

FOR OFFICIAL USE ONLY



GOVERNMENT OF ORISSA

**COMPILATION OF
IMPORTANT CIRCULARS
AND ORDERS
ISSUED BY
FINANCE DEPARTMENT
DURING 2005 - 2006**

FINANCE DEPARTMENT

FOREWORD

Instructions, orders and clarification issued by the Finance Department from time to time relating to service conditions, pay fixation, budgetary exercises and other allied matters are very often required by different Departments for reference. As in the past years, it has been our endeavour in the Finance Department to compile such instructions issued during the year 2005-2006 in shape of a compendium for the benefit of user Departments and subordinate offices. Any doubt regarding interpretation of these orders/instructions may be referred to the Finance Department.

I do hope that this compendium will be found useful by all concerned.

Jugal Kishore Mohapatra
Principal Secretary to Government.
Finance Department.

C O N T E N T S

MATTER RELATING TO ORISSA SERVICE CODE

Sl. No.	G.O. No.	Date	Subject	Page
(1)	(2)	(3)	(4)	(5)
1.	O.M. No.29853/F CS-II-11/05	20.06.2005	Admissibility of T.A. allowance in favour of Member of All India Service	1

MATTER RELATING TO ORISSA PENSION RULES

Sl. No.	G.O. No.	Date	Subject	Page
(1)	(2)	(3)	(4)	(5)
1.	Resolution No.22884/F Pen-31/2005	09.05.2005	Temporary increase on Pension/Family Pension	2
2.	Resolution No.50421/F Pen-31/2005	03.11.2005	Temporary Increase on Pension/Family Pension	3

MATTER RELATING TO GENERAL PROVIDENT FUND RULES

Sl. No.	G.O. No.	Date	Subject	Page
(1)	(2)	(3)	(4)	(5)
1.	No. 29842/F GPF-20/2003	20.06.2005	Preventing fraudulent drawal from GPF Accounts-Action by all Drawing and Disbursing Officers (DDOs)	4
2.	Resolution No. 13579/F GPF-1/2006	28.03.2006	Rate of interest on the accumulation of Provident Fund for the year 2005-06	5

MATTER RELATING TO HOUSE RENT ALLOWANCE

Sl. No.	G.O. No.	Date	Subject	Page
(1)	(2)	(3)	(4)	(5)
1.	O.M. No.46151 (265/F CS-IV-24/05	29.09.2005	Irregular payment of House Rent Allowance to both husband and wife	6

MATTER RELATING TO D.A.

Sl. No.	G.O. No.	Date	Subject	Page
(1)	(2)	(3)	(4)	(5)
1.	O.M. No.22481/F CS-IV-1/2005	06.05.2005	Sanction of D.A. to State Govt. Employees etc w.e.f. 01.07.2004	7-8
2.	O.M. No.50107/F CS-IV-1/2005	31.10.2005	Sanction of D.A. to State Govt. Employees etc w.e.f. 01.01.2005	9-10

MATTER RELATING TO COMMERCIAL TAXES

Sl. No.	G.O. No.	Date	Subject	Page
(1)	(2)	(3)	(4)	(5)
1.	No.31712 (220)/F CTA-37/2005	01.07.2005	Deduction of tax at source from payment made to suppliers against supplies made to State Govt.	11-12
2.	No.31716 (230)/F CTA-37/2005	01.07.2005	Ban on grant of licence, Contract, Lease, Permits or purchase from dealers without a valid value Added Tax clearance certificate prescribed under rule 129 of the Orissa Value Added Tax Rules, 2005	13-14
3.	No.CTA-3/2004/58134 (235)/F	30.12.2005	Clarification on principle to be observed in making purchases from outside the State	15
4.	No.2208 (235)/F CTA-3/2006	17.01.2006	Release of payments by the State Govt. to its service providers only after reference of Service Tax Registration/ Service Tax Code and Accounting Code in the invoices/receipts – regarding	16-19
5.	Memo No.9807/F CTA-37/05	06.03.2006	Clarification on grant of licence, Contract, Lease, Permits or quota to or purchase from dealers without a valid value Added Tax clearance certificate prescribed under rule 129 of the Orissa Value Added Tax Rules, 2005	20-21

MATTER RELATING TO BUDGET

Sl. No.	G.O. No.	Date	Subject	Page
(1)	(2)	(3)	(4)	(5)
1	No.4456(235)/F. WM-14/2005	04.02.2006	Dateline for submission of proposals relating to financial sanction and drawal of funds in the remaining part of the current financial year.	22-23
2.	No.20294 /F WM-14/2005	23.04.2005	Regulation of Expenditure out of the Budget for the year, 2005-2006	24-36
3.	No.20299 /F WM-14/2005	23.04.2005	Procedure for regulating release of funds from Civil Deposit during 2005-2006	37-41
4.	O.M. No. 20441/F Bt-I-21/2005	25.04.2005	Restriction on Air Travel by Officials of State Govt./ Public Sector undertakings	42
5.	No. 28297/F SSF-I-67/04	10.06.2005	Capping of grant-in-aid to private educational institutions	43-44
6.	No. 39247/F Bt-7-16/2005	11.08.2005	Orissa Fiscal Responsibility and Budget Management Rules, 2005	45-53
7.	No.39403/F Bt-V-47/2005	12.08.2005	Need to contain salary cost in line with the provisions in the Budget Management and Fiscal Responsibility Act -2005	54
8.	No.7033 – Legis	16.05.2005	FRBM Act - 2005	55-64
9.	No.45492 (50/F WF-II-46/05	26.09.2005	Act, 2005 FRBM Act-Efficient use of Scarce Resources-completion of projects without cost and time overruns	65-68
10.	No. 54447/F Bt-V-20/2004	05.12.2005	Reference of cases to Finance Department for appointment under OCS (Rehabilitation Assistance) Rules, 1990 as amended from time to time	69-70

MATTER RELATING TO ORISSA TREASURY CODE

Sl. No.	G.O. No.	Date	Subject	Page
(1)	(2)	(3)	(4)	(5)
1.	No. 19854 (260)/F TRC-19/2003 (Pt-II)	20.04.2005	Non-observance of codal provisions by the DDOs in maintaining the cash Book	71
2.	No.21377(167)/F TRB-48/05	30.04.2005	Voucher level computerization Accounting of AC-DC Bills reg.	72
3.	No.27305 (37)/F TRB-55/2005	04.06.2005	T.V. Nos. on the body of the vouchers- reg	73
4.	O.M. No.33563/F TRC-32/04	13.07.2005	Drawal of salary and other personal entitlements of Govt. Employees and schematic funds through Bank Account/Account payee Cheque	74-81
5.	No.1723/F TRC-45/05	13.01.06	Transaction of Kashinagar Sub-Treasury from State Bank of India, Parlakhemundi Branch to Andhra Bank	82
6.	No.2952/F TRC-30/03	24.01.2006	Conversion of non-banking Sub-Treasury at Bissam Cuttack to Banking Sub-Treasury	82
7.	O.M. No.-13171/F TRC-32/04	25.03.2006	Memorandum on drawal of salary and other personal entitlements of Govt. employees and schematics funds thorough Bank Account/Account Payee Cheque – partial modification of certain stipulations their of.	83

MISCELLANEOUS MATTERS

Sl. No.	G.O. No.	Date	Subject	Page
(1)	(2)	(3)	(4)	(5)
1.	No. 31573/F. Codes -17/05	30.06.2005	Monetary limit for purchase of bi-cycle for official use.	84
2.	No.49132(258)/F. GIS(FIN)-4/2001	25.10.2005	Sanction of assured sum in favour of legal heir of the deceased employee time in case of death while in service under G.I.S.	85-86
3.	No. 26664(234)/F. GIS-II-6/05	01.06.2005	Adoption of revised death claim proposal form for sanction of assured sum.	87-89
4.	O.M.No.33311/F Loans-8/05	12.07.2005	Maintenance of Ledger Account on Loans advances and Govt. Guarantee Quarterly review and reconciliation etc. by the Admn. Deptts.	90-104
5.	No.23845/F CCA-II-42/04	13.05.2005	Maintenance of CCRs of Common Cadre Auditors/ Audit Superintendents and Audit Officers working under different Deptts.	105-106
6.	No.40461/F CCA-II-42/04	20.08.2005	Maintenance of CCRs of Common Cadre Auditors working under different Deptts.	107

***MATTER RELATING TO
ORISSA SERVICE CODE***

FINANCE DEPARTMENT

OFFICE MEMORANDUM**No.CS-II-11/05 29853 /F****Bhubaneswar, the 20th June, 2005**

In Finance Department Office Memorandum 54771/F dtd.11.11.1986, clarification was issued with regard to admissibility of travelling allowance in favour of Members of All India Services for their journey on transfer or deputation to Government of India and reversion to the State Government. A doubt has been expressed as to the rate at which the T.A. will be admissible to such officers on inter Cadre deputation to other State Government and their reversion thereof.

In view of above Para-4 of the aforesaid Finance Department Office Memorandum No.54771/F dt.11.11.1986 is substituted as follows :

“4. In view of the above general provision of the Orissa Travelling Allowance Rules, it is further clarified that Members of the All India Service for their Journey on transfer or deputation to the Government of India or inter-cadre deputation to other State and their reversion are eligible for Travelling Allowance as per the Travelling Allowance Rules prescribed for All India Service officers on Central deputation to Govt. of India”.

Sd/-**(Dr. U.Saratchandran)****Principal Secretary to Government**

***MATTER RELATING TO
ORISSA PENSION RULES***

No. Pen. 31/2005- 22884/F

FINANCE DEPARTMENT

RESOLUTION

Bhubaneswar, the 9th May, 2005

Sub : Temporary Increase on Pension/Family Pension.

In Principle the State Government have been sanctioning Temporary Increase to its Pensioners and family pensioners at the same rate as applicable for the Central Government Pensioners. Government of India in the meantime vide their Office Memorandum No.42/2/2004-P & PW (G) dt.24th September, 2004 have sanctioned Temporary Increase on Pension and family Pension at the rate of 3% there by w.e.f. 01.07.2004.

2. After careful consideration of the matter, State Government have been pleased to decide that the T.I shall be paid to the State Government Pensioners / Family Pensioners at the same rate of 3% there by raising from 61% to 64% w.e.f 01.07.2004 in continuation of the rate prescribed in the Finance Department Resolution No. Pen-79/2004-46137/F., dt.25.10.2004.

For the purpose of this Resolution : -

- (i) 'Pension/Family Pension' in the case of the pre 1.1.96 retirees and where family pension was due prior to 1st January, 1996 means the consolidated/revised pension or consolidated/revised family pension, as the case may be, in terms of Finance Department Office Memorandum No.25452/F dt.12.6.98 read with O.M. No.21546/F dt.12.5.99.
 - (ii) In the case of pensioners who have retired after 1.1.96 or where family pension is sanctioned for the first time after 1.1.96, 'the pension/family pension' means the basic pension/family pension, as the case may be, sanctioned on retirement/death.
3. Payment of Temporary Increase involving fraction of a rupee shall be rounded off to the next higher rupee.
4. Other provisions governing grant of Temporary Increase to Pensioners such as regulation of Temporary Increase during employment/re-employment, regulation of Temporary Increase where more than one pension is drawn will remain unchanged.

By order of the Governor

Sd/-

(D.K.Mohanty)

Additional Secretary to Government

No. Pen. 31/2005- 50421/F

FINANCE DEPARTMENT

RESOLUTION

Bhubaneswar, the 3rd November, 2005

Sub : Temporary Increase on Pension/Family Pension.

One instalment of Dearness Allowance @ 3% in favour of State Government employees has been sanctioned State Government with effect from 01.01.2005 vide Finance Department Office Memorandum No.50107/F., dt.31.10.2005.

2. Accordingly, after careful consideration of the matter, State Government have been pleased to decide that the T.I shall be paid to the State Government Pensioners / Family Pensioners at the same rate of 3% there by raising from 64% to 67% w.e.f 01.01.2005 in continuation of the rate prescribed in the Finance Department Resolution No. Pen-31/2005-22884/F., dt.09.05.2005.

For the purpose of this Resolution : -

- (i) 'Pension/Family Pension' in the case of the pre 1.1.96 retirees and where family pension was due prior to 1st January, 1996 means the consolidated/revised pension or consolidated/revised family pension, as the case may be, in terms of Finance Department Office Memorandum No.25452/F dt.12.6.98 read with O.M. No.21546/F dt.12.5.99.
 - (ii) In the case of pensioners who have retired after 1.1.96 or where family pension is sanctioned for the first time after 1.1.96, 'the pension/family pension' means the basic pension/family pension, as the case may be, sanctioned on retirement/death.
3. Payment of Temporary Increase involving fraction of a rupee shall be rounded off to the next higher rupee.
4. Other provisions governing grant of Temporary Increase to Pensioners such as regulation of Temporary Increase during employment/re-employment, regulation of Temporary Increase where more than one pension is drawn will remain unchanged.

By order of the Governor

**Sd/-
(D.P.Das)**

Additional Secretary to Government

MATTER RELATING TO GPF RULES

FINANCE DEPARTMENT

No. GPF-20-2003 : 29842 (230) /F

Dated 20.06.2005

From

Shri K.C.Badu, IAS,
Special Secretary to Government

To

The Secretary to Government,
All Departments
All Heads of Departments

Sub : Preventing fraudulent drawal from GPF Accounts – Action by all Drawing & Disbursing Officers (DDOs).

Sir / Madam,

I am directed to say that the Accountant General (A&E), Orissa has brought to the notice of Finance Department some instances where fraudulent drawal and double drawal has been made from the GPF account in connivance with the concerned subscribers and other staff/ officers dealing with the sanction and withdrawal of fund. Recently, a case of fraudulent drawal has been detected by the Accountant General, in which the subscriber himself has manipulated the deposit / withdrawal in his GPF account. The matter is under investigation by the CBI and the State Vigilance Authorities, as reported by the Accountant General.

2. It is, therefore, necessary that while sanctioning temporary withdrawal / part non-refundable withdrawal/ final withdrawal from GPF account, proper scrutiny of the fund available in the GPF account of the subscribers should be ensured with reference to the subscription made as per the records maintained in the office of the DDOs. In case of frequent drawal and heavy drawal, special care should be taken to verify the accuracy of the balance fund available at the credit of the subscribers. Wherever necessary, written confirmation may be obtained from the Accountant General / Senior Deputy Accountant General (Funds) in case the DDOs entertain genuine doubts about the correctness of the balance at the credit of the subscribers but at the same time it must be ensured that subscribers do not face difficulties in drawing the fund where there is no ground to doubt the correctness of the drawal.

3. It is requested that suitable instructions may be issued to all DDOs under their control to ensure checks and balance while passing the GPF withdrawal, both Non-refundable and Temporary Advances. In case of refund to GPF account through challans, cross verification of all deposits should be made with the records of the concerned treasuries.

This may be treated as most urgent.

Yours faithfully,

Sd/-

Special Secretary to Government

FINANCE DEPARTMENT

RESOLUTION**No.13579-GPF-1/2006-F.****The 28th March, 2006****SUBJECT : Rate of Interest on the accumulation of Provident Fund
for the year 2005-2006.**

The State Government have been pleased to decide that the rate of interest on the accumulation of Provident Fund and similar other funds specified below for the year 2005-2006 shall be 8% (Eight per cent) per annum. This rate will be inforce during the financial year beginning on the 1st April 2005.

1. General Provident Fund (Orissa)
2. Contributory Provident Fund (Orissa)

By order of the Governor

Sd/-**U.SARATCHANDRAN****Additional Chief Secretary to Government**

***MATTER RELATING TO
HOUSE RENT ALLOWANCE***

FINANCE DEPARTMENT

OFFICE MEMORANDUM

Memo No. 46151 (265) /F.,
 CS-IV-24/05
 Bhubaneswar, dated the 29th September, 2005

Sub : Irregular payment of House Rent Allowance to both husband and wife.

The undersigned is directed to say that, instances have come to the notice of the Govt. that both husband and wife working at same headquarters and residing within 8 kms. radius are drawing House Rent Allowance independently in conscious violation of the stipulation contained in Para 3(c) of the Finance Deptt. O.M. No.36459/F dated 24th August, 1998. Such drawal being irregular and not admissible, amounts to loss to Govt. exchequer.

To avoid such reoccurrence, all the Heads of Offices/D.D.Os may suitably be instructed to ensure sanction and drawal of House Rent Allowance in favour of Govt. employees after procuring the requisite information in terms of Para 3 (c) of Finance Deptt. O.M. No.36459/F-CS-IV-12/98, dated 24th August, 1998 along with the modified certificate as annexed.

Sd/-

ADDITIONAL SECRETARY TO GOVT.

CERTIFICATE TO BE FURNISHED BY A GOVERNMENT EMPLOYEE FOR THE GRANT OF HOUSE RENT ALLOWANCE

- (i) I certify that, I have not been provided with Government accommodation during the period in respect of which the house rent allowance is claimed.
- (ii) I certify that, I am incurring expenditure on hiring accommodation for my residential purpose within Km of my headquarters in Village/Town I am residing in my house or house owned by me/wife/son/children/father/mother/husband.
- (iii) I certify that, I have retained my family at my old place of posting and am
- (iv) Continuing to incur expenditure on hiring accommodation within 8KMs of my present headquarters.
- (v) I certify that my husband/wife is not a Government Servant.

Or

I am widow/widower/unmarried

Or

My husband/wife who is a Government servant is not drawing house rent allowance although he/she is working in the same headquarters.

- (vi) I certify that my husband/wife is also posted at my headquarters and
- (vii) Employed at present in the office of the (Mention the detailed correct address of the office) from to and in receipt of the house rent allowance/ is not in receipt of house rent allowance.

Or

My husband/wife is also posted at my headquarters and employed at present in the office of the (mention the detailed correct address) from to and has been provided with accommodation/has not been provided with accommodation by (mention Government/Government Department/ Organization).

Or

My husband/wife who is a Government servant/employee of Central Government or other Organization (mention the detailed address of the Organization) is not posted at my headquarters.

N.B. :- A certificate has to be furnished by the Govt. employee from the Head of Office or the D.D.O. of his/her spouse as a proof of his/her service and not in receipt of H.R.A. from that organization.

Present Local address.

Signature of the Officer

Designation

Date

***MATTER RELATING TO
DEARNESS ALLOWANCE***

No. CS-IV-1/2005 - 22481/F

FINANCE DEPARTMENT

OFFICE MEMORANDUM

Bhubaneswar, dated the 6th May, 2005

Sub : *Sanction of D.A. to State Government Employees etc. w.e.f. 01.07.2004.*

In pursuance of Finance Department Resolution No. 18231/F dated 17.4.98 and in continuation of Finance Department O.M. No..CS-IV-13/2004 - 45455/F dated 16.10.2004, State Government have been pleased to sanction one instalment of Dearness Allowance to the State Government employees in the revised scales of pay with effect from 1st July, 2004 at the following rates.

Date from which payable

Rate of Dearness Allowance per mensem on the revised pay.

01.07.2004

64% of the Basic Pay

NOTE : The payment on account of Dearness Allowance involving fraction of 50 paise and above shall be rounded off to the next higher rupee and the fraction of less than 50 paise shall be ignored.

2. In respect of those State Government employees who have retained or would retain the pre-revised scale of pay beyond 30.06.2004 and in respect of those who are continuing to draw the pre-revised U.G.C. scale of pay, D.A. @ 64% may be paid provisionally with effect from 01.07.2004 on the emoluments which consist of basic pay in the pre-revised scales of pay, D.A. sanctioned with effect from 1.1.96 in Finance Department O.M. No.-CS-IV-4/95-23986/F., dated 20th May, 1996 and the first instalment of Interim Relief @ Rs. 100/- per month. In addition to the D.A. @ 64% in the manner specified above, they will get 2nd and 3rd instalments of I.R. @ 10% each in the pre-revised scales of pay, if they were getting these earlier. On fixation of pay in the revised scale/revised U.G.C. scale the provisional payment of D.A. paid in this manner is to be adjusted against the payment of D.A. @ 64% of the revised pay with effect from 01.07.2004.

3. The term 'Pay' for the purpose of calculation of D.A. shall mean the basic pay of the employee concerned in the prescribed revised scale of pay including the stagnation increment and reducible personal pay but shall not include any other type of pay like Special Pay or Personal Pay etc. In the case of those employees who opt to retain the pre-revised scale of pay, the D.A. sanctioned in the pre-revised scale from 1.1.96 would continue to be paid on the basic pay in

the pre-revised scale of pay and in addition, D.A. @ 16% from 1.1.98, D.A. @ 22% from 1.7.1998 D.A. @ 32% from 1.1.1999, D.A. @ 37% from 1.7.1999, D.A. @ 38% from 1.1.2000, D.A. @ 41% from 1.7.2000, D.A. @ 43% from 01.01.2001, D.A. @ 45% from 01.07.2001, D.A. @ 49% from 01.01.2002, DA @ 52% from 01.07.2002, D.A. @ 55%, from 1.1.2003, DA @ 59% from 01.07.2003, D.A. @ 61% w.e.f. 01.01.2004 and D.A @ 64% w.e.f 01.07.2004 would be paid on the emoluments which consist of the basic pay, D.A. sanctioned upto 1.1.1996 in Finance Department O.M. No.-23986 dated 20.5.1996 and the first instalment of I.R. @ Rs. 100/- per month payable as on 1.1.1996.

4. D.A. will continue to be a distinct element of remuneration.

5. The Dearness Allowance payable in accordance with this Memorandum shall be drawn in cash of salary for the month of May payable in June, 2005. The arrears from 01.07.2004 to 30.04.2005 shall be drawn and credited to the G.P.F./ P.F. Accounts of the respective employees after the budget provision is made in Supplementary Statement of Expenditure

6. In case of employees who have since retired, the instalment of D.A. payable in accordance with this Office Memorandum including the arrear from 01.07.2004 shall be paid in cash.

