

**BEFORE THE NATIONAL GREEN TRIBUNAL**

**SOUTHERN ZONE BENCH AT CHENNAI**

(Application under Sections 14,15 read with Section 17,18 of the National Green Tribunal Act, 2010)

**ORIGINAL APPLICATION NO: 90 OF 2021 (SZ)**

**IN THE MATTER OF:-**

**NAVEEN KUMAR JALAGAM** .... **... Applicant**  
**Versus**  
**STATE OF TELANGANA & ORS** .... **.... Respondents**

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**PLACE: Hyderabad**

**DATE: 19.7.2021**

- 1 -

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**NAVEEN KUMAR JALAGAM**

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...Applicant

**Versus**

**STATE OF TELANGANA & ORS**

...

....Respondents

**INDEPENDENT RESPONSE SUBMITTED BY RESPONDENT NO.4**

I, Oruganti Srinivasa Rao, S/o. Late Venkata Kotaiah, R/o. C/o. Raja Rajeswara Parboiled Rice Industries & Exports Ltd., Komarabanda, Kodad Mandal, Suryapet District, aged about 55 years, presently come down to Hyderabad, do hereby solemnly affirm and declare on oath as under:

1. That I am Respondent No. 4, in the above mentioned application and I am fully conversant with the facts and circumstances of the case and therefore, competent to swear this affidavit.
2. That the applicant in the present petition seeks to highlight the alleged unregulated, unscientific and unstructured manner in which Respondents 4 to 14 are carrying and operating the industrial activities of the Para boiled rice at Komarabanda Village, Kodad Municipality, Suryapet District, Telangana. The aforesaid activities are causing enormous Air and Water pollution in the surrounding areas thereby causing several health hazards to the populace in that vicinity and prayed to take action against the Respondent industries. Those allegations are neither true nor correct and the answering respondent denies the same while putting the applicant to strict proof of every allegation. It is submitted that all the allegations made in the application which are not expressly admitted and traversed herein are deemed to have been denied by this Respondents.
3. It is submitted that the consent and authorization order renewal for orange category to this Respondent No.4 was granted vide order No. TSPCB/ZO/RCP/NLG-564/CFO/2017, dated 30.08.2017, by the Respondent No.2 wherein consent is hereby granted under section 21 of Air (Prevention &

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Industries & Export Ltd. X

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Control of Pollution) Act 1981 and authorization under Provision of Hazardous & Other Wastes (Management and Transboundary Movements) Rules, 2016 authorizing to operate the industrial plant. The discharge effluents quantities from the outlets and the quantity of Emissions per hour is detailed in the order of Consent. The authorization for Hazardous Waste Authorization was issued vide TSPCB/ZO/RCP/NLG-564/HWM/2017, dated 30.08.2017, authorizing the Respondent herein to operate a facility for generation, collection, reception, storage, transport, reuse, recycling, recovery, pre-processing, co-processing, utilization, treatment and disposal of Hazardous Waste. The above consent order stands valid for a period ending with the 31st day of December, 2021.

4. It is submitted that it appears a complaint was filed by the applicant on 06.06.2019 before the Respondent No.2 by which the Respondent No.2 issued show cause notice vide notice No. 55123 /PCB/RO-NLG/2019-394, dated 11.6.2019 and the Respondent herein was directed to reply within 7 days from the receipt of this notice. Further notice for hearing was issued to attend the hearing on 5.7.2019 at 12.30 PM, at TSPCB, Zonal Office, R.C. Puram. The independent written reply was given by all the respondents. The hearing was conducted in the Respondent No.2 office attended by the all the representatives of all the Respondent industries herein after which the Respondent No.2 issued directions vide order No. GEN-173/TSPCB/ZO/RCP/LH/2019-717 dated 08.07.2019 to comply deficiencies specifically pointed out by the second Respondent within one month from the date of effect of the orders i.e. 08.7.2019. As such the Respondent No. 4 industry has complied with all the directions issued by the Respondent No.2.
5. It is submitted that the Respondent No.2 has further issued directions vide order No. NLG-564/TSPCB/ZO/RCP/LH/2019-1210 dated 10.12.2019, wherein it is specifically stated that the AES,RO, Nalgonda informed that the industry has complied with most of the directions issued by the Board. As such the Respondent No 2 issued the above directions to Respondent industry to comply the conditions stipulated in CFO order dated 30.8.2017 and directions given by Respondent No.2 dated 8.7.2019, to comply with any pending issues to be complied with.
6. It is further submitted that though the respondent industry reported the compliance of all the directions issued by the 2<sup>nd</sup> respondent. Satisfying with the compliances reported by the 4<sup>th</sup> respondent the 2<sup>nd</sup> respondent withdrawn the further course of action against the 4<sup>th</sup> respondent. As such the Respondent

