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DEPARTMENT OF WATER RESOURCES

RESOLUTION

The 6th February, 2023

**Subject: One Time Settlement of Outstanding water rate dues of Central/State Government units/organizations and private industrial, commercial & other establishments.**

1. The State of Odisha enacted the Odisha Irrigation Act, 1959 (hereinafter referred to as the Act) and the Odisha Irrigation Rules, 1961(hereinafter referred as the Rules) made there under with a view to consolidate and amend different laws relating to irrigation, assessment and levy of water rate in different parts of the State and to provide the regulation and control of uses of water from 'Irrigation Works'.
2. The provision of charging against use of water from 'Govt. water sources' was incorporated through an amendment to the Act during 1993 (Odisha Act 3 of 1994) and subsequently amending the Rules there under vide the Odisha Irrigation (Amendment) Rules, 1994, which came into force with effect from 26.09.1994.
3. In case of drawal from Govt. water sources, on default of payment, interest @ 2% monthly compounded interest and penalty @ 6 times the normal rate was to be imposed for excess drawal.
4. However, for drawal from Irrigation works, on default of payment, annual interest @ 6% was charged as before but there was no provision for imposition of penalty for excess drawal.
5. Then Rules were amended during 2010.The amendment of rule during 2010 removed the discrepancies in regulation and control of the drawal and uses of water from both "Irrigation Works" and "Government water sources".

6. Rule 23-A (2) (e) & rule 26 provides for imposing compound interest @2% per month on the outstanding amount until the payment is made thereof.
7. Some of the Central/State Government units/organizations and private industrial, commercial & other establishments of Odisha have approached various Courts of Law for relief on matters relating to above and defaulted in payment of water rate dues . Many other entities have also defaulted in payment over the years. Due to such litigation and default payment large amount of arrear is locked up since a long period.
8. Keeping in view the problem of non-realization of huge arrears of Industrial water rate, the State Government was engaged on resolution of the outstanding industrial water rate dues for quite a sometime. Government in the meantime adopted one time settlement for “MCL and other Central/State PSUs”. Extension of the OTS to all type of entities was therefore under active consideration of Govt. for some time.
9. In the meanwhile Hon'ble High Court passed an order on 28.06.2022 in OJC No.10916 of 1997 that State will take a final policy decision regarding extension of benefit granted to the public sector companies to private sector companies.
10. Therefore, after careful consideration, Govt. has decided to launch One Time Settlement (OTS) as a scheme for amicable settlement of arrear water rate dues for all entities who have defaulted in payment of water dues. Accordingly a policy on OTS was proposed.
11. The State Cabinet in their 53<sup>rd</sup> meeting held on 27.12.2022 accorded their approval to the principles of OTS.
12. The principles adopted for settlement of arrear water rate of Centre/State Government units/organizations and private industrial, commercial & other establishments will be as follows:-
  - i. Payment of principal dues.
  - ii. Penalty shall be imposed as applicable as per the Odisha Irrigation Rules, 1961.
  - iii. Simple interest @ 12% per annum is to be imposed on arrear principal only. No interest shall be charged on arrear penalty.
  - iv. Outstanding Arrear water rate shall be computed as on 31.03.2022 and the payment made by the entities prior to 31.03.2022 shall be adjusted against the outstanding dues in the following order-Interest, Penalty and Principal.
  - v. The payment of outstanding water rate dues so computed shall be made in one instalment only.

- vi. The application for OTS shall be made to Engineer-in-Chief, Planning & Design, Secha Sadan, Bhubaneswar under DoWR within one month from the date of the policy coming into effect.
- vii. The settlement shall be done within two months from the date of receipt of the application.
- viii. Withdrawal of all cases before different courts of law, if any, on the matter will be mandatory before settlement.
- ix. The outstanding dues will be considered as settled only on
  - (a) Payment of arrear dues arrived at supra in one installment.
  - (b) Withdrawal of all court cases relating to the industry
  - (c) Furnishing of undertaking as indicated in point (xi) below.
- x. These principles of settlement of arrear water rate dues shall *mutatis mutandis* be applicable to those Centre/State PSUs, Centre/State Units/Organisations and private industrial, commercial and other establishments which have outstanding water rate dues as on 31.03.2022.
- xi. The entity intending for settlement through OTS needs to furnish an undertaking in the form of an affidavit for 'withdrawal of all court cases while applying for OTS' and 'shall not default in payment of water rate in future'.
- xii. The OTS shall be implemented as a scheme available for a particular period of time as a special window of time, within which the entities intending for settlement shall apply and settle their outstanding arrear water rate dues.
- xiii. If the settlement amount is not paid in full within the stipulated period, the settlement order shall stand automatically cancelled without any further notice and it shall become *null and void*.
- xiv. The Engineer-in-Chief, Planning & Design is the nodal agency for overseeing the whole OTS implementation process. He will issue detailed operational guidelines in this regard. Best efforts shall be made by him to conclude the settlement in all respect.
- xv. The Centre/State PSUs, Centre/State Units/Organisations and private industrial, commercial and other establishments shall apply to the Engineer-in-Chief, Planning & Design through e-mail to [\*\*eicpd-wr.od@nic.in\*\*](mailto:eicpd-wr.od@nic.in). The hard copy of the application with relevant documents must also be submitted to Engineer-in-Chief, Planning & Design.

- xvi. The settlement dues of Centre/State PSUs, Centre/State Units/Organisations and private industrial, commercial and other establishments under OTS will be finalized with the approval of the Government.

This Resolution shall come into force from the date of issue.

**ORDER**

Ordered that this Resolution be published in an Extraordinary issue of *Odisha Gazette*.

By Order of the Governor

ANU GARG

Additional Chief Secretary to Government