

GOVERNMENT OF ODISHA
FINANCE DEPARTMENT

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From

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Principal Secretary to Government

To

All Additional Chief Secretaries/
Principal Secretaries/
Commissioner-Cum-Secretaries/
Secretaries/
Special Secretaries to Government/
Heads of Departments

Sub: **Preparation of Revised Estimate for 2016-17 & Budget Estimate for 2017-18.**

Sir/Madam,

I am directed to say that the process of formulation of Revised Estimates for 2016-17 and Budget Estimates for 2017-18 shall have to be initiated and completed in time so as to enable Finance Department to present the budget in the Odisha Legislative Assembly at the appropriate time. In this connection, attention of all Departments/ Heads of Department/ Controlling Officers is invited to the general instructions contained in Chapter- III of Odisha Budget Manual for formulation of Budget Estimates. The following supplementary instructions are to be taken into consideration while framing the Revised Estimates for the current year 2016-17 and Budget Estimates for the financial year 2017-18.

2. The Odisha Fiscal Responsibility and Budget Management (FRBM) Act, 2005 mandates to generate revenue balance and contain the Fiscal deficit within 3.5% of GSDP provided the debt to GSDP ratio is less than or equal to 25%, the interest payment to revenue receipt (IP/RR) ratio is equal to or less than 10% and there is no revenue deficit in the year in which the borrowing limits are fixed and the immediate preceding year. The additional borrowing of 0.5% of GSDP is allowed subject to fulfillment of these conditions, which necessitate rationalization and prioritization of revenue expenditure as well as

augmentation of revenue receipts. The Budget formulation is to be based on the Macro-economic situation as reflected in estimates of GSDP, stipulations of FRBM Act as well as Annual Borrowing Ceiling communicated by Government of India.

3. On the recommendations of 14th Finance Commission, Government of India have increased the Devolution from 32% to 42% of the net divisible pool. However, 8 Centrally Sponsored Schemes (CSS) have been delinked from Central Assistance and there is an increase in State Share in the sharing pattern for other CSS. The NITI Aayog Office Memorandum No. O-11013/02/2015-CSS & CMC Dated 17th August, 2016 spells out the detailed guidelines on the rationalization of Centrally Sponsored Schemes and sharing pattern of the CSS (**at Appendix-I**). The existing sharing pattern would continue for the core of Core Schemes, whereas Core Schemes will have sharing ratio of 60%:40% between Centre and State and for Optional Schemes, the sharing will be on 50%:50% basis. The existing 66 CSSs have been rationalized into 28 umbrella schemes. In the changing scenario, the additional devolution to be received from Government of India is to be utilized to provide additional State share for the CSS and to provide funds for continuing activities which were undertaken in delinked CSS and discontinued State Specific and Sector Specific schemes

4. Besides, the State Government on their own are implementing several schemes for the benefit of the common man such as Biju KBK Yojana, Gopabandhu Grameen Yojana, Biju Gramjyoti Yojana, Biju Saharanchal Bidyutikaran Yojna, Biju Pukka Ghar Yojana, Madhubabu Pension Yojana, MAMATA, Construction of Check Dams in water deficit areas and distribution of subsidized rice to BPL families etc. A number of new and innovative schemes have also been introduced during the current financial year. All these State Sector Schemes require large commitment for financial resources. Besides, in order to achieve Revenue balance during 2017-18, unproductive revenue expenditure is to be curtailed. Keeping all these in view, utmost care is to be taken while preparing the RE for 2016-17 and Budget Estimates for 2017-18.

5. Receipts for 2016-17 (Revised Estimates) & 2017-18 (Budget Estimates)

5.1 Revised Estimates of Receipts, 2016-17:

(i) Pre-actuals of the State's revenue receipts for the year 2015-16 have been made available to the State Government by the Accountant General (A&E), Odisha. The Revised Estimates for 2016-17 are to be formulated on the basis of

the previous year's actuals, current year's trend and any other specific factors, which may increase or decrease revenue in course of the year. Special emphasis is to be given on collection of arrears and pursuing disposal of cases pending in different courts of law.

(ii) As pointed out earlier, a number of new schemes are being implemented which require resource commitment. This has resulted in a higher State Plan Outlay for the year 2016-17 with Enhanced level of Capital Investment for accelerating economic growth. Thus, there is a tremendous pressure on State's resources. All these call upon all concerned to mobilize adequate resources to fund the requirements.

(iii) The level of receipts likely to accrue from all the sources indicated above should be furnished in a small write up and the details may be furnished (detailed head-wise) in **Annexure-I**.

(iv) Loans outstanding as on 1.04.2016, recovery fallen due during 2016-17 etc. in respect of loans sanctioned by Government to PSUs, Cooperatives, Local Bodies and Govt. servants etc. should be furnished in proforma at **Annexure-I (A)**.

5.2 Budget Estimates of Receipts for 2017-18:

(i) The estimate of revenue and other receipts of the State Government should be prepared taking into account the need to enhance collection. While estimating revenue receipts for 2017-18, the factors indicated in para-5.1 (i) may also be taken into account. In no case, the estimates of Own Tax revenue for the year 2017-18 shall be less than 15% over the 2016-17 (Revised Estimates). Estimates of revenue receipts for 2017-18 should be shown in **Annexure-I**.

(ii) Revenue Estimates for 2017-18 should indicate anticipated receipts from additional resource mobilization measures implemented or likely to be implemented during 2017-18.

(iii) Non-Tax Revenue is estimated to grow @ 7%-8% as per the Medium Term Fiscal Plan. Receipt of Non Tax Revenue from sources such as interest, dividend, various user charges, receipts from forest and mining sector have not been uniform in the past. This is primarily on account of poor financial position of different PSUs/ Cooperatives/ Corporations in which Government have a significant stake in the form of investment in share capital or as loan.

Interest receipt : Bulk of the interest receipt of the State Government during the previous years has been on account of cash balance investment. The interest receipt on the loans to PSUs has been abnormally low mainly because of default by the PSUs. Administrative Departments should take up the matter with the PSUs under their control for payment of interest on loans from the State Government regularly, so that the receivable on this account is taken in the resource estimates. The position of Interest due/ outstanding on loans sanctioned by the State Govt. to PSUs/ Cooperatives/ Local Bodies etc. loanewise should also be furnished along with the steps taken to recover the dues in

Annexure – IV.

Dividend receipt : Dividend is received regularly only from Odisha Mining Corporation (OMC) and some of the profit making Power Sector PSU generating Thermal Power. However, all profit making PSUs should pay dividend in terms of the Dividend Policy of the State Government vide FD OM No-3980/F Dated 17.02.2016. Administrative Departments should pursue with the PSUs under their control for timely payment of dividend to the State Government as per the State Dividend Policy and accordingly estimate the dividend receipts. The Administrative Departments should also indicate the position of dividend receipt/ receivable from PSUs/ Companies under their jurisdiction in **Annexure – V** in terms of the Dividend Policy of the State Government vide FD OM No-3980/F Dated 17.02.2016.

Irrigation and Industrial water rates : Successive Finance Commissions have recommended that receipts from irrigation sources should cover the O & M cost incurred for the upkeep of various irrigation projects. In order to ensure commercial viability of irrigation projects, the 13th Finance Commission have adopted the principle of progressive recovery of current costs incurred on maintenance of irrigation works for projecting receipts under this item. At present, however, the State's collection from Irrigation and Industrial Water Rate covers a portion of total expenditure towards operation and maintenance. Since there is low productivity of agriculture and the per capita income of people engaged in agriculture is low, there is not much scope for increasing the rates to ensure full cost recovery. Hence, emphasis should be given to optimize receipts from Industrial Water Rate in order to cover the O & M cost incurred for the upkeep of the projects.

Mining Royalty : Collection of royalty from mineral sources is dependent on extraction and disposal of mineral ores, market demand and rates of royalty. Due to falling Iron ore price in the international market, collection of mining revenue during last 3 years has been far from satisfactory. However, the Iron

ore price has bottomed out and now it is looking up. Accordingly, the mining revenue for 2017-18 (Budget Estimates) should be estimated with growth of at least 10% over the revised estimates for 2016-17.

Receipt from Forestry Sector : This was another major source of revenue which has shown wide fluctuations in collection. However, due to the recent decision of the State Government to increase the return to the Kendu leaf pluckers as a social security measure, the receipt from Forestry sector has gone down substantially during last 4 years. The revenue from the source has now stabilized at a lower level. Accordingly, the forest revenue for 2017-18 (Budget Estimates) should be estimated with growth of at least 10% over the Revised Estimates.

Receipt from Water Supply & Sanitation: The ratio of recovery of O&M cost for Water Supply & Sanitation is very low resulting in substantial amount of implicit subsidy. According to the 12th Finance Commission, implicit subsidies for departmentally run commercial activities need to be discouraged. Hence, there is need for taking pro-active steps like house-hold metering, timely revision of rates etc. to improve revenue collection from this source.

User charges : User charges are being collected in the hospitals and appropriated for maintenance expenditure through formation of Users' Societies under the nomenclature Rogi Kalyan Samiti. This way the State Government are to a great extent relieved of the financial burden on account of maintenance expenditure. However, in certain cases, especially for vulnerable sections, water charges have been waived by the Government. Similarly in the veterinary sector user's fees are being collected and appropriated by the society formed for development of livestock. The educational institutions in the higher education sector are running self-financing courses and utilizing the proceeds for meeting the expenditure relating to staff salary, teaching and learning equipment and infrastructure requirement. In the State museum and zoological park at Nandankanan entry fee are to be revised regularly to finance the cost of upkeep and infrastructure development.

(iv) However, keeping in view the additional expenditure commitments and higher outlay for Programme Expenditure, steps should be taken to augment State's own revenue by at least 12.5% more than the previous period and reduce the unproductive expenditure as far as possible.

(v) Item-wise sources of revenue receipts recorded under Heads “Other Receipts” and “Miscellaneous” should be indicated in the estimate of receipts so that these items can be expedited in a transparent manner.

(vi) A list of organizations from which guarantee fees and dividends are due, should be furnished in a separate statement indicating the arrears as on 01.04.2016 and the current demand in **Annexure-I (C)**.

(vii) **Capital Receipts:** Capital receipts can be broadly categorized as (a) Non Debt Capital Receipts, (b) Net Contribution from Public Account (Excluding net State Provident Fund) and (c) Public Debt

(a) **Non Debt Capital Receipts :** Non Debt Capital Receipts includes Recovery of loans and advances and Disinvestment proceeds. Recovery of institutional and non-institutional loans advanced by the State Governments is very poor. Mostly, the loans have been advanced to cooperatives, PSUs and Local Bodies. Many of them are in a bad shape financially and have not been able to discharge the loan liabilities as per the terms and conditions of the loans sanctioned. On the other hand, the advances sanctioned in favour of the Government servants are being collected as per the terms and conditions of the sanction order. Therefore, the receipt from the same is low and stagnant. Details of Budget Estimates for recovery of loans and advances for 2017-18 should be indicated separately in **Annexure-I(B)**.

Disinvestment Proceeds : The proceeds of asset sale & disinvestment are mainly utilized towards clearance of liabilities of the PSUs. Though it will not provide large fiscal gains it will prevent future built up of liabilities and prevent the need for budgetary support to keep the loss making enterprises afloat. This will ultimately reduce the State Government liability and contingent liability. Therefore, in spite of an ongoing public enterprise reform programme, no amount is projected under disinvestment proceeds because those proceeds are first utilized to clear the liabilities of the concerned PSUs/Co-operatives.

(b) **Net Contribution from Public Account (Excluding net State Provident Fund) :** The cash outgo on account of higher expenditure will entail draw down from the temporary accumulation in the cash balance as there may be a mismatch between flow of revenue receipt and expenditure because of the recessionary trend in the economy. Taking into account Latest position of cash balances, the net contribution from Public account excluding State Provident Fund) would be estimated for the year 2017-18 by the Finance Department.

(c) Public Debt : The Odisha Fiscal Responsibility & Budget Management Act, 2005 has mandated to generate revenue balance by 2011-12 and contain the Fiscal deficit within 3.5% of GSDP and the State can avail additional borrowing to the extent of 0.5% of GSDP over and above fiscal deficit of 3% as mandated originally, if the IP/RR ratio is contained within 10% and Debt/GSDP ratio within 25%. Odisha is eligible for this additional borrowing, which increases borrowing limit for the year to 3.5% of GSDP. The annual net borrowing is also to be limited within the annual ceiling on borrowing to be communicated by Government of India. Within the overall ceiling, the priority is to arrange the borrowed fund from cheapest possible source. Receipt from NSSF is a costlier option. Hence, the State Government has opted out of the NSSF operations. However, the States is likely to receive its share towards redemption of State /Central Government NSSF securities. Under the present interest rate regime, State is rather inclined to prefer Project linked borrowing from NABARD & External Donor Agencies, open market loan and loan from GPF to other sources like NSSF which carry higher rates of interest.

Net Provident Fund: Net accrual from Provident Fund is to be projected keeping in view the amount likely to be contributed by the Government employees and the trend of withdrawal within overall limit of borrowing set under the FRBM Act and the comparative cost of borrowing from different sources..

Negotiated Loans : The State Government are not projecting any loan from LIC/GIC for the resources for the year 2017-18. However, higher loan receipt from NABARD on account of RIDF is to be anticipated as the number and cost of projects sanctioned in each tranche of RIDF is increasing from year to year. NABARD funding for RIDF projects is one of the cheapest source of borrowing. Besides, the State has the option to avail loan from NABARD to finance the State Share of the AIBP projects taken under NABARD funding. Keeping the infrastructural deficit of the State in the areas of Roads & Bridges, Irrigation & Flood Control, the loan receivable from NABARD is to be kept at the higher level. Departments will provide information as per Annexure-XVIII

EAP Loans : Loans from external donor agencies for Externally Aided Projects (EAPs) is one of the competitive sources of borrowing. Borrowing from this source is linked to the EAP projects and accordingly to be estimated for 2017-18 (Budget Estimates). Departments will provide information as per Annexure-XVII.