7. Notwithstanding any thing contained in Rule-10 (4) of the G.P.F. (O) Rules, the instalment of D.A. Payable in accordance with this Office Memorandum including the arrear from 01.07.2004 shall be paid in cash from June, 2005 to the employees who have retired on or after 1.7.2004 and are to retire on or before 31.03.2006, without waiting for the Supplementary provision.

8. The instalment of D.A. in accordance with this Memorandum will also be admissible to the Government College Teachers who enjoy AICTE /U.G.C. scale under ORSP (College Teachers) Rules, 2001 and ORSP (Medical College Teachers) Rules, 2001.

9. D.A. in accordance with this Memorandum will also be admissible to the Government employees who were in service on the 1st July,2004 but have ceased to be in service on the date of issue of this Memorandum.

10. The expenditure to be incurred on account of 3% of enhanced DA is to be met out of the existing budget provision and in no case the expenditure should exceed the budget provision.

Sd-

P. K. Mishra

SPECIAL SECRETARY TO GOVERNMENT

No. CS-IV-1/2005 -50107/F

FINANCE DEPARTMENT

OFFICE MEMORANDUM

Bhubaneswar, dated the 31.10.05

Sub : *Sanction of D.A. to State Government Employees etc. w.e.f. 01.01.2005.*

In pursuance of Finance Department Resolution No. 18231/F dated 17.4.98 and in continuation of Finance Department O.M. No.CS-IV-1/2005 - 22481/F dated 06.05.2005, State Government have been pleased to sanction one instalment of Dearness Allowance to the State Government employees in the revised scales of pay with effect from 1st January, 2005 at the following rates.

<u>Date from which payable</u>	<u>Rate of Dearness Allowance per mensem on the revised pay.</u>
01.01.2005	67% of the Basic Pay

NOTE : The payment on account of Dearness Allowance involving fraction of 50 paise and above shall be rounded off to the next higher rupee and the fraction of less than 50 paise shall be ignored.

2. In respect of those State Government employees who have retained or would retain the pre-revised scale of pay beyond 31.12.2004 and in respect of those who are continuing to draw the pre-revised U.G.C. scale of pay, D.A. @ 67% may be paid provisionally with effect from 01.01.2005 on the emoluments which consist of basic pay in the pre-revised scales of pay, D.A. sanctioned with effect from 1.1.96 in Finance Department O.M. No.-CS-IV-4/95-23986/F., dated 20th May, 1996 and the first instalment of Interim Relief @ Rs. 100/- per month. In addition to the D.A. @ 67% in the manner specified above, they will get 2nd and 3rd instalments of I.R. @ 10% each in the pre-revised scales of pay, if they were getting these earlier. On fixation of pay in the revised scale/revised U.G.C. scale the provisional payment of D.A. paid in this manner is to be adjusted against the payment of D.A. @ 67% of the revised pay with effect from 01.01.2005.

3. The term 'Pay' for the purpose of calculation of D.A. shall mean the basic pay of the employee concerned in the prescribed revised scale of pay including the stagnation increment and reducible personal pay but shall not include any other type of pay like Special Pay or Personal Pay etc. In the case of those employees who opt to retain the pre-revised scale of pay, the D.A. sanctioned in

the pre-revised scale from 1.1.96 would continue to be paid on the basic pay in the pre-revised scale of pay and in addition, D.A. @ 16% from 1.1.98, D.A. @ 22% from 1.7.1998 D.A. @ 32% from 1.1.1999, D.A. @ 37% from 1.7.1999, D.A. @ 38% from 1.1.2000, D.A. @ 41% from 1.7.2000, D.A. @ 43% from 01.01.2001, D.A. @ 45% from 01.07.2001, D.A. @ 49% from 01.01.2002, DA @ 52% from 01.07.2002, D.A. @ 55%, from 1.1.2003, DA @ 59% from 01.07.2003, D.A. @ 61% w.e.f. 01.01.2004, D.A @ 64% w.e.f 01.07.2004 and D.A @ 67% w.e.f. 01.01.2005 would be paid on the emoluments which consist of the basic pay, D.A. sanctioned upto 1.1.1996 in Finance Department O.M. No.-23986 dated 20.5.1996 and the first instalment of I.R. @ Rs. 100/- per month payable as on 1.1.1996.

4. D.A. will continue to be a distinct element of remuneration.

5. The Dearness Allowance payable in accordance with this Memorandum shall be drawn in cash in the salary for the month of November payable in December, 2005. The arrears from 01.01.2005 to 31.10.2005 shall be drawn and paid in cash to the respective employees after the budget provision is made in Supplementary Statement of Expenditure.

6. The instalment of D.A. in accordance with this Memorandum will also be admissible to the Government College Teachers who enjoy AICTE / U.G.C. scale under ORSP (College Teachers) Rules, 2001 and ORSP (Medical College Teachers) Rules, 2001

7. D.A. in accordance with this Memorandum will also be admissible to the Government employees who were in service on the 1st January, 2005 but have ceased to be in service on the date of issue of this Memorandum.

8. D.A. admissible under this Memorandum shall also be applicable to the work charged employees, Job Contract employees of consolidation /Survey and Settlement Organisation who are in receipt of minimum scale of pay.

Sd/-

(P. K. Mishra)

SPECIAL SECRETARY TO GOVERNMENT

***MATTER RELATING TO
COMMERCIAL TAXES***

FINANCE DEPARTMENT

Memo No. CTA-37/2005 31712 (230)/F.,

Bhubaneswar, the 01.07.2005

To**All Departments of Government/
All Heads of Department.****Sub: Deduction of tax at source from payment made to suppliers
against supplies made to State Government.**

Prior to introduction of VAT w.e.f. 1.4.2005, the purchases/ supplies of materials were regulated in terms of the provisions of Orissa Sales Tax Act, 1947. As per the provision under Section 13 – AAA of the said Act, any person responsible for making any payment to any supplier in respect of supplies made to the State Government was statutorily required to deduct the amount of sales tax from the bills or invoices and to deposit the amount of sales tax so deducted into the Government Treasury within one week. Besides, the deducting authority was also required to issue a tax deduction certificate to the concerned supplier under intimation to the Sales Tax Officer within whose jurisdiction such supplies were made. In order to ensure strict compliance of the above statutory provision of law then in force, instructions were issued in Finance Department Memo No.438/F., dt.6.1.1997 to all Departments of Government for deduction of sales tax at source.

2. Consequent upon enforcement of the Orissa Value Added Tax Act, 2004 in the State w.e.f. 1.4.2005 by repealing the Orissa Sales Tax Act, 1947, and there being no provision under the Orissa VAT Act, 2004 for deduction of VAT at source in respect of supplies made to Government, the Finance Department Memo No.438/F., dt.6.1.1997 prescribing deduction of tax at source in respect of purchases made by Government as well as all other instructions issued by Finance Department thereafter reiterating the same stand superseded w.e.f. 1st April, 2005 i.e. the date of commencement of the Orissa Value Added Tax Act, 2004. It is, therefore requested that deduction of Value Added Tax at source from the bills or invoices of the suppliers against supplies made to Government shall not be made by the purchasing Government Department / Agencies with effect from the date of commencement of the Orissa Value Added Tax Act, 2004 i.e. 1st day of April, 2005.

3. Besides, as per Rule 68 of Orissa Value Added Tax Rules, 2005, a dealer is required to show separately the value of goods and amount of VAT charged in the invoice. Hence, while inviting tenders/ quotations, the authorities concerned shall see to it that the supplier exhibits the component of tax and value of good separately in the quotation / tender. Similarly while releasing payments, the authority responsible for making payments should ensure that tax amount and the value are shown separately by the supplier. The fact of such supplies may be intimated to the local Sales Tax Officer in the interest of revenue collection. However, these instructions shall not, in any way, affect deduction of sales tax at source from the bills or invoices of the supplies against supplies made to Government during the period ending on 31st March, 2005 and bills or invoices raised for such supplies prior to 1.4.2005 as per the earlier provision U/s 13-AAA of the OST Act notwithstanding the fact that the said Act stands repealed w.e.f. 1.4.2005 and payment is made after repeal of the OST Act.

4. In case of works contract, as per the provision of section 13-AA of the OST Act, which stands repealed w.e.f. 1.4.2005, there was provision for deduction of tax at source from payment made to works contractors if the value of works contract exceeded rupees fifty thousand. Section 54 of the Orissa Value Added Tax Act, 2004 provides for similar deduction of tax at source by the deducting authority from payment made to works contractors if the value of works contract exceeds rupees fifty thousand. As such, deduction of VAT at source from payment made to works contractor will continue in terms of statutory provisions U/s 54 of the Orissa VAT Act, 2004. It is therefore, clarified that the instructions for non-deduction of tax at source against supplies made to Government under VAT Act shall not apply in respect of works contract.

5. All sub-ordinate offices under the administrative control of respective Departments of Government may accordingly be instructed for strict compliance of the statutory provision of law, failing which the officers making deduction of VAT from the bills or invoices of the suppliers against supplies made to Government shall be held personally liable to penal action for violation of the statutory provision of law.

Sd/-

ADDITIONAL SECRETARY TO GOVERNMENT

FINANCE DEPARTMENT

Memo No.CTA-37/2005- 31716 (230)/F.,

Bhubaneswar, the 01.07.2005

To**All Departments of Government/
All Heads of Departments.****Sub: -Ban on grant of license, contract, lease, permits or quota to or purchase from dealers without a valid Value Added Tax Clearance Certificate prescribed under rule 129 of the Orissa Value Added Tax Rules, 2005.**

Instructions were earlier issued in Finance Department Memo No.CTA-147/95 – 34143/F., dt. 05.09.1995 reiterating the instruction issued in Finance Department Memo No.CTA-48/61-18245/F., dt.20.05.1961 that no Government Officer would give any contract, licence, lease, permit or quota to any registered dealer under the Orissa Sales Tax Act, 1947 who is not in possession of a valid Sales Tax Clearance Certificate or to any person other than registered dealer who is not in possession of a Sales Tax Non-Assessment Certificate, as the case may be.

2. Similar instructions were also issued separately in Finance Department Memo No.CTA-45/2001-10720/F dt.13.03.2001 making the purchasing Government Department / Agencies liable to first ensure submission of a valid Sales Tax clearance certificate by the suppliers / dealers before placing orders for supplies. This was primarily intended not to favour persons who are in default of Government dues or who are not scrupulous about clearing Government dues with any financial patronage in the shape of awarding contracts or placing orders for supply to Government.

3. In the meanwhile the Orissa Value Added Tax Act, 2004 has been implemented in the State by repealing the Orissa Sales Tax Act, 1947 w.e.f. 01.04.2005. The Orissa Sales Tax Act, 1947 having been repealed w.e.f. 01.04.2005, the requirement of submission of a valid Sales Tax Clearance Certificate or Sales Tax Non-Assessment Certificate as aforesaid, no more exists with implementation of VAT. Section 99 of the Orissa Value Added Tax Act, 2004 read with Rule 129 of the Orissa Value

Added Tax Rules, 2005 stipulates that no dealer shall be entitled to undertake any contract with any Government, local authority or other corporate body unless he obtains a VAT clearance certificate in Form VAT – 612 from the Assessing Authority under whose jurisdiction the place of business of the dealer is situated to the effect that he has no liability to pay tax nor he has defaulted under the said Act. The above statutory provision of the VAT Act and the rules made thereunder, only provides for issue of clearance certificate in respect of the dealers registered under the said Act and there is no provision for issue of any Non-Assessment certificate, as there is no regular annual assessments under the VAT Act.

4. Under such changed scenario, it is pertinent to mention that in all the tender applications it should be clearly specified that no tender will be considered without a VAT clearance certificate in Form VAT 612. Similarly, before placing orders for supply, the purchasing Government Department / Agency shall first ensure submission of a VAT clearance certificate in VAT – 612 by the supplying dealer under the VAT Act.

5. Any violation of this instruction issued in terms of the statutory provisions of Section 99 of the Orissa Value Added Tax Act, 2004 read with Rule 129 of the Orissa Value Added Tax Rules, 2005 shall attract penal action against the officer giving licence, contract, lease, quotas, permits to or placing order for purchases. All Departments of Government / Heads of Department are requested to strictly adhere to the compliance of the above statutory provision of law and instruct all sub-ordinate offices as well as local authorities, public sector undertakings, corporate bodies under their administrative control accordingly.

6. Instructions issued earlier in this regard in Finance Department Memo No.18245/F., dt.20.05.1961, No.34143/F., dt.05.09.1995 and No.10720/F., dt.13.03.2001 stand superseded from the date of commencement of the Orissa Value Added Tax Act, 2004 i.e. 01.04.2005.

Sd/-

ADDITIONAL SECRETARY TO GOVERNMENT

FINANCE DEPARTMENT

Memo No. CTA-3/2004- 58134 (235)/F.,Bhubaneswar, dated the 30th December, 2005**To****All Departments of Government/
All Heads of Department****Sub: Clarification on principles to be observed in making purchases from outside the State.**

Finance Department had issued detailed guidelines and circulars in Finance Department Memo No. CTA-8/2000-3332/F., dated 18th January, 2000, No.50/2001-39386/F., dated 21st August, 2002 and No. CTA- 37/2005-31712/F., dated 1st July, 2005 regarding the manner in which sales tax is to be deducted in respect of purchases made by Government Departments as also manner in which purchases to be made from outside the State. Finance Department had also issued guidelines in Finance Department Memo No. WF-I-3/89-18860/F., dated 5th May, 1989 and No. CTA – 130/92 – 1897/F., dated 13th January, 1993 regarding the manner in which evaluations shall be made in respect of purchases made from parties outside the State.

2. In para 5 (iii) of Finance Department Memo No. 3332/F, dated 18th January, 2000, there is a stipulation requiring the Administrative Department to seek prior concurrence of Finance Department before deciding purchases from outside the State.

3. Finance Department are receiving large number of proposals from Administrative Departments seeking concurrence of Finance Department on account of such a stipulation which usually delays the whole process. Since guidelines issued by Finance Department are absolutely clear regarding the manner in which the purchases are to be made from outside the State, on review, it is decided to withdraw the above stipulation envisaged in para 5(iii) of Finance Department Memo No. CTA-8/2000 – 3332/F., dated 18th January, 2000 with immediate effect.

4. The Administrative Departments should henceforth, decide the cases relating to purchases from outside the State strictly in accordance with the guidelines issued by Finance Department in this regard.

**Sd/-
Additional Secretary to Govt.**

FINANCE DEPARTMENT

No.CTA-3/2006- 2208 (235)/F., Dt.17.01.2006

To

All Departments of Government
All Heads of Departments.

Sub : - Release of payments by the State Government to its service providers only after reference of Service Tax Registration / Service Tax Code and Accounting Code in the invoices / receipts – regarding.

On the basis of the earlier advice rendered by the Director General of Service Tax, Mumbai in his D.O. letter bearing D.O.F. No. V/DGST /21 (9)/B & F Services /2/2004/ 17127, dated the 8th December, 2004, instructions have already been issued for strict compliance of the provisions of the Service Tax vide Finance Deptt. Memo No.4182 (230)/F., dated 25.01.2005 with further advice that wherever any taxable services are received by the State Govt./ State Govt. Undertakings, proper Service Tax Registration number/ Service Tax Code and Accounting Code be insisted upon in the invoice / receipt issued by Service providers and payment to service providers be released only after ascertaining the above mandatory requirements. Besides, a list of 71 identified services liable to service tax at that time was also circulated for reference and guidance.

2. The Director General of Service Tax, Mumbai in his D.O. Letter No. D.O.F. No.V/DGST/30-Misc-28/2005/3517, dated the 20th December, 2005 addressed to Chief Secretary, Orissa has now brought to the notice of State Government that 9 more services have become taxable w.e.f. 16.06.2005 and the number of taxable services at present stand at 81 in total which is subject to levy of Service Tax @ 10.2% (10% Service Tax + 2% Education Cess on Service Tax). The copy of the aforesaid letter alongwith the list of taxable services is enclosed herewith for reference and guidance with specific instructions that :-

- (i) when taxable services are received by the State Govt. Deptts., Bodies or its Undertaking proper Service Tax registration number/ Service Tax Code must be insisted upon in the invoices/ receipts from service providers and it should be

mandatory while placing orders / entering into any contract or before releasing the payment; and it should be mandatory while placing orders/entering into any contract or before releasing the payment; and

- (ii) when the State Government Bodies/ Undertakings are rendering any taxable services they should immediately get themselves registered with jurisdictional Service Tax/ Central Excise Commissionerates and start paying service tax due.

3. The details about service Tax is available in the website **www.cbec.gov.in**.

It is, therefore, once again reiterated that the advice of the Director General Service Tax as circulated earlier as well as the aforesaid instructions should be strictly followed by all Departments of Government, Heads of Departments and PSUs and Subordinate Offices for ensuring Service Tax compliance while receiving as well as rendering taxable services as it would be quite embarrassing if the State Government Departments or their Undertakings are found default of non-payment of service tax due. The State Government Bodies/ Undertakings under their administrative control may also be instructed accordingly.

Sd/-

Additional Secretary to Government

MOST IMMEDIATE
Directorate General of Service Tax
9th Floor Piramai Chambar,
Lalbaong Parel, Mumbai – 4000012
FAX – 241785158

D.O.F. No.V/DGST/30-Misc.-28/2005
Mumbai, the 20th December, 2005

K.P.SINGH
DIRECTOR GENERAL
Ph (022) 24102585 (O)

Sub : Ensuring Service Tax compliance by the Department and Undertakings of the State Governments while receiving as well as rendering taxable services – Regarding –

Dear Shri Pani

In the last fiscal, I had addressed the aforesaid issue vide letter D.O.F. No.V/DGST/21 (9) B and F Services 2/2004 dated 06.12.2005 & 03.01.2005 to all Chief Secretaries of States. The response from some of the Chief Secretaries was very encouraging. It has been learnt that there is lot more that the State Government can do for improving the compliance of service tax laws.

2. It is advised that when taxable service are received by the State government departments, bodies or its undertakings, proper service tax registration number/service tax code must be insisted upon in the invoices/ receipts from the service providers. This should be mandatory either while placing orders/entering into any contract or before releasing the payments.

3. When the State Government bodies/undertakings are rendering any taxable service, they should immediately get themselves registered with jurisdictional service Tax/ Central Excise Commisionerates and start paying service tax due.

The 81 Services on which Service Tax is levied

1. ADVERTISING AGENCY'S SERVICES	28. DREDGING SERVICE	55. PHOTOGRAPHY SERVICE
2. AIRPORT SERVICES	29. DRY CLEANING SERVICE	56. PORT SERVICES
3. AIR TRAVEL AGENT'S SERVICES	30. RECREATION OR SERVICE	57. PROGRAMME PRODUCER'S SERVICES
4. ARCHITECT'S SERVICES	31. EVENT MANAGEMENT SERVICES	58. RAIL TRAVEL AGENT'S SERVICES
5. AUTHORIZED SERVICE STATION'S SERVICE	32. FACSIMILE SERVICES	59. REAL ESTATE AGENT'S SERVICE
6. BANKING & OTHER FINANCIAL SERVICE	33. FASHION DESIGNING SERVICE	60. RENT-A-CAB SCHEME OPERATORS SERVICES
7. BEAUTY TREATMENT SERVICE	34. FORWARD CONTRACT SERVICE	61. SCIENTIFIC OR TECHNICAL CONSULTANCY SERVICE
8. BROADCASTING SERVICE	35. FRANCHISE SERVICE	62. SECURITY AGENCY'S SERVICE
9. BUSINESS AUXILIARY SERVICE	36. GENERAL INSURANCE SERVICES	63. SITE FORMATION & CLEARANCE EXCAVATION & EARTHMOVING & DEMOLITION SERVICE
10. BUSINESS EXHIBITION SERVICE	37. HEALTH & FITNESS SERVICES	64. SOUND RECORDING SERVICE
11. CABLE SERVICES	38. INSTANCE AUXILIARY SERVICE	65. STEAMER AGENT'S SERVICE
12. CARGO HANDLING SERVICES	39. INTELCTUAL PROPERTY SERVICE	66. STOCK BROKER'S SERVICE
13. CHARTERED ACCOUNTANTS SERVICES	40. INTERIOR DECORATORS SERVICE	67. STORAGE & WAREHOUSING SERVICE
14. CLEANING ACTIVITY SERVICES	41. BASE SERVICE	68. SURVEY & EXPLORATION OF MINERAL & GAS SERVICES
15. CLEARING & FORWARDING AGENTS'S SERVICE	42. LEASED CIRCUIT SERVICES	69. SURVEY & MAP MAKING SERVICE
16. CLUB OR ASSOCIATION SERVICES	43. LIFE INSURANCE SERVICE	70. TECHNICAL INSPECTION & CERTIFICATION SERVICE
17. COMMERCIAL OR INDUSTRIAL CONSTRUCTION SERVICE	44. MAILING LIST COMPILATION & MAILING SERVICE	71. TECHNICAL TESTING & ANALYSIS SERVICES
18. COMMERCIAL TRAINING OR COACHING SERVICE	45. MAINTENANCE OR REPAIR SERVICES	72. TELEGRAPH SERVICES
19. COMPANY SECRETARY'S SERVICE	46. MANAGEMENT CONSULTANT'S SERVICES	73. TELEPHONE & PAGER SERVICES
20. ONLINE INFORMATION AND DATA BASE ACCESS OR RETRIEVAL SERVICE	47. MANDA KEEPER'S SERVICE	74. TELEX SERVICES
21. CONSTRUCTION OF COMPLEX SERVICES	48. MANPOWER RECRUITMENT () AGENCY'S SERVICE	75. TOUR OPERATOR'S SERVICES
22. CONSULTING ENGINEER'S SERVICES	49. MARKET RESEARCH AGENCY'S SERVICES	76. TRANSPORT OF GOODS BY AIR SERVICES
23. CONVENTION SERVICE	50. OPINION POLL SERVICES	77. GOODS TRANSPORT AGENCY SERVICES
24. COST & WORKS ACCOUNTANT'S SERVICES	51. OTHER PORT SERVICES	78. TRANSPORT OF GOODS OTHER THAN WATER THROUGH PIPE LINE OR OTHER CONDUIT SERVICE
25. COURIER SERVICES	52. OUTDOOR CATERER'S SERVICES	79. TRAVEL AGENTS SERVICE
26. CREDIT RATING AGENCY'S SERVICE	53. PACKAGING ACTIVITY SERVICES	80. UNDERWRITER'S SERVICE
27. CUSTOM HOUSE AGENT'S SERVICES	54. PANDAL OR SHAMIANA CONTRACTOR'S SERVICE	81. VIDEO PRODUCTION AGENCY'S SERVICE

For details, visit us at: www.cbec.gov.in

All money collected in the Form of taxes is used for YOUR prosperity .

