

25

Annexure-1

144

Agreement of Guarantee for 6/9 years to be signed between FCI and CWC/SWCs/State Agencies for godowns constructed by them on their own land:-

THIS AGREEMENT ENTERED ON THEDAY OFMONTH, TWO THOUSAND.....

BETWEEN

CENTRAL WAREHOUSING CORPORATION (or between the State Agency)

A body corporate established under the Warehousing Corporation Act, 1962 (hereinafter referred to as the 'CORPORATION' which expression shall, whenever the context so requires or admits, mean and include its successors and assignees) having its Corporate Office atthrough its Regional Manager/Warehouse Manager (as the case may be).. FIRST PART.

AND

THE FOOD CORPORATION OF INDIA,

incorporated under the Food Corporations Act, 1964 (hereinafter referred to as 'FCI' which expression shall, whenever the context so requires or admits, mean and include its successors and assignees) having its Head Office at 16-20, Barakhamba Lane, New Delhi through its Regional Manager/(Region)/Area Manager(as the case may be) ..SECOND PART.

I. Whereas, in pursuance of the letter dated 8th April, 2010 of the Department of Food & Public Distribution, Govt. of India, the CORPORATION has agreed to provide storage space to State Government for Decentralized Procurement (DCP) stocks at the Warehouses constructed at their own land as per the existing functional designs and drawings as stipulated in PEG Scheme and provide services including but not confined to preservation, maintenance, security, handling, insurance as per the existing standards of services being rendered to FCI and in accordance with instructions issued by Government of India and arrangements/Agreements entered into between FCI and Central Warehousing Corporation from time to time in this regard.

II. FCI has agreed to give Guarantee of years for the storage charges to the CORPORATION for the godowns it has constructed on its own land for the capacity as approved for PEG Scheme at the identified locations as per terms and conditions enumerated in this Agreement.

III. Now this Agreement witnesseth that the CORPORATION shall make available the storage space to State Government for storage of DCP stocks as per its requirement on the following mutually agreed terms & conditions.

195

TERMS & CONDITIONS

1. STORAGE SPACE

1.1 FCI reserves the space with the CORPORATION for storage of DCP stocks by the State Government for a period ofyears in terms of MT capacity.

1.2 The CORPORATION shall keep the guaranteed godowns for exclusive occupation of foodgrains during the guarantee period.

1.3 The CORPORATION shall undertake satisfactory storage of stocks and shall take necessary care, as is expected from a Storing Agency. CORPORATION shall be fully responsible for preservation, maintenance and security of stocks till the time the same are liquidated finally.

1.4 Mode of payment:

FCI will pay the storage charges to the CORPORATION at the rates as communicated by DoF&PD, Govt. of India for the relevant year, as revised from time to time. The CORPORATION will also be responsible for the payment of Service Tax as applicable on storage charges and claim the same from FCI subsequently.

1.5 The state Government would make efforts to plan at least 80% occupancy of the godowns at all times. The vacant space may be hired out to other parties with the consent of FCI; the rent received being adjusted against the guaranteed amount for the period so hired out and surpluses, if any, being shared in the ratio of 50:50 between FCI and the CORPORATION. If CORPORATION /State Government Agency procures and stores any stock for their own Scheme through their own funds, the storage charges would be adjusted at the same rate on which the guaranteed payment is to be made. However, during storage of DCP stocks if utilization of space is affected due to fault on the part of CORPORATION, rent shall not accrue to the extent of space unutilized because of the fault of CORPORATION.

1.6 The CORPORATION shall ensure that while renting out, only such commodities are allowed to be stored which do not affect in any way, the DCP stocks already stored or likely to be stored as also such storage does not adversely affect storage operations of the State Government. The surplus space shall be physically segregated from the area where the DCP stocks are kept and it shall be ensured by the CORPORATION that in this process, there is no risk whatsoever to the foodgrains stored in the godown.

1.7 Cancellation of the reservation of space before the expiry of the guaranteed period would not be normally resorted to; however, in exceptional circumstances if it is so required by State Government/FCI, to cancel/curtail the quantum of reservation, it shall be resorted to only when the godown is rendered permanently unstorageworthy after State Government issues Notice to the CORPORATION and on Joint Inspections by a Committee set up at the level of Regional/State Heads of both organizations. Rent shall not be paid for such godowns from the date of issue of such Notice. Cancellation of the reserved space can also be resorted to with mutual consent of State Government and the CORPORATION, in case during the guarantee

194 23/ 145

period on account of lower procurement or higher off-take or for any other reason the said storage space remains unutilized.

1.8 In the cases, where godowns require repairs or roads not motorable or operation do not get commenced despite State Government Notices, rent of the reserved capacity shall be liable to be withheld till the discrepancies are corrected and repairs are carried out. However, the rent shall not accrue for the period for which State Government is not able to utilize the space/operate due to the reasons mentioned above.

