

**GOVERNMENT OF ODISHA
FINANCE DEPARTMENT**

No. 10455 /F, dated 30.03.2025
FIN-WM-BT-0001-2025

From

Saswata Mishra, IAS
Principal Secretary to Government

To

**The Additional Chief Secretaries/
Principal Secretaries/
Commissioner-cum-Secretaries/
Secretaries to Government/
All Departments
All Heads of Departments**

Sub: Regulation of Expenditure out of the Annual Budget for the year 2025-26

Madam/Sir,

I am to say that the Annual Budget and Appropriation Bill for **2025-26** has been passed by the State Legislature and enacted. The Administrative Departments are authorized to incur expenditure from **1st April, 2025** on the basis of the provision made in the Annual Budget for 2025-26.

2. The Departments should, carefully chalk out their work programme from the beginning of the financial year and make available the provision made in the Annual Budget to the spending Units in the month of April, 2025 itself. The guiding principles and modalities for sanction and release of funds provided in the Annual Budget 2025-26 are specified below.

3. While sanctioning funds, the following guidelines are to be observed by all the Departments.

*Guiding
Principles for
implementation
of Budget*

(i) Expenditure on creation of capital assets and completion of projects; economy in Administrative Expenditure on establishment, operations and maintenance should be given top most priority. Funds should be released according to a definite action plan for achieving the quantifiable physical target fixed for the year.

(ii) **Central Sector Schemes and Centrally Sponsored Schemes:**

(a) Expenditure for these schemes is to be made against availability of Central Assistance only during 2025-26. The concerned scheme officer and Financial Advisor/ Assistant Financial Advisor should check the position of

receipt of CA in the Finance Department website (<http://finance.odisha.gov.in/important-links/receipt-central-assistance>) before sanction/release/drawal of funds.

(b) **However, in case of urgent necessity for release of funds for continuing Central Sector Schemes and Centrally Sponsored Schemes,** the Administrative Departments can incur expenditure to the extent of 50% of the provision made in the Budget Estimate for the year 2025-26 or 50% of the annual allocation made by the concerned line Ministry of Government of India whichever is less, during the first two quarters of the financial year pending receipt of Central Assistance with concurrence of the Financial Adviser/Assistant Financial Adviser of the respective Department. Further, in case of continuing schemes, the Administrative Departments can incur expenditure on the salary component in anticipation of receipt of Central Assistance up to 31.12.2025 without concurrence of Finance Department. On receipt of Central Assistance, it will be first adjusted towards the advance release made by the State Government.

(c) The Administrative Departments should furnish Utilisation Certificate and Statement of Expenditure in time to the respective line Ministries of Government of India and coordinate with them for release of Central Assistance due.

(d) The detail procedure and guidelines issued by Government of India and State Government for release of fund under CSS as well as for implementation of SNA SPARSH Model shall be strictly followed by all the concerned Departments.

(iii) The guidelines and procedure issued vide Finance Department Letter No.338/F, dated 04.01.2025 for implementation of Just-in time-funding System (JITFS) for drawal of State Scheme funds from State Exchequer as well as guidelines issued vide Finance Department OM No.7719/F, dated 06.03.2025 for mandatory use of PL Accounts to avoid parking of government funds outside State Exchequer shall be strictly followed by all the concerned.

(iv) In case of EAPs in the pipe line, expenditure should be incurred only if agreement with the Donor Agency has been signed and the date of effect of the agreement has been notified.

(v) The Administrative Departments would obtain approval of Project Approval Committee/Empowered Committee for sanction of the entire provision made in their Demand for Grant for share

capital/loan/Grant in Aid/Subsidy to PSUs and Co-operatives following due process and procedure.

(vi) In case any Administrative Department intends to grant any relief to any PSU/Co-operative in recovery of outstanding Government dues while releasing Share capital/loan or subsidy, prior concurrence of Finance Department would be necessary.

(vii) Statutory dues viz. Sales Tax/VAT, GST, Municipal Tax, compensation for land acquisition etc. as well as electricity dues, water charges and Rents, Rates and Taxes, both current and arrears, should be cleared on the basis of provision made in the Budget after verification and scrutiny and rebate where-ever available should be availed. **If for any delayed payment surcharge is levied, it would be the personal responsibility of the concerned Head of Office/DDO.** The DDOs shall use Government Consumer Revenue Collection System (GCRCS) for prompt payment of electricity dues. However, the DDOs are required to record a certificate on the body of the bill to be presented in Treasuries in respect of electricity dues that **"the payment relates only to the official use/ consumption and does not include any dues related to residential connection"**.