Pay your SERVICE TAX in time. Be a proud partner in the progress of our great country

Directorate of Publicity & Public Relations

Customs, Central Excise and Service Tax, New Delhi – 110002

FINANCE DEPARTMENT

Memo No. CTA-37/05 9807 (230 /F.,**Bhubaneswar, dated the 6th March, 2006****To****All Department of Government
All Heads of Departments****Sub : Clarification on grant of licence, contract, Lease, permits or quota to or purchase from dealers without a valid Value Added Tax clearance certificate prescribed under rule 129 of the Orissa Value Added Tax Rules, 2005.**

Instructions were issued in Finance Department Memo No. CTA-37/2005-31716 (230)/F., dt.01.07.2005 wherein it was reiterated about the statutory provisions of section 99 of the Orissa Value Added Tax Act, 2004 read with rule 129 of the Orissa Value Added Tax Rules, 2005 that no dealer shall be entitled to undertake any contract with any Government, Local authority or other Corporate Body unless he obtains a VAT clearance certificate in Form – 612 from the Assessing Authority under whose jurisdiction the place of business of the dealer is situated to the effect that he has no liability to pay tax nor he has defaulted under the said Act.

2. It was stipulated therein at para 4 of F.D. Memo No.31716/F., dt.01.07.2005 that in all the tender applications it should be clearly specified that no tender would be considered without a VAT Clearance Certificate in Form VAT – 612. Similarly, before placing orders for supply, the purchasing Government Department/ Agency shall first ensure submission of VAT Clearance Certificate in Form – 612 by the supplying dealer under the VAT Act.

3. It was further indicated at para-5 of aforesaid Memo No.31716/F., dt.01.07.2005 that any violation of this instruction issued in terms of the statutory provisions of section 99 of the Orissa Value Added Tax Act, 2004 read with rule 129 of the Orissa Value Added Tax Rules, 2005 shall attract penal action against the officer giving licence, contract, lease quotas, permits to or placing order for purchases.

4. In the meanwhile certain doubts have been entertained in the matter of issue of licence to unemployed degree Engineers, Diploma holders etc under P.W.D. Contractors Registration Rules, 1967. Sub-Soil Exploration and Testing Laboratory Rules, 2001 and issue of licence to open a shop or Bar under Bihar & Orissa Excise Act where new applicants are applying to such licence, who are not eligible to get a VAT Clearance Certificate under section 99 of Orissa Value Added Tax Act, 2004 as they have never started any business as yet.

5. Taking into account these factors, it is clarified that grant of a licence confers eligibility for participation in a trade or economic activity. Hence the licence granting authorities in aforesaid cases may not insist on VAT clearance certificate in terms of section 99 of Orissa Value Added Tax Act, 2004 read with rule 129 of the Orissa Value Added Tax Rules, 2005. To facilitate identification of prospective dealers, the Licence Granting Authorities should intimate the name and complete address of the licenses to the Local Sales Tax Officer.

Sd/-

ADDITIONAL SECRETARY TO GOVERNMENT

MATTER RELATING TO BUDGET

FINANCE DEPARTMENT

No. 4456 (235) /F., Dt. 04.02.06
WM-14/2005

From

Shri P.K.Mishra,
Special Secretary to Govt.

To

All Principal Secretaries/
Commissioner-Cum-Secretaries/Secretaries/
Special Secretaries to Government/All Heads of Deptts.

Sub : Dateline for submission of proposals relating to financial sanction and drawal of funds in the remaining part of the current financial year.

Ref : Finance Department Circular No.20294 (228)/F., dt.23.04.05 & 55019 (52)/F., dt.09.12.05

Sir,

I am directed to say that Finance Department have issued instructions in the past to avoid rush of expenditure towards the fag end of the financial year and fixed the following datelines for surrender of provision and drawal of funds :

- 1) Last date for submission of bills in Treasury – **15th March, 2006**
- 2) Surrender of provision – **28th February, 2006**

Rush of expenditure in the month of March defeats the objective of efficient and economic use of resources and become unproductive and wasteful. At the same time it puts considerable strain on the Government machinery, systems and procedures giving rise to a tendency to spend more than the occasion demands and flout the norms of fiscal discipline which needs to be curbed. In order to check this unhealthy practice, it has been decided to ensure **completion of all formalities for sanction and release of funds latest by 28.02.2006** so as to avoid last minute rush and ensure utilization of public funds in planned and efficient manner. It is, therefore, impressed upon all Administrative Departments that the following formalities for sanction and release of funds should be completed by the date lines mentioned below.

- 1) Sanction orders for release of funds are to be issued by the respective Administrative Department by 28.02.2006 at the latest.
- 2) Finance Department will not accept any proposal for sanction of funds and release from Civil Deposit after 20th February, 2006.
- 3) Requisition for Letter of Credit in respect of the Controlling Officers of the Engineering Departments should be furnished to Finance Department by the respective Administrative Departments within **25th February, 2006 indicating the requirement of funds for February, 2006 & March, 2006.** Finance Department will not issue LC during the month of March, 2006. The Controlling Officers are to monitor proper utilization of funds released for maintenance and repair by preparing a data base of the work done and submit Utilization Certificate along-with User's certification in terms of instructions contained in Finance Department Circular No.45495 (4) dt.26.09.2005.
- 4) Surrender of the provision should be made by 28.02.2006.
- 5) **Special care should be taken for utilization of the provision for maintenance of roads and bridges, non residential and residential buildings under Non Plan by the Engineering Departments** and the provisions for Non Plan Revenue Expenditure as well as 12th Finance Commission Grants for Health, Education & Forest Sectors. **Sanction & release of funds for these purposes should be given top priority so as to reach the targeted level of expenditure fixed by the 12th Finance Commission** failing which the State Government will stand to lose a substantial amount of grant during the next financial year.
- 6) Budgeted funds shall not be allowed to be transferred to Civil Deposit under any circumstances.
- 7) Money after drawal from Bank/Treasury should not be kept outside Public Account. Drawing & Disbursing Officers having unutilized cash balance shall face disciplinary action.

I would, therefore, request you kindly to take steps for sanction, release, surrender and drawal of funds by the datelines stipulated above in the interest of fiscal discipline and effective financial management.

Yours faithfully,

**Sd/-
Special Secretary to Government**

FINANCE DEPARTMENT

No. 20294 (228) /F., Dt.23.04.2005
WM-14/2005

From

**Shri P.K.Mishra,
Special Secretary to Govt.**

To

**All Principal Secretaries/Secretaries to Government
All Heads of Departments**

Sub : *Regulation of Expenditure out of the Budget for the year 2005-06*

Sir/Madam,

The Appropriation Bill for 2005-06 has been passed by the State Legislature and enacted. The Administrative Department are now authorized to incur expenditure on the basis of the provision made in the Budget. In this context, it is pertinent to mention here that in the current financial year, the State Government will have to face many challenges in financial management in the wake of the recommendations of the 12th Finance Commission. From this fiscal, the States will now be required to raise the portion of the Central Assistance for State Plan resulting in enlarged market borrowing. Assistance from Government of India will henceforth be contingent on submission of UC.

In view of the new challenges and the severe fiscal stress, there is a need to regulate the release of budgeted provision both under Plan and Non-Plan so as to ensure sequencing of expenditure with resource flow and avoid any severe resource liquidity crunch. Since the resources are limited and expenditure needs are many, releases ought to target maximum return for the money spent. Resources should flow such that maximum number of projects get completed and returns flow back to the economy to enable the State Govt. to harness greater flow of funds from Government of India and other sources. In order to provide greater flexibility, Finance Department have also decided to further enhance the limit of release of budgetary provisions by Administrative Departments. Keeping the above mentioned objectives in view, while sanctioning funds

Administrative Departments are required to observe the following guidelines.

- (i) Secretary of the Administrative Department should ensure that there is adequate progress in collection of State's own revenue as per the targets set by the Chief Secretary vide letter No.FR-4/05/18408 (45)/F dt.07.04.05.
- (ii) In terms of the Fiscal Responsibility and Budget Management Legislation, the Secretary of each Administrative Department should take steps to curtail unproductive expenditure, enhance revenues and channelize more resources for faster economic development of the State. They should also be careful about achievement of revenue target, collection of arrear revenues, timely utilization of Central Assistance and submission of Utilization Certificate as these items would come up for close scrutiny by the Legislature.
- (iii) Performance of each Department would be evaluated in terms of higher revenues raised, creation of capital assets, completion of projects, reduction in Non-Plan Revenue Expenditure and the cost of operation of various services. As a trade off against significant reduction in Non-Plan Revenue Expenditure, higher allocation of productive purposes will be allowed.
- (iv) The funds should be released basing on definite action plan for achieving the target fixed for the year. Physical achievement against expenditure should be reviewed from time to time by the Secretaries of Administrative Departments.
- (v) Statutory dues viz. Sales Tax, Municipal Tax, compensation for land acquisition etc. as well as electricity dues and Rents, Rates and Taxes should be cleared on the basis of provision made in the Budget as and when due. If any delayed payment charge is levied, it would be the personal responsibility of the concerned Head of Office/DDO. Municipal taxes, Electricity and telephone charges including undisputed arrears should be paid in time out of the existing budget provision and rebate where-ever available.
- (vi) The allocation under M.V., Telephone, T.E. and office expenses shall not be exhausted during the first few months. The allocation shall be so distributed that it

lasts till the end of the financial year. No re-appropriation proposal would be entertained.

- (vii) The other important aspect to be looked into is furnishing of Utilization Certificate in respect of expenditure incurred during 2004-05 and the progress of utilization in respect of the expenditure incurred upto the preceding month in which the fund is proposed to be released.
- (viii) While releasing fund, priority should be given for completion of the incomplete projects and to ensue completion of the projects listed out in the Zero Based Investment review as printed at Page 117-125 of **“Orissa Budget, 2005-06 at glance.”**

Prioriti-
sation of
expenditure

2. Expenditure with respect to outlays provided under certain State Plan schemes like MLALAD, constituency-wise allocation for Rural Roads, Special Problem Fund, subsidy, grants-in-aid etc is to be regulated basing on generation of State's own resources. However, the expenditure under the following schemes should be given utmost priority and necessary steps taken from the beginning of the financial year for optimum utilization of the provisions instead of keeping them unutilized till the fag end of the year and then seeking concurrence of Finance Department for civil deposit.

- i) Externally Aided Projects under State Plan
- ii) RIDF projects under State Plan
- iii) Tied up schemes of State Plan like PMGY, ACA for KBK, Backward District Initiative, Tribal Sub-Plan, National Programme for Adolescent Girls, National Social Assistance Programme, Accelerated Power Development Reform Programme, Rural Electrification, Initiative for Strengthening Urban Infrastructure, Grants under 1st Proviso to Article 275 (1) of the Constitution, AIBP, Slum Development etc.
- iv) CSP & CP Schemes
- v) Modernisation of Police force and Prison administration under Non-Plan
- vi) Relief expenditure

Monitoring of
Utilization
Certificate of
Central
assistance

3. Further, in the Medium Term Fiscal Policy Strategy Statement of the Government of India, the following initiatives in Public Expenditure Administration have been announced which read as under -

“Systems and procedures of release for funds will be reviewed and revamped. Central Government’s funds have become an interest free source of financing cash deficits. In terms of volume and the urgency of fiscal correction, a stage has been reached where the Central Government can not afford to be indulgent as before. It is fair and reasonable to demand accountability, value for money spent and improve service delivery to the ultimate intended beneficiaries. Hence, Ministries/Departments will be asked to initiate action to obtain Utilization Certificates, audit certificates and expenditure statements and ensure that all are received where ever due, latest by 30th June, 2005. After this date, no funds can be released to any entity in default without express clearance from the Ministry of Finance. State Governments will be required to send monthly expenditure returns in respect of all central sector schemes and Centrally Sponsored Schemes including those funded from cesses and also expenditure on State Plan. The Ministries of Rural Development, Human Resources Development and Health & Family Welfare, which handle bulk of social sector expenditure and disburse funds to a large number of autonomous entities will work towards streamlining their cash management. Each district level autonomous body receiving more than Rs.10.00 crore will be required to open a separate bank account in one of the designated banks and arrangements will be made to have the Central Budgetary transfers electronically credited to their accounts. The banks will report the cash balance position to the designated authorities in Central Government, as prescribed. The arrangement is targeted to be put in place latest by December, 2005. The district Rural development Agencies will be covered on priority. In consultation with States, Government will consider release of States’ Share in Taxes in monthly installments based on latest data on actual tax collection.”

In view of the above guidelines and stipulations imposed by Govt. of India, the Secretaries of the Administrative Deptts. should monitor submission of utilization certificate/ reimbursement claims for obtaining central assistance and loan assistance under EAPs and RIDF/AIBP and other tied-up schemes so that liquidity can be maintained in the State Govt. account and funds received can be utilized to obtain further assistance. The same degree of vigilance is required to be maintained in respect of Central Plan and Centrally Sponsored Plan Schemes and release of central assistance should be vigorously pursued. The release of Central Assistance and the progress of utilization may be reviewed each month by the Secretaries of and Administrative Department and proposals for release of fund under CP & CSP shall invariably indicate the result of such review. A copy of such review report shall be furnished to

Finance Department (Plan Finance Branch) by 10th of each succeeding month.

Creation/filing up of posts, purchase of vehicles and equipments as per stipulations of F.D.O.M. dt.14.03.2001 and FD Memo No.32861/F., dt.03.08.04

4. The difficult ways & means position of the State Government also warrants that the flow of expenditure should be evenly paced and commensurate with the revenue receipts. However, it is noticed that in the month of March the level of receipts and expenditure is almost more than double of monthly average of the preceding months which puts avoidable strain on the Ways & Means position. Therefore, there is an urgent need for careful planning to avoid rush of expenditure towards the year end. So also the efforts for collection of revenue should start from the beginning of the year. **In order to avoid last minute rush, it is hereby indicated that the last date for submission of bills to the Treasuries in the current financial year will be 15th Marh, 2006. Apart from this, budgetary funds will in no case be transferred to Civil Deposit.** Keeping this in view, necessary preparation should be made for sanction and utilization of funds. The Administrative Deptts., while sanctioning expenditure out of the Budgetary provisions should, therefore, observe the following guidelines meticulously.

- i) Finance Department have already issued orders for abolition of 75% of base level vacant posts vide O.M. No. 32861/F, dt. 03.08.2004 and No. 55764/F, dated 31.12.2004. It would not be possible to entertain any proposal relating to creation of new posts / filling up of vacant posts till such time Administrative Department issues the abolition orders. Purchase of new vehicles shall not be entertained by F.D. unless the Secretary of the Department certifies that all the condemned vehicles have been disposed of. Sanction for purchase of Machinery and equipment may be accorded by the Administrative Departments within the limit of sanction indicated in para 6.- such proposal need not be referred to Finance Department.
- Release to PSUs ii) Budgetary support to public sector undertakings in the shape of share capital or loan has to be project / programme specific. For sanction of expenditure from these provisions, prior concurrence of Finance Deptt. will be necessary. The Administrative Department should place specific project proposals before the Project Approval Committee (P.A.C.) and refer the proposals for sanction of expenditure for concurrence of the Finance Department supported by the decision of the PAC. While referring to the Finance Department, the Administrative Department should invariably indicate the outstanding dues, if any,

recoverable from the public sector undertaking and the total amount of share capital investment made and loan advanced to the PSU. If any of the institutions / organizations are in default in payment of State Govt. dues, including guarantee fee, dividends of earlier years, etc, no further release in shape of grants, ways & means advance, loan or share capital should be proposed and made. Similarly no budgetary provision shall be released or guarantee proposals considered unless Escrow accounts are operated and stipulations contained in F.D. resolution No. 11311/F, dt. 19.03.2004 are fully complied with.

Release to Co-operatives iii) Sanction of budgetary support to cooperative institutions in shape of share capital or loan has also to be project/ programme specific. For sanction of these provisions, prior approval of the Empowered Committee is necessary. The Administrative Deptt. shall sanction expenditure within the budgetary limits only with the prior concurrence of the Finance Deptt. Proposal for concurrence of the Finance Deptt. should be supported by the decision of the Empowered Committee. The cases with default in payment of State Govt. dues and non-compliance regarding operation of Escrow accounts shall not qualify for release of any budgetary provision or providing State Govt. guarantee as enumerated in sub-para (ii) above.

Release Grant-in-aid & Subsidy to PSUs & Co-operatives iv) Sanction of subsidy(including managerial subsidy) and grant-in-aid in favour of the public sector undertakings, cooperative organizations etc. including food subsidy in favour of the Orissa State Civil Supplies Corporation shall be made after adjustment of outstanding Government dues including Guarantee Fees and will require prior concurrence of the Finance Department. These releases would also be subject to opening of Escrow Account mentioned in sub-para (ii) above. The release would be considered based on progress of utilization of the fund earlier released.

Release to Grant - in-aid v) Grant-in-aid to Universities/ Engineering Colleges, Non-Government Aided Educational Institutions, other organizations which are regularly in receipt of grant-in-aid from Government, shall be sanctioned on quarterly / monthly basis by the concerned Administrative Department at the existing level of sanctioned strength, scale of pay and rate of D.A. approved by Finance Department without reference to the Finance Department. While releasing funds Administrative Departments are to ensure

abolition of 75% of the base level vacant posts as on 01.04.2004 in terms of the Finance Department letter No. 32861(45/F, dt. 3.8.2004 and No. 55764/F, dated 31.12.2004. However, the limit as prescribed in para 6 will be applicable to such sanctions expecting in case of salary. Further, before sanction, the Administrative Department should insist upon utilization certificate/ expenditure statement in respect of grant-in-aid released upto 31.3.2005. In all cases of sanction of grant-in-aid, it should be ensured that the amount sanctioned does not exceed the provision authorized by the Legislature and no grant-in-aid is utilized towards cost of additional staff not approved by Finance Department. While sanctioning Grant-in-Aid for the last quarter ending on 31.3.2006, the Administrative Deptt. should ensure that utilization certificate for quarter ending 30.9.2005 has been received. Where-ever stipulations have been imposed at the time of admitting schedules for the regular budget proposals of 2005-06 for Post-budget scrutiny, the sanction and release of funds in such cases would **require prior clearance of Finance Deptt.** These among others include the following :-

- (a) Block grant to the Schools and Colleges as notified vide SRO No. 112/14 dt. 20.2.2004 by School & Mass Education Deptt. and IV-HEG-5/2004-7732/HE, dt. 20.02.2004 by School & Mass Education Deptt. and IV- HEG-5/2004-7732/HE, dt. 20.2.2004 and IV-HEG-05/04-7739/HE, dt. 20.2.2004 by Higher Education Deptt.
- (b) Release of funds for the taken over Urban High Schools as notified vide M-III-M-43/2003/ HUD 4942, dt. 28.02.2004 of H & UD Departments
- (c) All other cases including Grants-in-Aid where specific stipulations have been imposed for prior concurrence of Finance Department and P & C Department as the case may be.

Release
to
Scholarship

- vi) Pre-matric and post-matric scholarship for SC & ST students and scholarship for Backward Classes may be sanctioned by the Administrative Department subject to budgetary limit after the Secretary of SC & ST Dev. Department is satisfied that fund released during the previous year has been fully and properly utilized and actually the intendance beneficiaries have got the benefit.

- | | |
|---|---|
| Purchase of equipment
Health Centres,
Ayurvedic
Hospitals,
Medical
Colleges &
Hospitals,
District
Hospitals etc. | <p>vii) Sanction and release of funds towards the provision made for purchase of equipment for Primary Health Centres, Ayurvedic Hospitals, Medical Colleges & Hospitals, District Hospitals etc, may be made by the Health and Family Welfare Department observing prescribed formalities as agreed to in the UOI No. 394/f, dated 6.4.2004 of Finance Department. The Administrative Department must ensure that funds are allocated to the appropriate disbursing authority in time and fund should be drawn only by observing the formalities for the purchase and when payment is due on supply of equipment to the Centres.</p> |
| Release in
suitable
install-
ments | <p>viii) All other sanction of funds under Non-plan and State plan schemes should be made by the Administrative Departments in suitable instalments (monthly, bi-monthly or quarterly, as it may suit the specific schemes/ projects) not exceeding Rs. 50.00 lakhs at a time under Non-Plan and Rs. 100.00 lakh under Plan for which prior concurrence of the Finance Department would not be necessary. While sanctioning expenditure and communicating allotment, the stipulations made in F.D. OM No.10954/F dt. 14.3.2001(relating to austerity measures) read with F.D. OM No. 32861(45)/F, dt.03.08.2004 and No. 55764/F dt. 31.12.2004 should be scrupulously followed.</p> |
- Release of Fund under CP & CSP** 5. Notwithstanding the limit of sanction indicated in para 6, the Administrative Departments are authorized to sanction funds in respect of Central Plan and Centrally Sponsored Plan Schemes to the extent of assistance received from Government of India, but in no case the sanction will exceed the limit authorized by the Legislature. They are also authorize to sanction funds towards matching state share under the Centrally Sponsored Plan Schemes commensurate with the quantum of central assistance received. Concurrence of Finance Department will not be required in these cases. However, in case, advance sanction of State matching share or central share pending receipt of central assistance is deemed absolutely necessary, the Administrative Department will have to obtain prior concurrence of the Finance Department in case of non-salary items only with full justifications. The salary component of continuing schemes may be sanctioned upto end of December, 2005 in anticipation of receipt of Central Assistance. In cases where there is short fall in matching State share owing to inadequate provision, steps should be taken to utilize the existing provision first and thereafter seek augmentation so as to utilization so as to utilize the central assistance made available.

