

**ORISSA STATE CIVIL SUPPLIES CORPORATION LTD.,
DISTRICT OFFICE.**

**AGREEMENT WITH DISTRICT CENTRAL CO-OPERATIVE BANKS
(DCCBs) FOR PROCUREMENT OF PADDY THROUGH PACS ON
BEHALF OF THE ORISSA STATE CIVIL SUPPLIES CORPORATION
LTD DURING KHARIF MARKETING SEASON 2010-11.**

This deed of agreement is made on _____ day of _____ 2010.

Between

_____ Central Co-operative Bank, _____ District
represented through its Secretary Sri _____,
aged about _____, son of _____,
At _____, PO _____, PS _____,
District _____, here in after called as 1st party (on the one part)

And

Orissa State Civil Supplies Corporation represented through the District Manager,
OSCSC Ltd, _____ District, which expression shall mean and include where the
context so admits its successors in office and assigns of the other part.

Now these present, witness and parties hereto hereby mutually agree as follows:

Clause-I-Definition:

- (a) "Government" means the Government of Orissa in Food Supplies and Consumer Welfare Department.
- (b) "Corporation" and "OSCSC Ltd." mean the Orissa State Civil Supplies Corporation Ltd, [OSCSC Ltd.] C/2, Nayapalli at Bhubaneswar.
- (c) "District Manager" means the District Manager of the Orissa State Civil Supplies Corporation of a concerned Revenue District in the State of Orissa.
- (d) "Collector" means the Collector and District Magistrate of the Revenue district concerned in the State of Orissa.

- (e) “Managing Director” means the Managing Director of the Orissa State Civil Supplies Corporation or any officer authorized by him in writing on his behalf for any specified work to take on his behalf.
- (f) “OSCB” means Orissa State Co-operative Bank.
- (g) “DCCB” means District Central Co-operative Bank.
- (h) “Secretary” means Secretary of the District Central Co-operative Bank.
- (i) “PACS” means the Primary Agricultural Co-operative Societies including LAMPCS, SCS & FSS identified for procurement of paddy.
- (j) “Contract” means this agreement and such general and special conditions as may be added to it mutually agreed by the DCCB and the District Manager of the Corporation from time to time.
- (k) “Custom Miller” means the miller appointed as such by the District Manager after due approval by District Collector.
- (l) “Godown” means the godown belonging to Corporation or godown hired by Corporation for storing.
- (m) “Paddy Purchase Centre” means the place where the PACS shall purchase paddy on behalf of the OSCSC Ltd. which includes the storage place for interim storage of paddy.
- (n) “Purchase Officer” means an Officer designated by the District Manager of OSCSC Ltd after due approval by District Collector to supervise the purchase of paddy.
- (o) “Authorized Officer” means any Officer authorized by the Corporation / District Manager / Collector for specific purpose.
- (p) “Transport Contractor” means a person, firm or company appointed by the Managing Director or the District Manager of the OSCSC Ltd.
- (q) “Stock” means the FAQ / URS paddy.
- (r) “Paddy” includes FAQ and URS paddy of Grade- A and Common variety as per Government of India specifications

- (s) "Food and Procurement Policy" means the Food and Procurement Policy issued by Government of Orissa for the KMS 2010-11.
- (t) "CAP" storage means Covered and Plinth storage of paddy.
- (u) "CEO" means the Chief Executive Officer of the PACS.
- (v) "Guideline" means operational guidelines issued by Corporation for the KMS-2010-11.

Clause-II-Objective of the contract:

As per Food and Procurement Policy for KMS 2010-11, the Corporation shall procure paddy from farmers especially small and marginal farmers through the DCCB at the PPC to be operated by selected PACS. Individual DCCB shall act as Commission Agent of the Corporation for procurement of FAQ / URS paddy through PACS in the concerned districts.

Clause-III-Duration of contract:

The contract shall come into force with effect from the date of execution of this agreement and shall remain in force till 30.09.2011 or till reconciliation of paddy purchased and delivered to millers and settlement of accounts with the Corporation, whichever is later.

This agreement may be extended for further period as may be mutually agreed by both the parties on the same terms and conditions or as per the direction of the Government. Corporation and DCCB reserve the right to terminate the contract at any time during its currency on mutually agreed terms.