(viii) Allocation under M.V., Telephone, T.E. and Office Expenses should be distributed in such a manner so that it will meet the requirement for the entire year.

(ix) The maintenance expenditure under **Administrative Expenditure {Establishment, Operations and Maintenance (EOM) Expenditure}** should be incurred according to the Annual Maintenance Plan formulated by the concerned Administrative Department. Distribution of allocation among the administrative units should be completed by 30th April, 2025 in accordance with the approved Annual Maintenance Plan. The Financial Adviser/A.F.A. of the concerned Department shall be Nodal Officer for the purpose, who shall coordinate with the line agencies and compile the Annual Maintenance Plan.

(x) Creation of posts would require prior concurrence of Finance Department. Permission of Empowered Committee constituted in terms of Finance Department Resolution No. 22989/F, dated 05.08.2014 read with Finance Department Letter No.26467/F, dated 21.09.2021 and Letter No.3281/F, dated 31.01.2025 would be required for filling up of base level vacant posts in Group 'C' and 'D' by direct recruitment. However, the Department concerned having valid Establishment Review Report (ERR) shall have full liberty to fill up vacant posts as per Finance Department letter No.7605/F, dated 05.03.2025 without following Empowered Committee mechanism.

(xi) Purchase of new vehicles and hiring of private vehicles for official use shall be made following the instructions issued by Finance Department from time to time in this regard.

Priority areas of expenditure

4. While releasing funds, priority should be given for programmes/schemes where expenditure is reimbursable and State's Own Flagship Programme e.g.- (i) EAP, RIDF, SCDF, LTIF and other Resource Tied up schemes under Programme Expenditure, (ii) Central Sector Schemes and Centrally Sponsored Schemes, (iii) State Sector Schemes under Programme Expenditure like SUBHADRA, CM KISAN, SAMRUDHA KRUSHAK YOJANA, BASUDHA, MADHUBABU PENSION YOJANA, GOPABANDHU JANA AROGYA YOJANA, etc. (iv) Disaster Risk Management Funds.

Submission of Utilization Certificate

5. While scrutinizing proposals for sanction of expenditure during the year 2025-26, the progress of submission of Utilization Certificate in respect of expenditure incurred up to the preceding month and expenditure incurred during 2024-25 should be reviewed by the Administrative Departments.

The time limit for submission of Utilization Certificate in respect of grant in aid provided by State Government and grants received from Government of India as enshrined in Odisha General Financial Rules (OGFR), 2023 is to be scrupulously adhered to.

Even pacing of expenditure

6. (i) The flow of expenditure should be evenly paced and commensurate with the revenue receipts. This necessitates expeditious sanction and allotment of funds. The total allotment including supplementary provision should be communicated by **31.12.2025** or at the latest by **15.01.2026** in case of re-appropriation or additional allotment.

(ii) The Administrative Departments will have to release the allotment relating to personal entitlements under Global Allotment to the respective Controlling Officer at one go from the beginning. Similarly, budget allocation has been made in Demand No.5-Finance Department for festival advance, interest bearing advances like House Building Advance and Advance for purchase of Motor Car/Motor Cycle under global allotment centrally. The relevant guidelines in this regard shall be followed by all the departments.

(iii) The process of issue of sanction orders for release of funds as well as surrender of Budgetary provision should be completed by **31.01.2026**. To avoid last minute rush, the last date for submission of bills to the Treasuries in the financial year 2025-26 will be **10th March, 2026** for claims under other Contingency, Machinery, Equipment, Vehicle, Share Capital, Subsidy, Loan and **16th March, 2026** for other claims.

*Online
distribution of
allotment to
DDOs through
Treasury
Portal*

7. (i) Instructions have been issued to all Departments vide Finance Department Letter No.9342/F, dated 21.03.2025 to complete the process of distribution of allotments to the D.D.Os through Odisha Treasury Portal (<http://www.odishatreasury.gov.in/> www.ifmsodisha.gov.in) **by 31.03.2025**. The detailed DDO-wise Budget Allotments for the financial year 2025-26 should be distributed forthwith through Odisha Treasury Portal in order to enable the Treasuries/Special Treasuries/Sub Treasuries to check the bills against budgetary allotment through IFMS. The DDOs need not wait for ink-signed copy of the allotment. However, the budgetary units of appropriation which are covered under Global Allotment System need not be allocated to the DDOs by the respective controlling Officers.

