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THE ORISSA PANI PANCHAYAT ACT, 2002

AN ACT TO PROVIDE FOR FARMERS' PARTICIPATION IN THE MANAGEMENT OF IRRIGATION SYSTEMS AND FOR MATTERS CONNECTED THEREWITH OR INCIDENTAL THERETO.

Whereas in the State of Orissa, which is essentially an agricultural State depending on an efficient and equitable supply and distribution of water, which is a National Wealth, ensuing optimum utilisation of water by farmers for improvement of agricultural production is the utmost need;

And whereas scientific and systematic development and maintenance of irrigation infrastructure is considered best possible through farmers' participation;

And whereas such Farmers' Organisation have to be given an effective role in the management and maintenance of the irrigation system for equitable and dependable supply and distribution of water;

And where as it is necessary in the State of Orissa to enact a law for farmers' participation in the management of irrigation systems by way of forming Pani Panchayat.

Be it enacted by the Legislature of the State of Orissa in the Fifty-third Year of the Republic of India as follows :-

CHAPTER – I PRELIMINARY

1. Short title, extent and commencement

- (1) This Act may be called the Orissa Pani Panchayat Act, 2002.
- (2) It extends to the whole of the State of Orissa
- (3) It shall come into force on such date as the Government may, by notification in the Orissa Gazette appoint and different dates may be appointed for different areas and for different provisions.

2. Definitions

- (1) In this Act, unless the context otherwise requires
 - (a) "area of operation" in relation to farmers organisation means contiguous patch of land in the commanded area of an irrigation system as may be notified for the purposes of this Act;
 - (b) "ayacut road" means a road within the area of operation of a farmers' organisation for the purpose of irrigation and agriculture but does not include a road vested in a Gram Panchayat, Panchayat Samiti, Zilla Parishad, Municipality, Municipal Corporation or Roads and Buildings Department of the Government;
 - (c) "chak" means an area irrigated by one outlet;
 - (d) "Chief Engineer / Chief Engineer and Basin Manager" means the Chief Engineer under whose jurisdiction the irrigation system is situated and includes any officer specially notified by the Government to perform all or any of the functions of the Chief Engineer under this Act;

- (e) "commanded area" means an area irrigated or capable of being irrigated either by gravitational flow or by lift irrigation or by any other method from a source funded by Government or by Co-operative Society and includes every such area whether it is called 'ayacut' or by any other name under any law for the time being in force;
- (f) "competent authority" means the authority appointed under section 21;
- (g) "distributary system" means and includes :
 - (i) all main canals, branch canals, distributaries and minor canals constructed for the supply and distribution of water for irrigation;
 - (ii) all works, structures and appliances connected with the distribution of water for irrigation but does not include head works; and
 - (iii) all field channels and other related channels and structures under a outlet or pipe outlet.
- (h) "Farmers' Organisation" means and includes -
 - (i) "Pani Panchayat" at the primary level consisting of all the water users, as constituted within a specified hydraulic boundary of a major, medium, minor (flow and lift-both surface and ground water and creek irrigation projects funded by government as constituted under section 4.
 - (ii) Distributary Committee at the secondary level, as constituted under section 5 and section 6, and
 - (iii) Project Committee at the project level, as constituted under section 7.
- (i) "field channel" includes a channel existing or to be constructed by the Government or by the land holders or by any agency to receive and distribute water from a pipe outlet.
- (j) "field drain" includes a channel excavated and maintained by the land holder or by any other agency, to discharge waste or surplus water from the land holding under a pipe outlet; and includes drains, escape channels and other similar works existing or to be constructed.
- (k) "Financial Year" means a year commencing from the 1st April of the relevant year to the 31st March of the ensuing year;
- (l) "Financing Agency" means any organisation or bank in India which lends money and includes any commercial bank, or any co-operative society or any other bank or organisation established or incorporated under any law, for the time being in force, which lends money or any External organisation such as European Community, World Bank, Kreditanstalt Fur Wiederaufbau (KFW) Germany, Department of International Development (DFID) U.K., etc. for the development of the area of operation of the farmers' organisation;
- (m) "Government" means the State Government of Orissa;
- (n) "Hydraulic basis" means the basis for identifying a viable irrigated area served by one or more hydraulic structures such as headworks, distributaries, minors, pipe outlets and the like;
- (o) "Irrigation system" means a system of irrigation for harnessing water by different methods having several types such as major, medium, minor and creek irrigation system and other allied uses from Government/ or Co-operative source and includes reservoirs, open head channels, diversion systems, anicuts, lift irrigation schemes, tanks, wells, etc.

Explanation:

- (i) 'Major Irrigation System' means irrigation system under an Irrigation Project having irrigable commanded area of more than 10,000 hectares.