Limit of sanction by Admn. Deptt.	<p>6. Any sanction exceeding Rs. 50.00 lakhs under Rs. 100.00 lakh under State Plan, Central Plan and Centrally Sponsored Plan Schemes excluding salary components shall be made with the prior concurrence of Finance Department except those mentioned in para 5,8, 9, 10 & 11. Administrative Department should ensure to indicate the UOR No. and date relating to concurrence of Finance Department in the sanction order. No bill exceeding Rs. 50.00 lakhs under Non-Plan and Rs. 100.00 lakh under Plan shall be entertained by Treasury / Special Treasury / Sub-Treasury Officers <u>without the concurrence of Finance Department excepting those specified in para .5 8,9 10 & 11.</u></p>
Achievement of financial & physical target	<p>7. While furnishing proposals for sanction of expenditure to Finance Deptt. the Administrative Departments should indicate the financial outlay and physical programme content of the schemes, the physical targets fixed for the year and achievements during the previous year under the respective schemes in the enclosed proforma in Annexure. The Administrative Department should also make similar review while sanctioning funds at their level for work content of various schemes under Non-Plan and Plan and endorse a copy to Finance Deptt.</p>
Release of fund by Administrative Deptt. without concurrence of Finance Deptt.	<p>8. The restrictions in para 6 will not apply to sanction of funds for expenditure on account of Central Plan and Centrally Sponsored Plan Schemes (both State share and Central share) where adequate Central Assistance is available, relief on account of natural calamities, RIDF, Rural electrification works, Grant-in-aid (Salary) for Aided Educational Institutions, PMGY and other tied up schemes of State Plan like ACA for KBK, Backward District Initiative, Tribal Sub-Plan, National Programme for Adolescent, Girls, National Social Assistance Programme, Accelerated Power Development Reform Programme, Initiative for Strengthening Urban Infrastructure, Grants under 1st Proviso to Article 275(1) of the Constitution, Slum Development etc, ACA for EAPs and SOAP, ODP, NOAP, Supplementary Nutrition Programme, PMGY (Nutrition), Nutrition for Adolescent Girls and Mid Day Meal Programme, National Family Benefit Scheme (State Plan), Central Plan Schemes like ICDS, Balika Samridhi Yojana, National Nutrition Mission, World Bank Assisted ICDS-III Project and Swayam Sidha Yojana operated by Women and Child Development Deptt. However, the release of funds for schemes out of ACA for KBK, ACA for EAPs, schemes of Women & Child Development Department, will be regulated by the provisions of para 9,10 & 11 respectively.</p>
ACA for KBK	<p>9. Budgetary provision made for different schemes in KBK districts out of ACA for KBK can be released by the Secretary of the concerned</p>

Department with concurrence of Financial Advisor / Asst. Financial Advisor of the Department, as the case may be, without reference to Finance Department subject to the following stipulations. :-

- i) The fund may be released in suitable instalments depending on the progress of work and utilization of funds allotted earlier for the programme
- ii) Funds drawn from Treasury for utilization shall not remain idle for more than 15 days(except in case of L.C.) without enjoinderment of responsibility.
- iii) The total release of fund shall be strictly limited to the budgetary allocation and any release beyond budgetary allocation will be construed as misconduct and dereliction of duty on the part of the officers concerned enjoining liability for disciplinary action under the provision of OCS (CC & A) Rules, 1962.
- iv) In case of utilization of fund by the Engineering Department through Letter of Credit, specific requisition shall be made to Finance Department in the name cover of Sri D.K. Jena, Under Secretary, Finance Department indicating on the top of the requisition letter "L.C. for KBK districts" in bold letters. The L.C. shall be released by Finance Department within 7 days from the date of receipt of requisition and the L.C. so issued shall remain valid upto 90 days from the date of issue.
- v) The requisition of LCs for other programmes should not be mixed up with the projects or release for KBK districts.
- vi) While releasing fund by the Secretary of the Deptt. he / she must be satisfied that the fund released earlier has been utilized or likely to be utilized within a period not exceeding 15 days (except in case of L.C.)
- vii) In case the fund released remains idle for more than 15 days, concerned Secretary of the Department will be personally responsible for such financial indiscipline and responsibility fixed on derelicting officers.
- viii) Normal prescribed procedures for purchase / tender etc. should be followed by the Administrative Department / Executing Agency as per guidelines or / and Government orders from time to time.

Externally
Aided
Project

10. The following guidelines shall be followed for release of budgetary provision under the Externally Aided Projects viz Orissa Tribal Empowerment and Livelihood Programme, Orissa Health System

Development Project, Orissa Post Cyclone Reconstruction of Primary Schools etc.

- a) The limit of sanction of expenditure by the Administrative Deptt. contemplated in para-6 shall not be applicable.
- b) On receipt of Additional Central Assistance from the Govt. of India (on the basis of the reimbursement claims submitted), the Administrative Departments, will release fund to the implementing agencies to the extent of ACA released.
- c) In case of the Externally Aided Projects of the Engineering Departments whose expenditure are regulated through Letter of Credit, the existing, procedure will continue. However, the Controlling Officers should separately furnish requisition on monthly basis to Finance Department for authorization of Letter of Credit in respect of each EAP indicating the amount required, reimbursement claim submitted against previous authorization as well as ACA received.
- d) In spite of the aforesaid mechanism for expeditious release of fund, if there is delay in the pace of implementation of any Externally Aided Projects, the matter will be seriously viewed and necessary disciplinary action shall be initiated against the officers responsible for execution of the project. Money, however should not be drawn and kept idle or parked in bank account.

Release of funds under SOAP, ODP and NOAP etc of W & CD Deptt.

11. Release of funds under SOAP, ODP NOAP schemes, Supplementary Nutrition Programme, PMGY (Nutrition) , Nutrition for Adolescent Girls and Mid Day Meal Programme, National Family Benefit Scheme (State Plan), Central Plan Scheme- ICDS, Balika Samridhi Yojana, National Nutrition Mission, World Bank Assisted ICDS-III Project and swayam Sidha Yojana operated by Women and Chief Development Department, will be made as per the following guidelines.

- a) Funds may be released in suitable instalments (monthly / bimonthly/quarterly) by the Administrative Department.
- b) While releasing funds for a month, the Administrative Department should ensure that funds released earlier has been utilized in full and necessary utilization certificates have been obtained and sent to proper quarters.

- c) The total release of funds shall be strictly limited to the budgetary allocation vis-à-vis actual existing number of beneficiaries.

**Payment of
Advance to
Ordnance
Factories for
purchase of
Arms &
Ammunition**

12. Payment of advance to ordnance factories, which are units of Government of India, towards procurement of arms and ammunitions under the scheme of modernization of Police Force may not be referred to Finance Department. The Administrative Department shall take such decisions keeping in view the delivery of the arms/ ammunition in respect of past advances.

**Allotment
for Salary**

13. (a) To avoid excess drawal, allotment for salary should be watched at the level of Administrative Departments / Controlling Officers / DDOs and Treasuries. Salary allotment should be released at a time under Non-Plan and State Plan. In case of continuing Central Plan and Centrally Sponsored Plan Schemes, salary allotment can be issued for six months at a time in anticipation of receipt of Central Assistance till December, 2005 and last quarter release shall be subject to receipt of funds from Government of India and allotment under Non-Salary shall be regulated depending on the release of Central Assistance. The current salary should be paid first and arrear salary would be paid if it can be accommodated within the existing budget provision.

(b) Concurrence of Finance Department will no more be necessary for payment of arrear salary of Government servants subject to availability of budget provision. The Head of Office shall however authenticate such claims on being satisfied about the accuracy and entitlement in terms of existing rules / orders in force.

**Release of
funds from
Civil
Deposit**

14. Release of funds from Civil Deposit would be regulated in terms of Finance Department No. 20299/F, dt. 23.4.2005

**Unautho-
rised
parking of
Govt.
money**

15. Provisions under SR.242 of OTC Vol.I stipulates that money should not be drawn from the Treasury unless it is required for immediate disbursement. It is, however, observed that some of the DDOs, / Controlling Officers are drawing funds from Treasury/PL Account and depositing in various Bank or keeping them unutilized in form of cash, Bank Draft, DCR etc. This sort of drawal and retention of money outside the State Government Accounts is in clear violation of the said provisions of OTC Vol.I. This affects the ways and means position of the State Government. Any withdrawal of funds by the DDOs and parking them

outside the Government account, shall be seriously viewed. The Administrative Department may issue instructions to all the DDOs accordingly and ensure that no Government money is kept outside the Government account by any DDO under their administrative control. If in future such unauthorized parking of money is noticed, the concerned DDO shall be personally liable for recovery of loss sustained by the Government from his personal entitlements including his retirement benefits and he shall be liable for disciplinary action under Rule -15 of OCS (CC & A) Rules, 1962.

Reconciliation of Accounts

16. The Controlling Officers should reconcile the accounts with Accountant General, Orissa on a monthly basis. The Secretaries of the Administrative Departments should review the reconciliation every quarter and submit to Finance Department a certificate stating that accounts of the previous quarter has been reconciled by the Controlling Officers under him/her.

Concurrence by FAs/AFA

17. Wherever references to Finance Department are necessary for sanction of funds out of the budgetary provision, the concerned files should be first examined by the F.A./A.F.A. of the Administrative Department and his recommendations clearly recorded. All sanction orders to be issued by the Administrative Department, where prior concurrence of Finance Department is not necessary in accordance with the aforementioned guidelines, should be vetted by the F.A. / A.F.A. of the Administrative Department.

Yours faithfully,

**Sd/-
SPECIAL SECRETARY TO GOVT**

FINANCE DEPARTMENT

No. WM-14/2005 – 20299(228) /F, Dt. 23.04.05**From****Shri P.K. Mishra,
Special Secretary to Government****To****All Principal Secretaries / Secretaries to Government
All Heads of Departments.****Sub:- *Procedure for regulating release of funds from Civil Deposit during 2005-06.*****Sir / Madam,**

I am directed to say that in many cases, funds which were sanctioned for expenditure could not be drawn in cash and were kept in Civil Deposit under the Head of Account "8443-Civil Deposit-800 other deposits". These funds should be withdrawn and utilized for the purpose for which those were sanctioned in gradual manner so as not to affect the ways & means position as well as implementation of essential programmes of the Government owing to depletion of resources of the current financial year. The balance available in Civil Deposit should not be treated as free resource available for expenditure and no drawal or expenditure commitment shall be made in violation of the instruction contained herein. In order to regulate withdrawal of funds from Civil Deposit without straining the Ways & Means position of the State Government, the following guidelines should be followed by all Departments and Sub-Ordinate offices during the year 2005-06.

2.
 - i) Withdrawal of advance compensation money deposited by Collectors under the Minor Heads – "111 Other Department Deposits and "117 Deposits for Work Done for Public Bodies or Private Individuals" under the Major Head "8443-Civil Deposit" will be withdrawn by the depositor.
 - ii) In case of all other claims the procedure of drawal shall be as follows:-
 - a) Where the amount of Civil Deposit in a particular case does not exceed Rs. 1.00 lakh, the head of Department may sanction withdrawal from Civil Deposit without obtaining approval of the Administrative Department.
 - b) Where the amount of Civil Deposit exceeds Rs. 1.00 lakh but does not exceed Rs. 10.00 lakhs, the Administrative Department may sanction withdrawal from Civil Deposit without referring the matter to the Finance Department

- c) Where the amount of Civil Deposit exceeds Rs. 10.00 lakhs, sanction of withdrawal from the Civil Deposit would be accorded by the Administrative Department only after obtaining the concurrence of the Finance Department.
- d) However the restriction at clause(c) above will not apply to withdrawal from Civil Deposit made out of the budgetary provisions for ACA for KBK, Centrally Sponsored Non Plan scheme for Modernisation of State Police Force and Programmes / schemes under grants recommended by the Eleventh Finance Commission. The Administrative Departments are authorized to allow release of funds for these schemes / programmes with the concurrence of their Financial Advisors/ Asst. Financial Advisors.
- e) The above authorization under clauses (a) and (b) does not cover cases where funds have been drawn and kept in Civil Deposit by augmenting provision through re-appropriation. Similarly such authorization is not applicable to cases where Finance Department had made some specific stipulations while concurring in the proposal to keep the amount in Civil Deposit. In all such cases, prior concurrence of the Finance Department would be necessary.
- f) Release of funds relating to Central Plan Schemes and Centrally Sponsored Plan Schemes from Civil Deposit shall in all cases be referred to the Finance Department, irrespective of the amount involved. While referring such cases the Administrative Department should specifically indicate if Central Assistance due has been released by the government of India in respect of the CS/CSP Schemes. Further it should be indicated by the Administrative Deptt. if the withdrawal sought for will ensure further release of central assistance/central share under the respective central plan/centrally sponsored plan schemes. All such proposals for release must also indicate the upto date position of Central Assistance received, expenditure incurred and U.C. submitted.
- g) In case of deposits made out of funds sanctioned under State Plan (EAP). It should be indicated if the proposed withdrawal will bring in additional central assistance under the scheme.
- h) **Not with standing anything contained hereinbefore, funds which are laying in Civil Deposit for more than three years should not be drawn without concurrence of Finance Deptt. Such unspent balances lying for more than three years and without any expenditure commitment should be refunded back to Treasury forthwith.**

3. It has been noticed that some Department in anticipation of concurrence of Finance Department for release of funds from Civil Deposit have gone ahead with contracts/work orders. The D.D.Os should not create any liability on these accounts without seeking permission for withdrawal.

4. A proposal for sanction of withdrawal from Civil Deposit shall in all cases be accompanied by detailed information as indicated in Annexure. The Drawing Officer while furnishing proposal must record a certificate to the effect that he has personally verified the correctness of deposit and that he shall be personally responsible for any double drawal or wrong drawal. Such certificate shall be recorded while furnishing information by the DDO in Annexure-I, as well as on the body of the bill to be presented to the Treasury. In the sanction order it is to be clearly mentioned as to whether the same has been duly concurred in by the Head of the Department/Administrative Department/ Finance Department as the case may be, in which case the Memo No./UOR No. is to be invariably quoted.

5. All proposals of release from Civil Deposit when referred to Finance Department should invariably have the detailed comments of the F.A./A.F.A. of the Administrative Department. The F.A./A.F.A. of the Deptt. should indicate in the file the amount lodged in Civil Deposit, the amount withdrawn earlier, the balance left un-drawn and urgency of release Besides, it should be stated if the amount will be utilized for the purpose it was sanctioned, Similarly the delegation made vide para 2 (ii) (a) & (b) may be exercised in consultation with the F.A./A.F.A. or F.A. and C.A.O. as the case may be

6. It may kindly be noted that each deposit is a separate case for withdrawal from Civil Deposit and cases of deposits should not be clubbed together while referring the file to Finance Department.

7. Withdrawal from Civil Deposit should not be made unless money is immediately required for disbursement. Heads of Departments and the Administrative Department should permit release from Civil Deposit considering the urgency and necessity of withdrawal in each case and after ascertaining that all procedures necessary to be completed before incurring expenditure have been duly completed. If it is noticed that after drawing fund from civil deposit, the money has been kept idle for more than 7 days the concerned DDO shall be personally liable for recovery of the loss sustained by Government from his personal entitlements including his retirement benefits.

8. This supersedes all previous instructions issued by Finance Department relating to release of funds from Civil, Deposit.

9. All Drawing and Disbursing Officers under your Administrative control may be instructed accordingly.

Yours faithfully,

Special Secretary to Government

Annexure
Sanction of withdrawal/ release of funds from the civil deposits

Challan No & Date	Amount of Deposit	Amount Withdrawn	Balance	Name of the Treasury/ Spl. Treasury/ Sub Treasury	Head of Account from which the amount was drawn & kept in Civil Deposit	The nature of the claim	The purpose for which the provision was made in the Budget/whether funds provided through re-appropriation	Whether drawn in AC Bill or Fully vouched contingent bill or other forms of bill (specify)	Whether Non-plan, State Plan, Central Plan or Centrally sponsored Plan (specify)	Whether central assistance has already been received and credited to State Govt. account in respect of the deposit now proposed to be withdrawn (furnish detail)	Whether necessary formalities have been completed before proposing drawal of funds from the Civil Deposit
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)

Certified that the particulars furnished in this statement have been verified by me and found to be correct and that I am aware that I shall be personally responsible for any double or wrong drawal of funds in respect of the deposit particulars furnished in this Statement

Signature and Designation of Head of Office/DDO(Seal)

Annexure

Statement showing Physical/Financial progress under different Non-Plan/ State Plan/ Centrally Sponsored Plan Schemes during the year 2005-06 of _____ Department.

- 1) Name of the scheme _____
- 2) Whether Non-Plan/State Plan/ Central Plan/ Centrally Sponsored Plan

- 3) Budget provision for the scheme during the year _____
- 4) Amount Sanctioned so far :
 - a) State Share _____
 - b) Central Share (CP & CSP) _____
- 5) Expenditure incurred so far :
 - a) Salary & Wages _____
 - b) Works/ other component _____
- 6) Physical progress made :
 - a) Target _____
 - b) Achievement _____
- 7) Achievement in previous year : _____
- 8) In case of Centrally Sponsored Plan :
 - a) Amount released as Central share _____
 - b) State share released _____
- 9) In case of Central Plan :
 - a) Central assistance received _____
 - b) Corresponding release by Govt. of Orissa
against the Central Assistance released _____
- 10) Remarks

FINANCE DEPARTMENT

No. 20441 /F., Dt. 25.04.05
Bt.-I-21/2005

OFFICE MEMORANDUM

**Sub: *Restriction on Air Travel by Officials of State Government/
Public Sector Undertakings.***

It has come to the notice of Government that Officers of State Government and Public Sector Undertakings are traveling by air in the Executive Class in violation of the stipulations contained in Para-6(i) (c) of Finance Department Office Memorandum No.10954 dt.14.03.01. It has been clearly mentioned in the aforesaid Para that traveling by air in the Executive Class shall not be allowed except in case of the Chief Minister. It implies that only the Chief Minister is entitled to travel by air in the Executive Class.

2. It is reiterated that the Officers of State Government and Public Sector Undertakings are not entitled to travel by air in the Executive Class. The instructions contained in F.D.O.M No.10954 dt.14.03.01 should be scrupulously followed.

**Sd/-
Special Secretary to Government**

FINANCE DEPARTMENT

No. 28297(2) /F., Dt. 10.06.05
SSF-I-67/04

From

**Sri P.K Mishra,
Special Secretary to Government**

To

**The Commissioner-cum-Secretary to Government
Higher Education Department
Commissioner-cum-Secretary to Government**

Sub: Capping of grant-in-aid to private educational institutions.

Sir,

As you are aware at present the State Government are unable to meet the grant-in-aid requirement in respect of both teaching and non-teaching staff of non-government aided colleges / schools etc. The salaries of many of the teaching staff borne in the Plan Scheme are in arrears. This problem has been discussed at various forums time and again and in view of the financial difficulties of the State Government, we are unable to provide required funds for clearance of such arrears.

It is however seen that Finance Department are receiving a large number of proposals from both Higher Education and School & Mass Education Departments recommending cases for inclusion of new schools / colleges under grant-in-aid fold. Similarly, proposals are being received for providing grant-in-aid to new teachers. In this connection, attention is drawn to provisions contained in Section -7 (c) of the Orissa Education Act, 1969. The said provision clearly stipulates that sanction of grant-in-aid is conditional on State's resource position i.e the paying capacity of the State. It is regretted that while processing such proposals, this provision is being ignored and proposals are being recommended to Finance Department in a routine fashion.

We have also come across a large number of Court cases where the administrative department is not filing the required counter affidavit to contest the claim of various petitioners for inclusion under the grant-in-aid fold. Administrative Department may ensure that in all such cases a counter affidavit is filed which clearly brings out the financial condition of the State Government wherein we are finding it difficult to discharge our liability in respect of colleges / schools which are already included in the grant-in-fold. The counter affidavit must clearly state that under Section -7 (c) of Education Act, grant-in-aid is conditional on the paying

capacity of the State. Since the financial capacity of the State is already impaired, the question of further enlarging the liability does not arise.

Administrative Department must have a mechanism to ensure that all cases filed before the Administrative Tribunal / High Court are monitored on a regular basis and a counter affidavit which inter-alia highlight the position as explained in the preceding paragraphs is filed. Finance Department would find it difficult normally to entertain any proposal for sanction of grant-in-aid to new incumbents in view of the position explained above.

Yours faithfully,

**Sd/-
SPECIAL SECRETARY TO GOVERNMENT**

FINANCE DEPARTMENT NOTIFICATION

The 11th August, 2005

S.R.O No. 360/2005- In exercise of the powers conferred by section 9 of the Orissa Fiscal Responsibility and Budget Management Act, 2005 (Orissa Act 6 of 2005), the State Government do hereby make the following rules namely:-

1. Short Title and Commencement – (1) These rules may be called the Orissa Fiscal Responsibility and Budget Management Rules, 2005.

(2) They shall come into force on the date of their publication in the Orissa Gazettee.

2. Definitions. (1) In these rules, unless the context otherwise requires,-

- (a) “Act” means the Orissa Fiscal Responsibility and Budget Management Act, 2005;
- (b) “Budget at a glance” means the Budget at a glance containing consolidated information on state’s receipt and expenditure and other related information as placed before the Legislature along with the Budget;
- (c) “Form” means a Form appended to these rules;
- (d) “GSDP” means the Gross State Domestic Product at Current Prices’
- (e) “Mandated Revenue” means the sum total of state’s share in central taxes and the non plan revenue deficit grant received from Government of India; and
- (f) “section” means a section of the Act

(2) The words and expressions used but not defined in these rules and defined in the Act shall have the same meanings as respectively assigned to them in the Act.

