

**Government of Odisha**  
**Department of Water Resources**

No.-Irr.-II-WRC-64/17 10066 / WR, Bhubaneswar dated 22/4/2017

**RESOLUTION**

**Subject:- Principles for settlement of outstanding industrial water rate dues pending against Mahanadi Coal Field Ltd. (MCL) and other Centre / State PSUs.**

The Government in Water Resources Department has been seized with the problem of non-realization of huge arrears of Industrial Water Rate on Public Sector Undertakings which keeps on increasing over the years. The PSUs have also raised objections on the assessment of dues made by the Water Resources Department describing it un-justified on various grounds. They have also challenged such assessments in various Judicial Forums for relief. The arrear dues are yet to be recovered as the cases are sub-judice.

Mahanadi Coal Field Ltd. (MCL) is drawing Industrial Water through its 7 units. It has a total outstanding demand of ₹ 389.52 cr. as on 28.02.2015 and the firm has paid ₹100 cr. in March 2015 & ₹125.00 cr. in March, 2016. MCL has been insisting for one time settlement in order to regularize the drawal of water and one-time payment of arrear dues.

The State Government felt it necessary to resolve the arrear water rate issues of MCL and other PSUs as a judicial solution is time consuming and has also a bearing on the state exchequer. The matter was discussed in a high level meeting of Secretaries of different Departments under the chairmanship of Chief Secretary on 29.03.2017. After due deliberation, a formula for one time settlement of arrear Industrial Water Rate was devised for consideration of the State Cabinet.

The State Cabinet, in their 38<sup>th</sup> meeting held on 05.04.2017, accorded their approval to the following principles for settlement of outstanding arrear dues of MCL and other Centre / State PSUs :-

- Payment of Principal dues.
- Penalty may be imposed as applicable as per rule,
- Simple interest at 12 % per annum is to be imposed on arrear principal only. No interest may be charged on arrear penalty.

- Withdrawal of all cases before different courts of law, if any, on the matter.

Based on the above principle for one time settlement, the following decisions are taken.

- Payment made by MCL are to be adjusted against the arrear dues in the following order – Interest, Penalty and Principal.
- As per the above principles, the outstanding water rate of MCL comes to about ₹147.83 cr. as on 28.02.2017. MCL shall deposit this amount with Government immediately as one time settlement.
- MCL shall withdraw all related cases pending at different Courts of law immediately.
- Subject to payment of all dues as above and withdrawal of all cases before different courts of law, the dues shall be treated as settled.

These principles of computing arrear dues shall mutatis mutandis be also applicable to other Central/State PSUs if they agree for one time settlement as above.

This has been concurred in by Finance Department vide their UOR No.11 Res. dated 05.04.2017.

Any clarification regarding settlement of outstanding industrial water rate dues over Mahanadi Coal Field Ltd. (MCL) including other Central/State PSUs shall be issued by Government in Department of Water Resources.

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

### ORDER

Ordered that the Resolution be published in the next issue of the Odisha Gazette.

BY ORDER OF GOVERNOR

  
Principal Secretary to Government, 22/4/17