NSSF loan : Since Small Savings is a costlier source of borrowing, receipt from the sources will be estimated by the Finance Department to the extent the States is likely to receive its share towards redemption of State /Central Government NSSF securities.

Net SLR based Market Borrowings :In order of preference it is preferable to have more back to back EAP loans, RIDF Loans from NABARD, net accrual from GPF and market borrowings than NSSF loans. While RIDF and EAP loans are scheme/project specific, market borrowing and net GPF contribute to the general pool of Financing State Budget. Finance Department will take necessary action in this regard.

5.3 Collection of Arrear Revenue

(i) Arrear is revenue accrued but not realized. Realization of arrear revenue is one of the critical areas for financing the budget. Keeping in view the need for systematic monitoring of the arrears and prompt follow-up action to expedite collection either through legal or administrative measures, the State Government have put in place a Focused Arrear Recovery Monitoring System (FARMS).

(ii) Collection of arrears up to September, 2016 in respect of items of tax and nontax revenue receipts, need to be indicated along with anticipated arrears to be collected during the current year. The arrear position as on 01.04.2016 and the expected receipt there from during 2016-17 should be separately shown with justification. The report of the Comptroller & Auditor General of India on revenue receipts inter alia brings out the details of outstanding arrear tax and non-tax revenue and cases of under assessment/escapement from assessment/loss of revenue on account of short levy etc. Persistent efforts should be made to collect the arrears. Hence, list of all court cases in which revenue are locked up, the reasons of accumulation of arrears, steps taken to collect the same, arrear, if any collected/to be collected should be indicated year-wise along-with write up on action taken/contemplated on the observations of C&AG in the report for 2014-15 to be attached to **Annexure-II & III** (Tax & Non Tax Revenue).

5.4 Priority areas for augmentation of revenue while preparing Revised Estimates for 2016-17 and Budget Estimates for 2017-18

While making revenue estimates, the following aspects may be taken into consideration.

- (i) Revenue likely to accrue on compliance to the observation of C&AG in their Report for 2014-15 and earlier years.
- (ii) Strengthening the revenue machinery to step up revenue collection.
- (iii) Implementation of recommendations of Expert Committee on Revenue Enhancement Measures and other Policy and Administrative Reform measures recommend/accepted to increase the revenue yield.
- (iv) Revision of user fees wherever rates have not been revised for more than 3 years.
- (v) Collection of arrear revenue.
- (vi) Expeditious disposal of court cases involving substantial revenue implications.

6. Expenditure for 2016-17 (Revised Estimates) & 2017-18 (Budget Estimates)

6.1 Revised Estimates of Expenditure for 2016-17

Revised Estimates should be arrived at by adding to the actuals of first seven months(April –October, 2016) the requirements of the next five months, based on a appropriate calculation, such as the actuals of the corresponding six months of the previous year, that prevailed during that period and those that are anticipated in the current year. The Finance Department needs to ensure that the Revised Estimates of Expenditure for 2016-17 should be commensurate with Revised Estimate of Receipts. **Therefore, the Revised Estimates of Expenditure by the Departments must be based on realistic estimates of what can be spent and not merely a sum of Budget Estimates & Supplementary provision, if any.** Further, the Revised Estimates for the current year are prima facie the best indicator as to what the Budget Estimates for the coming year should be. It may be noted that mere inclusion of increased provision in the Revised Estimates carries with it no authority for incurring additional expenditure and does not dispense with the obligation on the part of the Department to obtain necessary supplementary grants or re-appropriation. Re-appropriations or supplementary grants will not, therefore, be sanctioned unless separate proposals are received in the Finance Department. The recent circular on Supplementary statement of expenditure for 2016-17 issued vide Finance Department letter No. 26643/F dated 29.09.2016 may be referred to.

6.2 Expenditure for 2017-18 (Budget Estimates) - Broad Guidelines

6.2.1 Plan/Non-Plan Merger:

(i) As a part of the fiscal and budgetary reforms programme, Government of India has done away with the long standing practice of classifying expenditure under 'Plan and Non-Plan' for preparation of Annual Budget, 2017-18, while retaining the distinction between Revenue and Capital expenditures. The reform has been undertaken on the basis of the policy decision to do away with the term 'Plan' while distinguishing expenditure on socio-economic welfare programmes and schemes in the wake of abolition of Planning Commission. Besides, a notion has widely gained ground among the policy-makers and officials across all levels that Plan expenditure is good and Non-Plan is bad. This bias in favour of Plan expenditure has led to a motivation for showing higher Plan expenditure and higher Plan sizes both at Central and State levels. Further, several factors such as shift of focus of Plan expenditure from capital to revenue expenditure and the process of transferring expenditure of old schemes to Non-Plan at the end of each Five Year Plan means, that a clear distinction cannot be drawn between Plan and developmental expenditures.

(ii) The Plan/Non-Plan bifurcation of expenditure has also led to a fragmented view of resource allocation among various programmes/ schemes. With this fragmented approach, it is difficult not only to ascertain the cost of delivering a service but also to link outlays to outcomes. Outcomes and outputs of programmes depend on total expenditure, Plan and Non-Plan put together and not merely on Plan expenditure. Plan and Non-Plan distinction in the budget is therefore, neither able to provide a satisfactory classification of developmental and non-developmental dimensions of Government expenditure nor an appropriate budgetary framework.

(iii) Government of India have decided to give effect to merger of plan/non-plan provisions in the Estimates for Budget 2017-18 and after conclusion of the 12th Plan period (2012-17). Accordingly, the State Government has also decided to make a similar arrangement for the Budget Estimates for 2017-18 for merger of plan and non-plan within the existing budgetary frameworks. **With the removal of the Plan and Non-Plan distinction the focus of budgeting and expenditure classification will shift to revenue and capital expenditure, as has been envisaged in the Constitution of India. The emphasis on distinction between Revenue and Capital expenditures is not only in keeping with the constitutional requirement but would also form the basis of the policy formulation and resource allocation.** This objective

of merger of Plan and Non-Plan schemes cannot be realized within the annual budget framework. Hence, there is a need for multi-year budgeting framework with medium term projection for each sector.

6.2.2 Multi Year Expenditure Framework (MTEF) :

(i) With the medium term perspective, the Finance Department will prepare projections of budgetary resources of the State Government including central transfers indicating the estimates of tax, non-tax and other receipts of the State for the budget year and the projection period in the medium term as per the Medium Term Fiscal Plan (MTFP) under the FRBM Act. Accordingly, a macro-level Medium Term Expenditure Framework will be prepared by Finance Department.

(ii) Further, in keeping with the spirit of holistic and medium term budgeting, the focus would be on top down budgeting where the resource priorities are guided by a medium and long term strategies. The yearly sectoral priorities and allocations would also accordingly be set. Based on the medium term allocations under the MTEF statement, the Departments would set a outcome/output framework. They would also accordingly carry out the scheme wise allocations. A beginning has already been made in 2016-17 with the MTEF statement brought out in the Budget at a Glance (expanded form) indicating the revenue and capital allocations of the State for the current financial year and next two financial years. The Departments are to bring out the MTEF for their Department separately for the year 2017-18 after the Budget 2017-18 clearly indicating the priorities and allocations in medium term.

6.2.3 Classification/Categorization of State Government expenditure :

With the elimination of Plan and Non-Plan distinction, the existing formats of various budget documents will be revised which will distinguish allocation in terms of revenue and capital expenditure and not in terms of Plan and non-Plan as is being shown currently in the budget documents relating to Expenditure within the Revenue and Capital components. The State government expenditure would now be classified into following four broad categories.

A. Administrative Expenditure:

- (i) Establishment, Operations and Maintenance (EOM) Expenditure;**
- (ii) Debt Servicing Expenditure**

B. Programme Expenditure:

- (i) State Sector Schemes;**
- (ii) Central Sector Schemes;**
- (iii) Centrally Sponsored Schemes;**

C. Disaster Response Funds:

- (i) State Disaster Response Fund;**
- (ii) National Disaster Response Fund**

D. Transfers from State:

- (i) Union Finance Commission Transfers to Local Bodies**
- (ii) State Finance Commission Transfers to Local Bodies**
- (iii) Other Transfers**

A. Administrative Expenditure:**(i) Establishment, Operations and Maintenance (EOM) Expenditure**

The Establishment, Operations and Maintenance (EOM) Expenditures of the State will include all the establishment related expenditure of the Departments and expenditure on maintenance and upkeep of the assets. The budgetary proposals for this section will include establishment expenditure on attached and subordinate offices, on various heads related to establishment viz. salaries (except salaries built into the Programmes as administrative overheads), medical expenses, wages, overtime allowances, foreign travel expenses, domestic travel expenses, office expenses, materials and supplies, publications, advertising and publicity, training (if new object head is opened) other administrative expenses, POL., cost of ration, clothing and tent age, professional services, rent rates and taxes, royalty, pensionary charges, rewards and minor works, motor vehicles, information technology etc. Besides, this would include maintenance of physical infrastructure in Irrigation, Energy, Roads & Bridges, Buildings, Water Supply, Sewerage & Sanitation management etc.

(ii) Debt Servicing Expenditure

The Debt Servicing Expenditure will include both debt repayment and interest payment liabilities of the State Government.

B. Programme Expenditure**(i) State Sector Schemes**

State Sector Schemes will include State's own Schemes (Both existing State Plan and Non-Plan), Externally Aided Projects (EAPs) and projects taken under RIDF funding. These may also include establishment expenditure of the Schemes and scheme-based transfers to Public Sector Enterprises and Autonomous Agencies.

(ii) Central Sector Schemes

The Central sector schemes will include all those schemes which are funded and implemented by the Central Agencies viz. Ministries/ Departments or its various agencies like the autonomous bodies and other special purpose vehicles. The Scheme specific establishment expenditure will also be included in the Central Sector Schemes.

(iii) Centrally Sponsored Schemes

This will include all Centrally Sponsored Schemes (CSS) for which Central Assistance is received by the State Government. This will also include other Central transfer to States for schemes like SRE, MPF under Non-Plan and schemes hitherto shown under Centrally Sponsored Schemes (CSP). Provision for the schemes would be made for the Central Assistance along-with corresponding State Share. These may also include establishment expenditure of the Schemes and scheme-based transfers to Public Sector Enterprises and Autonomous Agencies.

There will henceforth be no Five Year Plan after conclusion of 12th Five Year Plan. However, Finance Department will carry out estimation of resources for funding all expenditure including the Programme expenditure and communicate the resources for Programme Expenditure to Planning & Convergence Department.

C. Disaster Response Funds

(i) State Disaster Response Fund

Provision for State Disaster Response Fund (SDRF) will be made against the Central Assistance to be received for SDRF and corresponding State Share.

(ii) National Disaster Response Fund

Provision for National Disaster Response Fund (NDRF) will be made against the anticipated Central Assistance from NDRF.

D. Transfers from State:

(i) Union Finance Commission Transfers to Local Bodies

Grants for Local Bodies recommended by Central Finance Commission (CFC) will be booked under this category.

(ii) State Finance Commission Transfers to Local Bodies

Grants for Local Bodies recommended by State Finance Commission (SFC) including assignments and devolutions and any other Grants and subventions to local bodies will be booked under this category.

(iii) Other Transfers

Any other transfers from the State Government, which are not covered under the above two sub- categories would be booked under this category.

6.2.4 Estimation and Allocation of Budgetary Resources:

After completion of the exercise of estimation of resources for the Department-wise ceiling for Establishment expenditure, Maintenance Expenditure as well as transfer to local bodies, repayment obligations other than Open Market Borrowing and Miscellaneous Capital Outlay will be determined by Finance Department. Finance Department will indicate the resource estimation for Programme Expenditure in 2017-18(Budget Estimates) as indicated in Para-6.2.3. The Planning and Convergence Department, jointly with Finance Department will make Department/Resource wise allocation of budgetary resources in respect of Programme Expenditure based on the resource estimates firmed up by Finance Department. For the Central Sector Schemes, the budgetary allocations would be based on indications received from Line Ministries about annual budgetary allocations.

6.2.5. Priority Areas for Budgetary allocation

- (i)** Increase in capital outlay with emphasis on completion of on-going investment project / capital works.
- (ii)** Adequate provision of funds for resource tied up schemes such as EAP, Central Sector, Centrally Sponsored Schemes, RIDF, Finance Commission Grants, SDRF etc.

6.2.6 Convergence of Budgetary and Extra-Budgetary Resources for Budgetary allocation

Convergence of extra-budgetary resources to budgetary resources and between budgetary resources is to be made a part of the budgetary exercise to ensure productive output. Convergence Cell of Planning and Convergence Department will rigorously pursue convergence across the Departments and across the resource envelopes for effective utilization of resources under budgetary resources, Public accounts and various off-budget resources such as District Mineral Foundation, CAMPA Fund, Welfare Cess for Construction of workers & other cesses, different funds under various sectoral policies, Corporate Social Responsibility obligation etc.

7. Guidelines for preparation of estimates of Establishment, Operation and Maintenance (EOM) expenditure :

7.1 Salary i.e. Pay, DA, HRA and Leave Encashment

(i) The State Government have constituted a Fitment Committee to consider implementation of recommendations of 7th Central Pay Commission for the State Government employees and pensioners. The recommendations of the Fitment Committee are awaited. Hence, the proposals for salary are to be submitted as per the existing pay structure. However, in case any changes are required to be made in the provision, in case of implementation of recommendations of 7th pay commission, necessary modification in salary provision would be made by Finance Department at the time of finalization of annual budget. Accordingly, the Administrative Departments are to submit proposals for Salary i.e. Pay, DA, HRA, Leave Encashment etc., on the basis of the following principles:

(ii) There shall be no salary provision against the vacant posts except in cases where Finance Department has explicitly allowed filling up of vacancies.