(3) Fiscal Indicator -The fiscal indicators required to be prescribed for the purposes of the Act shall be as follows:-

- (a) revenue deficit as a percentage of Gross State Domestic Product.
- (b) fiscal deficit as a percentage of Gross State Domestic Product;
- (c) primary deficit / surplus as a percentage of Gross State Domestic Product; and
- (d) total debt stock as a percentage of Gross State Domestic Product.

4. Medium Term Fiscal Plan and Fiscal Policy Strategy - (1) The strategic priorities of the state government in the fiscal area shall be prescribed in Form I.

(2) The Medium Term Fiscal Plan shall be prepared by the State Govt. in Form II.

5. Statement showing steps taken for restructuring of State Finance as recommended by the latest Finance Commission.- The State Government shall, while presenting the Fiscal Policy Strategy, include therein details of the steps taken for restructuring the State Finances as recommended by the latest Finance Commission.

6. Disclosure in a statement.- The State Government shall, at the time of presentation of the Annual Budget, make disclosure in a statement in Form III indicating any significant changes in the accounting standards, policies and practices affecting or likely to affect the computation of prescribed fiscal indicators.

7. Special Statements relating to employees – The State Government shall at the time of presentation of Annual Budget, furnish a statement in form IV giving in detail the number of employees and related salaries as specified in sub-section (10) of section 6.

8. Statement showing deferred liabilities – The State Government shall, while presenting the Annual Budget for the current year, furnish a statement in Form V showing the deferred liabilities as specified in section 7.

9. Action Plan for Contingent liabilities – The state Government shall transfer a certain amount from revenue account to a “Sinking Fund” and the Insurance and Pension Fund to meet huge future repayment of borrowings and rising expenditure liabilities on account of pension etc. The fund so transferred shall be maintained outside the Consolidated Fund of the State and Public Account so that the corpus of the Sinking Fund and the Insurance and Pension Fund can be utilized to meet the future contingent liabilities on account of huge repayment of loans, rising expenditure on pension.

FORM – I
[See rule 4 (1)]

FISCAL POLICY STRATEGY STATEMENT

A. Fiscal Policy Overview : (this paragraph will present an overview of the present fiscal policy of the Government).

B. Fiscal Policy for the Current Year: [This paragraph shall have the following sub-paragraphs dealing with -

(1) **Tax Policy-** In this sub-paragraph on tax policy major changes proposed to be introduced in taxes in the current financial year will be presented. It shall contain details of tax exemptions, concessions and introduction of new taxes and user charges etc. It shall also contain details of tax reforms aimed at building up non-discretionary and revenue elastic system of taxation with tax rates that are low, limited in number of rate categories and stable. It shall also describe various non tax revenues reforms where user charges, as a short term objective, ensure recoveries of current costs, and aim at full recovery of costs measured at acceptable efficiency levels in the longer run, in case of services where there is no clear cut case for subsidisation and ensure rates of return on investment.

(2) **Expenditure Policy** – Under this sub-paragraph, major priorities in the allocation of expenditure shall be elaborated. It may also contain an assessment of principles regarding the benefits and target group of beneficiaries. It should describe the steps taken towards expenditure restructuring relating to both in size and sectoral allocations aimed at removing inefficiencies arising from misallocations, design and implementation of schemes, delivery of service.

(3) **Government Borrowings, Lendings and Investments** – In this sub-paragraph, the policy relating to government internal borrowings, lending and recovery of loans and advances etc shall be indicated.

(4) **Other liabilities** – This sub-paragraph shall include information relating to guarantees and off-budget borrowings of Government having potential budgetary implications. It would also include details relating to one-time settlement of such liabilities, measures to limit the guarantees etc.]

C. Strategic Priorities for the current year –

[(1) Resource mobilization for the current financial year through tax, non-tax and other receipts shall be spelt out.

(2) The broad principles underlying the expenditure management through prioritisation of different schemes shall be spelt out.

(3) Priorities relating to incomplete projects and new projects shall be detailed including an assessment of the on-going projects in the State.]

D. Policy Evaluation – [This paragraph shall contain an evaluation of the changes proposed in the fiscal policy for the ensuring year with reference to fiscal deficit reduction and objectives set out in the Medium Term Fiscal Plan].

E. Restructuring the State Finance as recommended by latest Finance Commission – [This paragraph shall contain, in details the various steps taken by the State Government towards restructuring state finances in order to achieve the following objectives:

- (a) Bringing down the ratio of interest payments to total revenue receipt.
- (b) Bringing down the ratio of total salary bill relative to revenue expenditure net of interest and pension
- (c) Containing the ever increasing pension liability by following the initiative taken by the central government for pension reforms
- (d) Rationalising subsidies by reducing their overall volume, increasing their transparency by making them explicit and improving their targeting. This should include collection of user charges and recoveries of cost of maintenance of irrigation work, urban water supply etc.
- (e) Bringing down the debt – GSDP ratio.]

FORM –II
[See rule 4 (2)]

MEDIUM TERM FISCAL PLAN

A. Fiscal Indicators – Rolling Targets

Description	Last available Actuals	Last year Revised Estimates	Current year Target Budget Estimates	Targets for Next two years	
			Y	Y+1	Y+2
Revenue Deficit as percentage of GSDP					
Fiscal Deficit as percentage of GSDP					
Primary Deficit as percentage of GSDP					
Total Debt Stock as percentage of GSDP					

B. Assumptions underlying the Fiscal Indicators –

1. Revenue receipts

- (a) Tax Revenue – Tax wise growth rates
- (b) Non-Tax Revenue - policies and approaches
- (c) Devolution to States- Plan Receipts from Government of India

2. Capital Receipts

- (a) Recovery of Loans & Advances – Principles and measures adopted by State Government to enhance recovery of loans and advances
- (b) Other Receipts – New dis-investment / sale decisions taken by State Government
- (c) Borrowings – Plan Borrowings and other internal borrowings including proposals for debt swap.

3. Total Expenditure – Policy Stance

(a) Revenue Account

- (i) Salary & pension – measures to control
- (ii) Subsidies – Policies and new proposals
- (iii) Maintenance Expenditure – Norms and Finance Commission recommendations
- (iv) Calamity Relief
- (v) Others

(b) Capital Account –

- (i) Loans & Advances –
- (ii) Capital Outlay – measures taken by the State Government to enhance provision for developmental expenditure

(c) Assessment of sustainability relating to –

- (i) The balance between revenue receipts and revenue expenditure. The MTFP may specify the tax-GSDP ratio for the current years and the subsequent two years. It may discuss the non tax revenue and the policies concerning the same. Expenditure on revenue account, both plan and non plan, may also be made with particular emphasis on the measures proposed to meet the medium term fiscal objectives.
- (ii) The use of capital receipts including market borrowings for generating productive assets. The Fiscal Policy Strategy statement may specify the proposed use of capital receipts for generating productive assets in different categories. It may spell out proposed changes among these categories and discuss it in terms of overall policy of the Government.

FORM III

[See rule 6]

DISCLOSURE STATEMENT

FORM –IV
[See rule 7]

**SPECIAL STATEMENT OF NUMBER OF EMPLOYEES AND
RELATED SALARIES**

PROFORMA –I /II / III
**(FOR GOVERNMENT EMPLOYEES/AIDED EDUCATIONL
INSTITUTIONS/PSUs)**

NON PLAN / PLAN
AS ON 31ST MARCH 2003 / 2004 / 2005

DEMAND NO.

	EMPLOYEES (IN NUMBER)		EXPENDITURE (RUPEES IN LAKH)			
Major Head / Scales of Pay	Sanctioned strength	Men in position	Pay including special pay	D.A	Allowances (HRA, RCM, OA)	Total
MAJOR HEAD NO -						
SCALES OF PAY						

Note : Information relating to employees on Consolidated Pay shall be shown separately indicating the amount of consolidated pay against each employee.

FORM -V
[See rule 8]

STATEMENT OF DEFERRED LIABILITIES

[No.39247-Bt.I-16/2005-F.]
By order of the Governor

S. KANUNGO
Under Secretary to Government

FINANCE DEPARTMENT

No. 39403 (45) /F., Dt. 12.08.05
BT-V-47/2005

To

All Departments of Government

Sub: Need to contain salary cost in line with the provisions in the Budget Management and Fiscal Responsibility Act 2005.

- Ref:**
1. F.D.O.M No.31271/F, dt.16.07.09 regarding abolition of 50% of the existing vacancies as on 01.07.99
 2. F.D.O.M No.10954/F, dt.14.03.2001 regarding abolition of 50% of the base level vacant posts or 20% of the base level posts whichever is less as on 31.03.2001.
 3. F.D. Letter No.32861/F, dt.03.08.2004 regarding Fiscal correction and abolition of 75% of the base level vacant posts as on 01.04.2004.

In the wake of server fiscal stress, Government vide Finance Department's Office Memorandum dt.14th March, 2001 decided to place a complete ban on creation of any new posts. Restrictions were also placed on the following up base level vacant posts except in respect of striking police force, doctors and nurses, and primary school teachers.

It is however, seen that Finance Department is receiving large number of proposals from various departments of Government for creation as well as upgradations of posts. Finance Department are also receiving numerous proposals for filling up of base level vacant posts.

The financial condition of the State Govt. continues to be grim. The State Government have drawn up a medium Term Fiscal Plan and have also enacted a Fiscal Responsibility and Budget Management Act under which we are committed to eliminate revenue deficit by the year 2008-09. Finance Department are thus not in a position to relax any of the conditions stipulated in the Fiscal Responsibility and Budget Management Act. All departments are to ensure that salary costs are kept to the minimum.

Instances have come to light wherein large number of staff in various Departments of Government are drawing idle salary without any work. This would only suggest that we are not paying sufficient attention for rational reallocation of the existing man power. Each Department is required to carry out a comprehensive exercise of the work being performed by each employee. On the basis of such an analysis of work load, Departments may carry out re-deployment of man power from areas where they are found to be surplus to areas where there is a need to strengthen manpower.

We can not go for the soft option of filling up posts without carrying out a detailed exercise of removing surplus manpower in areas where there is practically no work. The result of the exercise may be intimated within one month.

Sd/-

Principal Secretary to Government

**THE ORISSA FISCAL RESPONSIBILITY AND BUDGET
MANAGEMENT ACT, 2005**

TABLE OF CONTENTS

PREAMBLE

SECTIONS

- 1.Short title, extent and commencement.
2. Definitions.
3. Medium Term Fiscal Plan to laid before the Legislature.
4. Fiscal Management Principles.
5. Fiscal Management Targets.
6. Measures for fiscal transparency.
7. Acknowledgement of liabilities in Annual Budget.
8. Measures to enforce compliance.
9. Power to make rules.
- 10.Rules to be laid.
- 11.Protection of action taken in good faith.
- 12.Application of other laws not barred.
- 13.Power to remove difficulties.

LAW DEPARTMENT**NOTIFICATION**

The 16th May 2005

No. 7033/ Legis - The following Act of the Orissa Legislative Assembly having been assented to by the Governor on the 11th May 2005 is hereby published for general information.

ORISSA ACT 6 OF 2005

**THE ORISSA FISCAL RESPONSIBILITY AND BUDGET
MANAGEMENT ACT, 2005**

**AN ACT TO PROVIDE FOR THE RESPONSIBILITY OF THE STATE
GOVERNMENT TO ENSURE PRUDENCE IN FISCAL MANAGEMENT AND
FISCAL STABILIT BY PROGRESSIVE ELIMINATION OF REVENUE DEFICIT
AND SUSTAINABLE DEBT MANAGEMENT CONSISTENT WITH FISCAL
STABILITY, GREATER TRANSPARENCY IN FISCAL OPERATIONS OF THE
GOVERNMENT AND CONDUCT OF FISCAL POLICY IN A MEDIUM TERM
FISCAL FRAMEWORK AND FOR MATTERS CONNECTED
THEREWITH OR INCIDENTAL THERETO.**

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

Short title
extent &
commence-
ment

1. (1) This Act may be called the Orissa Fiscal Responsibility and Budget Management Act, 2005.
- (2) It extends to the whole of the State of Orissa.

(3) I shall come into force on such date as the State Government may, by notification, in the official Gazette, appoint in this behalf.

Definitions

2. In this Act, unless the context otherwise requires. -
 - (a) "Budget" means the annual financial statement laid before the State Legislature under article 202 of the Constitution;
 - (b) "current year" means financial year for which Budget and Medium Term Fiscal Plan (MTFP) is being presented;
 - (c) "financial year" means the year beginning from 1st day of April and ending on the 31st day of March following;
 - (d) "fiscal deficit" means the excess of -

- (i) total disbursements from the Consolidated Fund of the State (excluding repayment of debt) over total receipts into the Fund excluding the debt receipts during a financial year; or
 - (ii) total expenditure from Consolidated Fund of the State (including loans but excluding repayment of debt) over own tax and non-tax revenue receipts, devolution and other grants from Government of India to the State, and non-debt capital receipts during a financial year which represents the borrowing requirements, net of repayment of debt, of the State Government during the financial year;
- (e) "fiscal indicators" means the measures such as numerical ceilings and proportions to gross State domestic product, as may be prescribed, for evaluation of the fiscal position of the State Government;
- (f) "non-interest Committed Revenue Expenditure" means the sum total of salary expenditure and pension expenditure of the State in the revenue account of the Consolidated Fund of the State;
- (g) "off Budget Borrowings" means borrowings by the State Government or its Agencies which are not affected in the Budget.
- (h) "prescribed" means prescribed by rules made under this Act;
- (i) "prescribed year" means the year preceding the current year;
- (j) "primary deficit/ surplus" means the non-interest Fiscal Deficit/ Surplus;
- (k) "Reserve Bank" means the Reserve Bank of India constituted under the Reserve Bank of India Act, 1934;
- (l) "revenue deficit" means the difference between revenue expenditure and revenue receipts which indicates increase in liabilities of the State Government without corresponding increase in assets of the State Government; and
- (m) "total liabilities" means the liabilities under the consolidated Fund and the Public Accounts of the State of Orissa.

Medium
Term Fiscal
Plan to be
laid before
the
Legislature

3. (1) The State Government shall lay in each financial year before Legislative Assembly a Medium Term Fiscal Plan alongwith the Annual Budget.

(2) The Medium Term Fiscal Plan shall set forth a three-year rolling target for prescribed fiscal indicators with specification of underlying assumptions.

(3) In particular and without prejudice to the provisions contained in sub-section (2), the Medium Term Fiscal Plan shall include an assessment of sustainability relating to -

- (i) the balance between revenue receipts and revenue expenditure;
- (ii) the use of capital receipts including market borrowings for generating productive assets;
- (iii) the medium term fiscal objectives of the State Government;
- (iv) the evaluation of performance of the prescribed fiscal indicators in the previous year vis-à-vis the targets set out earlier and the likely performance in the current financial year as per the revised estimates;
- (v) the strategic priorities of the State Government in the fiscal area for the current financial year in form of a Fiscal Policy Strategy; and
- (vi) the policies of the State Government for the current financial year relating to expenditure, borrowings and other liabilities, lending and investments and description of other activities, such as guarantees and activities of Public Sector Undertakings which have potential budgetary implications.

(4) The Medium Term Fiscal Plan shall be in such Form as may be prescribed.

Fiscal
Management
Principles.

4. The State Government shall take appropriate measures to eliminate the revenue deficit and to contain the fiscal deficit at sustainable level and build up adequate revenue surplus through appropriate measures such as,

- (a) maintaining Government debt at prudent levels;
- (b) managing guarantees and other contingent liabilities prudently; with particular reference to level of risk of such liabilities;
- (c) taking policy decisions of the Government with due regard to their financial implications on future generations;

- (d) borrowings for productive purposes and creation of capital assets and are not applied to finance current expenditure;
- (e) maintaining a reasonable degree of stability and predictability in the level of the tax burden;
- (f) maintaining the integrity and stability of tax system by avoiding special incentives, concessions and exemptions;
- (g) pursuing tax policies with due regard to economic efficiency and compliance costs;
- (h) pursuing non-tax revenue policies with due regard to cost recovery and equity;
- (i) pursuing expenditure policies that would provide impetus for economic growth and poverty reduction;
- (j) building up a revenue surplus for use in capital formation and productive expenditure;
- (k) maintaining physical assets of the Government properly;
- (l) disclosing sufficient information to allow the public to scrutinize the conduct of fiscal policy and the state of public finances;
- (m) using Government resources in ways that give best value for money; and also public assets are put to best possible use;
- (n) minimizing fiscal risks associated with running of public sector undertakings and utilities providing public goods and services;
- (o) managing expenditure consistent with the level of revenue generated;
- (p) formulating budget in a realistic and objective manner with due regard to the general economic outlook and realistic revenue prospects and minimize deviations during the course of the year; and
- (q) taking appropriate measures in its cash management practices so as to avoid frequent recourse to overdraft from Reserve Bank and to gradually reduce the closing cash balance with Reserve Bank of India on a year to year basis so as to keep the closing balance within the Ways and Means limit.

**Fiscal
Manage-
ment
Targets**

5. In particular and without prejudice to the generality of the foregoing provisions, the State Government shall -

- (a) reduce revenue deficit to nil within a period of five financial years beginning from the initial financial year on the 1st day of April, 2004 and ending on the 31st day of March, 2009;

(b) reduce fiscal deficit to not more than three percent of the estimated gross State domestic product within a period of five financial years beginning from the initial financial year on the 1st day of April, 2004 and ending of the 31st day of March 2009;

(c) reduce fiscal deficit by 1.5 percentage of Gross State Domestic Product (GSDP) in each of the financial years beginning on the 1st day of April , 2004 in a manner consistent with the goal set in clause (b);

(d) generate a primary surplus of over two percent of Gross State Domestic Product (GSDP) by the year ending 31st day of March 2008;

(e) other important monitorable targets would be -

(i) the ratio of salary to State's own revenue is to be reduced to eighty percent by the year ending 31st day of March, 2008;

(ii) the ratio of non-interest committed revenue expenditure to State's own and Mandated Revenue is to be reduced to fifty-five percent by the year ending 31st day of March, 2008; and

(iii) the ratio of revenue deficit to revenue receipt is to be reduced to zero percent by the year ending 31st day of March, 2009.

(f) in order to bring the debt stock to a sustainable level, interest payment as a percentage of revenue receipt is to be limited to eighteen to twenty-five percent;

(g) the total debt stock shall be limited to three hundred percent of the total revenue receipt of the State by the year ending 2007-08;

Provided that while revenue deficit and fiscal deficit exceed the limits specified under this sub-section due to unforeseen demands on the finances of the State Government because of natural calamity, such excess shall not exceed the actual fiscal cost that can be attributed to the natural calamities;

Provided further that the ground or grounds specified in the first proviso shall be placed before the State Legislature, as soon as may be, after it becomes likely that such deficit amount may exceed the

aforesaid limits, with an accompanying report stating the likely extent of excess and reasons therefor.

**Measures
for fiscal
transparency**

6.(1) The State Government shall take suitable measure to ensure greater transparency in its fiscal operations in public interest and minimize secrecy as far as practicable in the preparation of the Annual Budget:

Provided that the State Government shall have the power to reserve any such information which would adversely affect the interest of the State Exchequer.

(2) The State Government shall all the time of presentation of the Annual Budget disclose in a statement the significant changes in the accounting standards, policies and practices affecting or likely to affect the computation of prescribed fiscal indicators.

(3) The consolidated position in respect of all Demands shall be brought out in the Budget at a glance.

(4) The estimated yearly pension liability shall be worked out on realistic basis for the next ten years.

(5) New policies being introduced in the Annual Budget shall be clearly described.

(6) Budget information shall be presented in a way that facilitates policy analysis and promoted accountability.

(7) Details regarding arrear of Revenues (both tax and non-tax revenues) shall be given in a separate statement to be appended with the Receipt Budget.

(8) Prioritising the allocation of funds shall be done in a manner that would ensure completion of on-going projects as per the time schedule. The State Government shall furnish a list of such projects based on zero base investment review and targeted date of completion and reason of deviation, if any, in the previous years.

(9) The statement indicating the institution wise State Government guarantees given, default by these organisations in discharging debt servicing liabilities and contingent liability created in the State Government account, on account of default of these organisations shall be placed before the State Legislature. The statement will also indicate the working of the Escrow Account opened

by the Public Sector Undertakings, Co-operatives and Urban Local Bodies.

(10) Special statements alongwith the budget giving in detail the number of employees in government, public sector and aided institutions and related salaries shall be brought out.

(11) The Budget document shall contain a statement showing tax concession and exemptions given in a financial year.

(12) The State Government shall publish full information on the level of its debt and financial assets. The information on debt shall disclose maturity profile and interest rate.

(13) A report on execution of the budget and achievement against fiscal targets/ indicator shall be presented before the State Legislature.

Acknowledgement of liabilities in Annual Budget

7. While presenting the Annual Budget for the current year, the State Government shall furnish a statement showing the deferred liabilities on the following accounts. -

- (i) State's matching share under central sponsored plan schemes not provided for in the previous years and the deficit of such State share in the current financial year;
- (ii) bill presented in the treasury but not encashed at the close of the previous financial year;
- (iii) Central assistance received but not utilized at the end of a particular financial year; and
- (iv) Undisbursed amount lying in the civil deposits.

Measures to enforce compliance

8.(1) The Annual Budget and policies announced at the time of the Budget, shall be consistent with objectives and targets specified the Medium Term Fiscal Plan for coming years.

(2) the Minister-in-charge of Financial Department shall review the trends in receipts and expenditure in relation to the budget and remedial measures to be taken to achieve the budget targets.