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Industry has been operating strictly adhering to the rules for the satisfaction of the respondent authorities. The contention of the applicant that the respondent Industries are running even after closure orders is far from truth and the applicant is well aware of all the proceedings of the Respondent No.2 and has wantonly suppressed the factum of proceedings dropped against the respondent No.4, for the extraneous reasons.

7. It is submitted that the applicant suppressing the said factum, filed the instant application. On filing the application this Hon'ble Tribunal vide order dated 08.04.2021 was pleased to issue notice to other respondents and directed the Respondent No.2 & 3, to submit a further status report independently, regarding the allegations made in the application and if the units are functioning in spite of the closure order issued in an unauthorized manner, to take action against them and submit a further action taken report in this regard.
8. It is submitted that the respondent Industries are established prior to 30 years and the Proprietors are all locals of that town and they are very much cautious about the public health and the norms to be followed while running the industries. The colony established in the year 2009 and the habitation started from 2011. Since 2011 there was no complaint whatsoever from the residents of the colony, but the applicant who is foreign return 3 years back and we are informed that he is pursuing his political interests in colony and further wants to expose himself in public life by publicizing himself by focusing on issues irrespective of any cause involved in it. The respondents have no intent to attribute any malice to the applicant for raising a issue in the interest of residents in the Housing Society but endeavoring that they are also equally responsible for safeguarding the public health by following the norms to control the pollution in the vicinity and these complaint lacks bonafides except to harass the unofficial respondents. The complaint is totally motivated by extraneous reasons without taking note that the respondent Industries are functioning strictly adhered to the Environmental norms.
9. It is submitted that after receiving the initial complaint by the applicant before 2<sup>nd</sup> respondent, all the owners of the respondent industries went to the Housing colony and physically inspected 3 or 4 times to verify the veracity of the complaint and if at all any dust or husk is covering the residential colony but there was no iota of evidence which is alleged by the complainant in the area. There is also no chances of dust and husk as projected in photographs by applicant, even such of the things does not appears around Industrial premises.

For. Raja Rajeswara Barboiled Rice  
Industries & Export Ltd.,

  
DIRECTOR

We are also informed that the applicant is pronouncing that he will get seized all the industries in the vicinity.

10. It is submitted that the Housing colony of the applicants is in between Hyderabad-Vijayawada Bye pass road and National Highway and only at a distance of 100 mts from the bypass of the Vijayawada highway. The Housing Colony is also in the industrial zone and the layout is formed in the year 2008-09 unauthorizedly and habitation started by constructing pucca houses after 2011 onwards. However, the proprietors of Industrial units are aware that once human habitation started the health of the public is paramount and they should strictly adhere to the pollution norms and rules. As the Housing Colony is in between both the highways, vehicles pass through it round the clock thereby creating dust and air pollution. Dust is also created by the government vehicles who come to the Respondent industry for milling of grains. As such air is polluted only because of the above reasons and not by the deficiencies of the Respondent industries as alleged by the applicant.
11. It is submitted that the respondent Industries are functioning under the mandatory agreement with Telangana State Civil Supplies Corporation Ltd., as per Telangana Rice (Custom Milling) Order, 2015, to mill the Custom Milling Paddy, sent by the government which is directly purchasing from the farmers under Minimum Support Price (MSP) to distribute PDS rice to the persons under the below poverty line, under the state government schemes. It is also to be kept in mind that the respondent Industries are completely engaged in Custom Milling Paddy for the subsidized charges fixed by the Government. On the other side of the town there are nearly 15 Rice Industries functioning clearly in the residential vicinity surrounded by Kodad town and villages and there is no complaint by any of the villagers clearly indicates that there is no pollution caused by the industries. It is also pertinent to mention that the entire activity involves in milling the dry paddy, which by itself does not involve in any kind of chemicals to be used and to discharge any effluent liquids.
12. It is submitted that on the face of it, it is clear that the applicant approached this Hon'ble Tribunal manifestly with malicious intentions as he has concealed material facts and disclosed only few facts to this Hon'ble Tribunal. None of the allegations made by the applicant in the present application were proved to be true by the committee appointed by Respondent No.2 which is evident from the extension of revocation orders dt. 07.07.2021, to the respondent industry.

