

The Odisha Gazette

EXTRAORDINARY
PUBLISHED BY AUTHORITY

No. 727, CUTTACK, WEDNESDAY, JUNE 3, 2020/ JAISTHA 13, 1942

FINANCE DEPARTMENT

NOTIFICATION

The 2nd June, 2020

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

No.16552-FIN-FR-CASE-0001/2017/F.—The Accounting Procedure for OMBADC fund duly vetted by the Principal Accountant General (A&E), Odisha was notified by Finance Department in Notification No.25227/F. dated the 29th August, 2017. It has become necessary to revise the Accounting Procedure for introduction of another investment option for investment of surplus cash balance of OMBADC in State Government Debt.

2. 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 revised Accounting Procedure (enclosed at Annexure) duly approved by Hon'ble Oversight Authority of OMBADC and vetted by the Principal Accountant General (A&E), Odisha.

3. This notification is issued in supersession to Finance Department Notification No. 25227-FIN-FR-CASE-0001-2017/F. dated the 29th August, 2017.

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

By Order of the Governor
ASHOK MEENA
Principal Secretary to Government

ANNEXURE

ACCOUNTING PROCEDURE FOR BANKING DEPOSIT ACCOUNT OF “ODISHA MINERAL BEARING AREAS DEVELOPMENT CORPORATION”.

Introduction

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 (CEC) 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) No.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.

Creation and
Status of SPV

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.

Banking
Deposit
Account
for the SPV
in Public
Account of
the State

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.

(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.

4. (i) **Deposit** - A designated banking account in the Public Account of the State under the Account Head “**8443 Civil Deposits -00- 106-Personal**

Deposit into
the Banking
Deposit
Account in the
Treasury

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 payable U/s 21(5) of the MMDR Act.. The Chief Executive Officer (CEO), 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”** 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 transAct.ion. 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”** 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”**. All withdrawals by the Administrator i.e. OMBADC through electronic cheque would also be classified under the same classification (8443-00-106-3275-91330) 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. The funds with OMBADC can be deposited only in Bank account of Government/Nationalised banks and not with any private bank.

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 maintain watch over the expenditure made by the implementing agencies and ensure that the money is not parked in the banking account of the agencies. The Project Implementing Agency shall submit Utilization Certificate (UC) to OMBADC through the Department concerned against the amount released (UC Format as prescribed vide Letter No.28574/F Dtd.3rd September, 2018 of the Finance Department, Government of Odisha). At the end of each financial year, OMBADC will conduct a review of money remaining unspent in each account of the Project Implementing Agency. Review report has to be forwarded to the Planning & Convergence Department with a copy to the Principal Accountant General (A&E), Odisha. Release of funds may be need based and in phases to avoid parking of funds outside the Government Account.

(iii) All the vouchers with supporting documentation detailing the expenditure shall be sent on a regular basis (preferably quarterly) to AG office for verification by the Project Implementing Agency. The OMBADC may also furnish

to the AG (A&E) a Statement of Expenditure incurred out of the Public Account, for monitoring purposes. The expenditure out of the funds will be audited annually by the AG (Audit), Odisha and the OMBADC shall ensure that all records and information are provided by the Project Implementing Authority for audit.

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 Flexi/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 surplus funds of OMBADC should be determined with the help of the Administrator of the Personal Deposit Account. The Administrator of the PD Account shall accordingly advise Finance Department for investment of the surplus balance in 91 Day or 182 Day or 364 Day Auction Treasury Bills or State Government debt as the case may be.

9. Investment of surplus balance:

Interest on the surplus balance

(i) The surplus balance available in the banking deposit account of the OMBADC shall be either invested in "Auction Treasury Bills" or shall be lent to the State Government 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 Chief Executive Officer (CEO), 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 or lending to the State Government. In case of investment in Treasury Bills, the discounted value of the Auction Treasury Bill of a specified tenure an amount 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.

(ii) On investment in either mode viz. Government Debt or Treasury Bill, the amounts may be accounted for as debit under head "**8443-Civil Deposits -00-106-Personal Deposits-3472- Investment account of OMBADC Fund – 91357-**

Investment in Government Debt or 91358- Investment in Auction Treasury Bill”.

(iii) Total matured value of Auction Treasury Bill shall be initially credited to investment detailed head i.e. 8443 Civil Deposits -00- 106-Personal Deposits-3472- Investment account of OMBADC Fund –91358- Investment in Auction Treasury Bill by the Principal Accountant General’s office.

(iv) The difference between the discounted value and maturity value which shall be treated as interest shall be credited by Finance Department to the P.L. Account of OMBADC under the head “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**” by debiting the investment head of account as mentioned in para (iii) above. The debit to the investment head shall be accounted for as minus credit by the Principal Accountant General’s office. A “Nil” bill has to be drawn by the Department for the purpose.

(v) On investment in Government Debt, the amount will be credited under the head **6003- Internal Debt-00-109- Loans from the other Institutions - 1195- Loans -91359-Loans from OMBADC**. On maturity of Government Debt, the Principal will be debited to the same head as above and the interest will be debited to head **2049- Interest Payment-01- Interest on Internal Debt -200- Interest on Other Internal Debt - 0752- Interest on Internal Loans -23155- Interest on Loan from OMBADC**. The repaid principal shall be credited to the head **8443 - Civil Deposits -00- 106-Personal Deposits-3472- Investment account of OMBADC Fund – 91357- Investment in Government Debt**, which was originally debited and interest to the fund under head **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** with credit to the P.L. Account of OMBADC. The interest shall be credited to OMBADC Fund on six monthly basis under intimation to Principal Accountant General (A&E) office.

(vi) The rate of interest on the borrowing of the State Government may be made equal to the highest yielding Treasury bill (364 days T-Bill) determined in the auction of the previous week.

(vii) The limit for borrowing by the State Government from OMBADC Fund shall not be more than 60% of the available surplus balance.

(viii) In case of any urgency, when there is additional fund requirement for expenditure beyond the available liquidity in the funds, the State Government would temporarily allow use of general cash balances of the State Government till maturity of some of the instruments either from the investment in Auction Treasury Bills / lending to State Government or accrual of interest from any investment. This temporary drawal from the State Government cash balances is to be settled before closure of the financial year.

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 to the Accountant General (A & E), Odisha and annual statement of balances within 30 days from the end of the Financial Year to the Treasury Officer, Khurda. Monthly reconciliation of Personal Deposit Account be conducted by OMBADC with the District Treasury, Khurda at the end of every month the monthly reconciliation certificate jointly signed by the District Treasury Officer, Khurda and OMBADC Finance Officer be sent to the Principal Accountant General (A&E), Odisha. OMBADC will also maintain accounts and get the accounts audited as required under the Companies Act..

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 : Any issue on the matter may be reviewed after one year and 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.

13. The process of borrowing and investment should also be with the concurrence of the oversight authority appointed by the Hon'ble Supreme Court of India.