Due provision shall be made for newly recruited personnel in different sectors such as police, health, education etc.

(iii) Adequate provision shall be made for the NMR/Work charged/ J.C. employees, who have in the meantime been regularized. Also provision shall be made for NMR employees who have been converted to work charged employees in Works, R.D., W.R. and H & UD Departments.

(iv) HRMS data should be compulsorily used for estimation of salary requirement.

(v) The provision of Dearness Allowance (DA) shall be worked out depending on the quantum of Pay (Pay + Grade Pay).

(vi) Provision of DA @ 150% on (Basic pay + Grade Pay) should be made for 2017- 18. However, additional DA dose, if any, to be released during 2017-18, shall be worked out in Finance Department keeping in view the availability of resources.

(vii) House Rent Allowance may be provided @ 15% of the (Basic Pay + Grade Pay) or the actual house rent being paid during 2017-18, whichever is less.

(viii) In order to make adequate provision for salary in the Budget Estimates for 2017- 18, it is necessary to ascertain the particulars of staff position. The required information should be furnished in **Annexure- VI & VII** indicating the sanctioned posts, the number of vacant posts, posts abolished and men in position. The details of contractual/regular posts created and permitted to be filled up including exempted posts like Doctor, Nurse, Pharmacist, MPHWH (Male/ Female) under H&FW Department and police personnel in uniform under Home Department may be submitted in **Annexure- VIII** without which pre-budget scrutiny meeting shall not take place. It is to be compared with the compiled data furnished in the Annual Establishment Review uploaded in the Treasury Portal.

(ix) Additional requirement on account of grant of RACPS if any shall also be mentioned for assessment of the total requirement on account of salary.

7.2 Salary provision for appointments on consolidated/ contractual salary :

(i) In certain cases, in lieu of abolition of posts or otherwise, if fresh creation of posts on consolidated pay/ contractual, salary has been made with the

concurrence of Finance Department, consolidated pay required for such contractual appointees should be separately worked out indicating the details of contractual posts sanctioned, the rate of consolidated pay and requirement for full financial year 2017-18. This should be shown separately as consolidated pay for contractual appointees.

(ii) Requirement of funds for those contractual appointees with consolidated salary, who are likely to be regularised with regular scale of pay with allowances in accordance with State Government Policies/ Rules should be proposed as per para-7.1 and should not be included under para-7.2.

7.3 Grant-in-Aid

(i) Grant-in-aid towards salary: The estimates of grant-in-aid salary should be accompanied by the information in **Annexure-IX**. School & Mass Education Department and Higher Education Department are to furnish separate information in **Annexure- IX (A) & IX (B)**. The proposal for grant-in-aid salary should be made against the distinct Object Head “**921- Grant-in-aid towards salary**”.

(ii) Grants for creation of Capital assets: A portion of the grant-in-aid provided to the grantee institutions are earmarked for creation of physical assets. The proposal for such nature of expenditure should be proposed in the distinct Object Head “**908- Grants for creation of Capital Assets**”.

(iii) Other Grants: Grants provided for purposes other than salary and asset creation are to be shown against distinct Object Head “**918-Grant-in-aid - General (Non-Salary)**”.

7.4 Salary/ wages for work charged/ J.C. employees/ NMR/ DLR

Requirement of funds for salary/ wages of work charged/ J.C. employees/ NMR/ DLR should be furnished in **Annexure -X**.

7.5 Non-Salary Items

(i) Steps should be taken to contain contingent and office expenditure as far as possible.

(ii) Decretal dues and Land Acquisition Cases : It is desirable to provide for unforeseen expenditure arising from court decree. Amounts required for satisfaction of. Court decree in respect of Land Acquisition cases, which have

no scope for appeal, should be proposed for inclusion in the Budget Estimates under the “Charged” Section. Normal land acquisition charges for projects/ schemes should be proposed in the voted section under detailed heads made for the project/ scheme.

(iii) Provision in respect of new schemes may be proposed only with the prior concurrence of Finance Department and P&C Department with details of the source of funding and objective of the scheme.

(iv) The recommendations of the Departmentally Related Standing Committee should be examined by Administrative Departments having regard to the availability of budgetary allocations. Accordingly, proposals may be submitted to Finance Department for provision of funds which have been accepted by the Administrative Department.

(v) Rule 59 of Budget Manual envisages that lump provision should not, as a rule be made in the Budget Estimates. In some cases, however lump provisions are available, e.g., provision for grants to local bodies or to private managements for educational institutions, maintenance expenditure and the like. In such cases, the full explanation for justification of provisions should be given in the ‘Remarks’ column. If a lump provision for a scheme is included in the budget and voted by the Assembly, the details of the scheme should be sent to Finance Department for preliminary examination before they are brought into operation.

(vi) Estimates of the current year must never be adopted in a routine manner as the basis of framing estimates of the following year. Care must, however, be taken that no provision for increase in expenditure requiring specific sanction of the competent authority is included without such sanction and that in the case of a sanctioned scheme; provision is made for only so much of it as can actually be brought into effect in the budget year.

(vii) Estimates should be based on the actuals of the preceding years and also on the proposed Revised Estimates for 2016-17. The variations between 2016-17 (Budget Estimates), 2016-17 (Revised Estimates) and 2017-18 (Budget Estimates) should be properly explained. Reasons for such variation should be specified scheme-wise and only the minimum requirements should be provided. The estimates should be framed keeping in view the instructions issued from time to time relating to measures to enforce economy in expenditure.

(viii) Unspent balances, as on 31st March, 2015 with grantee/ loanee bodies which receive more than Rs.1.00 crore grants/ loans during 2015-16 (separate details of each body) should be furnished along with status of pending UCs in respect of grant-in-aid in **Annexure-XI**.

(ix) IT Related Expenditure : The proposal relating to Budget Estimates for computer related expenditures, acquisition of hardware/software as well as development and maintenance of software should invariably be classified under the detailed head “78118-Upgradation of Computer Facilities”, “78012-Computer Consumables”, “33001-Spares & Services” and “12001- Consulting Charges”.

(x) Provision of Scholarships & Stipends : Full provision of stipends for SC/ST & Other Backward students and scholarship for eligible students in Schools and Colleges should be made. This should be justified indicating expenditure incurred during 2015-16 and 2016-17 and likely level of expenditure during 2017-18. Details of students’ strength and the rate should be indicated and calculation sheet should be provided to justify the requirement proposed in view of surrender of such provision in the previous years. All the three related Departments namely, School & Mass Education Department, Higher Education Department and ST & SC Development and Minorities & Backward Classes Welfare Department should make necessary arrangement for direct transfer of the amount to the recipient’s account.

(xi) Professional and Consultancy Support to Departments : Support for Professional and Consultancy Services for implementation of Government Schemes and programmes including monitoring & evaluation and other specific tasks shall be provided in the Budget for 2017-18. The Departments are required to come up with proposal with detail justification for lump sum support for Professional and Consultancy Services. **The remuneration of retired Government personnel hired as consultants should also be met from this unit. In case, the Departments have been meeting such remuneration from “Other Contingencies” unit, in the past, this practice may need be changed and such expenditure should be provided and borne from this unit.**

(xii) Provision for RCM : The provision of RCM for 2017-18 should be taken at par with the provisions of 2016-17.

(xiii) Provision for Motor Vehicles : Provision under Motor Vehicle will be taken at an increased rate of 10% over the original Budget Estimates for

2016-17. The complete position of vehicles should be furnished in **Annexure-XII**. It should however be borne in mind that there will be no provision for new vehicles in the Budget Estimates, 2017-18 except on replacement basis. Purchase of new vehicles shall be governed by instructions issued by Finance Department from time to time.

However, hiring of vehicles is encouraged for office use where ever necessary for discharging public services. The detailed guidelines for hiring of vehicles along with entitlements and rates is brought out in FD OM No-27037/F dated 08.10.2015. Provision for hiring of vehicles may be proposed as per the above circular. Provision for purchase/hiring of vehicles should be made under the Unit "Motor Vehicles".

(xiv) LTC : Provision for LTC for 2017-18 (Budget Estimates) shall be taken at par with the provisions of 2016-17.

(xv) Rent, Rate & Taxes (RRT) : Full provision for Rent may be made in respect of Govt. offices functioning in private buildings based on the Fair Rent Certificate or higher rent sanctioned by competent authority. Steps should be taken to shift Govt. office running in private building to Govt. accommodation.

(xvi) Provision for Municipal Taxes to be made in full : All Departments and organizations should ensure full payment of municipal taxes wherever it is due and accordingly, required budget provision should be made and such payment must be ensured in time.

(xvii) Provision for Water Charges : There should be full provision for water charges payable by the concerned Departments. It shall be the responsibility of the concerned Administrative Departments/Controlling Officers to realistically project the requirement. Any delayed payment surcharge levy shall be the personal responsibility of the concerned Head of Office/DDO. No provision shall be made for arrear dues as full provision is being made every year on such account.

(xviii) Provision for Electricity Charges : Instructions have been issued in Finance Department vide Letter No- 3842(230)/F dated 08.02.2013 to the effect that :-

a. All Government Offices will not be required to make any payment towards Arrear Electricity Dues pertaining to the period up to 31.3.2012 which would be settled by Finance Department against the receivables from GRIDCO and the DISCOMs.

b. If any payment has been made after 1st April, 2012 towards Arrear Electricity Dues by any Government Office, it is to be adjusted against the current Electricity Dues for the period beginning from 1st April, 2012.

c. Besides, arrear dues for the year 2013-14 onwards should be assessed along with the additional requirement for the current financial year on account of enhanced tariff and advance payment; if any for prepaid Energy Meter in terms of Energy Department Letter No.2323 R&R-1/2013(Pt) dated 16.03.2013.

All Administrative Departments are, therefore, requested to assess the current requirement of Electricity Dues on the above lines and propose for full provision for current requirement of electricity charges. Requirement for payment of arrear electricity dues pertaining to period from 1st April, 2012 onwards can also be proposed. It shall be the responsibility of the concerned Administrative Departments/ Controlling Officers to realistically project the requirement. Any delayed payment surcharge levy shall be the personal responsibility of the concerned Head of Office/ DDO.

(xix) Maintenance Expenditure of Capital Assets

(a) Provision should be made for maintenance and upkeep of capital assets consistent with the recommendations made by the 14th Finance Commission for the financial year 2017-18. In addition to ensuring adequacy of provision for maintenance of capital assets, Administrative Departments concerned are required to put in place appropriate institutional reforms for effective and productive utilization of the budgeted provision for Operations & Maintenance (O&M). Towards this end, the Departments concerned should endeavor to bring about **Annual Maintenance Plans (AMPs)** setting out, *inter alia*, the following:

- Principles and criteria to be followed for allocation of the budgeted provision for O&M amount towards the functional and administrative units in charge of maintenance of capital assets. Amounts allocated for routine and periodic maintenance should be separately indicated. Besides, sums earmarked, if any, for special repairs of capital assets of high priority should also be separately shown.
- Unit wise allocation of O & M funds on the basis of the agreed norms.
- Monitoring and oversight arrangements for ensuring regular upkeep and maintenance of capital assets.

(b) Such annual maintenance plans should be formulated by the Departments concerned (Works Department, Rural Development Department, Housing & Urban Development Department and Water Resources Department) and get the same vetted by the Finance Department preferably before the commencement of the financial year 2017-18 .Departments can engage professionals for preparation of Annual Maintenance Plan (AMP) so that it is prepared before presentation of annual Budget.

(c) The information relating to estimates for the minor works' grants is to be furnished in **Annexure-XIII** and the estimate of wages/work charge establishments under Minor Works grants is to be indicated in **Annexure-XIV**. The requirement of fund for maintenance of capital assets is to be given in **Annexure-XV**.

(xx) Other Non-Salary Items

Provision of funds towards telephone, TE and OC shall be increased by 5% of original budget provision of 2016-17.

7.6 Composite Grants and Appropriation Controlled by Finance Department and Pension :

(i) Interest Payment : In case of demand related to Interest Payments, the estimates for interest on provident fund balances of employees and on various deposits in the Public Account including Reserve Funds, deposits of Commissioners of Payments and other items for inclusion in the Appropriation "Interest Payments" will be prepared by Finance Department.

(ii) Loans and Advances : Loans and Advances to Government servants and Miscellaneous Loans to PSUs and other entities in the form of Ways & Means advance and amounts advanced under the One Time Settlement Scheme for squaring up of defaulted guaranteed loans are covered under loans and advance sanctioned by the State Government. The estimates of loans to Government servants should be accompanied by a Statement indicating actual disbursements under each category of advance during the preceding three years, actual expenditure in the first 6 months of the current financial year and requirement for the financial year 2017-18. The estimates and actuals may be furnished by the Administrative Departments/ Budget Controlling Officers in the form at **Annexure-XXII (A)**.

(iii) Repayment of Internal Debt and Repayment of loans to Centre :

Repayment of Internal Debt and Repayment of loans to Centre has been estimated taking into account the repayment schedule of the existing loans in the debt stock of the State Government and the loans to be projected for the year 2017-18.

8. Programme Expenditure :

(i) The ceiling for Programme Expenditure under various sectors and the Department-wise ceiling for 2017-18 will be communicated separately by Planning and Convergence Department. On the basis of ceiling communicated by Planning and Convergence Department, the schemes should be revised, firmed up and cleared through the pre-budget scrutiny meetings. The list of new works for the year 2017-18 may be furnished to the Finance Department in **Annexure-XVI**.