For. Raja Rameswara Parboiled Rice  
Industries & Export Ltd.,  
  
DIRECTOR

13. In the above circumstances and based on law, it is prayed that the Hon'ble Tribunal may dismiss the application with exemplary costs and pass any orders deemed fit in the circumstances of the case.

For. Raja Rajeswara Parboiled Rice Industries & Export Ltd.,  
**DEPONENT**  
DIRECTOR

**VERIFICATION**

I, Oruganti Srinivasa Rao, S/o. Late Venkata Kotaiah, R/o. C/o. Raja Rajeswara Parboiled Rice Industries & Exports Ltd., Komarabanda, Kodad Mandal, Suryapet District, aged about 55 years, do hereby verify that the contents of Paras 1 to 12 are true and that I have not suppressed any material fact.

For. Raja Rajeswara Parboiled Rice Industries & Export Ltd.,  
**DEPONENT**  
DIRECTOR

Through



**K.MURALIDHAR REDDY**  
**T.SWETCHA**

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भारतीय गैर न्यायिक

एक सौ रुपये

Rs. 100

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सत्यमेव जयते

ONE HUNDRED RUPEES

भारत INDIA  
INDIA NON JUDICIAL

తెలంగాణ తెలంగాణ TELANGANA

S No. 1124 Dt. 19.04.2021  
Purchasers Name Voruganti Srinivasa Rao, S/o. Venkata Kotaiah  
R/o. Koodad Village, Kodad Mandal, Suryapet District  
For Whom Raja Rajeswara PBRI & EL, Komarabanda

Yada Venugopala Rao C 901670

Stamp Vendor  
L.No. 23-04-006/2014, Ren.No.23-04-019/2020  
1-12/6, NRM Nagar, Kodad, Suryapet Dist. 9441064826

Agreement with Rice Millers for Custom Milling of Paddy  
KMS 2020-21 (RABI)

1. Parties to the Agreement

This agreement is made and entered on this 19<sup>TH</sup> day of APRIL, 2021 at KODAD by and between Telangana State Civil Supplies Corporation Limited (TSCSCL) represented by its District Manager, TSCSCL, Suryapet district, State of Telangana, present Sri/Smt. \_\_\_\_\_ S/o or D/o \_\_\_\_\_ aged about \_\_\_\_\_ years (Herein after called "the First Party/Corporation", which expression shall, unless repugnant to the context or meaning thereof, include its successors, assignees and administrators, etc.) on the one part

AND

M/s. RAJA RAJESWARA PARBOILED RICE INDUSTRIES & EXPORTS LIMITED, Rice Mill at KOMARABANDA VILLAGE, KODAD MANDAL, SURYAPET DISTRICT (address) represented by its Proprietor/Managing partner Sri POTHUGANTI VORUGANTI SRINIVASA RAO, S/o. VENKATA KOTAIAH Aged about 58 Years Occupation BUSINESS R/o KOMARABANDA, KODAD (Herein after called "the Second Party /Custom Miller/Miller", which expression shall, unless repugnant to the context or meaning thereof, include successors, assignees, administrators, etc...)

Raja Rajeswara Parboiled Rice Industries & Exports Limited

DIRECTOR

Whereas, the First Party/ Corporation is desirous of having paddy milled into rice from The Second Party as per the Telangana Rice (Custom Milling) Order, 2015, as amended from time to time and Telangana State Paddy Procurement policy for KMS 2020-21 and The Second Party agrees to mill the paddy on the terms and conditions hereinafter contained and the First party/ Corporation can also impose further terms and conditions, if need be:

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

### 1. Period of the Agreement

That this agreement will be ordinarily in force from the date of agreement to \_\_\_\_\_ or till the completion of CMR deliveries against the total paddy received by The Second Party including the extended period for CMR deliveries as allowed by Govt. of India.

### 2. Objective of the Agreement

- a) The Second Party agrees to custom mill the paddy of The First Party in accordance with the terms and conditions in this agreement.
- b) Till Such Time as the entire paddy provided (dispatched ) to The Second Party by The First Party , is milled to the satisfaction of the First party, The Second Party agrees not to custom mill the paddy of any other person or agency or in any other manner diverts its milling capacity for any other purposes.
- c) The Second Party shall not take any action like disconnection of electricity etc., which has the effect of reduction of its milling capacity till such time as the entire paddy of the Corporation has been milled satisfactorily.
- d) The Second Party agrees to deliver Custom Milled Rice of the same variety of paddy given to him by the first party. Any deviation shall be at risk and cost of the Second party.