- (ii) 'Medium Irrigation System' means irrigation system under an Irrigation Project having irrigable commanded area of more than 2,000 hectares and upto 10,000 hectares.
- (iii) 'Minor Irrigation System' means irrigation system under an Irrigation Project having irrigable commanded area upto 2,000 hectares and shall include Lift Irrigation Points and Creek Irrigation Projects.
- (p) "land holder" means an owner of land or a tenant or Both recorded as such in the record of rights under the Orissa Survey and Settlement Act, 1958;

Explanation:

- (i) In case the recorded land holder is dead, his legal heirs will be treated as land holders for the purposes of this Act;
 - (ii) In case the land is sold by the land holder through a registered sale deed, the seller will cease to be the land holder and the purchaser shall be treated as the land holder for the purposes of this Act;
 - (q) "maintenance" means execution of such works on the irrigation system as are necessary to ensure that the physical system designed to the standards operates for proper distribution of water to the land holders in the area of operation;
 - (r) "notification" means a notification published in the Orissa Gazette, and the expression 'notified' shall be construed accordingly;
 - (s) "operational plan" means a schedule of irrigation deliveries with details of the mode and duration of supplies drawn up for regulation of irrigation in the commanded area of an irrigation system;
 - (t) "Pani Panchayat" means an organisation declared as such under this Act consisting of such members as mentioned in sub-section(4) of section 3 of this Act;
 - (u) "Prescribed" means prescribed under rules made under this Act;
 - (v) "warabandi" means a system of distribution of water allocation to water users by turn, according to an approved schedule indicating the day, duration and the time of supply;
 - (w) "water allocated" in relation to an irrigation system means distribution of water determined from time to time by a farmers' organization in its area of operation.; and
 - (x) "water user" means any individual or body corporate or a society using water for agriculture and domestic purpose from an irrigation work.
- (2) Words and expressions used in this Act, but not defined, shall have the same meaning as respectively assigned to them in the Orissa Irrigation Act, 1959 and the Orissa General Clauses Act, 1937.

CHAPTER – II

FARMERS' ORGANISATION

3. Delineation of water users area as Pani Panchayat and constitution of Pani Panchayat.

(1) The Superintending Engineer of an irrigation project may by notification and in accordance with the rules made under this Act, in this behalf, delineate every commanded area under each of the irrigationsystems on a hydraulic basis ordinarily between 300 to 600 hectares which may be considered administratively viable; and declare it to be the area of a Pani Panchayat for the purpose of this Act
 Provided that in respect of the commanded area under lift irrigation systems, the entire commanded area may, as far as possible, form a single area of Pani Panchayat

and may be notified as such by the concerned Executive Engineer of Orissa Lift Irrigation Corporation.

(2) Every Pani Panchayat's area shall be comprised of several Chaks which shall as far as possible cover the area irrigated by one out let. The number of Chaks shall not be less than four or as may be specified by the concerned Superintending Engineer.

Provided that there is no necessity of formation of any chak for constituting a Pani Panchayat in case of Lift Irrigation points having a commanded area of less than 40 hectares.

(3) There shall be a Pani Panchayat called by its local distinct name for every area as delineated under sub-section (1).

(4) (i) Every Pani Panchayat shall consist of all the water users who are land holders in the area of a Pani Panchayat; Explanation I- A land holder may nominate any adult member of his/her family to be the member of the Pani Panchayat. II- A minor landholder shall be represented by his/her legal guardian.

(ii) Government may, by notification nominate atleast one officer each from Department of Water Resources, Department of Agriculture, Department of Revenue to be members of the Pani Panchayat without having the right to vote.

(5) Members specified in clause (i) of sub-section (4) shall constitute the General Body of a Pani Panchayat and shall have the right to vote.

4. Election of members of Chak Committee and that of the President and members of the Executive Committee of Pani Panchayat.

(1) All the land holders in a Chak will elect three members in the manner as may be prescribed to form a Chak Committee in such a way that there shall be one member from the upper reach, one from the middle reach and one from the lower reach within the Chak. They will also simultaneously elect one among those three to represent the Chak in the Executive Committee of the Pani Panchayat. In case of Lift Irrigation Points the members of the Executive Committee of a Pani Panchayat shall be elected by the members of the General Body of the said Pani Panchayat.

A person eligible to become a member of more than one Chak Committee of a Pani Panchayat under sub-section (i) shall be entitled to be a member of all the respective Chak Committees but he can be an Executive Committee Member of only one Pani Panchayat of his / her choice.

(2) There shall be an Executive Committee for each Pani Panchayat consisting of the representatives of the Chaks elected by the land holders of each Chak. In case of Lift Irrigation Points the number of members of Executive Committee shall not be less than four or more than ten.

