      i) Rule (traditional/Pneumatic Air compressor):
      ii) Separator (Petty) (Normal with No. of Boxes/Dandekar/Japanese/Other):
      iii) Polisher/Whitener:
   b) Land (in acres):
   c) Name of Owner or Land:
   d) Details of the Land (Khasra No./Khatuni No/Khewat No. etc):
   e) Electricity Load:
   f) Tonne Capacity of the Mill:

11. Income Tax Returns for last three years (individually of partners, owners/lessee):


13. Details of liabilities.

14. Proof of electricity connection in the name of the mill

15. If a lessee, give details.
   a) Period of Lease.
   b) Copy of Registered Lease Deed/Agreement.
   c) Lessor's Name, address and details
   d) Lessor's Registration No. on the Department's portal
   e) Whether the owner has stood guarantee for the lessee or not.
   f) Whether NOC obtained from the Owner.
   g) Whether additional guarantee taken or not.
   h) Whether any amount is recoverable from the mill or lessor.
   i) Whether any criminal/civil/arbitration case is pending against the mill/lessor.
i) Whether lien created by the Lessor of the concerned agency.

16. Whether the mill was ever blacklisted/declared defaulter, if yes, give details.
   a) Order No. of Blacklisting.
   b) Period of Blacklisting.
   c) NOC Obtained or not:
   d) Orders regarding revoking the blacklisting passed or not:
   e) Whether any amount is recoverable from the miller or lessor.
   f) Whether any criminal/civil/arbitration case is pending against the mill/lessor.

17. Whether the miller was involved in any CBI cases.

18. If a new rice mill, copy of Registration documents/Bills of the machinery installed and attested copy of the approved map of the rice mill.

19. If a new rice mill, a certificate from PSEB that the electricity connection is functional.

20. Whether the mill/miller is in litigation with any agency, if yes, give details thereof.

21. Quantity of paddy shifted, if any, from this mill in KMS 2018-19.

22. Considered for allocation, if not, give reason in brief (to be filled later):

23. Maximum permissible allocable quantity to be stored/allocated or delivered as per CM?
   2019-20:
   (to be filed by office)

24. Detailed of Registration Fees:
   a) Draft No. & Date: __________
   b) Amount: __________
   c) Deposited on: __________ (to be filed by office)

Signature of the Miller ____________________________

Signature of the Inspector ____________________________

Signature of official who checked and completed the file ____________________________

Counter Checked By ____________________________
ANNEXURE IV

QUALITY AND QUANTITY CERTIFICATE
(To be on the letter head of the rice miller)

It is verified that I have received _______ bags weighing

_________ quintals of GRADE-A paddy confirming to Government of India
specifications.

Date_______

__________________________________________

Sign and Seal of the Rice Mill.

(To be verified by the District Manager and the Inspector)
SITE PLAN FOR THE STORAGE SITE
(PASTE HERE)
ANNEXURE - VI

PICTORIAL PLAN OF PADDY STACKS STORED WITH NO. OF STACKS

(PASTE HERE)
ANNEXURE - VII

उम्मीदें

यदि उम्मीदें उलट साध्य है तब भेंड़ खुदब किमत में ह्रदय करते है तो भेंड़ में/मामी में फर्जी हरफ है दर्ज करें।

भिडी

मबर
In case of Ltd. or Pvt. Ltd. Company/Member of the society to be furnished by its Managing Director/Director

ANNEXURE VIII

UNDERTAKING (SPECIMEN)

(to be executed on stamp paper of Rs 20/- & attested by Notary Public)

I, S/o. ................ R/o ................, the Managing Director of M/s ......................, do hereby solemnly affirm and declare as under:

1. That I am the Managing Director of M/s ...................... situated at ...................................., which deals in the business of milling of paddy.
2. That aforesaid company is not a defaulter of any Government Agency/FCI/Semi-Govt. Agency in respect of milling of paddy during previous year.
3. That the financial position of the company is sound and the property of the company is free from all prior charges, loans and encumbrances.
4. That the sheller is situated on the land bearing Khasra No. ......................, Khatauni No. ......................, Khewat No. ...................... at Distt ................., which is owned by the company itself. (Copy attached)
5. That nor any Director/Member/Share Holder of the company is involved in any criminal/civil case of embezzlement of paddy, neither any such case is pending against any Director/Member/Share Holder of the company in any court of law.
6. That the company shall mill the paddy allotted to it as per the terms and conditions of "The Punjab Custom Milling Policy for Paddy (Kharif 2019-20)"(CMP 2019-20) and agreement executed thereupon in KMS 2019-20.
7. That the company shall effect no change in its Constitution/Board of Directors without prior approval of the Department of Food, Civil Supplies & Consumer Affairs, Punjab.
8. That the company has suitable storage capacity for the storage of paddy allocated for milling.
9. That I shall arrange the required quantity of crates for storage of paddy of any agency allotted for milling during KMS 2019-20 as per the Milling Policy.
10. That I shall furnish the complete details of the share holders of the company and the shares held by them in the company.
11. That the company shall not store paddy at unauthorized place other than provided in the Custom Milling Policy 2019-20.
12. That the company shall not pledge paddy of the Government procurement Agency nor have pledged the same in the previous years with any Bank/Financial Institution for availing any loan facility/cash credit limit.
13. That the Government Procurement Agency shall have first charge over the land as well as the machinery erected over there and that the deponent shall not alienate the same by way of sale, gift, mortgage except without permission by the Director, Food Civil Supplies & Consumer Affairs, Punjab.
14. That I do not have any other bank account other than the bank (s) of which bank certificate (s) is hereby furnished.
15. That we have read and understood the provisions of the Levy Control Order 1983 and the CMP 2019-20 and have accepted the same. We specifically agree and confirm that in applying the mechanism of allocation of paddy the quantity of paddy that may be allocated to us, only represents the maximum, permissible, allocable quantity of paddy to us and the
clauses of the CMP 2019-20 and the consequent agreement are merely an arithmetical aid to such determination of such maximum, permissible, allocable quantity of paddy. Such maximum permissible, allocable quantity of paddy, not being a vested and/or other legal right in us, may be decreased on pro-rata basis if the arrival of paddy at the concerned milling centre is not sufficient or for any other reason as the Department may deem fit. In no case, paddy in excess of maximum permissible, allocable quantity of paddy, (as per above clauses) shall be allocated to us, even if there is an excess arrival of paddy at that milling centre. We further confirm that we shall not claim allocation of paddy from any particular mandi, it being the prerogative of DAC to decide as to which mandi is to be linked with a mill, keeping in view the equitable distribution and to minimization of transportation cost. We shall make no claim against the Department or the Agency in question with regard to any right to allocation of such paddy in terms of this Clause.

Dated: ..............................
Place: ..............................

Deponent

VERIFICATION

Verified that the contents mentioned in my above undertaking are true and correct to the best of my knowledge and belief and nothing has been concealed therein.

Dated: ..............................
Place: ..............................

Deponent
In case of Partnership Firm to be furnished by its Authorized/Managing Partner

**ANNEXURE IX**

**UNDERTAKING (SPECIMEN)**

Judicial Stamp

(to be executed on stamp paper of Rs 20/- & attested by Notary Public)

1. ........................................ S/o ........................................ the Authorized/Managing Partner of M/s ........................................, do hereby solemnly affirm and declare as under:
   1. That I alone with ...................... (no. of partners) Partners have been running the rice mill under the name and style M/s ........................................, situated at ________________
   2. That aforesaid partnership firm consists of the following partners according to the Partnership Deed signed on ____ date of ____ month ____ year and Registrar of Firms Acknowledgement No. ____ Dated ___ :
      a. __________________________
      b. __________________________
      c. __________________________
   3. That aforesaid rice mill is situated on land measuring ________________ bearing Khasra No. _______ Khatauni No. _______ Khewat No. _______ as per the Jamabandi for the year __________ (Attach latest copy of Jamabandi).
   4. That the said property is free from all prior charges, loans and encumbrances.
   5. That none of the partners is partner/owner/lessee of any other defaulter shelter in the State of Punjab.
   6. That I hereby undertake that none of the partners shall sell/dispose off the above noted property till the liabilities of the rice mill are discharged towards the procurement agency.
   7. That neither any case regarding embezzlement of paddy of any procurement agency pertaining to previous years was ever registered against me or any of the other partners, nor is any such case pending against me or any other of the other partners in any court of law.
   8. That I undertake to execute the necessary agreement against allocation of paddy for milling on behalf of the firm and shall also deposit the required security with the concerned agency.
   9. That I shall arrange the required quantity of crates for storage of paddy of any agency allotted for milling during KMS 2019-20 as per the Milling Policy.
   10. That I along with other partners shall be fully accountable and responsible for all dues of the concerned agency which shall arise against the rice mill at any later stage.
   11. That I undertake not to introduce any change in the Constitution of Partnership Firm without prior approval of the Competent Authority of the Department of Food, Civil Supplies & Consumer Affairs, Punjab.
   12. That I shall furnish the complete details of the partners of the Partnership Firm and the shares held by them in the Partnership Firm.
   13. That the Partnership Firm shall not store paddy at unauthorized place other than provided in the Custom Milling Policy 2019-20.
   14. That the Partnership Firm shall not pledge paddy of the Government Procurement Agency nor have pledged the same in the previous years with any Bank/Financial Institution for availing any loan facility/cash credit limit.
   15. That the Government Procurement Agency shall have first charge over the land as well as the machinery erected over there and that the deponent shall not alienate the same by way of sale, gift, mortgage except without permission by the Director, Food, Civil Supplies & Consumer Affairs, Punjab.
   16. That we have read and understood the provisions of the Levy Control Order 1983 and the CMP 2019-20 and have accepted the same. We specifically agree and confirm that in
applying the mechanism of allocation of paddy the quantity of paddy that may be allocated to us, only represents the maximum, permissible, allocable quantity of paddy to us and the clauses of the CMP 2019-20 and the consequent agreement are merely an arithmetical aid to such determination of such maximum, permissible, allocable quantity of paddy. Such maximum permissible, allocable quantity of paddy, not being a vested and/or other legal right in us, may be decreased on pro-rata basis if the arrival of paddy at the concerned milling centre is not sufficient or for any other reason as the Department may deem fit. In no case, paddy in excess of maximum permissible, allocable quantity of paddy, (as per above clauses) shall be allocated to us, even if there is an excess arrival of paddy at that milling centre. We further confirm that we shall not claim allocation of paddy from any particular mandi, it being the prerogative of DAC to decide as to which mandi is to be linked with a mill, keeping in view the equitable distribution and to minimization of transportation cost. We shall make no claim against the Department or the Agency in question with regard to any right to allocation of such paddy in terms of this Clause.