### 3. Definitions

- (a) "Government" shall mean the Government of Telangana in Consumer Affairs, Food and Civil Supplies Department.
- (b) "Corporation" and "TSCS Corpn Ltd." shall mean the Telangana State Civil Supplies Corporation Ltd, (TSCSC. Ltd)..... at Hyderabad.
- (c) "District Manager" shall mean the District Manager of the Corporation of a concerned District in the state of Telangana.

(d) "Collector" shall mean the Collector of the Revenue district concerned in the State of Telangana.

(e) "Additional Collector" shall mean the Additional Collector of the Revenue district concerned in the State of Telangana.

(e) "Managing Director" shall mean the Managing Director of the Corporation or any officer authorized by him in writing on his behalf for any specified work to take on his behalf.

(f) "Contract" shall mean this agreement and such general and special conditions as may be added to it duly approved by the Commissioner, Civil Supplies or the Managing Director of the Corporation from time to time.

(g) "Custom Miller" shall mean and include the person or persons, firm or company, including his/her heirs, executors, administrators, successors and their authorized/permitted assigns as the case may be, to whom the contract for milling of paddy has been entrusted.

(h) "Rice Mill" shall mean the place of storage of paddy, milling of paddy and storage of rice till it is delivered to the godowns .

(i) "Stock" shall mean the paddy/gunny/rice, as the case may be, under Custom Milling Operations, intended for the purpose of supplying rice to the PDS.

(j) "Godown" shall mean the godowns belonging to Corporation/FCI or godown hired by Corporation/FCI for storing rice.

(k) "Paddy Purchase Center" or "PPC" shall mean the place where the Corporation shall engage Societies to procure paddy.

(l) "MLS" points shall mean the Mandal Level Stock Points owned or hired by the Corporation, where CMR is received.

(m) "MLS-in-Charge" shall mean an officer kept in-charge of MLS point

(n) "FCI" shall mean Food Corporation of India

(o) "Authorized Officer" shall mean the person authorized by the Commissioner, Civil Supplies or MD, TSCSCL or Collector / Additional Collector/District Manager in writing to act on behalf of Corporation.

(p) "Minimum Support Price" is the price for paddy, notified by the Government of India from time to time to ensure paddy producers against any sharp fall in farm prices.

(q) "Integrity Pact": An anti-corruption tool in public procurement, advocated by Central Vigilance Commission vide its office order dated 4/12/07 and further emphasized in their guidelines on banning of business dealings; also reiterated by the Second Administrative Reforms Commission in their report 'Ethics in Governance'.

Digitally signed by \_\_\_\_\_  
DN: cn=\_\_\_\_\_, o=\_\_\_\_\_  
\_\_\_\_\_

#### 4. Scope of Work

The following shall be the scope of work of the Miller/ second party:

1. The miller /second party shall be supplied paddy in accordance with his milling capacity by the District administration as per the clauses of operational guidelines prescribed in Paddy Procurement policy of KMS 2020-21 by the Telangana State Govt., for custom milling of paddy procured by the corporation.
2. The First Party agrees to provide (dispatch) the paddy procured by it in various PPC (Paddy procurement centers), in accordance with the milling capacity of The Second Party and as decided by the District administration in tagging of Rice mills done as per the clauses of the Operational guidelines specified in Paddy Procurement policy of KMS 2020-21 by the Telangana State Govt. These PPC centers can be altered and revised by the District Collector and District Magistrate after taking prior approval of Commissioner of Civil Supplies which is final and binding.
3. As per the clauses of the Telangana State Paddy Procurement policy for KMS 2020-21, The Second Party agrees to appoint his representative to be present at each Tagged PPC center to acknowledge the quantity and quality of the paddy being sent to their mill. Hence as the paddy delivered to The Second Party in the PPC itself, The Second Party will be responsible for its quality and quantity till the rice is delivered to FCI in central pool or to The First Party under DCP.
  - i. That the weighing at the PPC shall be carried out in the presence of the miller representative. Based on the same, the miller's representative must mandatorily give the millers acknowledgement at the PPC, on the spot.
  - ii. That if Miller's representative is not present at the PPC, The Second Party shall not have any claim or say in the weight of the paddy received which is different from the weight recorded at the PPC. If for whatever reason, the miller's representative is not present at the PPC, the joint custody officer of the rice mill i.e. Deputy Tahsildar (Civil Supplies) or any other official nominated by The Collector (CS) or the First Party shall sign the miller's acknowledgement on behalf of the miller and the same shall be binding on the second party.
4. The transportation of paddy from PPCs to Rice mill shall be arranged by the Corporation through its authorized paddy transport contractors appointed by the district administration.
5. The Second Party agrees to record every day all the transactions of the paddy received through each truck chit in a separate register.

