

Government of Orissa
Finance Department

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From

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Principal Secretary to Government

To

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

Sub: Preparation of Revised Estimate for 2011-12 & Budget Estimate for 2012-13.

Sir/Madam,

I am directed to say that the process of formulation of Revised Estimate for 2011-12 and Budget Estimate for 2012-13 shall have to be initiated and completed in time so as to enable Finance Department to present the budget in the Orissa 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 Orissa Budget Manual for formulation of Budget Estimate. The following supplementary instructions may be taken into consideration while framing the Revised Estimate for the current year 2011-12 and Budget Estimate for the financial year 2012-13.

2. As per mandate of the 13th Finance Commission, the States are required to generate revenue balance by 2011-12 and contain the Fiscal deficit within 3% of GSDP. Further, the Debt/GSDP ratio has to be brought down to 25% by 2014-15. Majority of the 13th Finance Commission grants are linked to amendment of Fiscal Responsibility Legislation on the above lines and achievement of the above fiscal targets. The State is in the process of amending the FRBM Act, 2005 in line with the prescription of the 13th Finance Commission. These conditions necessitate rationalization and prioritization of revenue expenditure.

3. Further, State Govt. have introduced and implemented several own schemes for the benefit of the common man. Biju KBK Yojana, Gopabandhu Grameen Yojana, Biju Gramjyoti Yojana, Biju Saharanchal Bidyutikaran Yojna, Mo Kudia Yojana, Madhubabu Pension Yojana, Construction of Check Dams at water deficit areas and subsidized rice to BPL families are a few instances of such schemes. All these State Sector Schemes require huge funds to be operationalized. Besides, in order to achieve Revenue balance during 2012-13, unproductive revenue expenditure have to be curtailed. Keeping all these in view, utmost care is to be taken while preparing the BE for 2012-13 and RE for 2011-12.

4. Receipts for 2011-12 (RE) & 2012-13 (BE)

RE of Receipts, 2011-12:

(i) Pre-actuals of the State's revenue receipts for the year 2010-11 have been made available to the State Government by the AG (A&E), Orissa. The Revised Estimates for 2011-12 are to be formulated on the basis of the previous year's actuals, current year's trend and any other specific factors, which may yield additional 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 have been implemented which require huge funding. Besides, the annual plan outlay of ₹15,200.00 crore has been approved by the Planning Commission for the year 2011-12. Thus, there is a tremendous pressure on State's resources. All these call upon all concerned to mobilize adequate resources to fund the requirements. Unless additional revenue is generated or substantial savings is located or surrendered/replaced through prioritization of expenditure, it may not be possible to accommodate the additional provision either under Non Plan or under State Plan.

(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 1.04.2011, recovery fell due during 2011-12 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)**.

(v) Similarly, details of budget estimate for loans recovery for 2012-13 should be indicated separately in **Annexure-I (B)**.

b) **Budget Estimate of Receipts for 2012-13** – Essential items to be taken into account while estimating revenue receipts for 2012-13 (BE).

(i) The estimates of revenue and other dues to Govt. should be prepared taking into account the need to accelerate collection. While estimating revenue receipts for 2012-13, the factors indicated in para-4(i) may also be taken into account. In no case, the estimates of revenue receipts for the year 2012-13 shall be less than 10% over the revised estimate for 2011-12. Estimates of revenue receipts for 2012-13 should be shown in **Annexure-I**.

(ii) Revenue Estimates for 2012-13 should indicate anticipated receipts from additional resource mobilization measures implemented or likely to be implemented during 2012-13.

(iii) Non Tax Revenue is estimated to grow @ 7%-8% as per the Medium Term Fiscal Programme.

(iv) However, keeping in view the additional expenditure commitments and higher plan outlay, steps should be taken to augment State's own revenue by at least 15% more than the previous period and reduce the unproductive expenditure as far as possible.

(v) Item-wise sources of revenue receipts under Heads "Other Receipts" and "Miscellaneous" should be indicated in the estimate.