(3) The Superintending Engineer shall cause arrangements for the election of a member of the Executive Committee from each Chak by all the land holders of the Chak by the method of secret ballot in the manner prescribed. In case of Lift Irrigation points the Executive Engineer of Orissa Lift Irrigation Corporation or any other officer authorised by Government in this regard shall cause arrangements for the election of the members of the Executive Committee of the Pani Panchayat.

(4) The Superintending Engineer shall make arrangements for the election of the President of the Executive Committee of the Pani Panchayat by the members of the Executive Committee by the method of secret ballot in the manner prescribed. In case of Lift Irrigation points the Executive Engineer of Orissa Lift Irrigation Corporation or any other officer authorised by Government in this regard shall make arrangements

for the election of the President of the Executive Committee by the method of secret ballot in the manner prescribed.

(5) If at an election held under sub-sections (3) and (4) the members or the President of the Executive Committee of the Pani Panchayat, as the case may be are not elected, fresh elections shall be held within a period of 90 days from the date of such failure in the manner prescribed.

(6) The President shall if not recalled earlier be in office for a period of three years from the date of the first meeting and the members of the Executive Committee shall be in office for a period of three years from the date of the first meeting of the Executive Committee.

(7) The Executive Committee shall exercise the powers and perform the functions of the Pani Panchayat.

(8) The Executive Committee shall elect one Secretary and one Treasurer in the manner as may be prescribed from among the members of the Executive Committee to assist its President. The Secretary and the Treasurer shall function at the pleasure of the majority members of the Executive Committee.

(9) Government may, by notification, nominate one officer not below the rank of Junior Engineer of the Department of Water Resources and another officer not below the rank of Junior Agriculture Officer of the Department of Agriculture without having the right to vote, to be the permanent invitees to the meetings of the Executive Committee.

5. Delineation of distributary area and constitution of Distributary Committee

(1) The Chief Engineer may, by notification and in accordance with the rules made in this behalf delineate every commanded area of a major irrigation system, comprising of one or more Pani Panchayat and declare it to be a distributary area for the purpose of this Act.

(2) There shall be a Distributary Committee called by its local distinct name for every distributary area declared as such under sub-section (1).

(3)(a) Every Distributary Committee shall consist of all the Presidents, Secretaries and Treasurers of the Pani Panchayats in the distributary area, so long as they hold such office, and shall be the General Body of the Distributary Committee.

(b) Government may, by notification nominate atleast one officer each from the Department of Water Resources, the Department of Agriculture and the Department of Revenue to be the members of the Distributary Committee without having the right to vote.

(4) The term of the General Body of the Distributary Committee shall be coterminous with the term of the Executive Committee of the Pani Panchayat.

6. Election of President, Secretary, Treasurer and constitution of Executive Committee of Distributary Committee

(1) There shall be an Executive Committee for every Distributary Committee which shall consist of the members elected from among the General Body of the Distributary Committee in the manner prescribed and by the method of secret ballot and shall not be more than nine.

(2) The members of the Executive Committee shall elect its President from among themselves in the manner prescribed and the Chief Engineer shall make the arrangement for such election.

- (3) If, at an election held under sub-section (1) and (2), the members and the President of the Executive Committee are not elected, fresh elections shall be held within a period of 90 days from the date of such failure in the prescribed manner.
- (4) The term of office of the President if not recalled earlier and that of the members of the Executive Committee shall, be coterminous with the term of the General Body specified in sub-section (4) of section 5.
- (5) The Executive Committee shall exercise the powers and perform the functions of the Distributary Committee.
- (6) The Executive Committee shall elect one Secretary and one Treasurer in the manner as may be prescribed from among the members of the Executive Committee to assist its President. The Secretary and the Treasurer shall function at the pleasure of the majority members of the Executive Committee.
- (7) Government may, by notification, nominate one officer not below the rank of Executive Engineer of the Department of Water Resources and another officer not below the rank of District Agriculture Officer of the Department of Agriculture without having the right to vote, to be the permanent invitees to the meetings of the Executive Committee.

7. Delineation of project area and constitution of Project Committee

- (1) The Government may, by notification and in accordance with the rules made under this Act in this behalf, delineate every commanded area part there of, of a major irrigation system and declare it to be a project area for the purposes of this Act. The Chief Engineer may by notification and in accordance with the rules made under this Act in this behalf, delineate the entire area of a Minor or Medium Irrigation Projects as the project area.
- (2) There shall be a Project Committee called by its distinct name for every project area declared under sub-section (1).
- (3)(a) Every Project Committee shall consist of all the Presidents, Secretaries and Treasurers of the Distributary Committees in the project area, so long as they hold such office and shall be the General Body for the Project Committee.
- (b) Government may, by notification nominate atleast one officer each from the Department of Water Resources, the Department of Agriculture and the Department of Revenue to be the members of the Project Committee without having the right to vote.
- (4) The term of the General Body of the Project Committee shall be for a period of three years from the date of its first meeting.
- (5) The project area of a Medium and Minor (Flow) Irrigation Project shall cover the entire commanded area of the Project. All the Presidents of the Pani Panchayats within the project area so long as they hold such office shall constitute the General Body for the Project Committee.
- (6) In the Irrigation systems having one Pani Panchayat, there shall be no Distributary or Project Committee.

