

Agreement for storage and Custom Milling of paddy into Raw / Boiled Rice

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This agreement is made and entered on this the ____day of ____2012 at _____by and between

A.P. State Civil Supplies Corporation limited represented by its District Manager, APSCSCL, _____district, AP, Sri _____ S/o _____age _____

(Herein after called the "Corporation ", which expression shall include successors, assignees and administrators, etc.)

AND

M/s _____Rice Mill at _____represented by its proprietor/Managing partner Sri _____ S/o_____ Age _____ Occupation _____ resident of _____

(Herein after called the "Mill", which expression shall include successors, assignees, administrators, etc.)

WHEREAS the Corporation is desirous of having its paddy converted into raw / boiled rice by the mill and mill agreed the same on following terms & conditions for the KMS 2012-13

NOW THIS AGREEMENT WITNESSETH AS FOLLOWS:

1. That the Corporation purchase the paddy from the farmers at MSP, filled the same in bags and transport through the transport contractor to the mill to its registered premises.
2. That the mill shall unload the paddy bags from trucks immediately on arrival at its own cost and give acknowledgement duly signed to the transporter.
3. That the mill shall preserve the paddy stocks received from the Corporation separately in their registered mill premises and maintain separate account.
4. That all incidentals right from the receipt of stocks i.e. unloading charges, insurance, tarpaulin, ropes, dunnage material, prophylactic and curative treatment expenditure etc. and completion of custom milling have to be borne by the mill.
5. That the mill is responsible for quality and quantity of the paddy supplied by the Corporation for custom milling and shall make good the losses that may be occurred in paddy and rice during storage / transit. The cost of losses shall be recovered at 1 ½ times of economic cost along with interest till the date of recovery / payment.
6. That after conversion of paddy into raw rice / boiled rice the mill shall hand over the same either to the FCI or to the Corporation as directed by the Corporation.

7. That the Mill shall undertake that during the tenure of conversion of paddy handed over by the corporation, till the resultant rice is delivered, it shall be the responsibility of the mill against all losses either due to natural calamities or otherwise.
8. That the mill shall deliver custom milled rice against paddy delivered to it strictly as per the FAQ specifications for the KMS at the following out turn ratio :
 - a. In case of raw rice : 67% (sixty seven percentage)
 - b. In case of boiled rice: 68% (sixty eight percentage)
9. That the mill shall convert the paddy handed over by the Corporation into raw rice or boiled rice and deliver the resultant rice as per the FAQ specifications, in 50 Kg double machine stitched bags with proper stenciling details as applicable for the KMS.
10. The mill shall utilize the new SBT gunnies supplied with paddy stocks for delivery of custom milled rice. It shall return the leftover gunnies received with paddy after completion of custom milling. If not, the cost of the same will be collected at the 60% of the cost of the gunny. The mill shall maintain and furnish the detailed gunny account to the Corporation.
11. The mill shall not utilize its own gunnies for delivery of CMR when the paddy was supplied in new SBT gunnies. In such cases no cost will be paid to the mill.

12. In case of the paddy is supplied by the Corporation in once used gunnies, the mill has to deliver the custom milled rice in its new SBT gunnies. The cost of the same will be paid to the mill at the DGS & D rate for the respective month.
13. That the delivery of the custom milled rice shall be deemed to have been completed after the stocks are delivered into the godowns as per the directions of the Corporation after necessary weighment, inspection and approval of the quality and quantity in accordance with the prescribed procedure at the cost of the mill. The mill shall take back the stocks not conforming the specifications and replace the same as per the specifications at its cost.
14. That the mill shall handover the acknowledgements and other relevant document issued by the FCI / Corporation officials after acceptance of CMR immediately to the Corporation, then only the delivery of CMR is deemed to be completed.
15. That the mill shall deliver CMR within a period of 15 days from the date of receipt of paddy. If the mill for any reason, did not deliver the resultant rice within stipulated time, the following action may be initiated against the miller:
 - a. That the levy rice of the miller shall be adjusted against the CMR due.
 - b. That the paddy shall be shifted to other mill or mills for custom milling at the costs of miller.

- c. That if the paddy is not available, the Corporation shall collect the cost of the paddy supplied to the mill at 1 ½ times of economic cost along with interest till the date of recovery / payment including the expenditure incurred under the provisions of AP Revenue Recovery Act., besides initiating criminal action against the mill as per the Act., blacklisting and debarring the mill from participating levy operations under provisions of law.
16. That the Corporation is at liberty to collect the interest on the cost of CMR if the mill fails to deliver the CMR within the stipulated time.
17. That the Corporation will pay milling charges as fixed by the GOI for the KMS 2012-13. The milling charges are inclusive of transportation of paddy and rice upto a distance of 8 KMs and other incidentals upto delivery of rice to the FCI / Corporation.
18. That the Corporation will also pay the custody and maintenance charges at the rates fixed by GOI for the KMS 2012-13 for the period of storage i.e. from the date of receipt of paddy to till the completion of CMR.
19. For the transportation of custom milled rice beyond 8 KMs the transportation charges will be paid as per the rates fixed by the FCI / GOI or the rate fixed by the District Collector which ever is less.
20. That an amount of Rs.____will be recovered from the milling charges payable to the mill towards cost of paddy transportation upto

8 KMs as the same are included in the milling charges and the Corporation delivers paddy in the mill premises.

21. That the mill shall submit the bills towards payment of milling charges and custody & maintenance charges after completion of the CMR deliveries and returning the leftover gunnies duly supported by the relevant documents.
22. That the mill shall retain all bi-products such as brokens, bran, husk etc., derived during the process of milling. The mill shall be responsible to incur expenses and taxes on sale of bi-products.
23. That the mill shall furnish
 - a. Bank guarantee or Collateral security equivalent to paddy delivered.
 - b. In the absence of Bank guarantee or Collateral security equivalent to paddy delivered, an undertaking from the respective Rice Millers Association on behalf of the mill stating that the association will take the responsibility for delivery of CMR against the advance paddy issued for custom milling.
 - c. Delivery of advance rice and releasing equivalent quantity of paddy at 67% or 68% for Raw Rice / Boiled Rice respectively.
24. That the paddy stocks delivered to the Rice Mill for custom milling shall be under the joint custody of the mill and a local Officer designated by the Joint Collector, to ensure security of stocks.

25. The Corporation or any authorized official by the District Collector / Joint Collector is entitled to enter the mill premises as and when required for physical verification of stocks delivered.
26. That the mill is strictly prohibited to pledge the paddy stocks received from Corporation for custom milling available in the rice mill, to any commercial banks / other organizations for obtaining loans.
27. That the Corporation do not guarantee any definite volume of work during the period.
28. That the mill shall comply with the directions issued from time-to-time by the Collector, Joint Collector and Corporation during contract period.
29. That this agreement will be ordinarily in force from the date of agreement to _____ or till the completion of CMR deliveries for the paddy delivered to the mill.
30. That the Corporation reserves the right to terminate the agreement with the mill at any time during the currency of the agreement without assigning any reasons. In such an event the mill shall render complete account of paddy, rice and gunnies and also return the stocks as per the directions of the Corporation.
31. That both the parties have agreed that in the event of any dispute with regard to this agreement, the same shall be referred to an Arbitrator. The Arbitrator shall be appointed by VC & Managing Director of Corporation.

IN WITNESS WHERE OF this agreement is made and executed on the day, month and year aforementioned and the parties have signed this agreement with free will and consent without any duress or coercion in the presence of following witnesses.

CORPORATION

Mill

Witnesses: -

- 1)
- 2)