17. That I do not have any other bank account other than the bank (s) of which bank certificate (s) is hereby furnished.

Dated: .....................  
Place: .....................

VERIFICATION

Verified that the contents mentioned in my above undertaking are true and correct to the best of my knowledge and belief and nothing has been concealed therein.

Dated: .....................  
Place: .....................
In case of Sole Proprietorship Firm to be furnished by its Sole Proprietor

ANNEXURE-X

UNDERTAKING (SPECIMEN)

Judicial Stamp

(to be executed on stamp paper of Rs 20/- & attested by Notary Public)

I, .................................. S/o. ........................................ R/o. ........................................, do hereby solemnly affirm and declare as under:

1. That I have been running the rice mill namely M/s ........................................, located at ........................................ on the land measuring ........................................ Khewat No. ........................................, Khatuni No. ........................................, Khass No. ........................................ Jamabandi for the year ........................................ situated at ........................................ Distt. ........................................ Jamabandi attached herewith.

2. That I undertake not to sell or dispose off the above noted property till the liabilities of rice mills stand discharged towards the procuring agency.

3. That the said property is free from all prior charges, loans and encumbrances.

4. That I am not the owner/partner/director/member in any defaulter sheller in the Punjab.

5. That I am not involved in any criminal case.

6. That Connection of Electricity will be got installed within the stipulated period as prescribed in Custom Milling Policy 2019-20 issued by the Government of Punjab.

7. That I shall purchase minimum quantity of paddy i.e. 150 MT in my own account or deposit security amount in lieu of purchase of this paddy.

8. That I shall execute the necessary agreement and deposit the required security with the concerned agency.

9. That I have not purchased/leased the mill, the premises which are defaulter of any agency in the previous years.

10. That I shall arrange the required crates for storage of paddy of any agency allotted for milling during KMS 2019-20 as per Milling Policy.

11. That I shall be fully responsible for all dues of the rice mill which will arise at any later stage towards the concerned procurement agency.

12. That I will not make any change in the nature of my sole proprietor business without prior intimation to the Department of Food, Civil Supplies and Consumer Affairs, Punjab.

13. That I shall not store paddy at unauthorized place other than that provided in the Custom Milling Policy 2019-20.

14. That I shall not pledge paddy of the Government Procurement Agency nor have pledged the same in the previous years with any Bank/Financial Institution for availing any loan facility/cash credit limit.

15. That the Government Procurement Agency shall have first charge over the land as well as the machinery erected over there and that the deponent shall not allocate the same by way of sale, gift, mortgage except without permission by the Director, Food, Civil Supplies & Consumer Affairs, Punjab.