8. Election of President and constitution of the Executive Committee of the Project Committee

- (1) There shall be an Executive Committee for every Project Committee shall consist of the members elected by the General Body of the Project Committee in the manner prescribed and by the method of secret ballot and shall not be more than nine.

(2) The members of the Executive Committee shall elect its President from among themselves in the manner prescribed and the Chief Engineer shall make the arrangement for such election.

(3) If, at an election held under sub-section (1) and (2), the members and the President of the Executive Committee are not elected, fresh elections shall be held in the prescribed manner within a period of 90 days from the date of such failure.

(4) The term of office of the President if not recalled earlier, and that of the members of the Executive committee shall, be coterminous with the term of General Body specified in sub-section (4) of section 7.

(5) The Executive Committee shall exercise the powers and perform the functions of the Project Committee.

(6) One Secretary and one Treasurer shall be elected from among the members of the Executive Committee to assist its President. The Secretary and the Treasurer shall function at the pleasure of the majority members of the Executive Committee.

(7) Government may, by notification, nominate one officer not below the rank of Executive Engineer of the Department of Water Resources and another officer not below the rank of District Agriculture Officer of the Department of Agriculture without having the right to vote, to be the permanent invitees to the meetings of Executive Committee.

9. State Level Committee

(1) The Government may, by notification constitute a State Level Committee with such number of Presidents of the Project Committees as may be considered necessary, but not exceeding ten.

(2) The Government may, by notification nominate such number of Government officials and professionals not exceeding ten as may be considered necessary, to be the members of the State Level Committee.

(3) The Committee, constituted under sub-section (1) and (2) may exercise such powers and functions as may be necessary to

- (i) laydown the policies for implementation of the provisions of this Act; and
- (ii) give such directions to any Farmers' Organisation, as may be considered necessary, in exercising their powers and performing their functions in accordance with the provisions of this Act.

(4) The term of the State Level Committee shall be for a period of three years from the date of its constitution, which may be extended by the Government for a further period till another Committee is constituted.

10. Procedure for recall

(1) A motion for convening a special meeting of the General Body for recall of a President of a Farmers' Organisation may be moved by giving a written notice written notice in the manner as may be prescribed, signed by not less than one-third of the total number of members of the Farmers' Organization, who are entitled to vote:

Provided that no notice of motion under this section shall be made within one year of the date of assumption of office by the person against whom the motion is sought to be moved.

(2) If the motion is carried with the support of two-third majority of the members present and voting at a meeting of the General Body specially convened for the purpose, the Chief Engineer shall by order remove him from office and the resulting vacancy shall be filled in the same manner as a casual vacancy:

Provided that the quorum for the specially convened General Body shall be 50% of the total members of the General Body.

11. Constitution of Sub-committees in Farmers' Organisation

The Executive Committee of a Farmers' Organisation may constitute sub-committees from among its members to carry out all or any of the functions vested in each such organisation under this Act.

12. Farmers' Organisation to be a Body Corporate

Every Farmers' Organisation shall be a body corporate with a distinct name having perpetual succession and a common seal and subject to the provisions of this Act vested with the capacity of entering into contracts and of doing all things necessary, proper or expedient for the purposes for which it is constituted and it shall sue or be sued in its corporate name represented by the Secretary.

13. Changes in Farmers' Organisation

The authority competent to delineate the boundary of a Farmers' Organisation may in the interest of a Farmers' Organisation in the commanded area by notification and in accordance with the rules made in this behalf,

- (a) form a new Farmers' Organisation by separating the area from any Farmers' Organisation
- (b) increase the area of any Farmers' Organisation;
- (c) diminish the area of any Farmers' Organisation;
- (d) alter the boundaries of any Farmers' Organisation; or
- (e) cancel a notification issued under this Act for rectifying any mistake :
provided that no such separation, increase, diminution, alteration and cancellation shall be effected unless a reasonable opportunity is given to the organisation likely to be affected.