(vi) A list of organizations from whom guarantee fees and dividends are due, should be furnished in a separate statement indicating the arrears as on 01.04.2011 and the current demand.

5. Special statement on collection of Arrear Revenue

(i) Collection of arrears upto September, 2011 in respect of items of tax and non tax revenue receipts, need to be indicated along with anticipated arrears to be collected during the current year. The probable arrear receipts as on 01.04.2012 and the expected receipt for 2012-13 should be separately shown with justification. In the meanwhile, report of the C&AG, India on revenue receipts for the year ending 31.03.2010 has been laid in the OLA on 08.04.2011. The report 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 arrear along with 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 2009-10 to be attached to **Annexure-II & III** (Tax & Non Tax Revenue).

(ii) Interest due/ outstanding on loans sanctioned by the State Govt. to PSUs/ Cooperatives/ Local Bodies etc. loanee-wise should also be furnished along with the steps taken to recover the dues in **Annexure – IV**

(iii) The Administrative Departments should also indicate the position of dividend receipt/ receivable from PSUs/ Companies under their jurisdiction in **Annexure – V**.

6. Estimates of Capital Receipts i.e. recoveries of loans and advances

The estimates should include repayment of loans sanctioned to PSUs/ Cooperatives/ Local Bodies etc. The up to date outstanding position loanee-wise and endeavour made to realize the amounts due should be furnished in **Annexure –VI**.

7. Priority areas for augmentation of revenue while preparing revised estimate for 2011-12 and budget estimate for 2012-13

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

- (i) Revenue likely to accrue on compliance of observations of C&AG in their Report for 2009-10 and earlier years.
- (ii) Strengthening the revenue machinery to step up revenue collection.
- (iii) Generation of additional revenue through disposal of idle and unused road rollers, equipments, condemned vehicles etc.
- (iv) Revision of fee structure for pipe water supply/industrial water rate etc.
- (v) Collection of arrear revenue.

8. Revised Estimate of Expenditure for 2011-12

Revised Estimate should be arrived at by adding to the actuals of first 3 months, the requirements of the next nine months, which should be made on an appropriate calculation, such as the actuals of the corresponding nine months of the previous year, with due allowance for the special features that prevailed during that period and those that are anticipated in the current year. Further, the Revised Estimate 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 reappropriation. 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 2011-12 issued vide Finance Department letter No. 38921(40)/F dated 8.9.2011 may be referred to.

9. Budget Estimate for 2012-13 Expenditure – Broad Guidelines

Priority Areas

- (i) Achievement of higher capital outlay linked to increased rate of completion of ongoing investment projects.
- (ii) Adequate provision of funds for EAP, Central Plan, Centrally Sponsored Plan & other resource tied up schemes including the flagship programmes/ schemes like AIBP, SSA, JNNURM, Rural Health Mission, NREGS etc.
- (iii) For utilization of Central Assistance for education, health and other social sector schemes.
- (iv) In order to accommodate the salary provision in the Budget Estimate for 2012-13, it is necessary to know the particulars of staffing position. The required information should be furnished in **Annexure- VIII & IX** indicating the sanctioned posts under Non Plan and Plan, 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 personnel in uniform under Home Department may be submitted in **Annexure-X** without which pre-budget scrutiny meeting shall not take place.

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

- (i) There shall be no salary provision against the vacant posts. The respective Departments while preparing the Budget Estimates should give due attention for improving the quality and delivery of service through regular maintenance of roads, providing schools, health care facilities including provision for essential items like rural health facilities etc. While formulating the budget estimates, the grants under award of 13th Finance Commission, physical and financial targets and achievements thereon, need to be furnished in **Annexure-VII**. Due provision shall be made for newly recruited personnel in different sectors such as police, health, education etc.
- (ii) Due provision shall be made for the NMR/Work charged/ J.C. employees, who have in the meantime been regularized during the financial year 2010-11 and 2011-12. 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.
- (iii) The provision of DA shall be worked out depending on the quantum of Pay + Grade Pay.
- (iv) The estimates of grant-in-aid salary should be accompanied by the information in **Annexure-XI**. School & Mass Education Department and Higher Education Department are to furnish separate information in **Annexure-XI(A) & XI(B)**.
- (v) Provision of additional DA @ 12% per annum over and above the quantum of DA allowed in 2011-12 (basic pay + grade pay) should be arrived at for 2012-13. However,

additional DA dose, if any, to be released during 2012-13, shall be worked out in FD keeping in view the availability of resources.