(ii) In addition to these statements regarding BE, expenditure incurred, reimbursement claim filed, anticipated expenditure in 2016-17 and 2017-18 in respect of projects under EAP and RIDF shall be furnished to P & C Department for realistic assessment and provision of funds **in Annexure-XVII and XVIII**. Specific provision should be made for external assistance received/ to be received under the direct payment procedure for accounting adjustment of payment made directly to contractors/consultants by the Donor Agency. In case of pipeline projects, the status of preparatory action should be indicated. Earmarked resources such as NABARD Assistance under LTO, RIDF and other EAP allocations, should be proposed in correct proportion so that there would be no scope for diversion of tied up resources to finance the untied schemes.

(iii) Departments executing public infrastructure projects (like irrigation, roads and bridges, water supply and power projects) may make appropriate provision for survey & investigation, preparation of project reports, land acquisition, forest, environment clearance and other regulatory clearances. Such provision will facilitate completion of pre-project activities and timely execution of the projects when they are grounded.

(iv) To ensure preparation of schemes/programmes in time, Administrative Departments are to prioritize the programmes assuming a usual increase over allocation for 2016-17 pending communication of exact allocation by Planning and Convergence Department.

(v) The Budget Estimates for Centrally Sponsored Schemes (CSS) is to be based on firm commitment of the concerned Administrative Ministries of Central Government for funding the scheme and in accordance with the funding pattern approved by the concerned Ministries. In case there has been change in sharing pattern, proposal may be submitted for provision as per changed sharing pattern. The proposal for provision of funds for CSS should indicate the Central Share & State Share separately as in Annexure-XIX-A.

(vi) Wherever, the establishment expenditure is built in to the project/scheme, the instructions as mentioned in Para-7 is to be followed for estimation of requirement for the year 2017-18.

(vii) All Schemes/ Yojanas /Programmes presently operating as a package hitherto under Non-Plan should be proposed under Programme Expenditure e.g. Madhubabu Pension Yojana, Rice @ Rs.1/- per Kg etc.

(viii) Abstract and Detailed list of Schemes shall not form a part of the Demand for Grants. If such a list is required, the Administrative Departments should annex this list in the Outcome Budget document. However, list of new schemes or services are to be annexed to the budget document.

9. Central Sector Schemes :

The Budget Estimates for Central Sector Schemes is to be based on firm commitment of the concerned Administrative Ministries of Central Government for funding the scheme and in accordance with the funding pattern approved by the concerned Ministries. In case, such a commitment has not been received or cannot be ascertained at this stage, the Department may provide their best estimate with justification.

10. Capital Outlay :

(i) The State Government has been laying emphasis on increasing investment for creation of physical infrastructure in Irrigation, Roads & Bridges, Energy, Railway Projects, Water Supply, Sewerage management for fostering economic growth. There has been substantial increase in capital investment in recent years. It is inherent in the definition of Capital Expenditure that assets produced should belong to the authority incurring expenditure. Accordingly, if the asset created is owned by the State Government, the expenditure for that purpose should be booked under the

capital section of expenditure. However, it is noticed that in many cases expenditure incurred for creation of capital assets which are owned by the State Government is budgeted and accounted under revenue account as “Grants for creation of capital assets” just because the project is implemented by Government societies/ PSUs/ institutions on behalf of the Government. This practice needs to be changed, because it under-reports actual capital creation by the Government.

(ii) For example, assets created in the form of different institutions, hospitals out of the CSS National Health Mission (NHM) are owned by the State Government, but the expenditure for the purpose is hitherto being budgeted and booked under revenue account as grants for creation of capital assets because these are implemented by NHM society through executing agencies. Presently, the expenditure for capital asset creation is routed through the NHM society as grant to the society (grants for creation of capital assets). These expenditures should henceforth be budgeted and booked under capital head of account. On the other hand, the expenditure for construction of Pradhan Mantri Gram Sadak Yojana (PMGSY) though implemented through OSRRA, a State Government society, is being booked correctly as Capital Expenditure. In case of PMGSY, provision is being made in Capital Head of Account (Major Head-5054) and drawn by the Administrative Department in Miscellaneous Bill from the Treasury and transfers the fund to OSRRA Account, which utilizes the fund for execution of the Construction Work through the respective Engineering wings of Rural Development Department.

(iii) Accordingly, all such expenditure through which assets created is owned by the State Government are to be booked under Capital expenditure. The Budget proposal in respect of the Central Sector Schemes and Centrally Sponsored Schemes, which involves creation of assets owned by the State Government and other establishment and programme expenditures, should be split into capital and revenue sections. The portion of expenditure which is to be incurred for establishment and other operational expenses are to be provided in revenue account, whereas, the expenditure which is to be utilized for creation of physical assets to be owned by the State Government are to be provided under Capital section of expenditure. However, where some assets are created but not owned by the State Government, the provision is to be made under the unit “Grants for creation of Capital Assets” under revenue account since the expenditure by Government on Grant-in-Aid to local bodies, institutions or beneficiaries for the purpose of creating assets which will belong

to that local bodies, institutions and individual beneficiaries are not classified as capital expenditure.

11. Earmarking of Funds for SC and ST sub-component :

Earmarking of funds for SC and ST Sub-Component would be done in respect of Programme Expenditure based on the current practice relating to Plan expenditure. The Planning and Convergence Department and ST & SC Development Department will ensure while allocating budgetary resources under these categories that overall expenditure is commensurate with respective percentage of population of SC & ST. A statement on **“Budget allocations for Programme Expenditure for Development of Scheduled Castes and Scheduled Tribes”** for Budget 2017-2018 is to be prepared and brought out in the expanded form of Odisha Budget at a Glance, 2017-18. The statement will highlight the quantum of public expenditure earmarked for schemes under ‘Scheduled Caste Sub-Component’ and schemes under ‘Tribal Sub-Component’ for allocations made under Minor Head ‘789’ for SCs and Minor Head ‘796’ for STs.

12. Utilization Certificate (UC) for Central Sector Schemes and Centrally Sponsored Schemes (CSS) :

(i) Utilization Certificate submitted is money earned. Hence, it is necessary to closely monitor the pendency in submission of Utilization Certificate in respect of Central Assistance received under Central Sector Schemes and Centrally Sponsored Schemes. Unless UC is submitted in time, it will not be possible to leverage higher Central Assistance in order to implement as well as complete various Schemes. The details of Central Assistance received, utilization certification submitted to Government of India etc. shall be worked out in **Annexure-XIX. UC against Central Assistance received till the end of 2015-16 should be submitted by 31.12.2016, failing which no additional provision will be allowed.** Administrative Departments shall make all out efforts to avail Central Assistance for new CSS Schemes announced in Union Budget 2016-17 and thereafter from different Ministries of Govt. of India.

13. Report to be laid in OLA as per FRBM Act – at the time of presentation of Annual Budget :

As per provisions of the FRBM Act, 2005 and Rules there under, the following statements are required to be presented to the Legislature along with

the Annual Budget on the fiscal status of the State, as a measure fiscal transparency :-

(i) Fiscal Policy Strategy Statement (As per Rule 4(1) of the FRBM Rules, 2005).

(ii) Medium Term Fiscal Plan (As per Rule 4(2) of the FRBM Rules, 2005).

(iii) Disclosures Statement which will specify:

a) List of incomplete projects/works i.e. administrative approval accorded, work commenced with cost estimate and expenditure incurred **(Annexure-XX)**.

b) Subsidies being given in the budget of different Departments **(Annexure-XXI)**.

c) Department-wise Grant-in-aid being provided **(Annexure-XXII)**.

(iv) Statement on number of employees and related salaries **(as per Rule 7 of FRBM Rules, 2005 in Form IV)**.

(v) Statement of deferred liabilities (as per Rule 7 of the **FRBM Rules, 2005**).

(vi) Tax Concession and Exemptions given in a financial year (as per Section 6(11) of the FRBM Rules, 2005 **(Annexure-XXIII)**).

(vii) Statement on arrear revenue **(as per Section 6(7) of the FRBM Rules, 2005) (Annexure-III)**.

(viii) Statement on new policies being introduced in Annual Budget-Write Up to be furnished **(as per Section 6(5) of the FRBM Rules, 2005)**.

(ix) Statement on prioritizing allocation of funds under Zero Based Investment Review (As per Section 6(8) of the FRBM Act, 2005 **(Annexure-XXIV)**).

(x) Statement on institution-wise guarantees given (As per Section 6(9) of FRBM Act, 2005) **(Annexure-XXV)**.

It is, therefore, urged upon that the Administrative Departments should furnish the required information in respect of statements (iii), (iv), (vi), (vii), (viii), (ix) & (x) above in the proforma indicating the steps taken in respect of above points by 05.01.2017. On the basis of information received from different

Departments, Finance Department will prepare a comprehensive report to be laid in the Assembly, as mandated under FRBM Act, 2005.

(xi) Administrative Departments are to furnish a statement showing funds transferred to Local Bodies (Urban Local Bodies & Panchayati Raj Institutions) in their demands for grant as devolution of resources and for implementation of Central/State schemes **(in Annexure-XXVI)**. The information on this score is being asked for by Govt. of India.

14. Information relating to additional statements on committed liabilities, implications of Major Policy Decisions/New Schemes proposed in the Budget and Segregation of Maintenance Expenditure into Salary and Non-salary items :

(i) All Departments are required to furnish the information in **Annexures XXVII, XXVIII and XXIX** for statements of disclosure relating to committed liabilities, implications of major policy decisions/new schemes proposed in the budget and segregation of maintenance expenditure into salary and non-salary items as these statements are required to be incorporated in Finance Accounts.

(ii) Besides, Government of Odisha has been approving Annuity Projects in respect of some infrastructure development activities. Under this model, the concessionaire (private Sector) is required to meet the entire upfront/construction cost (no grant is paid by the Government) and the expenditure on annual maintenance. The concessionaire recovers the entire investment and a pre-determined cost of return out of the annuities payable by the government every year. Information in this regard should be provided in the prescribed format in **Annexure-XXIX-A**.

15. Formats for preparing the Revised Estimates for 2016-17 and Budget Estimates for 2017-18 :

Proper accounting classification, schematic break up and account head scheme mapping :

(i) The Annual Budget for 2017-18 would be prepared without distinction of Plan and Non-Plan. However, all the items of expenditure would be classified in the existing six tier accounting system under detailed Head of Account provided by Finance Department below the approved major and minor heads contained in the list of major and minor heads published by the Controller General of Accounts. In absence of proper classification of receipt and expenditure, it will not be possible to accept the item of receipt or honour the

claim for payment in Treasury under computerized Integrated Financial Management System (IFMS).

(ii) On receipt of sectoral outlay for Programme Expenditure for 2017-18 from the Planning and Convergence Department, the Administrative Departments should work out the schematic break up. The state share of the restructured Centrally Sponsored Schemes (CSS) should be distinctly shown against each scheme in the schedule. The provision of funds for CSS should be accurately made basing on the scheme guideline. The detailed accounting heads in respect of the provision proposed under each scheme should be indicated in the scheme schedule so as to enable Finance Department/ Planning and Convergence Department and implementing Departments to map the account head to the scheme for tracking and monitoring of expenditure under various schemes.

(iii) Further, both Sub-components outlays have to be classified under the minor heads “789” and “796” respectively below the respective functional major heads. The division of allocation between district sector and state sector should also be brought out as per the Department-wise Ceiling for Programme Expenditure.

(iv) Rationalization of schemes and economy in expenditure

(a) In 2016-17, an exercise was undertaken to rationalize the number the schemes to avoid overlap of objectives and thin spread of resources. The schemes were appropriately grouped in Umbrellas to better reflect the objectives of schemes. Any changes in the scheme structure from the approved rationalized structure should only be made with the approval of Planning and Convergence Department. For uniform depiction of schemes in the budget documents, a uniform structure is to be followed as below:

Scheme	Sub Head
Sub Scheme	Detailed Head

(b) Departments may ensure that the above scheme architecture is uniformly followed and the accounting correspondence as mentioned in the table above is followed while preparing the detailed Demands. While framing the estimates, due note may be taken of the past performance, the stages of formulation/ implementation of the various schemes, the institutional capacity of the implementing agencies to implement the scheme as scheduled, the constraints on spending by the spending agencies, and most importantly the

quantum of Government assistance lying with the recipients unutilized/unaccounted for etc. with a view to minimizing the scope for available surrenders at a later stage. The Public Accounts Committee have been repeatedly expressing concern over incidence of large savings in the Grant. The Public Accounts Committee also requires that savings in a Grant amounting to Rs.10 crore and above have to be explained to the Committee.

(c) No provision should normally be made in the Budget without completion of pre- Budget scrutiny of a project/scheme. However, where provision has been made without the necessary scrutiny, such scrutiny should be completed and appropriate approvals obtained therefore, before the commencement of the financial year or latest by the time the Budget is passed by the Legislation.

16. New format of Budget Documents :

In order to prepare the budget documents for Annual Budget, 2017-18, there would be need for change in format for some of the budget documents. However, the format for some of the budget documents, which are brought out without distinction of Plan and Non-Plan would remain unchanged. The new format for preparation of budget documents for Annual Budget, 2017-18 would be as discussed below:

(i) Annual Financial Statement -

Plan and Non-Plan break up is not reflected in Annual Financial Statement. Therefore, there would not be any change in the existing format for preparation of Annual Financial Statement.

(ii) Revenue Receipts

Plan and Non-Plan break up is not reflected in Revenue Receipts. Therefore, there would not be any change in the existing format for preparation of Revenue Receipts.

(iii) Demand for Grants

[a] The first Statement "Schedule of Estimated Expenditure for the Year 2017-18" will remain unchanged.