14. Disqualification of candidates or members

(1) No officer or servant of the Government of India or any State Government or of local authority shall be qualified for being elected as or for being a President or a member of the Executive Committee of a Farmers' Organisation

(2) No person shall be qualified for being elected as a President or a member of an Executive Committee who on the date fixed for scrutiny of nominations for election, or on the date of nomination:-

- (a) has been convicted by a criminal court of any offence involving moral turpitude committed under any law for the time being in force ; or
- (b) is of unsound mind and has been so declared by a competent court; or
- (c) is an applicant to be adjudicated as an insolvent or declared as an insolvent or an undischarged insolvent; or
- (d) is a defaulter of land revenue or water tax or charges payable either to the Government or to a co-operative society or to the Farmers' Organisation; or
- (e) is interested in a subsisting contract made with, or any work being done for, the Gram Panchayat, Panchayat Samiti, Zilla Parishad or any State or Central Government or the Farmers' Organisation

Provided that a person shall not be deemed to have any interest in such contract or work by reason only of his share or interest in:-

- (i) a company as a mere shareholder but not as a Director; or

- (ii) any lease, sale or purchase of immovable property or any agreement for the same; or
 - (iii) any newspaper in which any advertisement relating to the affairs of the Farmers' Organisation is inserted.
- (3) A President or a member of Executive Committee shall also become disqualified to continue in office if he:
- (a) is convicted in a criminal case involving moral turpitude; or
 - (b) absents himself from attending three consecutive meetings without reasonable cause.

15. Filling up of vacancies

- (1) A vacancy arising either due to disqualification under sub-section (3) of section 14 or due to death or resignation or any, reason, shall be filled up by nomination till the vacancy is filled up in the manner prescribed.
- (a) A vacancy in the Executive Committee of the Pani Panchayat shall be filled by nomination by the Executive Committee of the Distributary Committee in the case of Major Irrigation Projects, or by the Executive Committee of the Project Committee in case of Medium and Minor Irrigation Projects, in the manner prescribed.
 - (b) A vacancy in the Executive Committee of the Distributary Committee shall be filled by nomination by the Executive Committee of the Project Committee in the manner prescribed; and
 - (c) A vacancy in the Executive Committee of the Project Committee shall be filled by nomination of the Government, in the manner prescribed.
- (2) The Chief Engineer or the Superintending Engineer or the Executive Engineers as the case may be, shall take necessary steps to conduct elections to fill up any vacancy caused within a period of three months from the date of occurrence of such vacancy.
- (3) The term of office of a member of an Executive Committee or a President of the Farmers' Organisation, elected under sub-section (2), shall expire at the time at which it would have expired, if he had been elected at the ordinary election.

CHAPTER - III

OBJECTS AND FUNCTIONS OF THE FARMERS' ORGANISATIONS

16. Objects

The objects of the Farmers' Organisation shall be to promote and secure distribution of water among its users, adequate maintenance of the irrigation system, efficient and economical utilisation of water to optimise agricultural production, to protect the environment, and to ensure ecological balance by involving the farmers, inculcating a sense of ownership of the irrigation system in accordance with the water budget and the operational plan.

17. Functions of Pani Panchayat

The Pani Panchayat shall perform the following function, namely:-

- (a) to prepare a cropping programme suitable for the soil and agro-climatic condition with due regard to crop diversification;
- (b) to prepare a plan for the maintenance of irrigation system in the area of its operation at the end of each crop season and carry out the maintenance works

- of both distributary system and minor, sub-minor and field drains in its area of operation with the funds of the Pani Panchayat from time to time;
- (c) To manage the Lift Irrigation Points as may be handed over to the Farmers' Organisation through a mutual agreement between two parties, as may be prescribed;
- (d) to regulate the use of water among the various pipe outlets under its area of operation according to the warabandi schedule of the system;
- (e) to promote economy in the use of water allocated;
- (f) to assist the Revenue Department in the preparation of demand and collection of water rates;

Explanation:- In case of European Community aided Minor Irrigation (Flow) Projects, the Farmers' Organisation will be exempted from payment of Water Tax to the Revenue Department as laid down in Resolution No.48049 dtd.04.12.1999 of Department of Water Resources;

- (g) to collect fees from the water users of the Lift Irrigation points for payment of energy charges, for repair, maintenance of machineries and distribution system, future replacement of machines etc;
- (h) to maintain a register of land holders;
- (i) to prepare and maintain an inventory of the irrigation system within the area of operation;
- (j) to monitor flow of water for irrigation;
- (k) to resolve the disputes, if any, between the members and water users in its area of operation;
- (l) to raise resources
- (m) to maintain accounts;
- (n) to cause annual audit of its accounts;
- (o) to assist in the conduct of elections to the Executive Committee;
- (p) to maintain other records as may be prescribed;
- (q) to abide by the decisions of the Distributary and Project Committees;
- (r) to conduct General Body meetings, as may be prescribed;
- (s) to encourage avenue plantation on canal bunds and tank bunds by leasing such bunds;
- (t) to conduct regular water budgeting; and
- (u) to conduct periodical social audit, as may be prescribed.