(ii) Allotment for Works Expenditure of Forest, Environment & Climate Change, Rural Development, Water Resources, Housing & Urban Development, Energy & Works Department against Budget provision, N.H. Credit and Deposits based on budgetary allotment and accounts of the Division/Project, drawn through cheques, would continue to be routed through Works Expenditure module of the Treasury Portal. The Controlling Officers are advised to distribute budgetary allotment in respect of works expenditure to the Divisions/projects through Works Expenditure module of the Treasury Portal.

(iii) Separate expenditure sanction would also be necessary in case of Works expenditure/projects governed by Public Works Department Code, in terms of the provisions contained in Rule-17 (d) of the Delegation of Financial Powers Rules, 1978 as amended from time to time.

(iv) Relevant guidelines for utilization of provisions made for different works under Programme Expenditure of Works, Rural Development, Housing & Urban Development and Water Resources Department and construction of buildings should be followed for release of the budgetary allocation for these works.

8. Sanction of expenditure for new schemes or new services, existing schemes where scope of the scheme is proposed to be altered substantially and/or cost estimate of projects/schemes are to be revised:

Prior to launch/announcement of a new scheme and revision of scope of existing schemes involving substantial alteration and/or cost estimate of the scheme, the procedure prescribed by Finance Department for systematic appraisal and approval should be scrupulously followed. Sanction of expenditure can only be made after completion of the process of appraisal and approval by

competent authority within the limit of sanction prescribed in paragraph-11.

9. Budgetary funds will in no case be transferred to Civil Deposit.

Cash Management
System

10. (i) 20 Departments were covered under Cash Management System up to 2024-25. However, it has been decided that all the departments will be covered under Cash Management System from the financial year 2025-26.

(ii) The minimum level of expenditure by all the departments up to the 3rd quarter i.e. 60% of the gross provision made in the Budget Estimate for 2025-26, not only under Administrative & other Expenditure and Programme Expenditure (State Sector Schemes, Central Sector Schemes, Centrally Sponsored Schemes) taken together but also under Programme Expenditure alone under the Cash Management System is non-negotiable. The six Departments i.e. Works, Housing & Urban Development, Water Resources, Rural Development, Forest, Environment & Climate Change Departments and Department of Agriculture & Farmers' Empowerment, should endeavor to incur expenditure to the extent of 25%, 15% and 20% of the Gross provision in the Budget Estimate in the 1st, 2nd and 3rd Quarter respectively, taking into consideration their working season. The rest of the Departments should aim at achieving expenditure level of 15%, 15% and 30% of the Gross provision in the Budget Estimate in the 1st, 2nd and 3rd Quarter respectively. The provision made in the Supplementary Budget are not taken into account under Cash Management system.

(iii) The departments are not allowed to exceed maximum expenditure limit of 40% of the budget Provision for the 4th quarter and their expenditure in the Month of March shall not exceed 15% of the Budget Provision. The Integrated Financial Management System (IFMS) has been so enabled that it will not admit expenditure in excess of 40% and 15% limit in the 4th quarter and month of March respectively.

(iv) At the end of 3rd quarter, the departments have to meet the expenditure target of 60% not only under Overall Expenditure {Administrative & other Expenditure and Programme Expenditure (State Sector Schemes, Central Sector Schemes, and Centrally Sponsored Schemes)} but also under Programme Expenditure alone. Failure to reach any of these two conditions will result in surrendering the amount illustrated below.

Illustration: (A) If the expenditure of a Department falls short of 60% of overall Budget provision by Rs. 'X' but exceeds 60% under

Programme Expenditure (State Sector Schemes, Central Sector Schemes, Centrally Sponsored Schemes), then Rs. 'X' is to be surrendered by that Department.

Category of Expenditure	Budget Estimate (Rs. in crore)	Minimum Level of Expenditure (Rs. in crore)	Actual Expenditure (Rs. in crore)	Shortfall (Rs. in crore)
Overall	2000	1200	900	300 (X)
Programme	1000	600	800	Nil
Department has to surrender Rs.300 Cr under Overall Expenditure.				

