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FINANCE DEPARTMENT

NOTIFICATION

The 29th August, 2017

Sub: Bank account for channelizing the receipts and expenditure of the SPV i.e. Odisha Mineral Bearing Area Development Corporation (OMBADC).

No. 25227-FIN-FR-CASE-0001/2017/F.— Hon'ble Supreme Court of India in their judgement in Writ Petition (Civil) Nos.114 and 194 of 2014 have directed for keeping the compensation recoverable in respect of the illegally mined ore U/s 21(5) of the MMDR Act and other provisions of MMDR Act with the Special Purpose Vehicle (SPV) i.e. "Odisha Mineral Bearing Areas Development Corporation(OMBADC)" and for utilizing the same for the benefit of the tribals in the affected Districts and for area development work.

2. In order to comply with the orders of Hon'ble Supreme Court, a Banking Account is opened in the Public Account of the State under the Account Head "**8443 Civil Deposits - 00- 106-Personal Deposits**" for channelizing the receipts and expenditure of the SPV i.e. Odisha Mineral Bearing Area Development Corporation (OMBADC) pertaining to the compensation to the State U/s 21(5) of the MMDR Act and other provisions of MMDR Act as per order of Hon'ble Supreme Court.

3. The Banking Account of Odisha Mineral Bearing Area Development Corporation (OMBADC) opened in the Public Account of the State shall be operated as per the detailed accounting procedure (enclosed at **Annexure**) dully vetted by the Principal Accountant General (A&E), Odisha.

ORDER

Order that the Notification be published in the next Extraordinary issue of the *Odisha Gazette*.

By Order of the Governor

T. K. PANDEY

Principal Secretary to Government

ACCOUNTING PROCEDURE FOR BANKING DEPOSIT ACCOUNT OF "ODISHA MINERAL BEARING AREAS DEVELOPMENT CORPORATION"

Introduction	<p>Illegal mining operation in the State by some of the mining lessees was investigated by the State Government as well as the Central Empowered Committee (CWC) appointed by Government of India. However, the matter attained finality after the passing of judgement by Hon'ble Supreme Court of India in Writ Petition (Civil) Nos.114 and 194 of 2014. Hon'ble Supreme Court of India have directed that 100% of the price of the mineral, as rationalized by the CEC is to be paid by the illegal miners as compensation to the State under Section 21(5) of the MMDR Act and the compensation should be payable from 2000-2001 onwards. It is observed in the judgement that very large amounts will be made available to the State in terms of the judgement in the instant case and that these amounts should be kept with the Special Purpose Vehicle (SPV) i.e. "Odisha Mineral Bearing Areas Development Corporation (OMBADC)" to be utilized for the benefit of the tribals in the affected Districts and for area development work.</p>
Creation and Status of SPV	<p>2. The SPV "Odisha Mineral Bearing Areas Development Corporation (OMBADC)" is a Section-25 Company under the Companies Act. Odisha Mineral Bearing Areas Development Corporation was registered at Registrar of Companies, Cuttack on 2nd December, 2014 and is categorised as Company Limited by Shares as well as a State Government company.</p>
Banking Deposit Account for the SPV in Public Account of the State	<p>3. (i) Keeping in view the enormity of the funds to be made available to the SPV which is a State Government Company and its limited capacity to handle such large funds, it is decided that the funds flowing out of the orders of Hon'ble Apex Court, will be kept at the Treasury as a banking deposit account within the Public Account of the State.</p> <p>(ii) It would ensure adequate safety and liquidity of the funds for utilization towards the benefits of tribals in the affected Districts and for area development works. Since the fund will be kept in the public accounts, it would not require appropriation or approval of the legislature for withdrawal of funds.</p>
Deposit into the Banking Deposit Account in the Treasury	<p>4. (i) Deposit - A designated banking account in the Public Account of the State under the Account Head "8443 Civil Deposits -00- 106-Personal Deposits-3275- Banking Account of Odisha Mineral Bearing Areas Development Corporation(OMBADC) – 91330- Programme for the Benefit of Tribals in the Mining Affected Districts" is opened in the District Treasury, Khurda for the "Odisha Mineral Bearing Areas Development Corporation" into which the mining lessees are to deposit electronically, the compensation</p>

payable U/s 21(5) of the MMDR Act. The Managing Director, OMBADC will act as the Administrator of the Personal Deposit Account.

(ii) The compensation payable by the mining lessees would only be receivable through electronic mode using online portal of the Directorate of Steel & Mines (I 3MS) and the Treasury Application (IFMS, Odisha). The Cyber Treasury will account for the receipt for remittances made by the payer under head **"8443 Civil Deposits -00- 800-Other Deposits -3275- Banking Account of Odisha Mineral Bearing Areas Development Corporation – 91328- Compensation under 21(5) of MMDR Act and Other Provisions of MMDR Act as per order of Hon'ble Supreme Court-000'** and provide MIS of Fund to Treasury Officer, District Treasury, Khurda, making it available in the online portal of IFMS. District Treasury, Khurda, where the Banking Deposit Account (P.L. Account) of OMBADC is operated, would ensure automated transfer of the fund to the P.L. Account through a virtual transaction. The District Treasury, Khurda would account for the virtual withdrawal under the head in which the receipt has been booked in the Cyber Treasury i.e. **"8443-Civil Deposits-00-800-Other Deposits- 3275 -Banking Account of OMBADC-91328- Compensation under section 21(5) of MMDR Act and other provisions of MMDR Act as per order of Hon'ble Supreme Court-000"** and the virtual deposit under against credit to P.L. Account under the head in which the P. L. Account is maintained i.e. **"8443-Civil Deposits-00-106-Personal Deposits-3275-Banking Account of OMBADC-91330-Programme for the benefits of Tribals in Mining Affected District-000"**. All withdrawals by the Administrator i.e. OMBADC through electronic cheque would also be classified under the same classification (8443-00-106) in the treasury accounts."