(vi) House Rent Allowance may be provided @ 15% of the Basic Pay + Grade Pay or the actual house rent being paid during 2011-12, whichever is less.

(vii) The provision for leave encashment on superannuation shall be calculated separately and be shown in the proforma given in **Annexure-XII**. The calculation should be based on the number of employees going to be retired between 1.03.2012 to 28.02.2013 and retired employees whose unutilized leave has not been sanctioned. This amount shall not form a part of pay to be provided for 2012-13. This amount shall be taken care of under Budget of Finance Department.

(viii) **Salary provision for additional appointments on consolidated/ contractual salary:** In certain cases, in lieu of abolition of posts, if fresh creation of posts at consolidated pay/contractual, salary has been made with the concurrence of FD, consolidated pay requirement on such contract appointees should be separately worked out indicating the details of contractual posts sanctioned, the rate of consolidated pay and requirement for full financial year 2012-13. This should be shown separately as consolidated pay for contractual appointees. The details of posts for which consolidated pay have been proposed, should be justified by furnishing statement as in **Annexure-XIII**.

(ix) Requirement of funds for salary/ wages of work charged/J.C. employees/ NMR/DLR should be furnished in **Annexure –XIV**.

11. 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 Estimate 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) Anticipated provision may be proposed in respect of new schemes only with the prior concurrence of FD in case of non plan and P&C Department in respect of Plan Schemes with necessary details of the sources of funding and objective of the scheme.

(iv) While framing budget estimate for ensuing year due consideration should be given to the recommendations of the **Departmentally Related Standing Committee subject to availability of funds**.

(v) Rule 59 of Budget Manual envisages that lump provision should not, as a rule be made in the Budget Estimate. In some cases, however lump provisions are available, e.g., provision for grants to local bodies or to private managements for educational institutions, maintenance of 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) Estimate of the current year must never be adopted in a routine manner as the basis of framing for those 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) Estimate should be based on the actuals of the preceding years and also on the proposed Revised Estimate for 2011-12. The variations between 2011-12 BE, 2011-12 RE and 2012-13 BE should be properly explained. Reasons for such variation should be specified scheme-wise and only the bare minimum requirements should be provided. Keeping in view the instructions issued from time to time relating to measures to enforce economy in expenditure and the general need, particularly under Non Plan Items, the estimates should be framed.

(viii) Estimates of committed expenditure, which has been provided for the first time as Non Plan in BE 2011-12 and thereafter proposed in the BE 2012-13 should be shown separately under the specific detailed head.

(ix) Unspent balances, as on 31st March, 2011 with grantee/loanee bodies which receives more than ₹1.00 crore loan during 2010-11 (separate details of each body) should be furnished along with status of pending UCs in respect of grant-in-aid in **Annexure-XV**.

12. Guidelines for Specific Items

(i) 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”.

(ii) 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 provided. This should be justified indicating expenditure incurred during 2010-11 and 2011-12 and likely level of expenditure during 2012-13. 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.

(iii) Professional and Consultancy Support to Departments

Support for Professional and Consultancy Services for implementation of Government Schemes and programmes including monitoring & evaluation shall be provided in the Budget for 2012-13. The Departments are required to come up with proposal with detail justification for lump sum support for Professional and Consultancy Services subject to maximum of ₹15.00 lakh.

(iv) Provision for RCM

The provision of RCM for 2012-13 should be taken at par with the provisions of 2011-12.