6. The Second Party agrees to inform the First party the total quantity of paddy received by him till date.
7. Once the paddy has been accepted through the Truck Chit by the Miller/ Second Party, the paddy so received by The Second Party shall be considered to be correct in terms of quantity and quality and no dispute shall be entertained after such acceptance with regard to the quality and quantity of the paddy received by The Second Party
8. The Second Party agrees to store the paddy received by him in his registered mill premises only and it shall remain in his custody and he will be responsible for any shortage or damage to paddy /Rice stock.
9. The Second party agrees to get the entire stocks of paddy and rice duly insured. In case of his failure to do so, he shall be responsible for all consequences/damages arising on this account.
10. The Second Party agrees to allow and facilitate inspection of necessary documents, registers and evidences to the inspecting officers appointed by the Collector (CS)/VC & MD, CSC/Commissioner of Civil Supplies for conducting the fortnightly physical verification of paddy stocks of the First Party as well as his own stocks.
11. Authorized representatives of the Collector (CS) or the First party shall be entitled to inspect the record and stocks at any time during the currency of this agreement.
12. That The Second Party shall maintain separate account for the CMR operations under this agreement.
13. The Second Party agrees to keep the record of the paddy received, paddy custom milled and rice delivered etc, and the details thereof shall be sent to the first party on weekly basis (on every Monday). In case if the said requisite information is not supplied by the second party well within time, then the first party reserves the right to initiate remedial proceedings against the Second party as per the provisions.
14. That The Second Party agrees to mill the paddy supplied to him by the first party in the premises maintained in hygienic conditions. The Miller shall convert paddy to raw rice and boiled rice, in the out turn ratio as specified by the Corporation
  - i. In case of raw rice : 67% ( sixty seven percentage)
  - ii. In case of boiled rice: 68% ( sixty eight percentage )
15. The Second Party agrees to deliver boiled/ raw rice to FCI, at the godowns specified by them and raw rice to the Corporation, at the godowns specified by the Corporation and Govt. of Telangana as per requirement.

16. That The Second Party agrees to deliver resultant custom milled rice strictly as per the Fair Average Quality (FAQ) specifications (**Annexure 1**) for the KMS, in 50 Kg double machine stitched bags with proper stenciling details as applicable for the KMS.
  - i. The quality parameters other than FAQ parameters shall be in accordance with the specification indicated in the Food Safety and Standards Act 2006 and connected rules and free from common deleterious matter.
  - ii. The First Party at its own discretion may get samples tested for added colour/adulteration at a testing lab. The Cost of such test will be debited from the miller/Second party's account
  - iii. The First Party reserves the right to initiate action against The Second Party if he fails to comply with specified quality parameters as per the provisions under Food Safety and Standards Act 2006 and connected rules
17. The Second Party agrees to utilize the new SBT gunnies, bearing "**Red**" colour code as specified by the first party time to time, supplied by the corporation/ first party along with paddy stocks for delivery of CMR.
18. The Second Party agrees to return the left over gunnies received with paddy immediately within 15 days of completion of custom milling at the gunny godowns and as per the schedule specified by the Corporation/ first party, at his costs. If not, the cost of the gunnies will be collected at the rate as per instructions issued by the first party time to time.
19. The Second Party agrees to return once used and Multiused serviceable gunnies as per the instructions of First Party from time to time. If the Second party fails to return the Gunnies, cost of such gunnies will be recovered from the Milling charges payable at the rate communicated by First party from time to time.
20. The miller shall not utilize his own gunnies for delivery of CMR.
21. The miller agrees to maintain and furnish the detailed paddy gunny account to the corporation immediately after completion of custom milling.
22. The Second Party shall start the delivery of rice due to the First party/Corporation immediately after the receipt of the paddy. Rice against entire paddy stock received by his mill shall be delivered not later than the 31<sup>st</sup> March 2021 for Rabi 2020-21 and 30<sup>th</sup> September 2021 for Rabi 2020-21.
23. The delivery of the custom milled rice shall be deemed to have been completed by the second party 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

  
SUBMITTED

accordance with the prescribed procedure, at the cost of the mill and the Second Party hands over the acknowledgements and other relevant documents issued by the officials at the godowns of the FCI or Corporation after acceptance of CMR.