[b] The Second Statement "Demand wise allocation in Different sectors" indicating State Sector and District Sector break up would be indicated for Programme Expenditure.

[c] The Third Statement indicating Demand-wise “Estimate for the amount required in the year ending 31st March, 2017-18” will be revised. The minor head-wise Budget Estimate 2017-18 will be grouped under the newly classified categories under Part-A of the concerned Major Head. The Accounts 2015-16, Budget Estimate 2016-17 and Revised Estimate 2016-17 will be reflected in the existing format under the respective Major Heads under Part-B.

(iv) Explanatory Memorandum

[a] The Appendices I, IV, V, VI, VII, VIII, IX, X & XI will remain unchanged.

[b] In the Appendix II - “General Abstract of Expenditure”, the major head-wise Budget Estimate 2017-18 will be grouped under the newly classified categories under Part-A of the concerned Major Head. The Accounts 2015-16, Budget Estimate 2016-17 and Revised Estimate 2016-17 will be reflected in the existing format under the respective Major Heads under Part-B.

[c] In the Appendix III – “General Abstract of Major Head wise Net Plan Expenditure (State and District Sector),”, the major head-wise Budget Estimate 2017-18 will be grouped under the newly classified categories under Part-A of the concerned Major Head. The Accounts 2015-16, Budget Estimate 2016-17 and Revised Estimate 2016-17 will be reflected in the existing format under the respective Major Heads under Part-B.

(v) Detailed Demand for Grants

The Annual Budget Estimate, 2017-18 would be prepared in new format for all Demands merging Plan and Non Plan and kept as Part A of the detailed Demand for Grants. However, 2015-16(Accounts) & 2016-17(Budget Estimates) and 2016-17 (Revised Estimates) would be brought in old format with Plan and Non Plan shown separately, as Part-B. In the documents for the Budget 2019-20 the Part-B will be redundant. The Vol-II of the Detailed Demands will not be necessary.

17. Gender Responsive Budgeting :

(i) The State Government have started preparation of a special statement on gender budgeting depicting the magnitude of budget allocations for various schemes/programmes that are substantially benefiting women, along with budget documents for 2013-14. This is in line with the decision made by Government of India. It is to be noted that the initiative on Gender Responsive Budgeting aims at categorization of specific schemes/programmes in the budget with a direct focus on women and girls specific schemes/programmes

which are stated to have components on women and the exact budget shares of these components. Gender Responsive Budgeting is to analyze how effectively Government policies, programmes and budgetary allocations respond to the needs and concerns of the females.

(ii) Budget data have to be prepared in such a manner that gender focus of the allocations is clearly highlighted. All Administrative Departments/ Heads of Departments and Controlling Officers shall furnish information as in the format prescribed in **Annexure-XXXI**. Primarily, the entire provision for schemes, the percentage of women/girls beneficiaries should be indicated classified shall be furnished in first part of the aforesaid Annexure. For example, percentage shares of stipend given to girl students for pre-matric studies. In the second part, the schemes designed exclusively for the welfare of women/girls are to be furnished. Gender Budgeting Cell of Women and Child Development Department is to co-ordinate with all the Administrative Departments for preparation of the information in order to ensure that a special Supplement entitled “Gender Budget Document for the year 2017-18” is prepared by the State Government and send it to Finance Department for bringing out the consolidated Gender Budget Statement of the State Government (Both in Part-A and Part-B) in the expanded form of the Odisha Budget at a Glance, 2017-18.

18. Medium Term Expenditure Framework (MTEF) :

Medium Term Expenditure Framework can provide a credible roadmap for medium term and long term fiscal policy of the Government. Since it is a rolling plan, it adapts to the changes in overall macroeconomic conditions. The Thirteenth Finance Commission (para-9.38) have recommended that the Central Government revises the existing medium term fiscal policy statement with a more detailed Medium Term Fiscal Plan (MTFP) which contains three-year-forward estimates of revenues and expenditures, with detailed breakup of major items that form a part of the revenue and expenditure, together with a narrative explanation of how these estimates have been generated. Accordingly, Government of India have introduced the Medium Term Expenditure Framework which brings out three-year rolling target for major items of expenditure along-with narrative explanation of the reasons. In the Medium Term Fiscal Plan being presented under Rule-4(2) of the FRBM Rules, 2005, the total Expenditure Policy Stance of the State Government is being presented along with the Annual Budget. Accordingly, the State Government intends to bring out a Medium Term Expenditure Framework under the Medium Term Fiscal Plan as a part of the Total Expenditure Policy Stance in conformity with

the fiscal targets of the MTFP which would incorporate three-year rolling target for major items of expenditure along-with explanatory notes. All Administrative Departments/Heads of Departments and Controlling Officers are requested to make a realistic estimate of the expenditure in major items of expenditure and furnish information as in the format prescribed in **Annexure-XXX**.

The Medium Term Expenditure Framework (MTEF) at the aggregated level will be brought out by Finance Department in the Statement under FRBM Act along-with the budget documents clearly mentioning the underlying assumptions. The Administrative Departments are to work out the Medium Term Expenditure Framework (MTEF) in respect to their Departments based on the assumptions taken in the aggregated Medium Term Expenditure Framework (MTEF). The Medium Term Expenditure Framework (MTEF) would form a part of the Outcome Budget document of the respective Departments to be prepared after the Budget is presented in the Legislative Assembly.

19. Outcome Linked Budget :

Outcome Budget was introduced for Works, Rural Development, Water Resources, Panchayati Raj, and Women & Child Development Departments for the financial year 2010-11. In 2011-12, Outcome Budget was introduced in 8 more Departments namely, School & Mass Education, Health & Family Welfare, Agriculture, Fisheries & ARD, Housing & Urban Development, Forest & Environment, ST & SC Development and Minorities & Backward Classes Welfare and Energy Departments.

It is proposed to prepare Outcome Budget for all Departments for the Financial Year 2017-18. The outcome budget document will also contain the Medium Term Expenditure Framework (MTEF), which will contain 3 year rolling target. These Departments are required to prepare a statement in **Annexure-XXXII** relating to the scheme-wise outlays and link it to intermediate/final outputs and outcomes in terms of measurable and verifiable indicators /parameters. The Departments will be provided support from the consultants of Project Performance and Outcome Monitoring Unit (PPOMU) set up under Finance Department, so that the quality of the Outcome Budget Document would be enhanced. The guideline for preparation of Outcome Budget Document for 2017-18 would be brought out separately.

20. Supplement to the budget documents for local bodies :

Para-10.161 & 10.162 of the recommendations of the 13th Finance Commission with reference to para-10.110 envisages the State Government to

put in place a supplement to the budget documents for local bodies (separately for PRIs and ULBs) furnishing the details of transfers for all categories of ULBs and all tiers of PRIs, from major head to object head, which have been depicted in the main budget under the minor heads 191, 192 and 193; and 196, 197 and 198 respectively. This supplement could also incorporate details of funds transferred directly to the local bodies outside the State Government's budget. The State has been preparing these documents for last 6 years and would continue the practice for the year 2017-18 as a measure of fiscal transparency in respect of funds transferred to the third tier of Government. The supplement should aim to provide details of spatial distribution of transfers at least upto district level. The Panchayatiraj Department is required to prepare the supplement in respect of the PRIs and the H&UD Department need to prepare the same for the ULBs for the financial year 2017-18 observing 13th Finance Commission guidelines.

21. Process for Submission of Budget Proposal :

In order to prepare the Annual Budget, 2017-18 through merger of Plan and Non-Plan, there would be change in formats. Necessary modification in the format is being made in **“Online Budget Compilation System” (BETA software)**. **Due to non-availability of adequate time, it was not possible to make changes in the format and impart training to the field functionaries. Hence, for preparation of Annual Budget, 2017-18, proposals from DDO level to Controlling Officers and from Controlling Officers to Administrative Departments would be submitted in old format. However, when the Administrative Department would submit the proposal to Finance Department/Planning and Convergence Department using BETA software, the proposal would be automatically be converted to the new format.** Accordingly, the proposals for Annual Budget, 2017-18 are to be submitted by different functionaries as per the following process:

(i) The existing Non-Plan Budget part of the budget proposal is to be submitted by Drawing & Disbursing Officer (DDO) through IFMS to the concerned Controlling Officer(s). The Controlling Officers are required to submit the consolidated proposals of all DDOs under their control to the Administrative Department using IFMS platform. Necessary mapping for Drawing & Disbursing Officers (DDOs) to Controlling Officer to Administrative Department using IFMS has been done in the budget preparation module of iFMS. The consolidated proposal of all Controlling Officers of an Administrative Department will be transferred from iFMS to the “Online Budget Compilation System” seamlessly through web service. The Administrative Departments after

scrutiny of the consolidated proposal will submit the same to Finance Department using Online Budget Compilation System in Secretariat LAN. The proposal would be converted to the new format after the proposal is consolidated by the Administrative Department and submitted to Finance Department using BETA software. All the Annexures may be prepared in the IFMS by choosing the appropriate Annexure format.

(iii) Similarly, existing Plan proposals for the Revised Estimates, 2016-17 and Budget Estimates, 2017-18 shall also be initiated in the budget preparation module of IFMS. The Controlling Officers are required to submit the proposal to the Administrative Department using IFMS platform. The Controlling Officer shall enter their programme expenditure (existing Plan) proposals using the chart of account. The existing charts of account/ schemes are linked to the respective heads of development/ resource head. In case of entering new schemes/ chart of account, the Controlling Officers are required to link it to the appropriate heads of development/ resource head by selecting from the list. The proposals submitted by the Controlling Officers are to be scrutinized by the concerned Administrative Department and the consolidated proposal is to be submitted by the Administrative Department. **The consolidated proposal of all Controlling Officers of an Administrative Department will be transferred from IFMS to the “Online Budget Compilation System” (BETA) seamlessly through web service.** The heads of development-wise proposal would be available to the Planning and Convergence Department in BETA in the URL <http://onlinebudget.gov.in/beta/> in the new format. Planning & Convergence Department shall allocate ceiling online as per heads of development. The Administrative Departments shall distribute the ceiling online among the development sector schemes which shall be approved by Planning and Convergence Department online. The Administrative Departments would be required to submit the Programme Expenditure proposals in charts of account to Finance Department using Online Budget Compilation System in Secretariat LAN using URL <http://onlinebudget.gov.in/beta/>. The Programme Expenditure proposals are also required to be submitted only online.

22. Time Schedule :

A lot of information is to be collected and compiled before the budget is placed before OLA along with documents placed under FRBM Act, 2005 and rules there under. Hence, budget documents are to be prepared in a tight time schedule. Therefore, all Departments and Controlling Officers are required to submit the required information online in annexures to Finance Department

latest by **30.12.2016**. Similarly, the Programme Expenditure proposals for Budget Estimates for 2017-18 shall be submitted to P&C Department online by **30.12.2016**. Planning & Convergence and Finance Department will communicate the programmes for pre-budget scrutiny meeting. **The Administrative Departments are accordingly required to work out detailed timeline for collecting the Budget proposal from the DDO level and Controlling Officer level in IFMS platform.** It should be noted that the estimates received after the due date will not be considered and will be finalized on the basis of the information available in Finance Department. Any shortfall in the provision or omission in the budget will be the responsibility of the Department concerned.

Last but not the least, due attention should be given while filling up Annexures in the prescribed proforma in iFMS. Any incomplete/haphazard information will lead to shortfall/ omission in the Budget Estimates Revised/Estimates for which the concerned Departmental Authorities will be held responsible. The soft copy of the circular is available at the website of Finance Department i.e. www.odisha.gov.in/finance .

Enclosures: List along with proforma.

Yours faithfully

Sd/-

(Tuhin kanta Pandey)

Principal Secretary to Government

**LIST OF PROFORMA FOR PREPARATION OF
REVISED ESTIMATE FOR 2016-17 AND BUDGET ESTIMATE FOR 2017-18**

Sl. No.	Annexure No.	Description of the Annexure
(1)	(2)	(3)
1.	Annexure-I (See para -5.1 & 5.2)	Revised Estimate and Budget Estimate for Collection of Revenue
2.	Annexure-I A (See para -5.1)	Revised Estimate and Budget Estimate for Loans Recovery
3.	Annexure-I B (See para -5.2)	Details of Budget Estimate for Loans Recovery for 2017-18
4.	Annexure-I C (See para -5.2)	Details of Budget Estimate for Guarantee Fees and Devidends for 2017-18
5.	Annexure-II (See para -5.3)	Tax Revenues Raised but not Realised
6.	Annexure-III (See para -5.3 & 13)	Arrears of Non-Tax Revenue
7.	Annexure-IV (See para -5.2)	Estimates of Loan Repayment/ Interest Payment by PSUs/ ULBs etc.
8.	Annexure-V (See para -5.2)	Revenue Receipts-Dividends
9.	Annexure-VI (See para -7.1)	Employees Sanction of Strength
10.	Annexure-VII (See para -7.1)	Particulars of Sanctioned posts / vacant posts /posts abolished/ men in position
11.	Annexure-VIII (See para -7.1)	Department wise information on contractual employees as on 1.3.12
12.	Annexure-IX (See para -7.3)	Estimates of Grants-in-aid
13.	Annexure-IXA (See para -7.3)	Particulars of staff strength, men in position and posts abolished in respect of aided private Schools / Colleges under Non-Plan/ State Plan/ C.P./C.S.P. (For S & M Education Deptt. and Higher Education Department)
14.	Annexure-IXB (See para -7.3)	Information on Teaching and Non-Teaching posts, vacant posts, vacant posts abolished, men in position etc. under Grant-in-aid fold.
15.	Annexure-X (See para -7.4)	Information on Work-charged, NMR, DLR
16.	Annexure-XI (See para -7.5)	Unspent balance of Grant/ Loan
17.	Annexure-XII (See para -7.5)	Position of Vehicles
18.	Annexure-XIII (See para -7.5)	Minor Works Grant (Non-Plan)
19.	Annexure-XIV (See para -7.5)	Expenditure on Wages and Work-charged establishment (Non-Plan) under M/R Grant in Engineering Departments