Clause- IV. Terms & Conditions:

(A) Responsibilities of 1st Party (DCCBs)

- (i) The DCCB shall identify suitable PACS in assessing the availability of manpower, infrastructure, testing equipment in addition to their past track records, financial discipline, location, storage capacity and performance during KMS-2009-10.
- (ii) The DCCB shall identify PACS with the approval of Collector and in consultation with District Manager, OSCSC. Ltd. & DRCS to procure Paddy. It shall be the responsibility of DCCB to select suitable and capable PACS for engagement in procurement operations on behalf of Corporation taking into consideration all the parameters required

for proper purchase functions. A list of selected PACS and their place of purchase shall be intimated to District Manager, OSCSC Ltd. by DCCB.

- (iii) The DCCB shall ensure to purchase FAQ / URS paddy only from genuine farmers by the selected PACS.
- (iv) In no case the Corporation shall accept non-FAQ / non-URS paddy. The Corporation shall in no way be responsible for purchase of substandard paddy.
- (v) The DCCB shall ensure opening and operating Purchase Centers at the places as per the decision of the Govt. / Collector of the district in the selected PACS.
- (vi) The DCCB shall ensure that PACS shall purchase paddy at PACS centre only. They shall not purchase paddy at RMC Yards / Market Yards from where paddy shall be purchase by Other State Agencies.
- (vii) The DCCB shall make adequate publicity about the day & timing of operation of PACS & area tagged to each selected PACS.
- (viii) The DCCB shall ensure advance registration of farmers through the identified PACS to regulate arrival of paddy basing on the purchase capacity of the PACS, considering the weighing facilities & other facilities.
- (ix) The DCCB shall ensure engagement of adequate manpower for proper functioning of selected PACS.
- (x) The DCCB shall ensure availability of infrastructure such as adequate tarpaulin, polythene sheets, weighing scales, moisture meter, analysis kit, mini grader etc. at selected PACS for proper weighment and quality analysis of the paddy brought by the farmers. Availability of adequate area for movement of vehicles for smooth purchase, delivery and transport of paddy shall also be ensured.
- (xi) The DCCB shall ensure arrangement of adequate labourers or labour contractors for weighment and other purchase operations in the selected PACS. Quality analysis and weighment of stock shall be made in presence of the farmer & Millers Representative. It shall be responsibility of DCCB to ensure that difficulties are not faced by farmers for sale of their produce in due time in the PPC due to non availability of adequate labour force or/and minimum required infrastructure.

- (xii) The DCCB shall ensure engagement of SHGs / Pani Panchayats / Private Contractors for cleaning of paddy, if required, at the selected PACS before purchase, at the rate fixed by the Collector, which shall be borne by the farmers.
- (xiii) The DCCB shall arrange to ensure quality checking of FAQ / URS paddy purchased from farmers at the PACS level and recording of such quality analysis. In case of any ambiguity regarding quality norm, the DCCB shall have the responsibility to improve the same before delivery to the Custom Miller of the Corporation in the selected PACS.
- (xiv) The DCCB shall ensure that the PACS provide the services such as quality analysis, weighment and stacking, interim storage, through the selected PACS.
- (xv) The DCCB shall ensure that the PACS purchase FAQ / URS paddy strictly following the relevant provisions contained in Food Policy of the Government and operational guidelines issued by the Corporation. Purchase shall be made only from genuine farmers basing on their proper identification documents like Kissan Credit Card (KCC), Land Pass Book, Record of Right (RoR) / EPIC / Farmer's Identity Card (FIC) duly issued / renewed by the competent authority. Number of the identification document of the farmers shall invariably be mentioned in Purchase Register. Each farmer shall be asked to bring his bank account number / passbook while bringing the paddy for sale. This account number shall be maintained in the respective column of the register and documents used for purchase of paddy.
- (xvi) The DCCB shall ensure that the selected PACS issue Token to a farmer on his arrival at PPC mentioning SI No. (running serial No.), date, name of the farmer, paddy in bags, signature of PACS in-charge to regulate quality analysis, weighment of stock in a systematic manner.
- (xvii) The DCCB shall ensure maintenance of proper accounts of purchase of FAQ / URS paddy in the prescribed registers & documents, i.e. Vendor Receipt, Purchase Register etc. at the selected PACS. The registers, records etc. shall be provided by the OSCSC Ltd. It shall also be ensured by the DCCB that all the required registers and records are available in purchase centres run by PACS for verification.
- (xviii) The DCCB shall ensure that the PACS issue proper Vendor Receipts supplied by OSCSC Ltd. to the farmers on purchase of FAQ / URS paddy.