(iii) The Treasury Officer, District Treasury, Khurda will ensure that all the deposits received through the Cyber Treasury are transferred to the P.L. Account of OMBADC by the month end and nothing is left out.

**Withdrawal
from Banking
Deposit
Account in
the Treasury**

5. Administrator of the Personal Deposit Account will use electronic cheques for direct payment to the Bank Account of the Executing Agencies, as well as to the Bank Account of OMBADC for administrative expenditure using the e-Kuber platform of Reserve Bank of India through the Central Electronic Payment Cell (CePC) of the Directorate of Treasuries and Inspection. She/He will be able to make cashless transfer of funds to other Administrators of Personal Deposit Accounts like Urban Local Bodies, Panchayat Samiti etc. through IFMS. The banking account maintained in the Treasury would be enabled to seamlessly transfer funds electronically from the deposit account to Government Departments and implementing agencies including beneficiaries.

**Utilization of
Fund in the
Personal
Deposit
Account**

6. (i) The balance in the Personal Deposit Account of OMBADC will be applied for undertaking specific tribal welfare and area development works so as to ensure inclusive growth of the mineral bearing areas. These will include works/projects related to livelihood intervention, health, water supply and

sanitation, education, special programmes for development of women and children, entrepreneurial development of local people, communication and infrastructure projects and agro silvi-horticultural based livelihood projects through identified agencies/Government Departments.

(ii) OMBADC shall submit Utilization Certificate (UC) to the Forest & Environment Department from time-to-time in respect of the funds utilized out of the banking account.

7. Management of balances in the Personal Deposit Account: The Administrator of the Deposit Account will watch the balance in the Deposit Account from time to time after taking into account the cumulative receipts and disbursement of funds to the Executing Agencies as well as to the Savings Bank Account of OMBADC for administrative expenses. Based on the receipt and disbursement entries made in the Pass Book provided by the Treasury and the monthly plus minus memorandum prepared by the Treasury, the Administrator will verify the correctness of the entries and point out discrepancies if any.

8. Determination of investible surplus in the Personal Deposit Account: Keeping in view, the requirement of funds by the Executing Agencies and the administrative expenses of OMBADC, the Administrator of the Personal Deposit Account will work out the investible surplus and advise Finance Department for investment of the surplus balance in 91 Day or 182 Day or 364 Day Auction Treasury Bills as the case may be.

9. Interest on the surplus balance:

Interest on
the surplus
balance

(i) The surplus balance available in the banking deposit account of the OMBADC shall be invested in "Auction Treasury Bills" to provide assured return on the surplus balance. The Secretary to Government, Finance Department will make an application for investment of the amount advised by Managing Director, OMBADC in the specified Auction Treasury Bills by way of participation in the bidding process being conducted by Reserve Bank of India as a non-competitive bidder. The discounted value of the Auction Treasury Bill of a specified tenure will be treated as the amount invested. The difference between the maturity value of the said Treasury Bill and the discounted value is the return on the investment which will be passed on to the OMBADC in the following manner.

(ii) The interest so earned shall be first shown as a receipt under the Head of Account "**0049- Interest Receipts – 04 – Interest Receipts of State / Union Territory Governments – 110 – Interest realized on investment of cash balances -0060 – Interest Receipts – 10122 – Interest on 91 day and other Treasury Bills**". Then the accrued interest shall be transferred to the banking account "**8443 Civil Deposits -00- 106-Personal Deposits-3275- Banking Account of Odisha Mineral Bearing Areas Development Corporation – 91330- Programme for the Benefit of Tribals in the Mining Affected**

Districts” on back-to-back basis by making necessary provision in “Demand No.5- 2075- Miscellaneous General Services -800- Other Expenditure - 3275- Banking Account of Odisha Mineral Bearing Areas Development Corporation –91329- Transfer to Banking Account of Odisha Mineral Bearing Areas Development Corporation”.

(iii) The interest accrual so transferred shall form a part of the deposit account and shall be utilized either for the administrative expenditure of the OMBADC or for the area development works mandated by Hon’ble Supreme Court of India.

10. Maintenance and Submission of Monthly Accounts and Annual Balance Certificate : The Administrator of the Personal Deposit Account shall furnish the monthly compiled accounts of receipts and withdrawals supported by vouchers of the said account to the Accountant General (A&E), Odisha in the form prescribed under Subsidiary Rule 479A of Odisha Treasury Code Volume-I. The Administrator of the Personal Deposit Account shall also furnish the statement of balances at the credit of the fund at the end of the year just closed and send it to the Treasury Officer for verification and submission to the Accountant General (A & E), Odisha as required under Subsidiary Rule 479 of Odisha Treasury Code Volume-I. OMBADC will also maintain accounts and get the accounts audited as required under the Companies Act.

**Audit of
Accounts**

11. Audit of Accounts:

The accounts in respect of the funds so kept in the Personal Deposit Account and utilization of the same would be audited by the Comptroller & Auditor General of India and also be audited by the Chartered Accountants empanelled by the Comptroller and Auditor General of India.

12. Miscellaneous : If there is any difficulty in administration and operation of the Personal Deposit Account in terms of the procedure outlined above, it can be modified with the concurrence of Finance Department and the Accountant General (A & E), Odisha.