(v) Provision for Motor Vehicles

Provision under Motor Vehicle will be taken at an increased rate of 10% over the original Budget Estimate for 2011-12. The complete position of vehicles should be furnished in **Annexure-XVI**. It should however be borne in mind that there will be no provision for new vehicles in the B.E. 2012-13. Purchase of new vehicles shall be governed by instructions issued by F.D. from time to time.

(vi) LTC

Provision for LTC for 2011-12 RE and 2012-13 BE shall be taken at par with the provisions of 2011-12.

(vii) Rent, Rate & Taxes

Full provision may be made in respect of Govt. offices functioning in private buildings indicating particulars of offices which are functioning in rented houses, rate of rent being paid and the sanction order on the basis of which such rent is being paid as in **Annexure-XVII**. Steps should be taken to shift Govt. office running in private building to Govt. accommodation.

(viii) 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 as per **Annexure-XVIII** and such payment must be ensured in time.

(ix) Provision for Water Charges & Electricity

There should be full provision for electricity and water charges made by the concerned Departments as in proforma given in **Annexure-XIX**. It shall be the responsibility of the concerned ADs/ 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.

(x) Maintenance Expenditure of Capital Assets

(a) Provision should be made for maintenance and upkeep of capital assets consistent with the recommendations made by the 13th Finance Commission for the financial year 2012-13. 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 endeavour 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, R.D. Department, H & U.D. Department and Water Resources Department) and get the same vetted by the Finance Department preferably before the commencement of the financial year 2012-13. 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-XX** and the estimate of wages/work charge establishments (non plan) under Minor Works grants is to be indicated in **Annexure-XXI**. The requirement of fund for maintenance of capital assets is to be given in **Annexure-XXII**.

13. Other Non Salary Items

Provision of telephone, TE and OC shall be provided at an increased rate of **5%** over the original budget provision of 2011-12.

14. State Plan, 2012-13

(a) The revised plan ceiling for various sectors of the State Plan, 2011-12 and the annual plan ceiling for 2012-13 will be communicated separately by P & C Department. On the basis of ceiling allowed by P & C Department, the schemes should be revised, firmed up and cleared through the pre-budget scrutiny meetings. The scheme-wise justification for the year 2012-13 may be furnished to the Finance Department in **Annexure-XXIII(A), XXIII(B), XXIII(C), XXIII(D), XXIII(E) & XXIII(F)**.

(b) In addition to these statements regarding BE, expenditure incurred, reimbursement claim filed, anticipated expenditure in 2011-12 and 2012-13 in respect of projects under EAP and RIDF shall be furnished to P & C Department for realistic assessment and provision of funds in **Annexure-XXIV and XXV**. 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.

(c) To ensure preparation of plans/ programmes in time, Administrative Departments are to prioritize the programmes assuming 10% increase over allocation for 2012-13 pending communication of exact allocation by P & C Department.

(d) **No State Plan Scheme with provision below ₹1.00 crore should be formulated separately. Any existing or new State Plan Scheme with provision below ₹1.00 crore should be merged to and shown as a sub-scheme to a scheme of similar nature.**

(e) **Abstract and Detailed list of Plan Schemes shall no more form a part of the demand document. If such a list is required, the Administrative Departments should annex this list in the Outcome Budget document.**

15. Central Plan & Centrally Sponsored Plan Schemes

It is seen that there is huge pendency in submission of Utilization Certificate in respect of Central Assistance received under Central Plan and Centrally Sponsored Plan 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 Central Plan & Centrally

Sponsored Plan Schemes. The details of Central Assistance received, utilization certification submitted to Govt. of India etc. shall be worked out in **Annexure-XXVI**. UC received for Central Assistance till the end of 2010-11 should be submitted by 31.12.2011, failing which no additional provision will be allowed. Administrative Departments shall make all out efforts to avail new CSP Schemes from different Ministries of Govt. of India. The Budget Estimate for CP & CSP Schemes is to be based on firm commitment of the concerned Administrative Ministries of Central Govt. for funding the scheme and funding pattern approved by the concerned Ministries.