24. The Second Party agrees to take back the rejected stock/s that are not conforming to the specifications and replace the same at his own cost as early as possible and not exceeding the time limit specified by the Corporation as above.
25. The Second Party agrees to cooperate in furnishing all requisite information and documents and in facilitating inspections of stock and premises by 3rd party Quality Control Teams and Financial Auditors appointed by the collector (CS) or the First Party.
26. The Second Party agrees to furnish any other information as may be demanded by The First Party from time to time.
27. The second party agrees that he will not pledge the stocks of the First party to any bank or financial institution to secure any kind of loan or financial assistance.
28. The second party shall not dispose off their movable property without the knowledge of the Collector (CS), to the extent of value of paddy held by them under CMR.

## 5. Computerization

1. The Second Party agrees to have computer hardware with working internet connection and Data Entry Operator at his disposal.
2. The Second Party agrees to ensure that all the relevant entries will be made in OPMS (online application for paddy procurement developed by the First party/Corporation) immediately after receipt of the truck chit from PPCs and delivery of Rice to FCI or the Corporation for generating necessary reports.
3. The Second party shall mandatorily acknowledge the receipt of paddy in OPMS application immediately.

## 6. Sureties/ Undertaking

1. The second party agrees to furnish a blank cheque along with an undertaking from the respective District Rice Millers Association on his behalf, stating that the Association shall take the responsibility of delivery of CMR against the advance paddy issued for custom milling as per the procurement policy guidelines issued vide G.O.Ms No 9, dt:10.10.2020, and in case of any default on part of the rice mill,



District rice millers association will make good of the loss incurred by the first party on pro-rata basis. (annexure no. 4 & 5 )

- i. The blank Cheque furnished by the Second Party shall have the name of the firm printed on it.
  - ii. The Second Party is not allowed to cancel/alter the said cheque without prior written consent from The First Party.
  - iii. The second party shall have to get the signature on the cheque verified by his banker.
2. The Second Party agrees to provide additional guarantee/surety from two owner rice mills (sound & operational) for allotment of paddy for milling. He shall also furnish a certificate that the guarantors are not his family members.
3. In case if the Second Party is a **lessee rice miller**, the second party shall submit Guarantee from owner of the rice mill and also guarantee from two financially sound non lessees/Owner Rice millers or the second party shall submit 50% Bank Guarantee.
4. Provided, further that The First Party shall be within its right to recover the losses or damages from the second party as well as from the sureties jointly and severally in accordance with the law.
5. In case, the Second Party fails or neglects to observe or perform any of his obligations under this contract, it shall be lawful for the first party to deposit the blank cheque with the defaulted amount after granting due opportunity and get the work executed at the second party's risk and cost. In addition the Second Party and his registered mill premises (whether own/leased) shall be liable to be blacklisted for future.
6. In case the loss /damage caused to the first party or its stocks, the First Party shall be within its right to recover the same in accordance with law.
7. In addition to the above, the first party will be within its right to recover the defaulted amount from the any amounts payable (Milling/working charges, Sannabiyyam amounts, etc.,) to the Second party
  - i. In case the defaulted amount is more than the amount payable to the second party, the same shall be recovered from any amounts payable (Milling/working charges, Sannabiyyam amounts, etc.,) to the rice millers who had given surety/guarantee to the second party.
  - ii. Further, if the defaulted amount is more than that, then the First party shall recover the additional amount from the milling

charges payable to all the member rice millers of the district rice millers association on pro-rata basis.

## **7. In the event of Default:**

### **7.1 Default in CMR Delivery**

In the event of failure on the part of The Second Party to deliver CMR within stipulated period, The First Party reserves the right to initiate the following actions against The Second Party:

- That the balance paddy available in the premises of the miller/ second party, shall be shifted by the Corporation to other mill or mills for custom milling at the costs of miller/second miller.
- The First Party reserves the right to invoke the provisions of Revenue Recovery Act, if the defaulted paddy is not available in the premises of the miller/ second party, to collect the cost of short quantity of equivalent rice for the defaulted paddy @ 125% of rates of CMR fixed by the Govt. of India along with interest @12% p.a. on the actual payable amount, and any other expenditure incurred on that part, from the due date (i.e. 31<sup>st</sup> March 2021 for Rabi 2020-21 and 30<sup>th</sup> September 2021 for Rabi 2020-21) till the actual payment, besides initiating criminal action against The Second Party as per the Act., disqualifying and debarring the mill from participating in future paddy procurement and custom milling operations under provisions of law. Waiving of the penalty is not appealable.