(3) Whenever there is either short fall in revenue or excess of expenditure over pre-specified levels during any period in a financial year, on account of any new policy decision of the State Government that affects the State Government, the State Government prior to taking

such policy decision, shall take measures to fully offset the fiscal impact for the current and future years by curtailing the sums authorized to be paid and applied from and out of the Consolidated Fund of the State under any Act to provide for the appropriation of such sums, or by taking interim measures for revenue augmentation or by taking up a combination of both;

Provided that nothing in sub-section shall apply to expenditure charged on the Consolidated Fund of the State under clause (3) of article 202 of the Constitution.

(4) In case the revenue deficit and fiscal deficit exceed in the case of unforeseen demands on the finances of the State Government, the Government shall identify the net fiscal cost of the calamity and such cost would provide ceiling for extent of non-compliance to the specified limits.

(5) Not more than one supplementary statement of expenditure shall be presented in a financial year. Whenever such supplementary estimates are presented before the State Legislature, the State Government shall also present an accompanying statement indicating the corresponding curtailment of expenditure to fully offset the fiscal impact of the supplementary estimates in relation to the budget targets of the current year and the Medium Term Fiscal Plan objectives.

(6) No liability shall be created outside the budget provision in a financial year without the approval of Government in Finance Department. Creation of any such unauthorized liability shall be treated as gross negligence and the officer (s) responsibility for creation of such liability shall be personally liable for such additional liability created.

**Power to
make rules**

9.(1) The State Government may, by notification in the official Gazzette, make rules for carrying out the provisions of this Act.

(2) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:-

(a) the fiscal indicators to be prescribed for the purpose of sub-section (2) of section 3;

(b) the Forms of the Medium Term Fiscal Policy Plan under sub-section (1) of section 3 and Fiscal Policy Strategy statement under clause (v) of sub-section (3) of section 3;

(c) the Form of statement under sub-section (2) of section 6; and

(d) any other matter which is required to be and not inconsistent with the provisions of the Act.

**Rules to
be laid**

10. Every rule made under this Act shall, as soon as may be after it is made, be laid before the State Legislature for a total period of fourteen days which may be comprised in one or more sessions and if during the said period the State Legislature makes modifications, if any, therein, the rule shall thereafter, have effect only in such modified form so, however, that such modification shall be without prejudice to the validity of anything previously done under that rule.

**Protection of
action taken
in good faith**

11. No suit, prosecution or other legal proceedings shall lie against the State Government or any officer of the State Government for anything which is in good faith done or intended to be done under this Act or the rules made thereunder.

**Application
of other laws
not barred**

12. The provisions of this Act shall be in addition to and not in derogation of, the provisions of any other law for the time being in force.

**Power to
remove
difficulties**

13. (1) If any difficulty arises in giving effect to the provisions of the Act, the State Government may, by order, published in the official Gazette, make such provisions not inconsistent with the provisions of this Act as may appear be necessary for removing the difficulty;

Provided that no order shall be made under this section after the expiry of two years from the commencement of this Act.

(2) Every order made under this section shall be laid, as soon as may be after it is made, before the Legislative Assembly.

By order of the Governor

Sd/-

A.P. SAHOO

Additional Secretary to Government

FINANCE DEPARTMENT

No. 45492 (50)/F., Dt. 26.09.2005
WF-11-46/05

From

Dr. U. Sarat Chandran
Principal Secretary to Government

To

**Principal Secretaries / Commissioner-cum-Secretaries/
Secretaries/ Special Secretaries to all Departments of
Government.**

**Sub: FRBM Act - Efficient use of Scarce Resources - Completion
of projects without cost and time overrun.**

Sir,

Several instances have come to notice relating to Engineering Departments where projects are taken up at an initial cost estimate basing on a specific design and structural parameters etc., but in the course of execution the costs are being substantially scaled up. It is clearly evident that this type of cost revision in majority of the projects is due to incorrect and inferior design and estimates at the initial stage. Once a project has been designed and estimates prepared, the project cost should be frozen and there should not be any escalation. Increase in the cost of execution of a project not only results in infructuous and wasteful expenditure but tends to vitiate the tender process as initially the tender has been accepted at a certain cost, but subsequently the same executant gets higher amount due to escalation in cost of the project on account of various factors.

2. As per Para 3.7. 1(a) of the OPWD Code Vol. I, one of the pre-requisites for commencement of work is properly formulated detailed design and estimate which is technically and Administratively Approved. But in practice, it is seen that proposals for revised Administrative Approval are being received in this Department on the ground that there has been change in the design. The change in design frequently resorted to results in both cost escalation and time overrun. Very often, a project which was supposed to be completed within a specific time frame is kept lingering causing enormous loss to Government.

3. The Fiscal Responsibility & Budget Management Act, 2005 entails several responsibilities on individual Departments of the Government. The Government resources are to be used in ways that give best value for money and assets created effectively put to use to derive the maximum benefit. The allocation of funds is to be prioritized

in a manner that would ensure completion of ongoing projects as per the time schedule. The Government are required to submit a statement at the time presentation of Annual Budget indicating a list of ongoing projects based on Zero Base investment Review along with the targeted date of completion and reason for deviation, if any. Hence, all Engineering Departments will have to ensure that a project which is taken up is completed within the time schedule and without any cost overrun. Finance Department will not entertain any proposal for revised Administrative Approval on the ground of change in design unless it can be established that the change in design is occasioned on account of factors which were not visualized when the project was designed initially. In order to avoid this, Administrative Department should prepare the design and estimates at the initial project proposal stage very carefully and meticulously. No project should be posed for funding and Administrative Approval accorded on the basis of a rough estimate.

4. In case of ongoing project, the expenditure should be limited to the cost estimate administratively approved and provision of funds. No liability should be created without administrative approval and budget provision. In cases where there is likelihood of expenditure exceeding the approved cost estimate as per the administrative approval order (which should only be in very exceptional cases where some technical parameters could not be visualized when the original estimates were framed); prior approval of the funding agency and competent authority should be obtained for the enhanced cost in the form of a revised administrative approval order. While seeking revised administrative approval, the exceptional reasons for cost escalation should be clearly established.

5. It is also noticed that in several cases, the contractor entrusted with the work abandons it without completion. After a considerable lapse of time, steps are taken for re-tendering and for according revised Administrative approval by which the cost of the Project has escalated. However, no penal action is being taken against the original contractor who abandons the work. It is, therefore, impressed on the Engineering Departments that besides taking action for imposition of penalty under the codal provisions, the contractor should be blacklisted and all concerned should be intimated so that no further work is entrusted to him either under State Government or Government of India or PSUs, Railways etc.

6. As mentioned in Para-2 above, one of the factors causing time and cost overrun is absence of a carefully drawn up detail drawing, design and estimates before commencement of the work. Change in design during the course of the work affects the project cost and the implementation schedule. It is noticed that due to want of clearances

from different agencies viz. Union Ministry of Environment & Forests, Forest & Revenue Authorities of the State Government regarding Environmental Clearance, Forest Clearance and Land Acquisition, inordinate delay is caused in execution of the projects. In order to prevent projects being taken up without carefully prepared design, estimates and without obtaining all clearances, it is imperative that the tender is floated only after the initial pre-project activities are completed. Administrative Department should ensure that initial drawing and design should be done carefully to meet all the technical requirements. Any deviation from the initial drawing and design will be the personal responsibility of the concerned Engineer who finalized the drawing and the Engineer-in-Charge of the execution of the work would also be held accountable for quality of the work as per the drawing and design. The clearances from the concerned agencies should be obtained on the basis of in-principle approval of the project and upon finalization of funding arrangement, detailed drawing, design and estimates framed on the basis of latest Schedule of Rates, administrative approval should be given. Then only should be implementing agencies go in for tendering.

7. The process of tendering should also be improved by adopting the best practices of other State and Government of India so that, works / projects can be executed at competitive cost by contractors having proven technical and financial track record. The schedule of implementation should be carefully planned specifying milestones for completion of different components of the projects. The standard format for bid documents and agreement should be carefully worded to avoid litigation, which is one of the reasons for time and cost overrun. A sound system of contract management is a pre-requisite for timely completion of projects.

8. Project implementation is proving to be a weak area in several Departments. There is need to put in place a project planning and monitoring mechanism; so that; projects are completed according to a realistic time frame. It is therefore, necessary to employ Programme Evaluation and Review Technique (PERT) and Critical Path Method (CPM) which are two closely related techniques for monitoring the progress of large projects. A key part of PERT / CPM is calculating the critical path. That is, identifying the subset of the activities that must be performed exactly as planned in order for the project to finish ontime. The basic steps under PERT/CPM for project planning and implementation involves (i) Definition of the project (ii) Determining Precedence Relationships among the activities or in other words sequencing of activities (iii) Estimation of time needed to complete each activity (iv) Drawing a Network connecting all activities and label it with time estimates (v) Compute the critical path through the Network and (vi) Use the Network to plan, schedule, monitor and control the project.

Computer software for project implementation and monitoring may be used wherever needed. The Project implementing authorities should also furnish their requirement of funds as per the CPM/ PERT charts and incur expenditure accordingly for timely completion of the projects. Strict personal responsibility should be placed on supervisory and executing authorities for timely completion of each activity of the project without which escalation of cost and time extension will continue to be a common feature in programme implementation.

9. Regular Project Monitoring should be undertaken at the level of the Departmental Secretaries on monthly basis in which the milestones of all ongoing projects should be reviewed and bottleneck for timely implementation be identified and removed.

I would, therefore, request you to adopt a Project Management System on the above lines in your Department so that the scarce resource of the State Government could be put to efficient use and the intended benefits of the projects / programmes accrue to the community at large in time. In case, it is felt that changes / amendments are required to be made in the relevant Codes/ Rules to achieve these objectives, proposals for such amendments should be moved immediately.

Yours faithfully,

**Sd/-
Principal Secretary to Government**

FINANCE DEPARTMENT

No 54447(50) /F., Dt. 05.12.2005
Bt. - V-20/2004

From

**Shri D.P. Das, IAS,
Additional Secretary to Govt.**

To

**The Principal Secretaries/
Commissioner-cum-Secretaries/
Secretaries/ Special Secretaries
to All Departments.**

**Sub: Reference of cases to Finance Department for appointment
under OCS (Rehabilitation Assistance) Rules, 1990 as
amended from time to time.**

Sir,

In inviting a reference to this Department Letter No. 55375/F., Dt.29.12.2004, I am to say that under the existing scheme, Administrative Departments are competent to accord approval of cases that qualify for appointment under Rehabilitation Assistance Scheme. The cases, however are being referred to Finance Department as per F.D. O.M. No.31271/F., Dt.16.07.1999 and O.M. No. 10954/F., Dt.14.03.2001, which restrict on filling up of reminder vacancies after abolition of the required number of base level vacant posts without prior concurrence of Finance Department. Such restrictions were imposed in view of commitment of State Government in the MOU signed during April, 1999 and on 11.10.2001 with Government of India as a part of Fiscal & Governance Reform Programme.

01. Finance Department vide their circular No. 36753/F., Dt. 24.08.04 has intimated to all Departments of Government that any proposals relating to creation of new posts / filling up of vacant posts would not be entertained by Finance Department till such time the Administrative Department issue abolition order of 75% of base level vacant posts as on 01.04.2004 in term of FD circular No. 32861/F., Dt. 03.08.2004. Further F.D. vide circular No. 55375/F., dt. 29.12.2004 has clarified that since appointment under Rehabilitation Assistances is directly linked with filling up of vacant posts, such proposals need to be sent to Finance Department for concurrence only after enforcement of abolition of 75% base level vacant posts.

02. It is, however, seen that a very large number of proposals for appointment under Rehabilitation Assistance Rules are being received in Finance Department. Sometimes the Departments refer the proposals much after the death of the Government employee / date of application by legal heir. Besides the Administrative Departments also mostly do not observe the formalities prescribed in the rules and circulars of G.A. Department as well as circular of F.D. particularly on abolition of 75% base level vacant posts. Rehabilitation Assistance is conceived as a compassionate measure of saving the family of a deceased Government Servant from immediate distress on account of sudden death of the earning member. The whole objective is to enable the family to tide over the sudden crises. If the assistance is delayed beyond a reasonable period, the purpose is defeated and the distress condition may not continue to exist in the family or condition of the family may become pitiable.

03. So considering all the aspects it has been decided that Administrative Departments are now competent to accord approval for cases that qualify for appointment under OCS (R.A) Rules, 1990 with amendments made from time to time and other guidelines issued by G.A. Department in the matter. But prior to such approval and giving appointment to deserving / eligible cases the Administrative Departments shall ensure abolition 75% of base level vacant posts existing as on 01.04.2004. Any appointment given under R.A. Scheme without following the procedure prescribed in O.C.S. (R.A.) Rules, 1990 and other guidelines issued by G.A. Department and without abolition of 75% of the base level vacant posts will be considered as administrative impropriety and will result in personal responsibility of the authority giving such appointment. Besides, while giving appointment under R.A. Rule the claim of eligible NMR/ DLR/J.C. workers for regularization of the services as per FD resolution No.22764/F., Dt. 15.05.1997 may not be ignored. Cases of appointment under Rehabilitation Assistance henceforth, need not be preferred to Finance Department for concurrence. F.D. O.M. No.10954/F., dt.14.03.2001 on Austerity Measures is amended to this effect. Excepting the cases on rehabilitation assistance, all other cases of filling up of base level vacant posts may not be filled up without prior concurrence of Finance Department.

Yours faithfully,

Sd/-

Additional Secretary to Government

***MATTER RELATING TO
TREASURY CODE***

FINANCE DEPARTMENT

No. 19854 (260) /F., Dt.20.04.2005
TRC-19/03(Pt-II)

To

All Departments of Government
All Heads of Departments.

Sub : Non-observance of codal provisions by the DDOs in maintaining the Cash Book.

Sir,

I am directed to say that SR 37 of OTC Vol-I prescribes the procedure for maintenance of Cash Book by DDOs. As per the said codal provisions, (i) all monetary transactions should be entered in the cash book as soon as they occur and the Cash Book should be attested by the head of the office in token of his verification, (ii) the cash book should be closed regularly and completely checked, the head of the office should verify the totalling of the cash book or have this done by some responsible sub-ordinate officer other than the persons who maintains the cash book and initial it as correct, (iii) at the end of each month, the head of the office should verify the cash balance in the cash book and record a signed and dated certificate to that effect and (iv) when Government money in the custody of a Government Officer is paid into the treasury or the bank, the concerned head of the office should compare the Treasury Officer's or bank's receipt on the challan or his pass book with the entry in the cash book before attesting it and satisfy himself that the amounts have been actually credited into the Treasury / Bank.

It has, however, been observed during Audit that such procedures are not being followed as a result of which variations in cash balances are noticed. Similarly, instances of unspent balance shown in the cash book as remittances into treasury but not reflected in the accounts of the concerned Treasury has also come to the notice in Audit which is a clear pointer to miss-appropriation of such unspent balance. Differences in physical cash balance as against book balance of cash book can be obviated by scrupulous observance of stipulation contained under SR 70 (a) and (b) of OTC-Vol. -I.

In order to over come such deficiency as pointed out by A.G. (Audit), Orissa time and again, you are requested to issue suitable instructions to the DDOs under your administrative control to scrupulously adhere to the aforesaid Treasury rules and codal provisions while maintaining Cash Book/Government Accounts. In the event of any breach of such guidelines appropriate disciplinary proceedings may be initiated against erring officers.

Heads of Department may also make it a point to inspect the Cash Books while inspecting various offices.

Yours faithfully,

Sd/-
Special Secretary to Government

FINANCE DEPARTMENT

No 21377(167) /F., Dt. 30.04.2005
TRB - 48/2005

To

**The Treasury Officers of
All District Treasuries / Spl. Treasuries.**

Sub: *Voucher level Computerisation - Accounting of AC - DC Bills - reg.*

Sir,

I am directed to say that S.R. 260 and 261 of O.T.C. Vol. I provides for drawal of money in A.C. bills and submission of D.C. bills thereof to the A.G. (A&E), Orissa for adjustment. But, the A.G. (A&E), Orissa have brought it to the notice of Finance Department that they are experiencing a lot of difficulties in accounting of the A.C. bill drawals in absence of proper noting of sanction order No. of the competent authority on the A.C. bills and correct reference of the A.C. bill drawn, on D.C. bills. Further, they also find it difficult to locate / identify the A.C. bills submitted to their office as these bills are being included in the voucher bundle along with other vouchers.

In order to obviate the above difficulties, you are hereby directed to ensure that the required procedures as laid down in the relevant rules are followed by the D.D.Os while preferring the AC / DC bills and also to ensure proper noting of sanction order of the competent authority on A.C. bills as well as proper reference of A.C. bills drawn on D.C. bill so that the A.C. bills drawn earlier can be suitably be paired up. Further, you are requested to submit a list of A.C. Bills drawn and included in the LOP / SOP to office of the A.G. (A&E), Orissa along with the monthly accounts so that proper accounting of such bill can be ensured at the time of compilation of accounts in the office of the A.G. (A&E), Orissa. Moreover, you are also required to submit the A.C. bills drawn during the month in a separate bundle with a covering list of A.C. bills drawn to the o/o the A.G. (A&E), Orissa for easy tracking and accounting of A.C. Bills.

Yours faithfully

**Sd/-
Joint Secretary to Government**

FINANCE DEPARTMENT*** * ***

No. 27305 (37) /F.,
TRB-55/2005

From

**Shri B.K. Pradhan,
Joint Secretary to Government.**

To

**The Treasury Officers
of all District Treasuries/
Special Treasuries.**

Sub: T.V. Nos. on the body of the vouchers regarding.

Bhubaneswar, dated the 04.06.2005

Sir,

The Accountant General (A & E), Orissa has brought it to the notice of Finance Department that some of the Treasuries do not put the T.V. Nos. on the body of the vouchers in number of bundles, especially while sending March (P) Accounts. In view of such irregularities, it becomes impracticable on the part of the staff of the A.G. (A & E), Orissa to account for those vouchers in a time scheduled programme and they face a lot of problem to compile those accounts.

In order to arrest such irregularities you are requested to look into the matter personally and put T.V. Nos. on the body of the vouchers before sending the same to the A.G. (A & E), Orissa.

Yours faithfully

**Sd/-
Joint Secretary to Govt.**

FINANCE DEPARTMENT

OFFICE MEMORANDUM**No.TRC.32/04-33563/F., Dt.13.07.2005**

Sub: - Drawal of salary and other personal entitlements of Government Employees and schematic funds through Bank Account / Account Payee Cheque.

The matter of disbursement of salary of Government employees through cheques has been engaging the attention of Government for quite sometime, keeping in view the security hazards of carrying huge amount of cash, misuse of available cash as well as for simplifying accounting and for benefit of employees.

2. In the meantime, the Finance Act, 2005 of Government of India has introduced a new levy, namely, the Banking Cash Transaction Tax (BCTT) which has come into force w.e.f 1st June, 2005. The BCTT is levied @ 0.1% (10 basis points) of the value of taxable banking transaction. Taxable banking transactions have been defined to mean;

- (i) Withdrawal of cash (by whatever mode) exceeding a specified limit on any single day from an account (other than a Savings Bank A/C) with any Scheduled Bank.
- (ii) Receipt of cash exceeding a specified limit from any Scheduled Bank on any single day on encashment of one or more term deposits, whether on maturity or otherwise.

3. The specified limit is Rs.25,000/- in case of individual and HUFs, and Rs.1,00,000/- for other taxable entities. The BCTT is also payable, by an office or establishment of the Central Government and the Government of a State. Consistent with the same, Central Government and State Government Offices or establishment will be liable to pay the tax on the amount of cash withdrawn by them for their use if the amount withdrawn by them is in excess of Rs.1,00,000/- on a single day from a single account. It needs no reiteration that Government Offices or establishments are required, in particular, to draw large sums for disbursement of salaries and other personal entitlements of employees as well as schematic funds. In order to avoid the tax liability falling on the employees, it is expedient and necessary that employees of the State Government open individual Savings Bank Accounts and receive salary payments along with other personal entitlements by cheques .

4. Keeping these factors in view, Government after careful consideration have decided that the salaries and other personal entitlement of all Government employees will be credited to their respective Bank Accounts w.e.f 1st August, 2005 in the manner described hereinafter. This has to be scrupulously followed by all State Govt. Offices / Establishments.

5. The employees of any particular establishment / office, whose salaries are being drawn from specific nationalized Bank/ scheduled Bank which is attached to a particular Banking District Treasury / Special Treasury / Sub-Treasury may open individual Saving Bank Account in that particular Bank. Their salaries will be immediately credited to their respective individual accounts. Those employees who would not like to open Account in that particular Bank but have accounts in other Banks would receive an Account Payee Cheque from concerned D.D.O. However, in that event, clearing of cheque would take some time, with possibility of imposition of collection charges by the Bank on account of said facility. To avoid the extra burden it is desirable that all the employees of a particular Government establishment / office open individual Savings Bank Account in the Bank from where their salaries are being drawn.

6. The net entitlements in respect of the employees who have no deductions to be made on account of loans from any Bank and other financial institutions will be credited instantly to the respective Savings Bank Accounts of the respective employees in the concerned Bank where Government transactions of that office / establishment are being conducted.

7. (i) Those employees who have availed loans from any Bank / Financial Institutions, recovery of which is entrusted with the D.D.O. the amount arrived at after deduction of the loan repayment amount shall be credited into the respective Savings Bank Accounts of the employees.

(ii) The amount so deducted will be credited into the current Account to be opened by the concerned D.D.O. who will in turn issue a cheque to the concerned Bank/Financial Institution for the amount so deducted alongwith employee details.

(iii) Once the salary payments through cheques are introduced, D.D.Os will not be making the deduction on account of new house building loans etc. availed by employees. These deductions will be

made by the Banks themselves as the employees' accounts will be with the Banks.

8. In the remote areas where bank facilities are far from the headquarters of the employees and since it will be difficult to avail the facilities of payment through cheques, the payment would continue to be made by cash as per the existing practice subject to condition that the amount to be withdrawn by the D.D.O. will not exceed Rs.1,00,000/- (One Lakh) on a single day in any circumstance.