16. 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-XXVII**).
 - b) Subsidies being given in the budget of different Departments (**Annexure-XXVIII**).
 - c) Department-wise Grant-in-aid being provided (**Annexure-XXIX**).
- (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-XXX**)).
- (vii) Statement on arrear revenue (**as per Section 6(7) of the FRBM Rules, 2005**).
- (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-XXXI**)).
- (x) Statement on institution-wise guarantees given (As per Section 6(9) of FRBM Act, 2005) (**Annexure-XXXII**)

It is, therefore, urged upon that the Administrative Departments should furnish the required information in respect of statement (iii), (iv), (vi), (vii), (viii), (ix) & (x) above in the proforma indicating the steps taken in respect of above points by 05.01.2012. 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-XXXIII**). The information on this score is being asked for by Govt. of India.

17. 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

All Departments are required to furnish the information in **Annexures XXXIV, XXXV and XXXVI** 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 is required to be incorporated in Finance Accounts.

18. Formats for preparing the Revised Estimate for 2011-12 and Budget for 2012-13:- proper accounting classification, schematic break up and account head-scheme mapping:

(i) The Administrative Departments and Controlling Officers are required to prepare the RE for 2011-12 and BE for 2012-13 as per the list of proforma enclosed. All the items of expenditure should be classified 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 Orissa Treasury Management System.

(ii) On receipt of sectoral outlay for State Plan, 2012-13 from the P & C Department, the Administrative Departments should work out the schematic break up. The state share of the Centrally Sponsored Plan Schemes/Central Plan Scheme Components, as the case may be, should be distinctly shown against the each scheme in the schedule. The provision for CP/CSP Schemes 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/P&C Department and implementing Departments to map the account head and scheme link for tracking and monitoring of expenditure under plan schemes.

(iii) Further, all special component plan/tribal plan outlays have to be classified under 789-Special Component Plan and 796-Tribal Areas Sub Plan respectively below the functional major heads. The division of allocation between district sector and state sector should also be brought out as per the plan allocation.

19. Initiatives on Gender Responsive Budgeting

(i) The State Govt. intend to prepare 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 2012-13. This is in line with the decision made by Govt. 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 Govt. 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-XXXVII. Primarily, the entire provision for schemes classified for the welfare of women/girls shall be furnished in first part of the aforesaid Annexure. In the second part, the percentage of women/girls beneficiaries should be indicated - for example, percentage shares of stipend given to girl students for pre-matric studies.

20. Outcome Linked Budget

Outlays in the Budget do not automatically yield the designed and targeted outcomes. Given the myriad Government programmes and schemes, an effective mechanism needs to be institutionalized in order to link outlays with targeted outcomes. Efficiency and productivity of public spending is, therefore, the essence of effecting Budget management. Keeping this in view, **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 these 13 Departments for the Financial Year 2012-13. These Departments are required to prepare a statement in **Annexure-XXXVIII** relating to the scheme-wise outlays under Non-Plan, State Plan, Central Plan & Centrally Sponsored Plan and link it to intermediate/ final outputs and outcomes in terms of measurable and verifiable indicators /parameters. Departments can engage professionals for preparation of Outcome Budget Document, so that it is prepared before presentation of annual Budget.

21. 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 envisage that for the years 2011-2012, 2012-13, 2013-14 and 2014-15, a State Government will be eligible to draw down its share of the general and special area performance grant for the Local Bodies only if it complies with nine conditions. One of the conditions is; the State Government must put in place **a supplement to the budget documents for local bodies (separately for PRIs and ULBs)** furnishing the details of plan- and non-plan-wise classification of transfers separately 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 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 2012-13 as was done for 2011-12 observing 13th Finance Commission guidelines.

22. Process for Submission of Budget Proposal

The Administrative departments will be required to submit their Non-Plan proposal for the Revised Estimates, 2011-12 and Budget Estimates, 2012-13 only online. Similarly, Plan proposals shall be submitted to Finance Department online after receiving Plan ceiling from Planning & Coordination Department. Proposals in file need not be submitted to Finance Department. All the Annexures may be prepared in a single Excel file using required number of sheets and the same may be uploaded to the system.

