

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, Punjab Agro Foodgrains Corporation, Sector 28, Chandigarh.
3. Managing Director, Punjab State Warehousing Corporation, Sector 17, Chandigarh.
4. Managing Director, PUNGRAIN, Sector 39, Chandigarh.
5. Managing Director, PUNSUP, Sector 34, Chandigarh.
6. Managing Director, MARKFED, Sector 35, Chandigarh.

Memo No. RP-1 (30)-2018/ 3149 Dated, Chandigarh the 25/9/18

Subject: Amendments/Clarifications in "The Punjab Custom Milling of Paddy Policy (Kharif 2018-19)"....regarding.

Please refer to this office Memo No. RP1-(30)-2018/3008-3010 dated 04.09.2018, on the subject cited above.

2) The State Government has decided to effect following amendments/clarifications in "The Punjab Custom Milling of Paddy Policy (Kharif 2018-19)":

1. Clause 3(a) ii (a) - This Clause should be read as under: -

A person shall be ineligible for consideration for registration where:

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. as on the date of application for registration.

2. Clause 3 (a) (iv) - This Clause should be read as under: -

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

3. Clause 4 (v) - This Clause should be read as under: -

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 norms of PPCB) and licences issued by Punjab Mandi Board (as per norms of Punjab Mandi Board). However, they shall be allotted to a single procurement agency.

4. Clause 4 (vii) - This Clause should be read as under: -

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

5. Clause 4 (xi) - This Clause should be read as under: -

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. 2678-2679 Dated 21.08.07, No. 2823-2824 Dated 10.09.07, No. 2871-2872 Dated 17.09.2007, No. 2843 Dated 20.08.2010, No. 2770-2771 Dated 01.08.2013, No. 2909-2910 Dated 13.08.13 and No. 3262 Dated 30.08.13.

6. Clause 5 (c) (x): This Clause has been deleted.

7. Clause 5 (c) (xv) - This Clause should be read as under: -

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% of Acquisition Cost of allocable free paddy above 5000 MT.

Illustration: If a mill has allocable free paddy of 5300 MT, he will have to submit a bank guarantee equal to the value of 5% of the Acquisition Cost of 300 MT.

8. Clause 5 (c) (xvii): This Clause has been deleted.

9. Clause 6 (b)(ii) - This Clause should be read as under: -

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.

10. **Clause 6 (c) - This Clause should be read as under: -**
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 (Annexure VII).
11. **Clause 7 (c) - This Clause should be read as under: -**
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.
12. **Clause 10 (II) (ii) - This Clause should be read as under: -**
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 2018-19, 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, 2018-19 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.
13. **Clause 10 (III) (iii) - This Clause should be read as under: -**
Whereas the quantity of paddy shifted through second shifting shall be deducted from the quantity of paddy to be allotted to the mill whom paddy was shifted by the millers/agency in KMS 2017-18, 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.
14. **Clause 12 (i) - This Clause should be read as under: -**
Each allocated rice miller shall submit a Custom Milling Security amount of Rs. 100/- (Rupees One Hundred 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 Head Office of the respective agency by 30.09.2018. No paddy shall be stored in a rice mill/ a miller's premises which do not deposit the requisite security amount.
15. **Clause 12 (xi) - This Clause should be read as under: -**
If a miller, who has been allocated paddy by DAC, refuses to lift the paddy on one pretext or another and/or on flimsy grounds, the DM of the concerned agency will report the issue to the DAC. The DAC will then issue a notice of atleast 48 hours to the miller and after being given opportunity of being heard, the DAC can pass appropriate orders regarding reduction in allocable paddy. The reduction would be a cut in the maximum permissible allocable paddy of the mill and will be equivalent to the quantum of paddy un-lifted from that assigned to the mill.
In extreme cases of such default, 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.
16. **Clause 14 (i) - This Clause should be read as under: -**
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 be as under: -
- | Allocable during KMS 2018-19 | Maximum permissible allocable quantity to be issued (intra district and inter district together) through Release Orders |
|--|---|
| Up to 3000 M.T. | 1500 M.T. |
| Above 3000 M.T. but less than equal to 4000 M.T. | 2000 M.T. |
| Above 4000 M.T. but less than equal to 5000 M.T. | 3000 M.T. |
| Above 5000 M.T. but less than equal to 6000 M.T. | 4000 M.T. |
| Above 6000 M.T. | 5000 M.T. |
17. **Clause 14 (ii) i) - This Clause should be read as under: -**
Transportation charges on movement of RO paddy would be reimbursed by the procuring agencies to the millers at the rates refundable by FCI. Difference between the transportation costs borne by the miller and those refunded by the FCI would be entirely borne by the miller.
18. **Clause 14 (ii) j) - This Clause should be read as under: -**
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.
19. **Clause 21 (v) - This Clause should be read as under: -**
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. However, the interest component would not be chargeable up till 30.06.2019, if the delay is due to shortage of space with FCI. For the calculation of such waiver, the report regarding shortage of space with

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FCI would be obtained from the Regional Office, FCI, Punjab, Chandigarh by the concerned account settlement authority.

20. **Clause 24 (ii) - This Clause should be read as under: -**

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

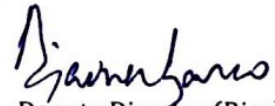
21. **Clause 24 (iii) - This Clause should be read as under: -**

All the disputes and differences arising out of or in any manner touching or concerning the agreement, including all such orders passed under sub clause (i) and (ii) above whatsoever shall be referred to an Arbitral Panel of three Arbitrators with the parties respectively choosing one Arbitrator and such two Arbitrators selecting by consensus a third arbitrator. The Arbitration shall be conducted at Chandigarh under the provisions of the Arbitration & Conciliation Act 1996. Provided that if the miller does not nominate his Arbitrator within one month for any reasons, whatsoever, the MD of the concerned agency would be competent to nominate only one Arbitrator who shall conduct the Arbitration proceedings in such case.

22. **Clause 24 (v) - This Clause should be read as under: -**

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.

3) It is also reiterated that the all the effective safeguards and inspection mechanisms included in the ibid policy to prevent any instance of defalcation would be followed in letter and spirit and would be strictly enforced by the concerned authorities of the all the State Procurement Agencies at the ground level.



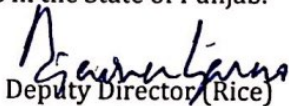
Deputy Director (Rice)
for Director, Food, Civil Supplies and
Consumer Affairs, Punjab.

Endst. No. RP-1 (30)-2018/ 3150

Dated, Chandigarh the 25/9/18

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

1. All Deputy Director (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.



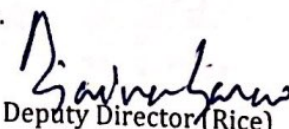
Deputy Director (Rice)
for Director, Food, Civil Supplies and
Consumer Affairs, Punjab.

Endst. No. RP-1 (30)-2018/ 3151

Dated, Chandigarh the 25/9/18

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

1. Private Secretary/Food Civil Supplies & Consumer Affairs 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/Director, Food Civil Supplies & Consumer Affairs, Punjab.
6. Personal Assistant/Secretary, Mandi Board, Punjab.
7. All Officers at Head Office, Chandigarh.
8. Superintendent, Cabinet Affairs Branch, Government of Punjab w.r.t. his I.D.letter no. 01/161/2018-1Cabinet/4916 dated 31.08.2018.
9. All Branch Assistants through Superintendent (Rice), Head Office.



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