Illustration: (B) If the expenditure of a Department exceeds 60% of the overall Budget provision but falls short of 60% of Budget provision under Programme Expenditure (State Sector Schemes, Central Sector Schemes, Centrally Sponsored Schemes) by Rs. 'Y' then the concerned Department will have to surrender Rs. 'Y' under Programme Expenditure (State Sector Schemes, Central Sector Schemes, Centrally Sponsored Schemes).

Category of Expenditure	Budget Estimate (Rs. in crore)	Minimum Level of Expenditure (Rs. in crore)	Actual Expenditure (Rs. in crore)	Shortfall (Rs. in crore)
Overall	2000	1200	1400	Nil
Programme	1000	600	500	100 (Y)
Department has to surrender Rs.100 Cr under Programme Expenditure.				

Illustration: (C) If the expenditure of a Department falls short of 60% of the overall Budget provision by Rs.'X' and 60% of the Budget provision under Programme Expenditure (State Sector Schemes, Central Sector Schemes, Centrally Sponsored Schemes) by Rs.'Y' then the concerned Department will have to surrender Rs.'Y' under Programme Expenditure (State Sector Schemes, Central Sector Schemes, Centrally Sponsored Schemes) and Rs. ('X' - 'Y') from the overall Budget provision. Where Rs.'X' is less than Rs.'Y' then only Rs.'Y' is to be surrendered under Programme Expenditure (State Sector Schemes, Central Sector Schemes, Centrally Sponsored Schemes).

Category of Expenditure	Budget Estimate (Rs. in crore)	Minimum Level of Expenditure (Rs. in crore)	Actual Expenditure (Rs. in crore)	Shortfall (Rs. in crore)
Overall	2000	1200	700	500 (X)
Programme	1000	600	400	200 (Y)
Department has to surrender Rs.200 Cr under Programme Expenditure and Rs.300 Cr under Overall Expenditure.				

(iv) At the end of the 3rd quarter Finance Department will calculate the progressive expenditure up to December under each Demand for Grant and work out and intimate to the Departments the shortfall amount to be surrendered. Surrender of the provision should be made through the Budget interface module of IFMS and the surrender relating to works expenditure is to be made through Works Expenditure module of IFMS.

*General
limit of
sanction*

11. (I) General limit of sanction: All the Departments are authorized to sanction expenditure up to Rs.2500.00 lakh at a time under **Administrative Expenditure & Transfers from State** and Rs.5000.00 lakh under **Programme Expenditure (State Sector Schemes, Central Sector Schemes, Centrally Sponsored Schemes)**. Sanction of expenditure exceeding these limits would require prior concurrence of Finance Department.

(II) Full power for sanction of expenditure in specific cases: Notwithstanding the limits indicated at Sub-Para (I) above, the Administrative Departments are fully empowered to sanction expenditure for:

- (a) Provisions made under **Disaster Risk Management Funds** against Relief expenditure and provisions made under **Administrative Expenditure and Programme Expenditure** towards Grant-in-aid (salary) for Aided Educational Institutions, Scholarship and Stipend to SC & ST Students, SOAP, NOAP, ODP, Modernization of State Police Force (including advance payment to Ordnance Factories for procurement of arms and ammunitions) and other Security Related Expenditure.
- (b) All resource-tied up schemes such as EAP, RIDF, SCDF, LTIF etc. and State's Own Flagship Programmes like SUBHADRA, CM KISAN, SAMRUDHA KRUSHAK YOJANA, BASUDHA, MAMATA, MADHUBABU PENSION YOJANA, GOPABANDHU JANA AROGYA YOJANA, under Programme Expenditure.

- (c) Central Sector and Centrally sponsored Schemes implemented through SNA and SNA SPARSH Model.
- (d) Direct payment to vendors/contractors/suppliers relating to works expenditure through Works and Accounts Management Information System (WAMIS).
- (e) All schemes implemented through Just-in time funding System (JITFS) and PL Accounts as per Finance Department Letter No.338/F, dated 04.01.2025 and OM No.7719/F, dated 06.03.2025 respectively.