23. Time Schedule

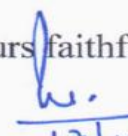
A lot of information is to be collected and compiled before the budget is placed before OLA along with documents placed under FRBM Act, 2005 and rules there under. Hence, budget documents are to be prepared in a tight time schedule. Therefore, all Departments and Controlling Officers are required to submit the revised estimate for 2011-12 and budget estimate for 2012-13 in the prescribed format and manner to Finance Department latest by **15.11.2011**. Planning & Coordination and Finance Department will communicate the programmes for pre-budget scrutiny meeting under Plan & Non Plan Scheme respectively. The Controlling Officers are required to indicate the list to DDOs under their control with Demand No. & Head of Account under which the allotment is given (**Annexure-XXXIX**). It will facilitate distribution of budget allotment under OTMS. In absence of such information, budget estimates/proposals cannot be entertained.

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. Any incomplete/haphazard information will lead to shortfall/omission in the Budget Estimate/Revised Estimate 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.orissa.gov.in/finance.

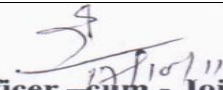
Enclosures: List along with proforma.

Yours faithfully,

17/11/11
Principal Secretary to Government

Memo No. 44233(410) /F, Dt. 17.10.2011

Copy forwarded to all Controlling Officers/Financial Advisers/Asst. Financial Advisers of Departments of Government and Accounts Officers of Heads of Departments for information and necessary action. The information received in Annexure are to be passed on to the concerned branches as indicated below. However, separate copy of each Annexure is to be furnished to Budget-I Branch.

Resources Branch	-	Annexure - I, IA, IB,II,III,IV,V & VI, XXIX, XXVII, XXVIII, XIV
C & I Branch	-	Annexure - IA, IB, IV, V & XXXI, XXVII
Budget- IV Branch	-	Annexure-VIII
Budget- III Branch	-	Annexure – IA, IB, IV, V, XXXI & XXVI
Budget-V Branch	-	Annexure – VIII, IX & XII
Plan Finance Branch	-	Annexure – XXX, XXVI, XXV, XXIIIA, XXIIB, XXIIC, XXIID, XXIIE & XXIIIF
RIDF Branch	-	Annexure – XXIV
EAP Branch	-	Annexure – XXXIII
S.S.-I Branch	-	Annexure – X(A), X(B)


Special officer –cum - Joint Secretary

Memo No. 44234(100) /F, Dt. 17.10.2011

Copy forwarded to all Officers/Section Officers of Finance Department for information and necessary action.


Special officer –cum - Joint Secretary

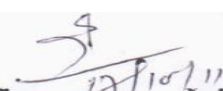
Memo No. 44235(200) /F, Dt. 17.10.2011

Copy forwarded to all Treasury Officers of District Treasuries and Special Treasuries/Sub-Treasury Officers/F.A. and C.A.O of all the Irrigation Projects for information and necessary action. While entertaining the pay bills for the month of October, 2010, they are requested to enquire from the DDOs under their control as to whether the DDOs have submitted the required information to their Controlling Officers.


Special officer –cum - Joint Secretary

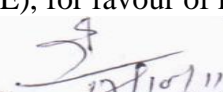
Memo No. 44236(5) /F, Dt. 17.10.2011

Copy forwarded to Private Secretary to Minister, Finance/Development Commissioner-Cum-A.C.S/Special Secretary/Additional Secretaries of Finance Department for information.


Special officer –cum - Joint Secretary

Memo No. 44237 /F, Dt. 17.10.2011

Copy forwarded to the Accountant General (A&E), for favour of information.


Special officer –cum - Joint Secretary

Memo No. 44238 /F, Dt. 17.10.2011

Copy forwarded to the Head, State Portal with request to upload the circular in the website of Finance Department at www.orissa.gov.in/finance.


Special officer –cum - Joint Secretary