9. Payment through cheques will also be followed in the case of those employees who have Bank accounts but not in the particular Bank attached to the Office / Establishment for treasury transactions. In such cases the salary amount will be first credited to the current account of the D.D.O. who in turn will issue cheques to the employee. Wherever the DDO is required to make deduction for House Building Loans ect. availed by the employee, he would issue cheques to the banks concerned for the amount deducted.

10. The detailed procedures regarding the manner in which establishment bills / bills of schematic funds will be preferred by the D.D.Os as well as other accounting arrangements, have been spelt out in the Annexure enclosed.

11. Necessary amendments to the relevant provisions of Orissa Treasury Code Vol. - I and Vol. – II will be made in due course to incorporate the aforesaid modes of obtaining legal quittance in respect of monthly Pay & Allowances, other personal entitlements, schematic funds.

12. This Office Memorandums supersedes earlier Finance Department Office Memorandum No. 60235-Try-III-39/79 F., dt.26.12.79 and Memo No.64703(150)-Try-III-2/80 F dt.23.12.80 and Letter No.TRB-78198-50084(130) F dt.5.12.1998 issued in this regard.

Sd/-

Dr. U. Sarat Chandran
Principal Secretary to Government

Annexure

**GENERAL PROCEDURE TO BE FOLLOWED REGARDING
DRAWAL OF SALARY AND OTHER ENTITLEMENTS OF
EMPLOYEES AND SCHEMATIC FUNDS THROUGH
CHEQUES/SAVINGS BANK ACCOUNT**

The follow up action to be taken by the employees of State Government, their D.D.Os and the banks for operationalising drawal of salary, other entitlements, schematic funds through cheques/Bank Account is as under :

- 1) Each employee of an office/establishment is required to open a savings bank account in the bank conducting Govt. transaction in respect of the office where the employee is engaged and furnish his Savings Bank Account Number to the respective D.D.Os by 20th of July, 2005. An employee may open a Zero balance savings account subject to condition that the minimum balance will be adjusted from his entitlements in five equal monthly instalments. The DDO should send a list of employees to the concerned bank for opening of the savings accounts and attest the photographs and signatures of the employees. In case of employees having bank account in the same bank, no fresh account is required to be opened.
- 2) The D.D.O. of a State Government office/establishment is required to open a Zero balance current account in his official designation in the concerned Bank attached to a District Treasury/Special Treasury/Sub-Treasury. No amount is required to be deposited in the bank for opening of such current account.
- 3) In the salary bill for the month of July, 2005 and onwards, the D.D.Os are to mention the Savings Bank Account number together with name and location of Bank of the respective employees in the remarks column of the pay bill Form (OTC-22).
- 4) In the space provided for total net amount required for payment in respect of the pay bill Form (OTC-22) the following explanations are to be indicated:
 - i) The amount payable to the Savings Bank Account of the employees opened with the Bank, where Government transaction of that office/establishment is being conducted.

- ii) The amount payable by separate Account Payee Cheque for the employees having no Savings Bank Account with the Bank, where Government transaction of that office is being conducted.
 - iii) The amount payable by Account Payee Cheque towards the recoveries on account of pay roll savings scheme and loans and advances of Bank or any Financial Institutions in respect of employees whose salary is drawn in the bill.
- 5) The DDO should submit along with the bill separate supporting schedules indicating the following.
- a) Employee-wise list with Savings Bank Account Number in respect of amounts to be credited to their respective Savings Bank Accounts.
 - b) Employee-wise list indicating the amount which will be credited into the Current Account of D.D.O.
 - c) List showing employee-wise recovery on account of Pay Roll Saving Scheme/loan from Bank or any Financial Institutions that would be credited into the Current Account of the D.D.O.
- 6) Wherever possible, a soft copy of the schedules may be submitted to the concerned bank to save delay for crediting of the amount.
- 7) In the office copy of the Bill/ Acquittance Roll a note should be kept about outside deductions like recoveries on account of Pay Roll Saving Scheme/Bank or other Financial Institutions and the total amount remitted in shape of Account Payee Cheque should be mentioned.
- 8) On the pay bill, the endorsement should contain specific instructions for payment by means of credit to respective Bank Account of the employees as per the schedule enclosed and payment in shape of Account Payee Cheque towards salary of employees having no account in the particular Bank and the recoveries on account of Pay Roll Savings Scheme & Bank or other Financial Institutions.

For example –

Please pay Rs. _____ by transfer credit to the Savings Bank Accounts of _____ number of employees;

Please pay Rs. _____ by transfer credit to the DDO's Current Account towards payment by cheque to _____ number of employees having no account in the Bank;

Please pay Rs. _____ by transfer credit to the DDO's Current Account towards recoveries of loans from banks and financial institutions in respect of _____ number of employees.

- 9) In the Form-OTC-82 the payment required in the above manner should be mentioned along with authorisation in favour of the messenger to collect a statement showing the amount credited to the Bank Account of the employees, amounts credited into the Current Account of DDO towards salary of employees not having account with that particular Bank and amounts credited into the Current Account of DDO towards recoveries on account of Pay Roll Savings scheme and loans availed from Bank or other Financial Institutions, along with supporting statements containing the details of the instruments duly signed by the Branch Manager.
- 10) On presentation of the bill at the District Treasury/Special Treasury/Sub-Treasury, a token would be obtained, as usual, by the bearer of the bill.
- 11) The Treasury Officers are to record the Pay Order as per endorsement on the bill by the DDO and send the passed Monthly Salary Bills on the last two working days of the month stipulating payment on the first day of the succeeding month so as to enable the Bank to take steps for crediting the amount due to the employee's account and current account of D.D.O respectively.
- 12) The messenger authorised in Form – OTC- 82 should exchange the Treasury Token in the Bank and tender the Bank Token at the counter for disbursement of Salary Cheques to claim the statements and instruments mentioned in the authorisation slip in OTC- 82.
- 13) The messenger is to hand over the statement containing the amount credited to the Bank Account and the instruments received to the DDO and the Cashier.

- 14) In the Receipt side of the Cash Book of the D.D.O. net amount of the Bill is to be entered and on the Payment side the amount credited to the Bank Account of the employees and the amounts paid to employees and amounts remitted towards outside recoveries in shape of Account Payee Cheque are to be mentioned. While remitting the amount towards outside recoveries the DDO should forward a signed Statement containing the details of amount recovered from each employee.
- 15) No formal acquittance is required for the amount credited to the Bank Account of the employees. The statement furnished by the Branch Manager, of the concerned Bank in support of the amount credited to the Bank Account of the employees is the proof of payment to the employees. In respect of outside recoveries on account of Pay Roll Savings Scheme and loan from Bank or other Financial Institutions, a stamped receipt is to be obtained from the Group Leader, Pay Roll Savings Scheme and the Bank or other Financial Institutions respectively for the amount deducted from the salary of individual employees and will serve as the proof of payment. As regards the salary of those employees paid in shape of Account Payee Cheque, the legal acquittance shall continue to be obtained on the Acquittance Roll/ Office Copy of the Bill.
- 16) If any employee does not come forward to receive the Account Payee Cheque in person or through his authorised agent within a month of drawal of his salary, the DDO should cancel the cheque.
- 17) In order to watch the balance in the Bank account of the D.D.O., a subsidiary cash book shall be maintained in the prescribed proforma and the same should be reconciled with the Bank in every month.
- 18) The following important points shall be kept in view by the D.D.O. and the Bank in the matter of accounting under the system of payment outlined above.
 - (i) A register for the Bank cheque books received and used should be maintained by the D.D.O.
 - (ii) Acquittance Rolls in Form OTC-28 should be modified by adding a column as Col.13-A to indicate the cheque number and date.

(iii) Undisbursed pay and allowances should be watched in a Register in Form OTC-28 and shall be refunded by short drawal in the next bill as required under S.R. 235 of OTC Vol-I.

(iv) Reconciliation between the balance at the Bank and that is shown in the Register of undisbursed salary and allowances should be effected periodically and for this purpose the Bank Pass Book should be got updated every month. At the end of every month, the Bank shall furnish a statement of receipts and payments to each D.D.O.

(v) Bank reconciliation statement for every month should be prepared by the D.D.O. by 18th of the succeeding month with reference to the Bank Pass Book and the statement furnished by the Bank. Discrepancy, if any, should be reconciled instantly.

(vi) On presentation of account payee cheque by the Government employee, the amount should be immediately credited to his account and withdrawal should be allowed by the Bank simultaneously, if sought for.

19) The procedure outlined above shall apply mutatis - mutandis to drawal of arrear salary and where salary for part of a month is drawn. The aforesaid procedure shall also be applicable in case of drawal of pensionary benefits of the retired employees as well as drawal of schematic funds by the DDOs.

20) In case of Pension schemes like widow pension, old age pension, disability pension etc. the DDOs should draw the amount in cash not exceeding Rs.1.00 lakh on a single day.

21) In case of drawal of amount on account of contingent expenditure etc. exceeding Rs.1.00 lakh the amount may be credited to the Current Account of the concerned DDO and the DDO should make payments through account payee cheques.

FINANCE DEPARTMENT

* * *

NOTIFICATION**Bhubaneswar, the 13th January, 2006**

No. TRC-45/2005- 1723/F., Considering the difficulties of the D.D.Os and keeping in view the proximity of Andhra Bank, Kashinagar Branch to Kashinagar Sub-Treasury, Government after careful consideration have decided to change Government banking transaction of Kashinagar Sub-Treasury from State Bank of India, Paralakhemundi Branch to Andhra Bank, Kashinagar Branch with effect from **1st February, 2006.**

By Order of the Governor,**P.K. Mishra,
Special Secretary to Government.****FINANCE DEPARTMENT**

* * *

NOTIFICATION**Bhubaneswar, Dated 24.01.06**

No. TRC-30/03- 2952/F., The non-banking Sub-Treasury at Bissam Cuttack, District-Rayagada is converted into banking Sub-Treasury with effect from 1st march, 2006. The Indian Overseas Bank, Bissam Cuttack Branch shall take over the Government cash transactions of the Sub-Treasury, Bissam Cuttack from the aforesaid date.

By Order of the Governor,**P.K. Mishra,
Special Secretary to Government.**

FINANCE DEPARTMENT

* * *

OFFICE MEMORANDUM**No. TRC-32/04-13171/F., Bhubaneswar, Dated 25th March, 06**

Sub: Memorandum on drawal of Salary and other personal entitlements of Government employees and Schematic Funds through Bank/Account/Account payee cheque—partial modification of certain stipulations therefore.

The undersigned is directed to invite reference to the Finance Department O.M.No.TRC-32/04-33563/F dt. 13.07.05 on the subject cited above and to say that the para-21 of the Annexure to the said O.M. is partially modified as follows :-

“In case of drawal of amount on account of contingent expenditure etc., exceeding Rs. 1.00 lakh the amount may be credited to the Current Account of the concerned DDO and the DDO should make payments through Account Payee Cheques. However, in case of outstation parties the amount can be remitted directly in shape of Account Payee Demand Draft drawn in favour of the concerned party without crediting the amounts to DDO's account”.

**Sd/- P.K. Mishra,
Special Secretary to Government.**

MISCELLANEOUS MATTERS

**No. Codes.17/05/31573/F.,
FINANCE DEPARTMENT**

* * *

OFFICE MEMORANDUM

Bhubaneswar, the 30th June, 2005.

Sub: Monthly limit for purchase of bi-cycle for official use.

The undersigned is directed to say that the monetary limit for purchase of bi-cycle for use in Government offices was last fixed at Rs. 1500/- in Finance Department office Memorandum No. Codes-1/2003-6401/F., dt.11.02.2003. In fact the bi-cycle is considered as one of the appliances used for official work based on necessity particularly for treasury work/distribution of daks etc. The Orissa General Financial Rules and Delegation of Financial Powers Rules, 1978 contain the principles to be followed in respect of purchase of office equipments/tools. Hence it is felt necessary not to fix any price ceiling for purchase of a bi-cycle.

Accordingly, it has now been decided to prescribe the following guidelines for purchase of bi-cycle on the basis of actual necessity, in supersession of Finance Department office Memorandum No. 6401/F., dt.11.02.2003.

1. Sealed quotations should be invited to purchase new bi-cycle from the ST/VAT registered firms and the lowest offer should be accepted.
2. The usual longevity period of 8 years for a cycle be followed and bi-cycle can be purchased on replacement basis after condemning the old one after completion of the prescribed longevity period.
3. The bi-cycle should have usual fittings and other accessories like seat, carrier, bell, lock and stand. No. luxury items/ accessories should be fitted into the cycle.
4. The Department concerned may go for purchase of bi-cycle observing the above guide-lines without any reference to Finance Department on price aspect.
5. The old condemned bi-cycle should be properly auctioned/ sold and sale proceeds collected from the said auction should be appropriately deposited in Government Account in the requisite head.

This order shall take effect from the date of issue.

**Sd/-
D.P. Dash
Addl. Secretary to Government**

FINANCE DEPARTMENT

* * *

No. 49132 (258) /F., Dated, Bhubaneswr, the 25.10.05.
GIS (FIN)-4/2001

From

Shri D.P. Das, IAS,
Additional Secretary to Govt.

To

All Principal Secretaries.
All Secretaries/ Special Secretaries
All Heads of Departments
All Collectors

Sub: Sanction of assured sum in favour of legal heir of the deceased employees in time in case of death while in service under G.I.S.

Sir,

It has come to the notice of Government that in several cases, Head of offices/ Drawing and Disbursing Officers do not take timely action for sanction of one-time refundable GIS premium after retirement, obsequies and assured sum in favour of the legal heir of the deceased employees in case of death while in service. For want of timely action on the above matter, many legal heirs have resorted to court proceedings and more particularly have filed cases in different Consumer Disputes Redressal Forum claiming not only their dues but also interest for non payment of such dues timely. In fact in some Consumer Disputes Redressal Forum have passed orders both for payment of assured sum along with interest from the date of death of the employee even though the legal heirs have filed the application with requisite death certificates and legal heir certificates much later than the date of death of the Govt. employee. In one case, the matter was referred to Advocate General for opinion where one Consumer Disputes Redressal Forum has passed orders for not only payment of assured sum to the legal heirs but also interest from the date of death of the Govt. servant till the date of disbursement. Advocate General after examining the said case has given his opinion, an extract of which is mentioned as under.

Section 2(1) (o) of the Act inter-alia envisages that the services rendered free of charge do not come within the definition of 'service'. The authorities of the Finance Department neither render service by taking any charge from the employee nor from the legal heirs of the deceased employee under the GIS scheme. The deceased was a Govt. servant and was bound by the service conditions applicable to the Govt. servant. Under the GIS scheme, all Govt. servants are required to subscribe to the funds and the subscriber/ family of a Govt. servant are entitled to get benefits from such scheme subject to certain conditions. As the authorities under the Finance Department render service free of charges and all such activities/ processing pertaining to GIS scheme do not involve any element of commercial activities, the legal heirs of the deceased can neither be held as a 'consumer' nor the said authorities can be held to have been rendering service by taking any charges. The legal position in this regard has been succinctly stated by taking any charges. The

legal position in this regard has been succinctly stated by the Hon'ble Supreme Court in the case of State Orissa Vs. D.M., L.I.C., reported in AIR 1996 SC 2519. Para-7 of the judgment is extracted herein below:

"It is not in dispute that the respondent was a Govt. servant and therefore, is bound by service conditions and the State was rendering service free of charge to the contesting respondent. Under those circumstances, the Govt. servant has been excluded from the purview of the Act to claim any damages against the State under the Act. Therefore, if any claim arises for the contesting respondent it would be open to him to claim, in any other forum but not under the Act."

According to the opinion of Advocate General, the assured amount under the GIS is to be settled as per the conditions prescribed in the scheme and this will not attract the provisions of Consumer Protection Act as no fees collected from the incumbent for rendering such service.

Finance Department in series of letters and resolutions, such as L. No.16015 dt.03.04.1999, Resolution Nos. 14251; dt 16.04.94, 14254/F, dt.16.04.96 and 8754/F., dt.09.03.1999 have issued elaborate guidelines for settlement of the dues of both retired Government employees and claims of the legal heirs of the Govt. employees died in service. However, the following instructions are reiterated for speedy settlement of GIS dues and to avoid court litigations in this respect.

- (a) The required premium as per the above guideline may be sanctioned during the life time of the employee and the Bank Draft may be transmitted to Finance Department forthwith. In case of excess/ less deposit of premium, the concerned officer may be taken to task for such erroneous one.
- (b) As regards sanction of assured sum, all documents along with application may be sent by the Head of the Offices/ D.D.Os duly authenticated by him within one month from the death of the employee concerned after collecting the same from the claimant's concerned. In case of non-submission of required documents by the claimants, the family of the deceased employee may be suitably reminded and it should be noted in the record for future reference.
- (c) Payment GIS premium and sanction of assured sum may be reviewed by the Controlling Officer and in case of delay in sanction of such amount, it should be brought to the notice of the Administrative Department as well as Finance Department.
- (d) All cases filed in the Consumer courts or any other courts be defended by the Head of Offices/ DDOs concerned in line with the opinion rendered by the Advocate General in the matter.

This may be brought to the notice of the Universities, other autonomous bodies and Local Bodies.

Yours faithfully

Sd/-
Additional Secretary to Govt.

FINANCE DEPARTMENT

* * *

No. GIS.II-6/05 26664 (234)/F.,**From****Shri M.K. Mallick,
Under Secretary to Government.****To****All Department of Governments/
All Heads of Department/
Registrar, Sambalpur University, Vanivihar, Bhubaneswar/
Registrar, Sambalpur University,
Jyoti Vihar, Burla, Sambalpur/
Registrar, Berhampur University/
Bhanja Vihar, Berhampur/
Registrar, Orissa University of Agriculture
and Technology, Bhubaneswar.****Sub: Adoption of revised death claim proposal form for sanction of assured sum.****Bhubaneswar, dated the 01.06.2005****Sir,**

I am directed to say that the Drawing and Disbursing Officers are sending proposal for sanction of assured sum and Group Insurance Scheme of employees under their control it is noticed that, all informations/ documents are not sending properly with the proposal, so that objections have been raised more than once in a particular case. Further the DDOs are sanctioning obsequies more than the actual to be sanctioned according to the deposit. Besides, after sanction of assured sum, same DDOs are insisting for return of GIS Pass Book to sanction one time deposit and obsequies. In order to avoid all problems, smooth and early sanction of assured sum to the legal heir of deceased employees, the proposal in the enclosed proforma may be sent to the Finance Department alongwith the documents/ information mentioned therein.

The Sub-Ordinate Officers under your administrative control may be informed forthwith to do the needful.

Yours faithfully

**Sd/-
Under Secretary to Government**

**INFORMATION FORM FOR DEATH CLAIM UNDER GROUP
INSURANCE SCHEME FOR THE EMPLOYEES OF GOVERNMENT/
AIDED NON GOVERNMENT EDUCATIONAL INSTITUTIONS/
URBAN LOCAL BODIES**

To

**The Finance Department,
Government of Orissa, Bhubaneswar.**

Sub: Payment of death claim to the beneficiaries.

1. Full name of the deceased employee :
2. Marital status of the deceased employees :
3. Name of the Office/ Department with full address :
4. Designation of the deceased employee with the scale of pay :
5. Pay at the time of death :
6. Pay at the time of last deposit :
7. Quantum of deposit towards GIS at the time of death :
8. Quantum of obsequies paid :
9. Full address of the office where the deceased employee was serving :
10. Date of Birth :
11. Date of death (copy of death certificate duly attested by the Head of Office/ DDO should be attached) :
12. Date of retirement :
13. Last amount of deposit prior to the death of the employee :
14. Letter No. & date in which the last deposit was submitted to Finance Department, through Bank Draft :
15. The Bank Draft No. & Date of the last deposit :
16. Amount of the time refundable deposit realized from the deceased employee (GIS Pass Book of the deceased employee should be attached) :
17. Name & relationship of the legal heir with present address (copy of legal heir certificate duly authenticated by the Head of Offices/ D.D.Os should be attached) :

I certify that the above employee was covered under the GIS on the date of death and has expired while was in service. I have obtained satisfactory proof of death of the deceased employee. I/We hereby declare that the answer to above questions are true in every respect.

Signature

Place :

Designation

Date :

Full name of the Drawing & Disbursing Officer

Check list for verification of the
D.D.O. before sending the death
claim proposal.

1. Original GIS Pass Book with Bank Draft No. & date/
Treasury Challan No. & date to be written against
each entry in GIS Pass Book.
2. Copy of the sanction order of last deposit.
3. Copy of the letter in which the last deposit has been remitted to Finance
Department in shape of Bank Draft.
4. Copy of the death certificate attested by Head of Office/DDO.
5. Copy of the legal heir certificate attested by Head of Office/D.D.O.
6. Present address for correspondence with legal heir.
7. One time deposit and obsequies must be paid to the legal heir before
sending the proposal. It must be entered in the GIS Pass Book.
8. Copy of the 1st page of Service Book attested by Head of Office/D.D.O.
9. Write full name of the D.D.O. in the proposal form.

FINANCE DEPARTMENT

No. 33311 /F., Date 12.07.2005
Loans-8/2005

OFFICE MEMORANDUM

Sub : Maintenance of Ledger Account on loans, advances and Government Guarantee – Quarterly review and reconciliation etc. by the Administrative Department.

Detailed guidelines were issued in Finance Department Memo No.32445 (45)/Loans 83/97-F., dated 06.08.97 read with letter No.Loans-19/94-673/F dated 06.01.95 regarding monitoring of loans and advances, timely repayment of principal and interest there-on and maintenance of Loan Ledger etc. (copy enclosed). Chapter-13 of **Orissa General Financial Rules**. Volume-I also specially deals with loans and advances (relevant extracts enclosed). This inter-alia medicates the system of recovery of loans and advances, interest payment the control mechanism put in place for watching timely repayment of principal and interest etc. Detailed guidelines were also issued in Resolution No.SG-/2002-52214/F., dated 12.11.2002 regarding maintenance of ledger accounts on State Government Guarantees.