18. Functions of Distributary Committee

The Distributary Committee shall perform the following function;namely:-

- (a) to prepare an operational plan based on its entitlement, area, soil, cropping pattern at the beginning of each irrigation season, consistent with the operational plan prepared by the Project Committee;
- (b) to prepare a plan for the maintenance of both distributaries and field drains within its area of operation at the end of each crop season and execute the maintenance works with the funds of the Committee from time to time;
- (c) to regulate the use of water among the various Pani Panchayats under its area of operation;
- (d) to resolve disputes, if any, between the Pani Panchayats in its area of operation;
- (e) to maintain an inventory of the irrigation system in the area of its operation, including drains;
- (f) to promote economy in the use of water allocated;

- (g) to maintain accounts;
- (h) to cause annual audit;
- (i) to maintain other records as may be prescribed;
- (j) to monitor the flow of water for irrigation;
- (k) to conduct General Body meetings as may be prescribed;
- (l) to abide by the decisions of the Project Committee;
- (m) to cause regular water budgeting and the periodical social audit as may be prescribed;
- (n) to assist in the conduct of election to the Executive Committee; and
- (o) to encourage avenue plantations in its area of operation.

19. Functions of the Project Committee

- (1) The Project Committee shall perform the following function; namely:-
 - (a) to approve an operational plan based on its entitlement, area, soil, cropping pattern as prepared by the competent authority in respect of the entire project area at the beginning of each irrigation season;
 - (b) to approve a plan for the maintenance of irrigation system including the major drains within its area of operation at the end of each crop season and execute the maintenance works with the funds of the Committee from time to time.
 - (c) to maintain a list of the Distributary Committees and Pani Panchayats in its area of operation;
 - (d) to maintain an inventory of the distributary and drainage systems in its area of operation;
 - (e) to resolve disputes, if any, between the Distributary Committees;
 - (f) to promote economy in the use of water;
 - (g) to maintain accounts;
 - (h) to cause annual audit of its accounts;
 - (i) to maintain other records as may be prescribed;
 - (j) to conduct General Body meetings as may be prescribed;
 - (k) to cause regular water budgeting and the periodical social audit as may be prescribed; and
 - (l) to encourage avenue plantations in its area of operation.
- (2) In addition to the above functions, a Farmer's Organisation may perform the following function, namely:-
 - (a) to supply seeds, fertilizers and other inputs and at rates to be approved by the General Body.
 - (b) to market the agricultural products of the members as may be decided by the General Body.
 - (c) to undertake enterprise for value addition to the products of the members as may be decided by the General Body.
 - (d) to establish Agro Service Centre for providing services to the farmers in their agricultural operations as may be approved by the General Body.
 - (e) to act as a Self-help Group for providing credit to the members as may be approved by the General Body.

20. Power to levy, collect fee and water tax

- (1) A Farmers' Organisation may for carrying out the performances of this Act, achieving the objects of the organisation and performing its function, levy and collect such fees as may be prescribed by Government and / or decided by the organisation from time to time.

(2) In case of Lift Irrigation points, the Farmer's Organisation shall fix a water rate which may cover the cost of the energy charges and maintenance charges of the Project. In case a water user does not utilise any water in any particular season, the Farmers' Organisation shall be competent to fix such minimum charges as may be decided by the General Body of the Farmers' Organisation. No water tax will be collected by the Orissa Lift Irrigation Corporation from the members of the Farmers' Organisation.

(3) The Farmers' Organization may collect water tax in such of the projects and in the manner specified by the Government from time to time.

21. Appointment of competent authority and its functions

(1) The Government may by notification appoint such officer from the Department of Water Resources, or any other Department or Corporation as they consider necessary, to be the competent authority in respect of every Farmers' Organisation for the purpose of this Act.

(2) The competent authority appointed under sub-section (1) shall perform such of the duties as may be prescribed.

CHAPTER - IV RESOURCES

Resources of Farmers' Organisation

22. The funds of the Farmers' Organisation shall consist of the following namely:-

- (a) funds as may be granted by the State and Central Government for the development of the area of operation;
- (b) resources raised from any financing agency for undertaking any economic development activities in its area of operation;
- (c) income from the properties and assets managed by Farmers' Organisation;
- (d) fees collected by the Farmers' Organisation from the water users for the services rendered in better management of the irrigation systems; and
- (e) amounts received from any other source including M.L.A. Local Area Development Fund and M.P. Local Area Development Fund etc.