### **7.2 Other Defaults**

The following indicative acts & omissions and defaults on the part of The Second Party shall attract penalties.

- Non furnishing of Millers Acknowledgement to Transport Contractor or PPC, on receipt of paddy & Online acknowledgement in OPMS.
- Non submission of ACKs and other relevant documents, received from FCI or the Corporation upon delivery of CMR, to district office of the Corporation not later than 2 days after delivery of rice, under proper acknowledgement.
- Non reporting of daily stocks received during the specified period
- Not carrying out stenciling as prescribed;
- Not carrying out stitching as prescribed;
- Not bringing representative sample in respect of stocks offered for acceptance.
- Offering food grains in poor quality and gunny bags other than of the specified variety.



- Failure to lift rejected stocks from the specified depot within stipulated time period.
- Failure to provide replacement of stocks within stipulated time period as per the GOI specifications against the stocks rejected by FCI or the Corporation

In the event of repeated occurrences of the one or more of the above instances, The First Party reserves the right to terminate the contract at the risk and cost of the Miller/second party, in which case Milling charges and working charges or any other amounts payable to The Second Party shall be forfeited and The Second Party shall be blacklisted for a period which may extend up to 5 years. The right of the corporation/ first party to levy penalty is without prejudice to other legal remedies available to the corporation/ first party against The Second Party in law.

## 8. Joint Custody

1. The paddy received by The Second Party from respective PPC's shall be under the joint custody of the Corporation and the Miller. On behalf of the Corporation/ First Party, the Deputy Tahsildar (Civil Supplies) of the respective area or any other official nominated by the Collector (CS) shall be the Joint Custodian.
2. The Second Party shall ensure the storage of the paddy stocks of the First party/Corporation separately from that of his own purchased paddy stocks by erecting a physical barrier such as boundary wall or a proper durable fencing & ensure safety of paddy.
3. The miller /Second party shall get the entire stocks of paddy and rice duly insured. In case of his failure to do so, he shall be responsible for all consequences/damages arising on this account.
4. Authorized representatives of the First party shall be entitled to inspect the record and stocks at any time during the currency of this agreement.
5. That The Second Party shall maintain separate account for the CMR operations under this agreement.

## 9. Documents to be submitted

The miller/ Second party shall furnish the following documents:

- a) Trading License issued by DCTO/ACTO
- b) Registration Certificate issued by Inspector of Factories and Boilers (in case of par boiled rice mills)

  
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- c) Document certifying that the Miller is a member of the District/Mandal Millers Association
- d) Certificate issued by State Pollution Control Board.
- e) Certificate of Fire Safety issued by Department of Fire Services
- f) Certificate of Incorporation from Register of Companies (in case the mill is Ltd. company) along with Memorandum and Articles of Association.
- g) Registered Partnership Deed in case of partnership firm, along with the identity proof and address proof & 2 photographs of all the partners
- h) In case of partnership firm, a registered Special Power of Attorney by all partners to a designated partner (as per model proforma given at **Annexure 7**)
- i) In case of a Company/Joint Venture/Consortium Board Resolution granting Special Power of Attorney to conduct business under this contract (as per model proforma given at **Annexure 8**)
- j) GST Registration Certificate.
- k) Copy of PAN of Proprietor & all partners in case of Partnership Firm / Company / Firm as the case may be.
- l) Copy of last electricity bill pertaining to the rice mill.
- m) Proof of submission of (i) Undertaking from the respective Millers Association as per **Annexure 4** and (ii) a signed blank cheque from the miller.
- n) Solvency certificate issued by the competent authority of Govt of Telangana. The miller shall be solvent to the tune of five times of the value of paddy allotted to him. Along with the solvency certificate, the miller shall also submit an affidavit-cum-encumbrance (in the prescribed proforma at **Annexure 2**) undertaking with details of immovable properties duly authenticated by a Public Notary, on the basis of which solvency certificate has been issued by the competent authority, to ensure that no rice miller will pledge the paddy belonging to the State, with the banks for availing cash credit limit for his business transactions.)
- o) Letter of Authorization, as per prescribed proforma given at **Annexure 3**.
- p) Integrity Pact, in the prescribed proforma at **Annexure 6**

For the Millers Association & ...