2. Despite codal provisions in the OGFR and guidelines issued by Finance Department in 1995 and 1997 as referred to above, it is seen that there is no proper maintenance of ledger account for the various loans, advances and guarantees sanctioned in favour of different organizations. There is also no systematic review by the concerned Administrative Department to ensure timely repayment of principal and interest against the loans sanctioned from time to time.

3. In this connection, Section-6(9) of **Orissa Fiscal Responsibility and Budget Management Act, 2005** specifically enjoins upon all Departments of State Government to furnish a statement indicating the institution-wise State Government guarantee given, default by these organizations, discharge of debt servicing liabilities and contingent liability created in the State Government account on account of default of these organizations and these statements shall be placed before the State Legislature. Hence it is mandatory on the part of the Secretaries of all Departments to ensure proper maintenance of ledger of loans and advances sanctioned, State Government guarantee given, timely recovery of loans and advances alongwith interest there-on and discharge of guaranteed liabilities strictly in time.

4. In view of the lack of proper and effective accounting monitoring and control mechanism with regard to loans, advances, guarantees etc., the following instructions are issued for bringing about a systemic improvement which require to be strictly followed by all Departments.

- (i) The loan ledger should be maintained and made up-to-date by each Department by 25.07.2005 at the latest.
- (ii) In respect of the guarantee given, guarantee outstanding, guarantee fees and default in payment of guaranteed loans etc. should also be maintained in a separate ledger, as given in Annexure – I (i.e. Annexure –IV attached to Finance Department Resolution No. SG-3/2002-52214/F., dated 12.11.2002)
- (iii) The loan ledger and guarantee ledger as referred to in serial (i) and (ii) above has to be vetted by the Joint Secretary (Budget), Finance Department. The Secretaries of the concerned Departments are to enclose a certificate to the Pay Bill for the month of July indicating there-in that the Loan Ledger and Guarantee Ledger has been made up-to-date and vetted by Finance Department after reconciliation.
- (iv) The Secretary of the concerned Department shall personally review every quarter the progress of recovery of loans and interest, discharge of guarantee liabilities. Such review for the 1st quarter ending 30.06.2005 should be completed by 31.07.2005 at the latest.
- (v) No loan shall be sanctioned nor the proposal for guarantee by processed without reconciling and making up-to-date the loan ledger and guarantee ledger.
- (vi) It shall be the responsibility of the Administrative Department to reconcile the loan account and guarantee account at their level and furnish such reconciliation accounts to Finance Department.
- (vii) Each individual Department should periodically cross check their loan and guarantee ledger with that of Finance Department.

5. It is mandatory for all Departments to ensure strict compliance of the guidelines outlined above in terms of the Orissa Fiscal Responsibility and Budget Management Act, 2005 which has come into force from 14.06.2005 and the Secretary of the concerned Department will be responsible to ensure that accounts relating to loans, advances, guarantees etc. are properly maintained.

Sd/ Sarat Chandran
Principal Secretary to Govt.

ANNEXURE - I																
PROFORMA FOR GUARANTEE LEDGER TO BE MAINTAINED BY THE ADMINISTRATIVE DEPARTMENTS																
									Loan repaid		Outstanding Loan					
Sl. No.	Maximum Amount of Govt. Guarantee sanctioned	Sanction order No & date	Rate of Guarantee Commission	Purpose or nature of Commission	Period of Guarantee	Amount of Loan availed from the Financing Institution on the Strength of Govt.	Name of the Financing Institution	Rate of Interest	Principal	Interest	Principal	Interest	Guarantee Fee Due	Guarantee Fee Paid	Outstanding G/Fee	Date of Liquidation of Loan, if any
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)

FINANCE DEPARTMENT**MEMO NO.32445 (45) – Loans-83/97-F.****The 6th August 1997****To****All Departments to Government****Subject – Monitoring of Loans and Advances – Directives of the Public Accounts Committee.**

While examining the action taken notes of the Finance Department on Paras. 3&4 of the 11th Report (9th Assembly), the Public Accounts Committee Directed that the Finance Department should monitor the recovery of Loans and Advances and the Administrative Departments concerned should review every case from time to time in order to ensure that the outstanding loans are recovered within the period of limitation. If necessary they should approach the certificate courts or the courts of appropriate jurisdiction within the time limit and when a case becomes time barred the defaulting Government officials ought to be taken to task. Further, the Committee desired that Finance Department Should issue instructions to all Departments that some responsible officer (s) should make a realistic assessment of the ability of the Loanees to repay before releasing loan. The observations and recommendations of the Committee have been accepted by Government.

2. Instructions were issued in Finance Department Memo No.32175 (25)-F., dated the 21st August 1995 to all Departments of Government to monitor cases of Loans and Advances sanctioned by the State Government on different occasions. Despite repeated reminders, information in respect of a number of Departments of Government is still awaited. As a result, the very intention of monitoring of these cases has been defeated.

3. Following guide lines are now issued for information and guidance of all concern with sanction and recovery of loans and advances.

- (1) (a) Departments of Government who sanction loans to various organization and individuals shall appoint a responsible officer of the Department to make realistic assessment of the ability of the loanee (s) to repay before the loans are sanctioned.
- (b) When the Departments of Government are not the loan sanctioning authority, the authority competent to do so shall appoint a responsible officer for realistic assessment of the ability to repay.
- (2) (i) Release of loans to P.S.Us etc. is mainly meant for capital expenditure and for working capital. The releases shall always be need based and as far as practicable shall be on quarterly

basis. Principles of best among all choices for investment should govern form the use of these loans.

(ii) (a) Evaluation of the need for funds should take into account the funds-flow analysis, borrowing limit, amount borrowed, behaviour of the loanee in repaying the earlier loans, payment of interest, arrears of Government dues, if any, audit of accounts, profit and profitability etc.

(b) The purpose for which funds are required (whether for a new venture or continuation of the existing one) the total outlay for the new venture, sources of funding, funds already invested in any on-going venture, time frame for completion, the physical progress relative to with the money spent and time taken reasons for delayed execution, cost over run etc. should be clearly brought out in the note seeking concurrence of the Finance Department before sanction of loans.

(3) (a) All the sanction orders for loan shall be addressed to the Accountant-General, Orissa in the format prescribed by Finance Department in their G.O. No.673-F1 dated the 6th January 1995 (copy enclosed) Annexure-I. Payments to the PSU. Etc. shall be made through. Bank Draft drawn by the sanctioning authority. Interest shall be charged from the date of drawal.

(b) When the sanctioning authority is not a Government Department copies of the sanction order shall also be furnished to the Administrative Department concerned and the Finance Department (Loans Monitoring Cell).

(c) A composite office shall be treated as Departments of Government.

(d) When a loan is sanctioned by a particular Department for employees of other Departments the copies of sanction order shall be furnished to the Department concerned and the Finance Department ((Loans Monitoring Cell).

4. The Departments of Government/Sanctioning authority shall maintain Loan Registers. The format for the Register is enclosed at (Annexure-II.)

5. The Sanctioning authority shall not draw the loan until a Bond in the enclosed pro forma is received from the loanee (Annexure III.)

6. All loans sanctioned and disbursed shall be entered in the Loans Register immediately. This shall be followed scrupulously from the year 1997-98. Loans sanctioned prior to 1997-98 which may be at various stages of recovery shall also be reflected in the said Register so as to indicate the latest outstanding position of each loanee on any particular date.

7. Each Loanee shall have separate Ledger folios comprising separate pages for every loan sanctioned. Loans sanctioned in instalments during a particular year shall be treated as one loan.

8. The Sanctioning authority shall take timely action for recovery of loan and interest by way of issue of demand notices. In case the Loanee fails to discharge the liability in time, suitable legal action should be initiated immediately. A responsible official shall be entrusted with the monitoring of recovery. No efforts should be spared for the realization of the Government dues.

9. The Loan sanctioning authority shall furnish a statement, minor headwise, of loans sanctioned, loans recovered and balance outstanding in a particular Major head as on 31st March each year to the Accountant-General, Orissa and Finance Department (Loans Monitoring Cell) and to the Administrative Department where the Loan Sanctioning Authority is not the Administrative Department. The return shall be in form 'A' & 'B' Annexure-IV & V. The return shall be submitted by 31st May of the following year. The first return will be due by 31st May, 1998 for the year ending 31st March, 1998. Prior to submission of an annual statement by the 31st May 1998 the Departments of Government shall furnish a list of sanctioning authorities under their administrative control who will furnish the statement to the Accountant-General, Orissa and Finance Department.

10. Sanction Orders for loans to Government servant shall also be addressed to the Accountant-General, Orissa. Payments will be made in Bank Draft if asked for. The format for sanction of these loans/advances shall be in accordance with the rules governing the grant for loans/advances. The agreements to be executed for such loans/advance will conform to those rules. But in regard to maintenance of Loan Register, reporting of loan position etc. the guidelines indicated above shall mutatis mutandis apply.

Sd/-
K.B.VERMA
Principal Secretary to Government

No.673 – C & I – Loans – 19/94 – 673/F.,

ANNEXURE – I

Government of Orissa

Finance Department

OFFICE MEMORANDUM

The 6th January 1995

**Subject – Loans and Advances sanctioned by the State Government
Standard Forms for sanction of loans and advances.**

Government in Finances Department O.M. No.38239 Loans – 10-92/F., dated the 7th September 1993 have prescribed the rates of interest and other terms and conditions of loans and advances. The question of prescribing a standard format for conveying sanction of loans by various sanctioning authorities was under consideration. After careful consideration a standard formats for loan sanction orders and demand notices etc. have been devised and annexed for information of all concerned. Sanction orders for all loan except those indicated in para.7 of the Finance Department office Memorandum referred to above shall from the date of issue of this Office Memorandum be in the formats now prescribed.

Sd/-

P.K.MISHRA

Principal Secretary to Government

FORM OF LOAN SANCTION ORDER

Subject – Sanction of loan to

Sir, I am directed to convey the sanction of the Governor to be payment of loan of Rs. (Rupees) to

2. The essential details are given in the annexures to this letter.

3. (Conditions on fulfillment of which loan is to be sanctioned are given in O.G.F.R. and various instructions issued by Finance Department to be inserted if necessary). Loan should always be sanctioned against adequate security provided that competent authority may accept security of less value for adequate reasons to be recorded.

4. This sanction has been accorded in accordance with the prior consent of the Finance Department and the rate of interest on the loan and period of repayment thereof has been fixed in accordance with the existing instructions issued by Finance Department.

Yours faithfully

(Sanctioning Authority)

DEMAND NOTICE

Subject – Repayment of loan and payment of interest thereon.

Sir,

According to the terms of the loan of Rs.
sanctioned to you vide this Department letter No.
..... dated the annual repayment
instalment and/or interest thereon detailed below will become due on
.....

(I) Repayment Rs.
(in words and figures)
(II) Interest Rs.
(in words and figures)

2. Please arrange the payment by the due date, It should be noted that the amount of interest has been calculated on the assumption that payment will be arranged promptly. Otherwise it will be raised upwards in accordance with the terms of the loan.

3. The amount due should be tendered on or before the due date at i.e. the The payment should be accompanied by a memorandum or challan in duplicate, giving the following details :-

- (i) Name of the Department –
- (ii) Name of the Borrower –
- (iii) No. & date of loan sanctioned letter with the loan amount sanctioned –
- (iv) Due date of payment –
- (v) The head of account indicated below to which the amounts will be adjustable in Government account should be indicated in the Challan.

Head of Account

- (a) Instalment of Principal –
- (b) Interest –

4. Separate Cheque/draft and challans should be submitted for payment of principal and interest

Yours faithfully,

Sanctioning Authority
Regd. with A.D.

REMINDER

To

SUBJECT : Repayment of loan and payment of interest thereon

Sir,

I am to state that the payment of Rs..... and Rs..... (as detailed below) representing principal and interest respectively which fell due on in respect of loans mentioned there against has not so far been arranged by you.

Loan sanction No. and date

(i) Principal -

(ii) Interest -

2. Please arrange to deposit the aforesaid amount to the account of the Government of Orissa within 10 days of the issue of this letter, failing which other measures would be initiated.

In case the payment in question has already been made to the Government, particulars of the Cheque/demand draft and the date of deposit at the may be indicated immediately.

Yours faithfully,

Authority

ANNEXURE II LOAN REGISTER

Name of the Department
 Name of the undertaking
 Date of incorporation
 Major Head in which expenditure incurred

								Due date of repayment		Date of repayment				Outstanding position as on 1 st April each year			
Sl. No.	Name of the Loanee organization	G.O. No. & date	Amount of loan sanctioned	Bank draft No. & date	Period of repayment	Rate of interest	Rate of penal interest	Principal	Interest	Principal	Interest	Amount of Principal repaid	Amount of interest repaid	Principal	Interest	Reference file	Remarks
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)

ANNEXURE III

THIS BOND is made this
BETWEEN the Governor of Orissa (hereinafter called the Government)
 of the one part **AND** registered under the
 having its business in the State of Orissa
 (hereinafter called the "Loanee" which expression shall unless excluded
 by the context shall include its successors and assigns) of the other
 part.

Whereas the

(1) The loanee applied to the Government for loan of
 only for the purpose of

(2) Government has agreed to advance the said loan of
 only to the loanee in one instalment on the terms and conditions laid
 down in the sanction order of the Government of Orissa in the
 Department (Annexure I) which is deemed to be a part of this bond.

NOW THIS BOND witnesses and it is hereby agreed and
 declared as follows :-

- 1 (i) For the consideration of aforesaid the loanee hereby
 covenant with the Government to repay to the
 Government the said sum of
 only or as per the sanction order together with interest at
 the rate of per annum on the
 principal amount.
- (ii) In case of default in the repayment of the principal and
 interest as aforesaid, the loanee shall be liable to pay
 interest @ per annum. The loanee
 hereby agrees that the loan advanced hereby shall be
 used by him only for the purposes for which the
 aforesaid amount has been lent and for no other
 purpose whatsoever.
3. The loanee further agrees to afford all reasonable facilities to the
 Government or their authorized officers for undertaking inspection of
 initial accounts, stocks and stores etc. and/or calling for any information
 from the loanee for their satisfaction which the loanee shall be bound to
 furnish.
4. For the consideration aforesaid and in further pursuance of the
 aforesaid agreement the loanee, as security hereby grants and
 transfers by way of simple mortgage to the Government. All that

unencumbered assets and properties described in the schedule hereto to the intent that the said property hereby mortgaged shall remain and be charged by way of simple mortgage as security for the payment to the Government of the said principal money and interest in accordance with the covenant herein contained. (The loanee hereby declared that the property described in the schedule hereto shall henceforth be a security for the and be charged with the payment of the said sum of only hereinafter agreed to be paid). (The loanee hereby declares that as security for the repayment of the aforesaid loan with interest the Government shall have floating charge on the assets and properties of the Company specified in the schedule hereto).

5. If the loanee fails to pay/the principal sum hereby secured with interest when the/ same shall become payable under the term of this bond, the Government shall have the power without intervention of a court to take possession of the mortgaged property and to sell or concur with any other person in selling the same or any part thereof either together or in lots and either by the public auction or by private contract subject to such conditions commencing the title or evidence of title or any other matters as the Government thinks fit with power to vary any contract for sale and to buy in or at any auction or to rescind contract for sale and to resale without being liable for any loss occasioned thereby and to realize the amount due to the Government from such sale proceeds after defraying necessary expenses properly incurred as incidental to the sale or any attempted sale and after discharging any prior incumbrance to which the sale is not made subject. Such power of sale shall not be exercised unless and until notice in writing requiring payment of money in arrears has been served on the loanee and default has been made in payment for one month after such service.

It is hereby further expressly agreed that without prejudice to the power of sale in enforcement of the rights as mortgage, or charge holder Government shall be at their option competent to recover all dues payable by the loanee under the Orissa Public Demand Recovery Act, 1962.

7. The loanee hereby declare and agrees that he shall not without the written consent of the Government incumber or alienate or mortgage or charge by way of hypothecation, pledge or otherwise or create any other incumbrance of any kind whatsoever on any part of its land, buildings, structures or plant and machinery or any other fixed asset owned and mortgaged/pledged hereunder.

8. If the loanee fails to repay the loan in accordance with the terms hereof or commits any breach of the terms and conditions of the bond,

Government shall be at liberty to recover the outstanding dues forthwith by way of adjustment of any assistance to be sanctioned by the State Government to the borrower in shape of subsidy, loan or share capital, as the case may be.

9. If the loanee fails to repay the loan and its interest, the loanee is hereby debarred from availing loan in future even if the loan is recovered under clause 8 above.

10. It is hereby further agreed that the stamp duty and registration charges payable on this bond shall be borne by the Government of Orissa.

IN WITNESS WHERE OF the Secretary to the Government of Orissa in the Department has for and on behalf of the Governor of Orissa set his hand and affixed the seal of his office and the common seal of loanee has been affixed hereto in the manner as provided by the law on the date and year mentioned under respective signature.

Schedule of properties herein referred to

Signature of the Secretary to Government
Of Orissa, Department for and on
Behalf of the Governor of Orissa in presence of :

1.

2.

Signed and sealed and delivered by
above named to Resolution No.
Dated of the Government of Orissa
In the presence of.

1.

2.

**ANNEXURE IV
FORM A**

Yearly Return on loans to Government Servants for the year

- | | | |
|----|--|----|
| 1. | Department of Government | .. |
| 2. | Major head Minor head | .. |
| 3. | Loan Sanctioning Authority | .. |
| 4. | Opening Balance (Amount outstanding
on 31 st March) | |
| 5. | Total amount of loan disbursed during the
financial year under report | |
| 6. | Total 4+5 | .. |
| 7. | Total amount recovered in the financial year
under report. | |
| 8. | Balance outstanding (6-7) | .. |

**Signature of the
Sanctioning Authority**

**ANNEXURE V
FORM B**

Yearly Return on other loans for the year

- | | | |
|----|--|----|
| 1. | Department of Government | .. |
| 2. | Major head/Minor head | .. |
| 3. | Loan Sanctioning Authority | .. |
| 4. | Opening Balance (Amount outstanding on 31 st March). | |
| 5. | Total amount of Loan disbursed during the financial year under report. | |
| 6. | Total 4+5 | .. |
| 7. | Total amount recovered in the financial year under report. | |
| 8. | Balance outstanding (6-7) | .. |

**Signature of the
Sanctioning Authority**

No.CCA-II-42/04 23845/F.,

FINANCE DEPARTMENT

OFFICE MEMORANDUM

Bhubaneswar, the 13th May, 2005

Sub : Maintenance of CCRs of Common Cadre Auditors/ Audit Superintendents and Audit Officers working under different Department.

A Clarification was issued regarding maintenance of C.C.Rs of the Audit personnels working in different Administrative Departments in this Department Memorandum No.46431/F dated 26.10.2004, now it is felt that there is some ambiguity in the said circular.

It is therefore decided that the following procedure should be followed for recording and maintenance of C.C.Rs of the Common Cadre Auditors/ Audit Superintendents/ Audit Officers working under different Administrative Departments as follows :-

Name of the Post	Reporting Officer	Countersigning authority	Accepting authority
(1)	(2)	(3)	(4)
1. Auditors working in EAO of Finance Department	Dy. Secy./ Jt. Secy. Finance Department	The Addl. Secy. Finance Deptt.	Spl. Secy./ Secretary of the Finance Deptt.
2. Auditors working under other Administrative Department	Audit Supdt. of the concerned Department	Audit Officer/ AFA of the concerned Deptt.	F.A. of the concerned Department
3. Audit Superintendent	Audit Officer/ A.F.A.	F.A.	Secretary
4. Audit Officer	A.F.A. (Where there are no AFA., the F.A. will act as reporting Officer)	F.A. (If there is no supervising officer above F.A., the Secy. of the Deptt., will act as both Countersigning and Accepting Authority)	Secretary

5. Auditors deputed under foreign service terms & conditions (If the Auditor has been engaged in Audit work)	Audit Supdt./ Audit Officer/ Accounts Officer	Next higher Authority under whom the Auditor is working	Head of the Foreign Body
6. Auditors deputed under foreign service terms & conditions (If the Auditor has been engaged in work other than audit work)	Immediate Branch Officer under whom the Auditor has been engaged	Next higher Authority who is supervising the work of the Auditor	Head of the Foreign Body

This order will come into effect from the year, 2004-05 and onwards.

The Finance Department Memorandum No. 46431/F dt.26.10.04 is hereby superseded.

Sd/- D.K.Mohanty.
Addl. Secretary to Government.

FINANCE DEPARTMENT**OFFICE MEMORANDUM****Bhubaneswar, the 20th August, 2005****No. 40461 /F.,
CCA-II-42/2004**

Sub : Maintenance of CCRs of Common Cadre Auditors working under different Department.

In Finance Department Office Memorandum No.23845/F., dt.13.05.05, a clarification was issued regarding maintenance of CCRs of the Audit Personnels working in different Administrative Departments. Presently Science and Technology Department and I & P.R. Department have sought for further clarification on maintaining & recording of CCRs of Auditors (Common Cadre) posted in their Departments since they have no sanctioned posts of Audit Superintendent and Audit Officer.

It is therefore, decided that the following procedure should be followed for recording and maintenance of CCRs of Common Cadre Auditors working under different Administrative Departments where there is no post of Audit Superintendent and Audit Officer.

Name of the Post	Reporting Officer	Countersigning authority	Accepting authority
(1)	(2)	(3)	(4)
1. Auditors working under different Administrative Department	A.F.A./ F.A. (Where there is no post of Audit Supdt./ Audit Officer)	Deputy Secy./ Joint Secy./ Addl. Secy. (Where there is no post of AFA/FA)	Secretary of the concerned Department

This order will come into effect from the year, 2004-05 and onwards.

Sd/- N.Roy.
Addl. Secretary to Government

PREPARED BY:-
FINANCE INFORMATION DIVISION, FINANCE DEPARTMENT