CHAPTER - V OFFENCES AND PENALTIES

23. Offences and penalties

Whoever without any lawful authority:-

- (a) damages, alters, enlarges, or obstructs any irrigation system; or
- (b) interferes with, increases, or diminishes the water supply in, or the flow of water from, through, over or under any irrigation system; or
- (c) being responsible for the maintenance of the irrigation system neglects to take proper precautions for the prevention of wastage of the water thereof or interferes with the authorised distribution of water therefrom or uses water in an unauthorised manner, or in such manner as to cause damage to the adjacent landholding; or
- (d) corrupts or fouls, water of any irrigation system so as to render its less fit for the purposes for which it is ordinarily used; or
- (e) obstructs or removes any level marks or water gauge or any other mark or sign fixed by the authority of a public servant; or

- (f) opens, shuts, or obstructs or attempts to open, shut or obstruct any sluice or outlet or any other similar contrivance in any irrigation system, shall, on conviction, be punished with imprisonment which may extend to one month or with fine which may extend to two hundred rupees or, with both.

24. Punishment under other laws not barred

Nothing in this Act shall prevent any person from being prosecuted and punished under any other law for the time being in force for any act or omission made punishable by or under this Act.

Provided that no person shall be prosecuted and punished for the same offence more than once

25. Compounding of offences

(1) A Farmers' Organisation may accept from any person who committed or in respect of whom a reasonable belief can be inferred that he has committed an offence punishable under this Act or the rules made there under, a sum of rupees one hundred or an amount equivalent to the loss caused to the Farmers' Organisation which ever is higher as a consideration for compounding of such offence.

(2) On payment of such sum of money, the said person, if in custody, shall be discharged and no further proceedings shall be taken against him in regard to the offence, so compounded

CHAPTER - VI SETTLEMENT OF DISPUTES

26. Settlement of disputes

(1) Any dispute or difference touching the constitution, management, powers or functions of a Farmers' Organisation arising between members shall be settled by the Executive Committee of the concerned Farmers' Organisation.

(2) Any such dispute or difference arising between a member and the Executive Committee of a Pani Panchayats or between two or more Pani Panchayat shall be settled by the Executive Committee of the Distributary Committee.

(3) Any such dispute or difference arising between a member and the Executive Committee of a Distributary Committee or between two or more Distributary Committees shall be settled by the Executive Committee of the Project Committee.

(4) Any such dispute or difference arising between a member and the Executive Committee of a Project Committee or between two or more Project Committees shall be settled by the State level Committee, whose decision shall be final.

(5) Every dispute or difference specified under this section shall be disposed of within thirty days from the date of reference of the dispute or difference.

27. Appeals

(1) A party to a dispute or difference aggrieved by any decision made or order passed by the Executive Committee of a Pani Panchayat may prefer an appeal to the Executive Committee of the Distributary Committee, whose decision thereon shall be final

(2) Any party to a dispute or difference aggrieved by any decision made or order passed by the Executive Committee of a Distributary Committee may prefer an appeal to a Project Committee, whose decision thereon shall be final.

(3) Any party to a dispute or difference aggrieved by any decision made or order passed by the Executive Committee of a Project Committee may prefer an appeal to the State level Committee whose decision thereon shall be final.

(4) In case of Lift Irrigation Points, any dispute between a member and the Executive Committee and between the members of Executive Committee, which can not be resolved by the Executive Committee, shall be placed before any competent authority as may be prescribed whose decisions shall be final and binding

(5) Any appeal under sub-section (1) or sub-section (2) or sub-section (3) or sub-section (4) shall be preferred within 15 days of communication of the decision or the order to the person aggrieved.

CHAPTER - VII MISCELLANEOUS

28. Accounts, records and documents to be kept by Farmers' Organisation

(1) Every Farmers' Organisation shall keep at its office the following accounts, records and documents, namely:-

- (a) an up-to-date copy of this Act and the Rules made thereunder;
- (b) a map of the area of operation of the Farmers' Organisation alongwith station along with map of the structures and distributary networks prepared in consultation with the Department of Water Resources;
- (c) a list of members
- (d) a statement of the assets and liabilities;
- (e) minutes book;
- (f) books of account showing receipt and payments;
- (g) books of account of all purchases and sales of goods by the Farmers' Organisation.
- (h) register of measurement books, level field books, work orders and the like;
- (i) copies of audit reports and enquiry reports; and
- (j) all such other accounts, records and documents as may be prescribed.

(2) The books of accounts and other records shall be open for information to the members of the Farmers' Organisation and to the Inspecting Officers of the Department of Water Resources or of the Orissa Lift Irrigation Corporation, as the case may be.

29. Audit and inspection

(1) Every Farmers' Organisation shall get its accounts audited in the manner prescribed.