1.9 The reservation of space/guarantee period would commence from the first day of use of such godown after all arrangements are in place for storage of DCP stocks after completion of the godown. *the date of taken over*

2. RECEIPT & WEIGHMENT IN WAREHOUSES.

Stocks at the Warehouses would be received and issued on 100% weighment basis on the Lorry Weighbridge available in the Warehouse. In case of failure of weighment facility at the complex, the charges for weighment through the nearest Private Lorry weighbridge including additional transportation charges would be borne by the CORPORATION.

3. STORAGE & TRANSIT LOSS/ GAIN

3.1 Storage & Transit losses/gains would be governed as per Government of India's instructions and as per the procedure in vogue for Decentralized Procurement (DCP) States.

3.2 In addition, it is stipulated that CORPORATION shall be fully responsible for any loss caused to the stocks of State Government while in their custody on account of pilferage, theft or misappropriation for which recoveries will be made from them at Economic Costs of the relevant year in which such misappropriation/theft takes place.

3.3 The stocks stored on account of State Government shall be subject to monthly /periodical Inspections. Inspecting Officer shall give Notice in writing with full particulars of Loss or Damage/ Downgradation/Deterioration, if any, caused to the foodgrains, to the Warehouse Manager.

4. DELIVERY OF GOODS

The condition of stocks at the time of delivery shall be examined by Representative of State Government and only such stocks will be accepted which shall conform to set quality specifications.

5. HANDLING & TRANSPORTATION

The payments of Handling and Transportation (H&T) works would be governed as per the instructions of Government of India and as per the procedure in vogue for Decentralized Procurement (DCP) States.

(193)

6. INSURANCE

6.1 The CORPORATION shall undertake to exercise reasonable care and diligence as is expected from a Storing Agency under the law for safe keeping the stocks of STATE GOVERNMENT. The stocks stored in the Warehouses shall be insured/indemnified against the risk of fire, flood, theft/house breaking and burglary or for those risks which have been included by Govt. of India in fixing the CORPORATION storage rates and the whole charges on this account will be borne by CORPORATION.

6.2 In case any additional risk is required to be covered by STATE GOVERNMENT or any additional risk cover is felt necessary by the CORPORATION due to some unforeseen contingencies e.g. strikes, civil commotion etc., the necessary Insurance Cover shall be arranged by the CORPORATION.

6.3 The Insurance of stocks in favour of STATE GOVERNMENT will continue to be undertaken by CORPORATION at the Economic Cost of the relevant commodity and crop year as finalized from time to time.

6.4 The CORPORATION shall get the claim settled from the Insurance Co. at the earliest and pass on the compensation so received from the Insurance Company to STATE GOVERNMENT. The CORPORATION will settle the claim with STATE GOVERNMENT on the declared value after occurrence of the incident.

7. WAREHOUSING AGREEMENT

State Government/FCI shall have no share, right, interest, title or claim into or upon the Warehouse or any part or portion thereof by way of Lease, Easement, Tenancy, Sub-tenancy or any other kind. Nothing herein contained constitute or shall be deemed to constitute State Government/FCI as a Tenant or Assignee of the CORPORATION.

8. ARBITRATION

In case of any dispute touching upon/pertaining to this Agreement of Guarantee between FCI and CORPORATION, such disputes will be first referred to MOCAP&PD for an amicable settlement. Aggrieved with the decision of the MoCAF&PD, either party may approach for arbitration as provided in the office memo no. DPE/4 (10)/2001-PMA-GLI dated 22.1.2004 issued by Ministry of Heavy Industries and Public Enterprises, Department of Public Enterprises, Govt. of India which reads as under :

"In the event of any dispute or difference relating to the interpretation and application of the provisions of the contracts, such dispute or difference shall be referred by either party for Arbitration to the Sole Arbitrator in the Department of Public Enterprises to be nominated by the Secretary to the Govt. of India in charge of the Department of Public Enterprises. The Arbitration and Conciliation Act, 1996 shall not be applicable to arbitration under this clause. The Award of the Arbitrator shall be binding upon the parties to the disputes, provided, however, any party aggrieved by such Award may make a further reference for setting aside or revision of the Award to the Law Secretary, Department of Legal Affairs, Ministry of Law & Justice Government of India. Upon such reference the dispute shall be decided by the Law Secretary or the Special Secretary /Addl. Secretary, when so authorized by the Law Secretary. whose decision

192

21

146

shall bind the Parties finally and conclusively. The Parties to the dispute will share equally the cost of Arbitration as intimated by the Arbitrator".

WITNESS whereof this Agreement has been executed by the duly authorized Representatives of the Parties hereto on the day, month and year first above written.

For & on behalf of CORPORATION

For & on behalf of FCI

Witnesses:

1. _____

2. _____