16. That we have read and understood the provisions of the Levy Control Order 1983 and the CMP 2019-20 and have accepted the same. We specifically agree and confirm that in applying the mechanism of allocation of paddy the quantity of paddy that may be allocated to us, only represents the maximum, permissible, allocable quantity of paddy to us and the clauses of the CMP 2019-20 and the consequent agreement are merely an arithmetical aid to such determination of such maximum, permissible, allocable quantity of paddy. Such maximum permissible, allocable quantity of paddy, not being a vested and/or other legal
right in us, may be decreased on pro-rata basis if the arrival of paddy at the concerned milling centre is not sufficient or for any other reason as the Department may deem fit. In no case, paddy in excess of maximum permissible, allocable quantity of paddy, (as per above clauses) shall be allocated to us, even if there is an excess arrival of paddy at that milling centre. We further confirm that we shall not claim allocation of paddy from any particular mandi, it being the prerogative of DAC to decide as to which mandi is to be linked with a mill, keeping in view the equitable distribution and to minimization of transportation cost. We shall make no claim against the Department or the Agency in question with regard to any right to allocation of such paddy in terms of this Clause.

17. That I do not have any other bank account other than the bank (s) of which bank certificate (s) is hereby furnished.

Dated: .....................  
Place: .....................

Deponent

VERIFICATION

Verified that the contents mentioned in my above undertaking are true and correct to the best of my knowledge and belief and nothing has been concealed therein.

Dated: .....................  
Place: .....................

Deponent
ANNEXURE - XI

REGISTRATION CERTIFICATE FROM REGISTRAR OF FIRMS

(Self Attested Photocopy)

(PASTE HERE)
PARTNERSHIP DEED (IN CASE OF PARTNERSHIP FIRM)
(Self Attested Photocopy)
(PASTE HERE)
ANNEXURE - XIII

MEMORANDUM OF ASSOCIATION AND ARTICLE OF ASSOCIATION

(Self Attested Photocopy)

(PASTE HERE)
ANNEXURE - XIV

MILLER'S ACCOUNT OF PREVIOUS YEAR (2018-19)
(PASTE HERE)
CANCELLED CHEQUE

(PASTE HERE)
PAN CARD
(Self Attested Photocopy)
(PASTE HERE)
NOTE:-

1. In case of proprietorship firm, attach any government document showing proprietorship of the firm along with duly signed crossed letter head of the firm.

2. In case of private limited/limited company, attach memorandum along with resolution from the Board of Directors. (In original)

3. In case of partnership firm, attach photocopy of the partnership deed (self attested) and NOC/Power of Attorney from other partners on letter head of the firm in original duly attested by Notary Public.
ANNEXURE - XIX

INCOME TAX RETURNS (FOR THE LAST 3 YEARS)

(Self Attested Photocopy)

(PASTE HERE)
CERTIFICATE FROM THE BANK

It is certified that the firm/Company namely __________________ having an account no. __________ with the bank namely __________________ is having following partners/shareholders as per the records provided by the account holder.

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They are enjoying the following limits:-

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<th>Limit Sanctioned</th>
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Certified that the accounts of the above rice mill and its proprietor, partners, directors or members are not NPA, irregular or substandard account holders.

(Bank Manager)

(Name and Seal of the Bank)

CIBIL Score & CIBIL MSME Rank of Mill as well as its Proprietor/Partners/Directors/Members in case of Societies/Karta in case of HUF as provided by miller after due attestation by the concerned Bank.

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### Proforma 1

**Status About Linking of Rice Mills (Kharif 2019-20)**

<table>
<thead>
<tr>
<th>Sr. No</th>
<th>District</th>
<th>Name of Rice Milling Centre</th>
<th>Name of the Mill</th>
<th>Expected Arrival during KMS 2019-20</th>
<th>Sr. No</th>
<th>Name of the Rice Mill (as to which this March int is to be linked for Kharif Season 2019-20)</th>
<th>Milling Capacity</th>
<th>Warehouse Location or Owner</th>
<th>Owner Mill Name</th>
<th>Agency Affiliated to KMS 2019-20</th>
<th>Agency proposed to be affiliated to KMS 2019-20</th>
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### ANNEXURE-XXI

**PROFORMA 2**

PROFORMA REGARDING CALCULATION OF PROPOSED ALLOCABLE PADDY OF MILLS DURING KMS 2019-20

<table>
<thead>
<tr>
<th>S. No</th>
<th>District</th>
<th>Milling Centre</th>
<th>Name &amp; address of Rice Mill</th>
<th>Capacity of Rice Milling Centre</th>
<th>Agency Affiliated to KMS 2019-20</th>
<th>Emirate of KMS 2018-19</th>
<th>Free Stock (MT) of KMS 2018-19</th>
<th>Total Paddy without RO</th>
<th>Total Paddy without Exclusions</th>
<th>Paddy Milling (w.r.t. RO)</th>
<th>Total Paddy</th>
<th>Last Date of Delivery by the Mill</th>
<th>QRT. of rice delivered (MT)</th>
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### INCENTIVE AS PER LAST DATE OF COMPLETION OF MILLING