(2) The officers of the Department of Water Resources and of the Orissa Lift Irrigation Corporation (OLIC), as the case may be shall inspect the records of the Farmers' Organisation in the manner prescribed.

30. Recovery of dues

All the amounts payable or due to a Farmers' Organisation by the waterusers shall be recovered from them as arrears of land revenue.

31. Meetings

The meetings of the Farmers' Organisation and the Executive Committee thereof, at such intervals, the procedure, the presidency and the quorum thereof and the cessation of membership thereof shall be, as may be prescribed.

32. Resignation

(1) A member of the General Body of the Executive Committee of a Farmers' Organisation may resign his office by a letter sent by registered post or tendered in person to the President of the Executive Committee concerned.

(2) The President of the Executive Committee of a Pani Panchayat may resign his office by a letter sent by registered post or tendered in person to the President of the Distributary Committee concerned.

(3) The President of the Executive Committee of a Distributary Committee may resign his office by a letter sent by registered post or tendered in person to the President of the Project Committee concerned.

(4) The President of the Executive Committee of a Project Committee may resign his office by a letter sent by registered post or tendered in person to the President of the State level Committee.

(5) Such resignation as mentioned above shall take effect from the date of its acceptance or on the expiry of 30 days from the date of its receipt whichever is earlier.

33. Appointment of a Commissioner

(1) The Government may by notification appoint a Commissioner to exercise general control and superintendence over the competent authorities in performance of their functions under this Act or the rules made thereunder.

(2) The powers to be exercised and the functions to be performed by the Commissioner shall be such as may be prescribed.

34. Transitional arrangement

The Government may by notification appoint an officer or officers to exercise the powers and perform the functions of a Farmers' Organisation and the Executive Committee thereof till such Farmers' Organisation is duly constituted or reconstituted and such Executive Committee assumes office under the provisions of this Act.

35. Authentication of orders and documents of Farmers' Organisation

All permissions, orders, decisions, notices and other documents of the Farmers' Organisation shall be authenticated by the signature of the President of the Farmers' Organisation or any other member of the Executive Committee authorised by the Executive Committee in this behalf.

36. Actions not to be invalidated

No action or proceedings of the Executive Committee of a Farmers' Organisation shall be invalid by reason only of the Existence of any vacancy in, or defect in the constitution of the said Committee.

37. Deposit and administration of funds

(1) The Farmers' Organisation shall keep their funds in a Nationalised Bank or a Co-operative Bank or the District Co-operation Central Bank or the Orissa State Co-operative Central Bank in the names of such office bearers as may be prescribed

(2) The funds shall be applied towards meeting of the expenses incurred by the Executive Committee of the concerned Farmers' Organisation in the administration of this Act and for no other purpose.

38. Sinking Fund

(1) The Executive Committee of the Farmers' Organisation shall maintain a Sinking Fund in the manner as may be prescribed for the repayment of money borrowed and shall pay every year into the Sinking Fund such sum as may be sufficient for repayment within the period fixed of all money so borrowed.

(2) The Sinking Fund or any part thereof shall be applied in or towards, the discharge of the loan for which such fund was created, and until such loan is wholly discharged, it shall not be applied for any other purpose.

39. Budget

The Executive Committee of a Farmers' Organisation shall prepare a budget in such form in every financial year in respect of the financial year next, showing the estimated receipts and expenditure of the Committee and shall place before the General Body of the Farmers' Organisation for its approval as may be prescribed.

40. Protection of action done in good faith

No suit, prosecution or other legal proceedings shall be instituted against any person for anything which is, in good faith done or intended to be done under this Act or under the rules made thereunder.

41. Power to remove difficulties

(1) If any difficulty arises in giving effect to the provision of this Act or as the first constitution or reconstitution of any Farmers' Organisation after the commencement of this Act, the Government, as the occasion may require, by order published in the Orissa Gazette, do anything which appears to them necessary for removing the difficulty.

(2) All orders made under sub-section (1) shall, as soon as may be after they are made, be laid before the State Legislature and the Legislature may make any modification if it so like and thereafter such order shall have effect subject to such modifications, if any.

42. Savings

(1) Nothing contained in this Act shall affect the rights or properties vested in a Gram Panchayat, Zilla Parishad, Panchayat Samiti, Municipality or Municipal Corporation under any law for the time being in force.

(2) Nothing contained in this Act shall apply to the minor water bodies if any, in the Schedule Areas in the State of Orissa

Explanation I - Minor water bodies mean the projects which irrigate less than forty hectares of land

Explanation II - schedule areas mean such areas as the President of India may by order declare to be schedule areas, under the Fifth schedule of the Constitution of India.

43. Power to make rules

The State Government may, by notification in the official Gazette, make rules to carry out the purposes of this Act.