- (xix) The DCCB shall ensure that the PACS make payment of MSP and Bonus if any to the farmers through Account payee cheque only in full name of the farmer or through on line transfer mentioning the Account number of the farmer on the same day of purchase of paddy. It shall be the responsibility of DCCB to ensure that the farmers get their full and due price i.e. MSP and Bonus, if any on the same day but not later than three days.
- (xx) The DCCB shall ensure that the PACS maintain acknowledgement of receipt of cheques by the farmers in the Purchase Register maintained for periodical checking and for future reference.
- (xxi) The DCCB shall ensure that the PACS maintain purchase entry in Purchase Register to facilitate computerization of entry of transactions on daily basis. Two such register shall be maintained for use in alternative day to facilitate in sending one register to the place of computerization.
- (xxii) The registers, documents and the purchase of paddy can be inspected by the Officer of the OSCSC Ltd or Officers of the Government or Officers of the concerned district as and when required and by the officials of the DCCB & OSCB.
- (xxiii) The DCCB shall ensure that the PACS deliver the FAQ / URS paddy so purchased through PACS to the designated millers authorized by OSCSC. Ltd. as may be decided by the District Manager, OSCSC. Ltd. on case to case basis on the same day with due acknowledgement.
- (xxiv) The DCCB shall ensure that the PACS make necessary arrangement for interim storage of paddy at least for three days with watch & ward facility at PACS. The DCCB shall ensure that the selected PACS offer to lift the stock by the by the custom miller, of a minimum quantity of 40 qtl. / 100 bags of paddy, that could be transported in a mini truck.
- (xxv) The DCCB shall ensure the quality and quantity of paddy kept for interim storage at the selected PACS. No shortage is allowed for such interim storage.
- (xxvi) Paddy shall remain in the custody of the selected PACS, till its delivery to the designated custom miller.
- (xxvii) The DCCB shall ensure maintenance of separate Cash Book or such Cash Book as may

be prescribed by OSCSC. Ltd. for procurement operation in the selected PACS, which can be verified and referred by the OSCSC Ltd as and when required.

- (xxviii) The DCCB shall ensure issue of Acceptance Note in duplicate to the custom miller on the day of delivery of paddy to concerned custom miller, one for the use of custom miller and other for use of Authorised Officer looking after custody & maintenance of paddy at custom millers point. The DCCB shall ensure submission of executed copies of Acceptance Notes to the District Manager within a week of issue of Acceptance Note by the selected PACS. The Secretary of the selected PACS, millers or his representative shall sign the Acceptance Note.
- (xxix) The DCCB shall arrange to make computerization of records of paddy purchased on day-to-day basis in the Software / Programme provided by OSCSC. Ltd.
- (xxx) The DCCB shall act as Nodal Agency in regulating the working of the selected PACS in a district and in reporting the procurement information.
- (xxxi) The DCCB shall place weekly requisition of fund on each Monday or subsequent working day in case of Monday being holiday, to the Corporation Head Office in consultation with concerned District Manager in the prescribed proforma.
- (xxxii) The DCCB shall give Revenue district wise daily information of paddy procured by selected PACS basing on the executed AC Notes to Corporation Head Office & concerned District Manager.
- (xxxiii) DCCB shall arrange to procure paddy within the funds placed by OSCSC Ltd. from time to time and shall ensure that there is no credit purchase.
- (xxxiv) DCCB shall ensure that the selected PACS give following certificates on the AC Notes used for delivery of paddy to the custom millers.
 - (a) Gunny Bags for packing of paddy supplied by miller / farmer :-
 - (b) Transportation of paddy done by miller / farmer: -
 - (c) Mandi labour provided by miller / PACS:-

Transportation of paddy to the mill point and supply of bags for packing of paddy is the responsibility of the Custom miller.