Sl. No.	Annexure No.	Description of the Annexure
(1)	(2)	(3)
20.	Annexure-XV (See para -7.5)	Proforma showing maintenance of Capital Assets
21.	Annexure-XVI (See para -8)	New Works
22.	Annexure-XVII (See para -5.2 & 8)	Information on Externally Aided Projects
23.	Annexure-XVIII (See para -5.2 & 8)	Information on RIDF Projects
24.	Annexure-XIX (See para -12)	Particulars of Central Assistance Received
25.	Annexure-XIX-A (See para -8)	Proposal for provision of funds under CSS
26.	Annexure-XX (See para -13)	List of Incomplete Projects/ Works
27.	Annexure-XXI (See para -13)	Details of Subsidies given
28.	Annexure-XXII (See para -13)	Details of Grant-in-Aid Provided in Budget
29.	Annexure-XXII(A) (See para -7.6)	Loans and Advances to Government Servants
30.	Annexure-XXIII (See para -13)	Tax concession & Exemption
31.	Annexure-XXIV (See para -13)	Proforma for Prioritisation of Projects for Zero Based Investment
32.	Annexure-XXV (See para -13)	Government guarantee provided
33.	Annexure-XXVI (See para -13)	Statement showing details of transfer of funds to Local Bodies
34.	Annexure-XXVII (See para -14)	Statement on committed liabilities of the State in future
35.	Annexure-XXVIII (See para -14)	Statement on implications of major policy decisions during the year and proposed in the budget for the future cash flows
36.	Annexure-XXIX (See para -14)	Statement on maintenance expenditure of the State in future
37.	Annexure-XXIX(A) (See para -14)	Liability on Annuity Projects
38.	Annexure-XXX (See para -18)	Medium Term Expenditure Framework
39.	Annexure-XXXI (See para -17)	Proforma for Gender Based Budgeting
40.	Annexure-XXXII (See para -19)	Proforma for outcome Budget

ANNEXURE - I

(See para - 5.1 & 5.2)

REVISED ESTIMATE AND BUDGET ESTIMATE FOR COLLECTION OF REVENUE

PROFORMA SHOWING DETAILS OF ESTIMATES OF COLLECTION OF REVENUE (SEPARATE STATEMENT FOR EACH MINOR HEAD, DETAILS OF ITEMS OF RECEIPT TO BE COLLECTED AND THE ADDITIONAL ACCRUAL OF RECEIPT FROM A.R.M. SHOULD BE SEPARATELY INDICATED UNDER EACH ITEM OF RECEIPT)

DEPARTMENT _____

(RS. IN TRS)

Head of account detailed head-wise	Demand for 2017-2018 as per the target fixed by Chief Secretary and communicated vide FD Letter No.11419/F dt.06.04.2016			Collection upto end of September,2016			Revised Estimates for the entire year 2016-17 including collection upto Sept.2016 and anticipated from October, 2016 to March 2017			Demand for 2017-18			Budget estimate for collection during 2017-2018		
	Arrear due on 1.4.16	Current demand	Total (2+3)	Out of arrear	Out of current	Total (5+6)	Out of arrear	Current due	Total (8+9)	Probable arrear on 1.4.2017	Current Demand	Total (11+12)	Out of arrear	Out of Current	Total (14+15)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)

ANNEXURE-I A

(See para - 5.1)

REVISED ESTIMATE AND BUDGET ESTIMATE FOR LOANS RECOVERY.**PROFORMA SHOWING DETAILS OF RECOVERIES OF LOANS
(SEPARATE STATEMENT FOR EACH MINOR HEAD)****(RS IN TRS)**

Head of Accounts detailed head-wise	Outstanding as on 1.4.2015	Recovery fell due during 2015-16	Total recovery due in 2015-16 (2+3)	Recovery made during 2015-16	Outstan- ding as on 1.4.2016 (4-5)	Recovery fell due/likely to fall due during 2016-17	Total amount due for recovery during 2016-17 (6+7)	Recovery made till end of September, 2016	Revised estimates for recovery during 2016-17 including col.9	Budget Estimates for 2017-18
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)

ANNEXURE-I B

(See para - 5.2)

**DETAILS OF BUDGET ESTIMATE FOR LOANS RECOVERY FOR 2017-18
(SEPARATE STATEMENT FOR EACH MINOR HEAD)****(RS IN TRS)**

Head of Accounts detailed head- wise	Total recovery due in 2016-17	Recovery to be made during 2016-17	Likely to be outstanding as on 1.4.2017 (2-3)	Recovery fell due/likely to fall due as current demand during 2017-18	Total amount due for recovery during 2017-18 (Budget Estimate for 2017-18)		Total (6+7)
					Out of Arrear	Out of Current Demand	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)

ANNEXURE - IC

(See para - 5.2)

DETAILS OF BUDGET ESTIMATES FOR GUARANTEE FEES AND DEVIDENDS FOR 2017-18

(Rs in Trs.)						
Name of the Organisation / PSU	Arrear as on 01.04.2016		2016-17 (RE)		2017-18 (BE)	
	Guarantee Fees	Devidends Receivable	Guarantee Fees	Devidends Receivable	Guarantee Fees	Devidends Receivable
(1)	(2)	(3)	(4)	(5)	(6)	(7)

ANNEXURE-II

(See para - 5.3)

**TAX REVENUES RAISED BUT NOT REALISED
(Principal Taxes)**

(As at the end of the Year 2015-16)

(Rs. In Crore)

Major Head	Description	Amount under dispute					Amount not under dispute					Grand Total
		Over 1 year but less than 2 years	Over 2 year but less than 5 years	Over 5 year but less than 10 years	Over 10 year	Total	Over 1 year but less than 2 years	Over 2 year but less than 5 years	Over 5 year but less than 10 years	Over 10 year	Total	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)

Collection made upto September, 2016 out of Col.-7	Collection likely to be made out of Col.8 during October, 2016 to March, 2017	Collection made out of Col.12 upto September, 2016	Collection likely to be made out of Col.12 during October, 2016 to March, 2017	Anticipated Arrear Collection during 2016-17	Amount likely to remain outstanding as on 31.03.2017	Expected collection of arrears in 2017-18 out of Col.19
14	15	16	17	18	19	20

ANNEXURE-III

(See para - 5.3 & 13)

ARREARS OF NON-TAX REVENUE**(As at the end of the year 2015-16)**

Demand No.

(Rs. In Crore)

Description	Amount pending					Total
	0-1 year	1-2 years	2-3 years	3-5 years	above 5 years	
(1)	(2)	(3)	(4)	(5)	(6)	(7)

Collection made upto September, 2016 out of Col.7	Collection likely to be made during October, 2016 to March, 2017 out of Col.7	Anticipated Arrear collection during 2016-17	Amount likely to remain outstanding as on 31.03.2017
(8)	(9)	(10) (8+9)	(11) (10-7)

Annexure-IV
(See para - 5.2)

Estimate of Loan Repayment/ Interest Payment by PSUs/ ULBs/ Autonomous Bodies / Statutory Corporations / Co-operatives / Educational Institutions / Other Individual Loanees

(Rupees in Crore)

Department -

Name of the Organisation -

Paid up Capital as on 31.03.2016-

- | | | |
|--|-------------------------|------------------------|
| <ol style="list-style-type: none"> 1. Govt. loans outstanding as on 31.3.2016 - 2. Defaults in respect of dues up to 31.3.2016 if any - 3. Recoveries during 2016-17 (upto September, 2016) - <ol style="list-style-type: none"> (a) Current dues (b) Defaulted dues | <u>Principal</u> | <u>Interest</u> |
|--|-------------------------|------------------------|

4. Estimates	Interest			Principal		
	BE 2016-17	RE 2016-17	BE 2017-18	BE 2016-17	RE 2016-17	BE 2017-18

Signature
Designation
Date:

Annexure-V

(See para - 5.2)

REVENUE RECEIPTS - DIVIDENDS

Department -
Name of the PSU -
ESTIMATES -

(Rs. in TRs.)

2016-17 Budget -----

2016-17 Revised -----

2017-18 Budget -----

Actuals			Profit after Tax		Total Equity as on 31.03.2016	Equity holding of GoO as on 31.03.2016	2016-17		2017-18
2013-14	2014-15	2015-16	2014-15	2015-16			BE	RE	BE

Signature

Designation

Date:

ANNEXURE -VII

(See para - 7.1)

PARTICULARS OF SANCTIONED POSTS / VACANT POSTS, POSTS ABOLISHED AND MEN IN POSITION

	Sanctioned posts as on 1.3.2016					Vacant posts as on 01.03.2016				
	Grade A	Grade B	Grade C	Grade D	Total	Grade A	Grade B	Grade C	Grade D	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Non-Plan										
State Plan										
Central Plan										
C.S.P.										
Total:-										

Vacancy anticipated from 1.3.2016 to 28.02.2017					Grand total of Vacant posts (11 + 16)	Total posts identified for abolition	Total posts abolished against Col. 17	Balance identified posts to be abolished (18-19)
Grade A	Grade B	Grade C	Grade D	Total				
(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)

Men in Position as on 28.02.2017 for whom budget provision proposed in 2017-18

Grade A	Grade B	Grade C	Grade D	Total (21 to 24)	Remarks
(21)	(22)	(23)	(24)	(25)	(26)

ANNEXURE-VIII

(See para - 7.1)

DEPARTMENT-WISE INFORMATION ON CONTRACTUAL EMPLOYEES AS ON 01.03.2016

NAME OF THE DEPARTMENT _____

(Rs. In Trs.)

Sl. No.	Name of Office / Establishment	Name of the Post(s)	Number of Post(s)	UOR No. & Date of Finance Deptt.'s concurrence taken	G.O. No. & Date in which post(s) has been created	G.O. No. & Date of abolition of corresponding regular post	Mode of Engagement of Date		Prescribed contractual remuneration	Scale of pay of the post	Remarks
							Direct Engagement	Engagement through service provider / agency			
1	2	3	4	5	6	7	8	9	10	11	12

ANNEXURE –IX

(See para - 7.3)

**ESTIMATES OF GRANTS-IN-AID
(NP, SP, CP, CSP SEPARATELY)****(Rs. in Trs.)**

Scale of Pay	Total sanctioned and approved strength	No. of Vacancies as on 1.3.2016	Sharing pattern by State Govt.	RE for 2016-17	Estimate of current salary for 2017-18						Arrears salary if any; give the particulars	Additionality on account of RACP	Total estimates for 2017-18 (11+12)
					Pay	DA @150%	HRA	RCM	OA	Total (6 to 10)			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)

(a) Teaching posts

(b) Non-Teaching posts

(c) Total (a+b)

1. For salaries drawn under direct payment system information in respect of Colleges, Secondary Schools and Primary Schools be compiled and furnished in separate statements. The information for Secondary Schools and Primary Schools be furnished in separate statements for each Inspector of Schools and each District Inspector of Schools.

2. In regard to grant-in-aid to meet the share up to a particular limit similar information may be furnished separately for Colleges and Schools in separate Statements.

3. The H & U.D. Department need furnish similar information in respect each U.L.Bs provided with grants-in-aid upto a specified percentage of pay and Dearness Allowance.

4. Panchayati Raj Department shall furnish in respect of the posts for which Govt. provides Grants-in-aid.

5. Agriculture Deptt./Industry Deptt./H & FW Deptt. and other Departments providing Grants-in-aid for salary are also to furnish.

Annexure –IXA

(See para - 7.3)

(For School & Mass Education Department / Higher Education Department only)**Particulars of staff strength, men in position & posts abolished in respect of aided private Schools / Colleges under Non-Plan / State Plan / C.P. / C.S.P.****(Rs. in Trs.)**

No. of schools/Colleges receiving GIA	No. of employees receiving GIA in respect of those Schools / Colleges	Current requirement in the pre-revised scale per annum.	Arrears in the pre-revised scale, if not paid, & carried over to 2017-18	Total for 2017-18 in the Pre-revised scale (3+4)	Differential amount of salary on the revised scale of pay for the year 2017-18 only	Arrear differential pay in the revised scale upto 31.03.2017	Total differential arrear (6+7)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)

117
ANNEXURE-IX B

(See para - 7.3)

Information on teaching and non-teaching posts, vacant posts, vacant posts abolished, men in position etc. under grant-in-aid fold.