(Restrict the formula only in the respective column as per mill's date of completion of milling)

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<thead>
<tr>
<th>S. No</th>
<th>District</th>
<th>Milling Centre</th>
<th>Name &amp; address of Rice Mill</th>
<th>Expected Arrival during KMS 2019-20</th>
<th>Sr. No</th>
<th>Name of the Rice Mill (as to which this March int is to be linked for Kharif Season 2019-20)</th>
<th>Milling Capacity</th>
<th>Warehouse Location or Owner</th>
<th>Owner Mill Name</th>
<th>Agency Affiliated to KMS 2019-20</th>
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MODEL FORM OF BANK GUARANTEE BOND/ GUARANTEE BOND

In consideration of the CMP 2019-20, an agreement (hereinafter called the said Agreement”) has been signed between __________ (Name of State Procurement Agency) (hereinafter called ‘the said State Agency’) and __________ (Hereinafter called ‘the said Rice Miller’) for storage of paddy during Kharif Marketing Season 2019-20. As mandated by the CMP 2019-20, the said rice miller is mandated to produce a bank guarantee for Rs. ____________________________.

We __________________________ (Hereinafter referred to as the Bank) (at the request of the said Rice Miller do hereby undertake to pay the said State Agency an amount not exceeding Rs. ____________________________ against any loss or damage caused to or suffered or would be caused to or suffered of any of the terms or conditions contained in the said Agreement.

1. We __________________________ do hereby undertake to pay the amount due and payable under this guarantee without any demurrage on a demand from the said State Agency stating that the amount claimed is due by way of loss or damage caused to or would be caused to or suffered by the said State Agency by reason of breach by the said Rice Miller or any of the terms or conditions contained in the said Agreement or by reason of the said Rice Miller’s failure to perform the said Agreement. Any such demand made on the bank shall be conclusive as regard the amount due and payable by the Bank under this guarantee. However, our liability under this guarantee shall be restricted to an amount not exceeding Rs. ____________________________.

2. We undertake to pay to the said State Agency any money so demanded notwithstanding any dispute(s) raised by the said Rice Miller in any arbitration case or suit or proceedings pending before any court or tribunal or arbitrator relating thereto our liability under this present being absolute and unequivocal.

The payment so made by us under this bond shall be valid discharge of our liability for payment there under and the said Rice Miller has no claim against us for making such payment.

3. We __________________________ further agree that the Guarantee herein contained shall remain in full force and effect during the period that would be taken for the performance of the said Agreement and that it shall continue to be enforceable till all the dues of the said State Agency under or by virtue of the said Agreement have been fully paid and its claims satisfied or discharged or till the said State Agency certifies that the terms and conditions of the said Agreement have been fully and properly carried out by the said Rice Miller and accordingly discharges this guarantee. Unless a demand or claim under this guarantee is made on us in writing till the date of its enforcement, we shall be discharged from all liability under this guarantee thereafter.

4. We __________________________ further agree with the said State Agency that the said State Agency shall have the fullest liberty without our consent and without effecting in any manner, obligations hereunder to vary any of the terms and conditions of the said agreement or to extend time of performance by the said Rice Miller from time to time or to postpone for any time or from time to time any of the powers exercisable by the said State Agency against the said Rice Miller and to forbear enforce any of the terms and conditions relating to the said agreement and shall not be relieved from our liability by reasons of any such variation, or extension being granted to the said Rice Miller or for any forbearance, act or omission on the part of the said State Agency any indulgence by the said State Agency to the said Rice Miller by any such
matters or thing, whatsoever which under the law relating to sureties would, but for this provision, have effect of so relieving us.

5. This guarantee will not be discharged due to change in the constitution of the Bank or the said Rice Mill.

6. We ___________________________ lastly undertake not to revoke this guarantee during its currency except with the previous consent of the Managing Director of the said State Agency in writing.

Dated the ______ day _______ 2019 for ___________________________

(Indicate the name of bank, seal and complete address).
ANNEXURE - XXIII

DETAILS OF PROPERTY OWNER BY MILLER(S) AND THEIR FAMILIES MEMBERS, ALONGWITH PRESENT STATUS OF PROPERTY
(FREE/MORTGAGED)