12. All Administrative Departments are required to obtain prior approval of Finance Department/Planning and Convergence Department as the case may be before releasing funds in respect of schemes/provisions reserved for **Post Budget Scrutiny**.

13. (i) Money should not be drawn from the Treasury by the DDOs unless it is required for immediate disbursement. For implementation of the same Subsidiary Rule 242 of OTC, Volume-I, Rule-25 (1) of O.G.F.R, 2023, Rule-141 (3) of Odisha Budget Manual, Finance Department letter No.23583/F, dated 10.07.2019, letter No.27444/F, dated 26.07.2012, letter No.7719/F, dated 06.03.2025, letter No.32215/F, dated 21.11.2014 and other related circular should be scrupulously followed. In order to prevent drawal of money and retention thereof in shape of cash/bank draft, the DDOs must record a certificate on the body of the bills presented after **31st March, 2025** as follows:

"the money drawn in cash/bank drafts/ deposited in current account up to the period 31.03.2025 has been disbursed by now except Rs. _____ which would be disbursed by 30.04.2025 at the latest".

Similarly, while presenting the pay bill for **April, 2025** to be paid on or after 30.04.2025, the D.D.O must record a certificate that: *"all money drawn in cash/bank draft/ deposited in current account up to the period 31.03.2025 have been fully disbursed and no amount is lying un-disbursed with him".*

(ii) While presenting the pay bill for the month of **May, 2025** onwards, the D.D.O. must record a certificate to the effect that:

"the money drawn in shape of cash/bank draft / deposited in current account through the bills presented during the previous months has been disbursed except the money drawn in A.C. bills and the amount now proposed for withdrawal in this bill in shape of Cash/Bank draft shall be disbursed within a period of 15 days from the date of actual drawal from the Bank/Treasury".

(iii) While scrutinizing the bills to be presented during 2025-26, the Treasury Officers must check and ensure that a certificate is recorded on the body of the bill by the D.D.O. concerned to the effect that no amount of money drawn from Treasury/Bank has been kept in deposit account without specific prior approval of Finance Department. This should be strictly followed.

Administrative Departments are to sanction and release funds for expenditure out of the Annual Budget, 2025-26 in accordance with the aforesaid instructions.

Yours faithfully,



30.03.2025

Principal Secretary to Government

Memo No. 10456 /F, **dated** 30.03.2025

Copy forwarded to the Private Secretary to Chief Minister for kind information of Hon'ble Chief Minister.

NM 30/03/25

Joint Secretary to Government

Memo No. 10457 /F, **dated** 30.03.2025

Copy forwarded to the Private Secretaries to Chief Secretary/ D.C.-cum-Additional Chief Secretary/ Principal Secretary, Finance Department for kind information of Chief Secretary/ D.C.-cum-Additional Chief Secretary/ Principal Secretary, Finance Department.

NM 30/03/25

Joint Secretary to Government

Memo No. 10458 /F, **dated** 30.03.2025

Copy forwarded to the Registrar, Orissa High Court/Special Secretary, Odisha Public Service Commission/Secretary, Odisha State Election Commission/Secretary, Staff Selection Commission/Secretary, Subordinate Staff Selection Commission, Registrar, Odisha Administrative Tribunal/Secretary, State Human Rights Commission/Secretary, Odisha Electricity Regulatory Commission/Chief Resident Commissioner, Odisha, New Delhi for favour of information & necessary action.

NM 30/03/25

Joint Secretary to Government

Memo No. 10459 /F, **dated** 30.03.2025

Copy forwarded to all Public Sector Undertakings/Cooperative Institutions for information & necessary action. The aforesaid guidelines should be scrupulously followed.

NM 30/03/25

Joint Secretary to Government

Memo No. 10460 /F, **dated** 30.03.2025

Copy forwarded to all Collectors/all Controlling Officers for information and necessary action.

MM
30/03/25

Joint Secretary to Government

Memo No. 10461 /F, **dated** 30.03.2025

Copy forwarded to the Director of Treasuries & Inspection, Odisha, Bhubaneswar / all Treasury Officers / Sub-Treasury Officers for information and necessary action.

MM
30/03/25

Joint Secretary to Government

Memo No. 10462 /F, **dated** 30.03.2025

Copy forwarded to all Officers/ all Branches of Finance Department for information & necessary action.

MM
30/03/25

Joint Secretary to Government