(For School & Mass Education Department/ Higher Education Department only)

(Separately for Non-Plan and State Plan)

(RS. IN TRS)

Name of the School/College	Total teaching posts receiving Grant-in-aid				No. of non-teaching staff receiving Grant-in-aid				Total teaching and non-teaching posts (5+9)
	No. receiving 1/3 rd	No. receiving 2/3 rd	No. receiving full.	Total	No. receiving 1/3 rd	No. receiving 2/3 rd	No. receiving full.	Total	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)

Vacant posts if any receiving GIA as on 01.03.2016			Vacant posts abolished by 30.09.2016			Men in position as on 01.10.2016			Vacant Posts anticipated to be abolished as on 28.02.2017		
Teaching	Non-teaching	Total (11+12)	Teaching	Non-teaching	Total (14+15)	Teaching	Non-teaching	Total (17+18)	Teaching	Non Teaching	Total
(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)

Men in position as on 28.02.2017 after abolition of the vacant posts indicated in Col.22			Annual requirement of Grant-in-Aid salary for men in position as in Col.25			Remarks
Teaching	Non Teaching	Total (23 +24)	Teaching	Non-teaching	Total (26+27)	
(23)	(24)	(25)	(26)	(27)	(28)	

ANNEXURE – X

(See para - 7.4)

1. Information on Work-charged, NMR, DLR

Category of Employee	Scale of Pay in case of regular appointment	Consolidated remuneration on adhoc appointment	Sanctioned Strength	No. of Employee in position as on 01.03.16	Post abolished after 01.03.16	New addition after 01.03.16	Present Strength (5 – 6 +7)	Budget Provision for salary/wages during 2016-17 (Head of account wise)	Budget Provision proposed for 2017-18 (Head of account wise)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)

(i) Work – Charged**(ii) N.M.R.****(iii) D.L.R**

Annexure - XI

(See para - 7.5)

Unspent Balance of Grant/ Loan Sanctioned in 2015-16**Name of the Department****(Rs. in TRs.)**

Sl. No.	Name of the Oraganisation	Amount of Loan/Grant sanctioned in 2015-16	Amount Utilised till 30.09.2016	Amount for which U.C. Submitted till 30.09.2016	Balance to be Submitted
(1)	(2)	(3)	(4)	(5)	(6)

ANNEXURE – XII

(See para - 7.5)

(POSITION OF VEHICLES)

Category of Vehicles	No. of Vehicles in Non-Plan	No. of Vehicles in the Plan				Total both Non-Plan and Plan (2+6)	No. of Vehicles Condemned Category-wise	No. of Condemned Vehicles put to Auction	No of Vehicles disposed of by Auction & amount of sale proceeds deposited in Treasury	New Vehicles purchased either by replacement or new addition category-wise	No. of Vehicles in position (7+11)- 10	Reasons for (i) vehicles condemned and not put to auction and (ii) vehicles auctioned and sale proceeds not deposited (8-9) & (9-10)	Remarks
		State Plan	Central Plan	Centrally Sponsored Plan	Total (2 to 5)								
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)

ANNEXURE -XIII

(See para - 7.5)

Minor Works Grant (Non-Plan)**(RS. IN TRS.)**

Head of Department	Allotment for 2016-17 as distributed work-wise	Anticipated expenditure during current year 2016-17 work-wise	Detailed programme of work for 2017-18 showing requirement for completion of continuing works and amount required for new works	Estimated cost of the work	Expenditure already incurred including the budget provision for 2016-17	Balance amount required for completion	Amount proposed for Provision during 2017-18	Remarks
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)

ANNEXURE – XIV

(See para - 7.5)

Expenditure on Wages and Work-Charged Establishment (Non-Plan) under M/R Grant in Engineering Departments

Designation of Controlling Officer :-

(RS. IN TRS)

Major Head	Minor Head	No of Posts existing during 2015-16	No.of posts existing during 2016-17 (designation-wise)	No posts to be taken in 2017-18	Scale of Pay	Total Pay of the holder of the posts as due and drawn for July 2016		Total Pay as estimated to be due for 2016-17 (R.E.)	Total pay estimated to be due for 2017-18
						Pay	D.A.		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)

Wages –**(Designation-wise)****Work Charged Estt.****(Designation-wise)**

NMR/Job Contract etc.

ANNEXURE - XV

(See para - 7.5)

Proforma showing Maintenance of Capital Assets under Non-Plan

Designation of Controlling Officer :-**(RS. IN TRS)**

Major Head	Minor Head	Actual expenditure during 2014-15	Actual expenditure during 2015-16	Budget provision for 2016-17	Revised Budget for 2016-17	Budget provision required for 2017-18
(1)	(2)	(3)	(4)	(5)	(6)	(7)

Wages –

Work Charged Estt.

NMR/Job Contract etc.

Work-proper

Prorata charges

N.B. : - Division-wise break up in support of the above statement should be made available during pre-budget Non- Plan discussion.

124
ANNEXURE -XVI

(See para - 8)

**NEW WORKS
(SP/CP/CSP SEPARATELY)**

(Rs. in Trs)

Name of Works proposed to be taken up during 2017-18	Estimated Amount with No. and date of Administrative Approval, if issued.	Source of funding	Amount of funding arrangement committed during 2016-17.	Amount proposed for 2017-18
(1)	(2)	(3)	(4)	(5)

Annexure-XVII

(See para - 5.2 & 8)

INFORMATION ON EXTERNALLY AIDED PROJECTS (EAPs)

Name of the Department

A) On Going Projects

(Rs. in Crore)

Sl. No.	Name of the Project	Details of Budget Estimate for Loans Recovery for 2016-17	Project Cost	Expr. Incurred upto 31/03/2016	Budget Provision 2016-17	Expr. Incurred during 2016-17 upto 30/09/2016	Anticipated Expr. during 2016-17 (by 31/03/2017)	Add. Requirement for 2016-17	Anticipated Budget Provision for 2017-18
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.
- 7.
- 8.
- 9.
- 10.

Total

B) Projects in Pipe Line

Sl. No.	Name of the Project	Donor	Project Cost	Cleared SLMPC	Preparation of Project Proposal complete	Agreement entered with the Donor	Budget Provision 2016-17	Expr. Incurred during 2016-17 (by30/09/2016)	Add. Requirement if any for 2016-17	Anticipated Budget Provision for 2017-18
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.
- 7.
- 8.
- 9.
- 10.

Total

Annexure -XVIII

(See para - 5.2 & 8)

Information on RIDF Projects

Name of the Department
(A) Proposed Outlay

(Rs. in Crore)

Tranche	No. of Incomplete	No. of Projects for which Provision made in the B.E. for 2016-17	Budget Provision for 2016-17	Expr. Incurred during 2016-17 upto 30.09.2016	Anticipated Expr. During 01.10.2016 to 31.03.2017	Additional Requirement for 2016-17	Anticipated Budget Provision for 2017-18
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)

VI

VII

VIII

IX

X

XI

XII

XIII

TOTAL

(B) Physical Target & Achievement

Tranche	No. of Projects Sanctioned	No. of Projects completed by 31.03.2016	On going Projects (Col.2- Col.3)	Projects completed by 30.09.2016	Projects to be completed by 31.03.2017	Projects to be completed in 2017-18 [Col.4-(Col.5 + Col.6)]	Ramarks
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)

VI

VII

VIII

IX

X

XI

XII

XIII

TOTAL

ANNEXURE - XIX

(See para - 12)

PARTICULARS OF CENTRAL ASSISTANCE RECEIVED AND PROVISION REQUIRED UNDER C.P./C.S.P.**(Rs. in Crores)**

Name of the Scheme	Unspent C.A. as on 1.4.2015 including amount in Civil Deposit	C.A. Received during 2015-16	Expenditure incurred during 2015-16			Total Amount of UC furnished including arrear during 2015-16	UC to be submitted to GOI as on 31.3.2016 (6-7)	unspent as on 1.4.2016 including amount in Civil Deposit (2+3)-6	C.A. available for expenditure			Amount of U.C. furnished from 01.04.16 to 30.09.16 against Col.10	Balance U.C. pending as on 01.10.16 against Col.10 (10-13)	Reasons for non-submission of U.C. in full against Col.14	Expenditure incurred against Col.11	U.C. furnished upto 30.09.16 against Col.16	U.C. pending as on 01.10.16 against Col.16 (16-17)	Total U.C. pending as on 01.10.16 Col.19 (14+18)
			Out of Unspent C.A. as at Col.2	Out of C.A. as at Col.3	Total (4+5)				Arrear for 2015-16	Current for 2016-17 (i.e. CA received from 01.04.16 to 30.09.16)	Total							
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)

Annexure-XIX-A

(See para - 8)

Proposal for provision of fund under CSS

(Rs. in crore)

Sl. No.	Scheme	Name of the Deptt. of State Govt.	2016-17 (BE)			2016-17 (RE)			2017-18 (BE)		
			Central Share	State Share	Total	Central Share	State Share	Total	Central Share	State Share	Total
52	Multi Sectoral Development Programme for minorities										
53	Scheme for the Development of Scheduled Caste										
54	Scheme for Development of OBC and Denotified and Semi Nomadic Tribes										
55	Scheme for the development of Economically Backward Classes (EBCs)										
56	Umbrella Scheme for Education of ST Students										
57	Pradhan Mnatri Adarsha Gram Yojana										
58	Infrastructure Development for destinations and Circuits										
59	AIBP										
60	Setting up State Resource Centre for Women under National Mission for Empowerment of Women										
61	ICDS										
62	Integrated Child Protection Scheme (ICPS)										
63	Rajib Gandhi Scheme for Empowerment of Adolescent Girls (RGSEAG)										
64	NSAP										

NB: The list is indicative. Any new CSS may be added to the list while submitting the proposal

Annexure -XXI

(See para - 13)

Details of Subsidies given in the Budget

Name of the Deptt.

(Rs. in TRs.)

Sl. No.	Nomenclature of the Subsidy	Whether for NP/SP/CP/CSP	Purpose for which given	Beneficiary	Amount provided in 2015-16 (Actual)	Amount provided in 2016-17 (B.E.)	Amount Proposed in 2017-18
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)

Annexure -XXII

(See para - 13)

Details of Grant-in-Aid Provided in Budget (In respect of GIA of Rs. 5.00 lakhs & above)**(Rs. in TRs.)**

Sl. No.	Name of the Organisation to which Grant-in-Aid is sanctioned.	Sector NP/SP/CP/CSP	Nature of Grant		Purpose for which GIA is given	Amount provided in 2015-16	Amount provided in 2016-17	Status of U.C.	Provision proposed in BE 2017-18
			Recurring	Non-Recurring					
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)

Annexure - XXIII

(See para - 13)

Tax Concession and Exemption**(Rs.in Crore)**

Sl. No.	Details of exemption/ Concession	Revenue Forgone		
		2014-15 (Actual)	2015-16 (Estimates)	2016-17
(1)	(2)	(3)	(4)	(5)

Annexure -XXIV

(See para - 13)

**Proforma for Prioritisation of Projects for Zero based investment (continuing works)
(In respect of projects costing Rs.1.00 crore and above & projects costing Rs.4.00 crore and above)**

(Rs. in TRs)**Name of the Department:-**

Sl. No.	Name of the Project	Year of Commencement	Schedule date for Completion	Funding Scheme/Agency*	Latest Sanctioned/ Estimated cost	Total Exp. incurred upto 31.3.2015	Total Exp. incurred during 2015-16	Total Exp. Expected to be incurred during 2016-17	G.T. of Expenditure (7+8+9)	Percentage (%) of Exp. W.r.t. Col.-6 (Col.10 / Col.6)	Balance required for completion of the Project (6-10)	Funds proposed to be provided in 2017-18	Prioritising SI.No.	Reasons if any for not providing full fund as per commitment	Remarks
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)

(A) Projects costing Rs.1.00 crore and above

(B) Projects costing Rs.4.00 crore and above

ANNEXURE - XXV

(See para - 13)

GOVERNMENT GUARANTEE PROVIDED DURING THE YEAR 2013-14 TO 2015-16

(Rs. in Crore)

Sl. No.	Name of the Deptt.	Name of the Sector	Name of the Organisation	Purpose of Govt. Guarantee	Maximum Amount of Govt. Guarantee Sanctioned	Power sector	Non-Power Sector
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)

2013-2014

1

2

TOTAL

2014-2015

1

2

TOTAL

2015-2016

1

2

TOTAL

Annexure-XXVI

(See para - 13)

**Statement showing details of transfer of funds to Local Bodies Panchayat/ Panchayat Samiti/
Zilla Parisad/ NAC/ Municipality/ Municipal Corporation under Plan/ Non-Plan***

Head of Account :

Sl. No.	Name of the Scheme/ Function	Level of Local Body	Actual 2015-16	Revised Estimates 2016-17	Budget Estimates 2017-18
(1)	(2)	(3)	(4)	(5)	(6)

ANNEXURE- XXVII

(See para - 14)

STATEMENT ON COMMITTED LIABILITIES OF THE STATE IN FUTURE**(As on 31.03.2017)****(Rs. in Crore)**

Sl. No.	Nature of the Liability	Amount		Likely Sources from which proposed to be met			Likely year of the discharge	Liabilities discharged during the	Balance Remaining
		Plan	Non-Plan	States Own Resources	Central Transfers	Raising Debt (Specify)			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
I	Accounts Payable *								
1									
2									
3									
	TOTAL								
II	State's Share in Centrally Sponsored Schemes								
1									
2									
3									
	TOTAL								
III	Liabilities in the from of transfer of Plan Schemes to Non-Plan Heads								
1									
2									
3									
	TOTAL								
IV	Liabilities Arising from Incomplete Projects								
1									
2									
3									
	TOTAL								
V	Others / Miscellaneous								
1									
2									
3									
	TOTAL								
	Grand TOTAL								

* Accounts payable includes the committed liabilities in the form of non-plan salary expenditure, pensions, interest payments, accrued debt, bills pending for payments etc.