- (xxxv) In case of delivery of paddy without issue of Acceptance Note or non-delivery of paddy purchased or non-reconciliation of paddy, the economic cost of the value of the said quantity of the paddy as may be decided by OSCSC shall be realized from the concerned PACS through the DCCBs. In case of misappropriation / diversion / misutilisation of funds of OSCSC Ltd., DCCB shall make good the loss along with interest to OSCSC Ltd.
- (xxxvi) DCCB shall make payment of interest accrued / earned on the funds placed by the OSCSC for procuring paddy, which remained unutilized or other wise utilized or parked in the savings accounts of the selected PACS.
- (xxxvii) Un-utilized funds lying for 15 days with DCCB / PACS shall be refunded to the OSCSC.Ltd. If the said funds are not refunded then interest at the rate of loans availed by the OSCSC. Ltd. may be charged to DCCB till the funds are refunded.
- (xxxviii) DCCB shall remit the funds placed by OSCSC to the selected PACS immediately on the same day or latest by next day.
- (xxxix) The DCCB shall ensure that the records, registers & documents maintained on procurement of paddy shall be properly preserved and kept at PACS for future reference and audit purposes.
- (xxxx) The DCCB shall ensure reconciliation of paddy purchased by each identified PACS with the District Manager basing on the Acceptance Notes issued by each PACS to the designated custom millers & computerization of data.
- (xl) The apportionment of the commission on paddy purchase between DCCB and PACS will be decided by the Government in Cooperation Department.

(B) Responsibilities of OSCSC Ltd.:

- (i) The funds towards cost of FAQ / URS paddy shall be placed by the OSCSC Ltd to the DCCB through the Orissa State Co-operative Bank. It shall be the responsibility of the DCCB to remit the funds to the selected PACS.

- (ii) The Corporation will receive only FAQ & URS paddy from the selected PACS, which shall be ensured by the DCCB. The paddy will be received on the same day or within 3 clear days from the date of purchase by the PACS.
- (iii) The District Manager shall reconcile with DCCB on the paddy purchase by each PACS basing on the Acceptance Note issued to the custom millers and the record maintained by the custom millers / mill in-charge for joint custody and maintenance of paddy.
- (iv) The Corporation shall pay the Commission, on the actual quantity of paddy purchased by the PACS through the DCCB as will be allowed in the economic costing of Government of India under the head "Commission to Society" for the KMS 2010-11 under decentralised paddy procurement scheme. This payment will be released only after reconciliation of paddy and computerization of farmers' data.
- (v) A part of Mandi Labour charges as per the Economic costing for the KMS- 2010-11 will be paid by the OSCSC. Ltd. to the PACS through the DCCB only for the operations carried out by them through the selected PACS.
- (vi) Payment of Commission, Mandi Labour charges and part of Administrative cost shall be made by the District Manager to the PACS through the DCCB at the district level basing on the paddy received from PACS. The claims shall be settled on monthly basis. The District Manager shall release the claims within seven days from the date of receipt of claims subject to reconciliation of paddy accounts and computerization of farmer's data.
- (vii) The payment of Commission shall be subject to deduction of Income Tax and other statutory dues at source as per legal provisions.

(C) General

During course of procurement MD, OSCSC Ltd., MD, OSCB and Registrar, Cooperative Societies shall be competent authorities to issue any clarification or further instructions in consultation with each other. Both the parties to this agreement shall abide by such instructions.

Clause-V-Arbitration:

It has been mutually agreed by both the parties that in the event of any dispute covering or arising out of this contract / agreement the same shall be referred to Arbitrators. The Commissioner-cum-Secretary, F.S. & C.W., Department and Commissioner-cum-Secretary, Co-operation Department, Government of Orissa shall

act as Arbitrators for adjudication and decision on the disputes. The decision / award of the Arbitrators shall be final and binding on both the parties.

This agreement is made in two copies, one copy each to be retained by each party.

In witness whereof the parties hereto have put their hands and seals on the dates respectively given against their signatures.

(Signature)
(Name in capital letters)

Secretary, _____ CCB

(Seal)

Witness

1. (Signature)
(Name in capital letters)

S/o.

Address

2.

(Signature)
(Name in capital letters)

District Manager,
_____ OSCSC Ltd.

(Seal)

Witness

1. (Signature)
(Name in capital letters)

S/o

Address

2.