## 10. Payment

1. The Second party agrees to mill the paddy at the rates fixed by GoI & Govt. of TS from time to time. The terms of milling shall include all operations related to or co-incidental to the process of milling of paddy and which shall include the following operations.
  - i. Drying of paddy stocks
  - ii. De-husking of paddy stocks
  - iii. Filling of rice into gunny bags
  - iv. Sewing of bags with double line machine stitching
  - v. The Second Party shall bear the costs of weighment and sampling at scale point
  - vi. The Second Party shall stitch a rexin/canvas slip on each rice bag bearing detail of name of the mill/center/district/ category of rice/ net weight/crop year/contact no. etc...
  - vii. Liability of Quality cuts on rice, if any, and all other deductions made by FCI or The First Party on Rice supplied by the Second party shall be that of the Second party.
2. That The Second Party has the right to retain all by-products such as broken rice, bran, husk etc., derived during the process of milling. But incase losses caused to The First Party by the miller, the by products mentioned above are liable to be confiscated to the first party.
  - i. The miller agrees to incur any expenses and taxes etc... by the GOI or GOTS wherever applicable on by products obtained from milling of paddy supplied by The First Party .
3. The Second Party shall be entitled to the milling charges, at the rates prescribed by the Govt. of India, in the provisional cost sheet for KMS 2020-21 for Telangana state, only after completion of the entire milling operations on satisfactory delivery of rice to FCI or The First Party, and the reconciliation of gunny accounts, paddy accounts and CMR delivery accounts.
4. The bills shall be considered as submitted only if the same are complete in all respects along with all the supporting documents . Incomplete bills shall be returned by The First Party.
5. Transportation charges for transportation of custom milled rice from rice mill to the storage point of the Corporation and Food Corporation of India (FCI) including those of hired godowns as per the First party/FCI, will be paid as per the rates fixed by the FCI / GOI or the rate fixed by the Corporation/Collector (CS) whichever is less or as per any revised guidelines communicated by GoI from time to time.

6. GST, TDS, if any, under respective Acts shall be recovered at source by The First Party from the milling charges payable to the Miller /Second party at the rates applicable as per the procedure in vogue.
7. The Corporation agrees to make all payments to The Second Party in INR in accordance with the provisions of this Agreement. The payments shall be made in India only by way of RTGS/NEFT/ ELECTRONIC MODE for which necessary bank details shall be furnished by the Miller.

## 11. Miscellaneous

1. That The First Party does not guarantee any definite volume of work during the period. The Corporation will have the exclusive right to appoint one or more millers for any work at the same approved rates, terms and conditions.
2. That the second party shall comply with the conditions stipulated in the Procurement guidelines issued vide G.O.Ms.No 9, dt:10.10.2020 and the directions issued from time-to-time by the Commissioner, Civil Supplies, Government of Telangana, the VC & MD, TSCSCL, Collector and the Collector (CS) of the respective district.
3. 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 miller shall render complete account of paddy and gunnies received and resultant rice and also return the stocks as per the directions of the Corporation.
4. 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 Commissioner, Civil Supplies, Government of Telangana.

## 12. JURISDICTION OF THE COURT

All disputes arising under this agreement should be filed in the competent civil court.

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 / First party**

**Authorized Signatory**

Name: \_\_\_\_\_

Designation : \_\_\_\_\_

Signature: \_\_\_\_\_

Organizational Stamp

Witnesses:

- Name :
- Signature:
- Name :
- Signature:

**Miller / Second party**

**Authorized Signatory**

Name: \_\_\_\_\_

Designation: \_\_\_\_\_

Signature: \_\_\_\_\_

Organizational Stamp

Witnesses:-

- Name :
- Signature:
- Name :
- Signature:

**Surety -1**

Name: \_\_\_\_\_

Date: 10. September

Signature: \_\_\_\_\_

**Surety-2**

Name: Mr. Baghavendra Rice

Date: \_\_\_\_\_

Signature: \_\_\_\_\_

Organizational Stamp

Organizational Stamp

This agreement entered between TSCSCL & Rice Miller before me.

DT (CS)/ Joint Custodian Officer

Name

Designation

Signature

VC & Managing Director

*[Handwritten signature]*