ANNEXURE -XXVIII

(See para - 14)

**STATEMENT ON IMPLICATIONS OF MAJOR POLICY DECISIONS DURING
THE YEAR ON NEW SCHEMES PROPOSED IN THE BUDGET FOR THE FUTURE CASH FLOWS**

(As on 31.03.2017)

(Rs. in Crore)

Sl. No.	Nature of the Policy Decision / New Scheme	Implication for			In Case of Recurring,		Indicate the nature of Annual				Likely Sources from which		
		Receipts/ Exp. /Both	Recurring / One Time	If one time, indicate the impact	Definite Period (Specify the period)	Permanent	Revenue		Capital		States Own Resources	Central Transfers	Raising Debt (Specify)
							Plan	Non Plan	Plan	Non Plan			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)

ANNEXURE -XXIX (A)

(See para - 14)

LIABILITY ON ANNUITY PROJECTS

Sl. No.	Deaprtment	Name of the project	Value of Project	Total Annuity Committed	Term in Years			Annuity Payment (Per Year)
					From	To	No. of Years	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
TOTAL								

ANNEXURE -XXX

(See para - 18)

MEDIUM TERM EXPENDITURE FRAMEWORK

(Rs. in Crore)

Major Items of Expenditure	2015-16 Actuals	2016-17 RE	2017-18 BE	2018-19 Proj	2019-20 Proj
01. Salary					
02. Pension					
03. Interest Payment					
04. Subsidy					
05. Grants					
06. Social Sector Spending					
a. Education					
b. Health & Family Welfare					
c. Social Security Pension					
d. Women & Child Development					
e. ST/SC/ OBC Development					
07. Economic Sector Spending					
a. Agriculture & Allied Sector					
b. Industries					
c. Energy					
d. Transport					
e. Rural Development					
f. Urban Development					
g. Information Technology					
08. Grants for Creation of Capital Assets					
09. Total Capital Expenditure					

Annexure-XXXI

(See para - 17)

PROFORMA FOR GENDER BASED BUDGETING

Part - A - 100% Women Specific Programmes

Demand No/ Name of the Deptt.	Name of the Scheme	Budget Estimate for 2016-17			Revised Estimate for 2016-17			Budget Estimate for 2017-18		
		Plan	Non-Paln	Total	Plan	Non-Paln	Total	Plan	Non-Paln	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)

Part - B - More than 30% Women Specific Programmes

Demand No/ Name of the Deptt.	Name of the Scheme	Budget Estimate for 2016-17			Revised Estimate for 2016-17			Budget Estimate for 2017-18		
		Plan	Non-Paln	Total	Plan	Non-Paln	Total	Plan	Non-Paln	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)

Annexure-XXXII

(See para - 19)

PROFORMA FOR OUTCOME BUDGET

Sl. No	Name of the Schemes/ Progs	Financial Outlay(Rs.inLakhs)			Purpose of Outlay as Stated in	Broad objective	Quantifiable/ Deliverable Physical	Project Outcome	Processes/ Timelines	Remarks/ Risk Factors
		Salary	Non-Salary	Total						

APPENDIX-I

File No. O-11013/02/2015-CSS & CMC

GOVERNMENT OF INDIA**NITI Aayog****(Governing Council Secretariat)**Sansad Marg,
New Delhi-110001
August 17, 2016**OFFICE MEMORANDUM**

Sub: **Rationalization of Centrally Sponsored Schemes-Based on the Recommendations and suggested course of action by the Sub-Group of Chief Ministers- approved by the Cabinet.**

Based on the recommendations of the sub-Group of Chief Ministers and consultation with various Ministries/Departments and other stakeholders, Government of India has decided, with the approval of the Cabinet, to rationalize the Centrally Sponsored Schemes (CSSs) in the following manner:

1. National Development Agenda :

1.1 The following sectors would form a part of the National Development Agenda :

- I.** Poverty Elimination-Livelihoods, Jobs and Skill Development
- II.** Drinking Water and Swachh Bharat Mission
- III.** Rural Connectivity: Electricity; Access Roads and communication
- IV.** Agriculture, including Animal husbandry, Fisheries, Integrated Watershed Management and Irrigation
- V.** Education, including Mid-Day Meal
- VI.** Health, Nutrition, Women and Children
- VII.** Housing for All: Rural and Urban
- VIII.** Urban Transformation
- IX.** Law and Order, Justice Delivery Systems
- X.** Others, which may include: Wildlife Conservation and Greening

1.2 The Union and the State governments would focus jointly on the achievement of the overarching objectives through the instrumentality of CSS.

2. Number of CSS & their Classification :

2.1 The existing 66 Centrally Sponsored Schemes (CSSs) have rationalized into 28 umbrella schemes. The list of schemes approved by the Cabinet is enclosed at Annexure-I.

2.2 Out of 28 umbrella schemes, 6 schemes have been categorized as Core of the Core schemes, 20 schemes as Core schemes, and remaining two as Optional schemes. If required, related schemes could be merged and implemented as “Umbrella Schemes”, with flexibility to States to administer the admissible components in line with State-specific requirements.

2.3. Core Schemes will have compulsory participation by the States, whereas participation amongst the Optional Schemes would be by choice.

2.4. Core of the Core Schemes are legislatively backed or are designed to subserve the vulnerable sections of our population, and existing funding pattern will continue for these Schemes.

2.5. Classification and share of the Central government for the Boarder Area Development Programme (BADP) will be decided by the Finance Minister in consultation with Ministry of Home Affairs and NITI Aayog.

3. Budgeting Core and Optional schemes :

3.1. Allocation of funds of the Core Schemes in the Union Budget shall be done by Ministry of Finance in the Demand for Grants of the Central Line Ministries. Inter-state distribution shall be on the basis of criteria evolved by a *Committee comprising Secretary of Nodal Administrative Ministry as Chairman, Financial Adviser of the Ministry, and Adviser concerned of NITI Aayog as Members.*

3.2. For Optional Schemes, a lump sum provision for each State may be intimated in advance on the basis of which states would inform the Ministry of Finance of the preferred distribution within the overall ceiling indicated.

3.3. The Consolidated Demand for the States under this head would be routed through the NITI Aayog to the Ministry of Finance.

3.4. Additionally, the State will have a flexibility of portability from the Optional schemes (should it choose not to utilize its entire allocation under

that head) to any other CSS component within the overall budgetary allocation for the State under Central Assistance to State Plans (CASP).

4. Funding Pattern :

4.1. The existing funding pattern will continue for Core of the Core schemes.

4.2. For Core Schemes, the funding pattern for the 8 North Eastern States and Himalayan States of Uttarakhand, Himachal Pradesh and Jammu & Kashmir shall be Centre: 90% and State: 10%, whereas for the rest of the States this ratio shall be Centre: 60% and State:40%.

4.3. For Optional Schemes, the funding pattern for the 8 North Eastern States and Himalayan States of Uttarakhand, Himachal Pradesh and Jammu & Kashmir shall be Centre: 80% and State: 20%, whereas for the rest of the States this ratio shall be Centre: 50% and State:50%.

4.4. Ordinarily, no CSS will be sanctioned where the central share is less than 50%.

4.5. However, all the sharing patterns indicated above shall be subject to the proviso that if the central share is already below that indicated in the sharing pattern, then the Centre's share would remain capped at their present level.

5. Cost norms :

5.1. In construction-based schemes, States may decided cost norms on the basis of Schedule of Rates applicable to the concerned States. Flexibility in cost norms is also introduced in non-construction based schemes, wherever possible. However, the flexibility provided shall be subject to the condition that such flexibility would not create any entitlements for an increased allocation under a Scheme.

6. Flexibility and Flexi-funds :

6.1. While designing the CSS, the Central Ministries shall permit flexibility in the choice of components to the States as available under the Rastriya Krishi Vikaas Yojana (RKVY).

6.2. The flexi-funds available in each CSS has been raised from the current level of 10 percent to 25 percent for States and 30 percent for UTs of the overall annual allocation under each Scheme so that the implementation can be better attuned to the needs of individual States/UTs.

7. Release of Funds :

7.1. Release of an instalment would not be predicated on producing Utilization Certificates (UCs) of the last instalment, and that release would be based on the furnished UC of the penultimate (last to last) instalment.

7.2. A pre-authorization based approach would be adopted on a financial year basis, with a gradual transition towards an 'automated just-in-time' release of cash on a quarterly basis during 2016-17 to remove uncertainty in release of central share of CSS.

7.3. The extant procedure, which mandates immediate release of funds from State Treasuries to implementing agencies failing which penal rate is imposed, is abolished.

7.4. Tracking of expenditure is important as a monitoring tool. Hence, the Public Financial Management System (PFMS) would be suitably integrated with the State Treasuries in 2016-17 itself. However, such integration should not be a condition precedent for release of funds to States.

7.5. States with comfortable cash position are allowed to seek their share of Central Assistance as reimbursements after having funded the activities/projects through their own funds.

8. Local Body Grants :

8.1. In respect of releases to Local Bodies from Government of India, the State Governments are permitted to issue suitable advisories relating to prioritization for development expenditure with respect to Schemes/Sectors in the National Development Agenda especially relating to basic services out of the substantial funds that will devolve on them with effect from 2015-16.

9. Institutional Arrangement :

9.1. A Standing Committee would be constituted, under the Chairpersonship of CEO, NITI Aayog with nominees from every State/UT and suitable representation from Ministry of Finance and concerned Central Ministries, for ensuring smooth implementation of CSS.

9.2. This committee would meet at least twice a year. The first meeting would be held immediately after the finalization of the Union Budget, and the second meeting would be held in November/December.

9.3. The deliberations of the Committee must be guided by an approach that focuses on problem-solving, advocacy and handholding on behalf of the States, as well as providing a forum for sharing and dissemination of best practices.

9.4. This arrangement would be without prejudice to the responsibility cast upon Central Ministries to monitor the implementation of Schemes relating to their Ministry.

10. Evaluation of the Schemes :

10.1. NITI Aayog shall take up monitoring and independent evaluation of important Centrally Sponsored Schemes, especially as there is a need to transit from monitoring expenditure to monitoring outcomes.

11. Arrangement for UTs :

11.1. The transfer of funds to UTs for non-plan and non-development purposes is administered through the Demand for Grants of the Ministry of Home Affairs (MHA). The exiting arrangements would continue.

11.2. Funds for development purposes, both for Central Sector and Schemes under the national Development Agenda would be allocated UT-wise by Ministry of Finance on the basis of consultation with UTs and NITI Aayog.

11.3. Instead of implementing a large number of schemes. UTs would be given flexibility in choosing the sectors in which they have identified potential and where they are likely to benefit from concerted interventions.

11.4. All Core and Optional Schemes would be funded 100% by Centre in all UTs (without legislature). For UTs (with legislature), existing funding pattern would be followed for all Core of the Core and Core Schemes. For Optional Schemes, the funding pattern of 80% by Centre and 20% by UTs(with legislature) would be followed.

11.5. For better synergy between Central sector and Centrally Sponsored Schemes, UTs in consultation with NITI Aayog may also recommend restructuring of Central sector initiatives, if required, in the selected sectors.

12. Review :

12.1. The actual working of these provisions would be reviewed for desired course correction in the spirit of cooperative federalism after two years or any other suitable period.

13. These arrangements have come into force in the current year 2016-17.

**Sd/
(Alka Tiwari)
Adviser (GCS)
Tel.:23096655**

To

- 1.** All the Secretaries of Government of India (as per the list)
- 2.** Chief Secretaries of All States/ UTs(with Legislature)/ Administrators of UTs (without Legislature)- (as per the list)

**Rationalized Centrally Sponsored Schemes in accordance with the
National Development Agenda**

Sl. No.	Name of the Centrally Sponsored Schemes (CSSs)
(A)	Core of the Core Schemes
1	National Social Assistance Programme
2	Mahatma Gandhi National Rural Employment Guarantee Programme
3	Umbrella Scheme for Development of Scheduled Castes
4	Umbrella Scheme for Development of Scheduled Tribes
5	Umbrella Programme for Development of Minorities
6	Umbrella Scheme for Development of Backward Classes, Differently Abled and other Vulnerable Groups
(B)	Core Schemes
7	Green Revolution (Krishi Unnati Schemes and Rashtriya Krishi Vikas Yojana)
8	White Revolution (Animal Husbandry and Dairying)
9	Blue Revolution (Integrated Development of Fisheries)
10	Pradhan Mantri Krishi Sinchai Yojana
a	Har Khet ko Pani
b	Per Drop More Crop
c	Integrated Watershed Development Programme
d	Accelerated Irrigation Benefit and Flood Management Programme
11	Pradhan Mantri Gram Sadak Yojana (PMGSY)
12	Pradhan Mantri Awas Yojana (PMAY)
a	PMAY-Rural
b	PMAY-Urban
13	National Rural Drinking Water Mission
14	Swachh Bharat Mission (SBM)
a	SBM-Rural
b	SBM-Urban
15	National Health Mission (NHM)
a	National Rural Health Mission
b	National Urban Health Mission
c	Tertiary Care Programmes
d	Human Resources in Health and Medical Education
e	National Mission on AYUSH
16	Rashtriya Swasthya Suraksha Yojana (erstwhile RSBY)
17	National Education Mission (NEM)
a	Sarva Shiksha Abhiyan

Sl. No.	Name of the Centrally Sponsored Schemes (CSSs)
b	Rashtriya Madhyamik Shiksha Abhiyan
c	Teachers Training and Adult Education
d	Rashtriya Uchch Shiksha Abhiyan
18	Mid Day Meal Programme
19	Integrated Child Development Services
a	Anganwadi Services
b	National Nutrition Mission
c	Maternity Benefits Programme
d	Scheme for Adolescent Girls
e	Integrated Child Protection Scheme
f	National Creche Scheme
20	Mission for Protection and Empowerment for Women (beti bachao-beti padao, one-stop centre, women helpline, hostels, swadhar greh, gender budgeting etc.)
21	National Livelihood Mission (NLM)
a	National Rural Livelihood Mission
b	National Urban Livelihood Mission
22	Jobs and Skill Development
a	Employment Generation Programmes
b	Pradhan Mantri Kaushal Vikas Yojna
23	Environment, Forestry and Wildlife (EFWL)
a	National Mission for a Green India
b	Integrated Development of Wildlife Habitats
c	Conservation of Natural Resources and Ecosystems
d	National River Conservation Programme
24	Urban Rejuvenation Mission (AMRUT and Smart Cities Mission)
25	Modernization of Police Forces (including Security Related Expenditure)
26	Infrastructure Facilities for Judiciary (including Gram Nyayalayas & e-Courts)
(C)	Optional Schemes
27	Border Area Development Programme
28	Shyama Prasad Mukherjee Rurban Mission