



GOVERNMENT OF ODISHA

ODISHA GENERAL FINANCIAL RULES

2023

FINANCE DEPARTMENT

PREFACE

1. Odisha General Financial Rules (OGFRs) are a compilation of rules and orders of the State Government to be followed by all while dealing with matters involving public finances. These rules and orders are treated as executive instructions to be observed by all Departments and Organisations under the Government and specified Bodies except otherwise provided for in these Rules.
2. The Orissa General Financial Rules were first published in two volumes (Volume I and II) in the year 1959 taking into account the Financial Rules contained in the Bihar and Orissa Account Code, Civil Account Code and other general orders and instructions in Special Rules relating to the Works and Forest Departments contained in the Bihar and Orissa Account Code. They were revised subsequently in 1971, 1987 and the last revision was made in 2000. In the meantime, several amendments have been made to these rules and some of the provisions have become outdated. Besides, Government of India has published the General Financial Rules, 2017.
3. In the last few years, the State Government has made many innovative changes in the way it conducts its business. Reforms in Government budgeting like removal of distinction in non-plan and plan expenditure, focusing on outcomes through an improved Outcome Budget document, introduction of e-Voucher etc. needed to be reflected in the Odisha General Financial Rules (OGFR). Increased focus on Public Finance Management System (PFMS), reliance on the Direct Benefit Transfer (DBT) Scheme to ensure efficient delivery of entitlements, introduction of electronic procurement have also necessitated revision of the existing OGFRs to keep them in tune with the changing environment. The objective is to make the OGFRs facilitate efficiency rather than create impediments in smooth and timely implementation of various projects and schemes of the State Government while following principles of accountability and procedures of financial discipline and administrative due diligence.
4. Wide consultations with Departments, O/o the Principal Accountant General (A & E), Odisha, Financial Advisors / Assistant Financial Advisors and other stakeholders were made. The Discussion Draft was also uploaded on the Finance Department website soliciting their views for additions/ modifications, if any.
5. With the aim of promoting simplicity and transparency in the Government financial system and procedures, Odisha General Financial Rules, 2023 has been formulated and it is expected that the new OGFRs, 2023 will enable an improved, efficient and effective framework of fiscal management while providing the necessary flexibility to facilitate timely delivery of services.
6. Finance Department would like to place on record the exceptional work done by the officers in Codes Branch of Finance Department, office of the Principal Accountant General (A & E), Odisha, Administrative Departments, FA / AFAs for their valuable inputs for assiduously and meticulously completing this challenging and very important exercise.



(Vishal Kumar Dev, IAS)
Principal Secretary to Government
Finance Department

Bhubaneswar
13th September, 2023

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CHAPTERS

CHAPTER-1

INTRODUCTION

1. Short title and commencement

- (i)** These rules may be called Odisha General Financial Rules (OGFRs), 2023.
- (ii)** These rules shall be applicable to all Departments / Heads of Departments / Field Offices / attached and sub-ordinate offices.
- (iii)** These rules are deemed to be applicable to autonomous bodies except to the extent the by-law of an autonomous body provides for separate financial rules which have been approved by the Government with concurrence of Finance Department.
- (iv)** In the matter of receipt, custody and disbursement of Government moneys, these rules are supplementary to the rules in the Odisha Treasury Code and should be applied in conjunction with them.
- (v)** Departmental authorities should follow these rules, supplemented or modified by the special rules and instructions, if any, contained in their departmental regulations and other special orders, if any, applicable to them.
- (vi)** It will come into force with immediate effect.

2. Definition :In these rules, unless the context otherwise requires-

- (i)** “**Accountant General (Accounts & Entitlements)**”, means the Head of Office of Accounts & Entitlements subordinate to the Comptroller and Auditor General of India, who keeps the accounts of the State on behalf of the Comptroller and Auditor General of India and deals with the entitlement functions of Govt. employees;
- (ii)** “**Accountant General (Audit)**”, means the Head of offices of General and Social Sector Audit and Economic and Revenue Sector Audit subordinate to the Comptroller and Auditor General of India who exercise audit functions on behalf of the C&AG of India.
- (iii)** “**Appropriation**” means the assignment, to meet specified expenditure, of funds included in a primary unit of appropriation;
- (iv)** “**The Bank**”- means the Reserve Bank of India or any office or agency of the Reserve Bank of India and includes any Bank acting as the agent of the Reserve Bank of India in accordance with the provisions of the Reserve Bank of India Act, 1934 (Act No.2 of 1934);

- (v) **Book Value-** The term “gross book value” refers to the historical cost of a fixed asset or item of stores or other amount substituted for historical cost in the books of account or financial statements. When this amount is shown net of accumulated depreciation, it is termed as net book value.
- (vi) **“CAPEX model”** In the CAPEX model, Capital expenditures is used by the buyer to straightway purchase goods followed by procurement of consumables, arranging comprehensive maintenance contract after warranty period and finally disposing the product after useful life;
- (vii) **“Comptroller and Auditor-General”** means the Comptroller and Auditor-General of India appointed under Article 148 of the Constitution of India;
- (viii) **“Consolidated Fund”** means the Consolidated Fund of the State referred to in Article 266 (1) of the Constitution.
- (ix) **“Contingency Fund”** means the Contingency Fund of the State established in terms of Article 267 (2) of the Constitution.
- (x) **“Competent Authority”** means, in respect of the power to be exercised under any of these rules, the Governor or such other authority to which the power is delegated by or under these rules, Delegation of Financial Power Rules, 1978 or any other general or special order issued by the State Government.
- (xi) **“the Constitution”** means the Constitution of India;
- (xii) **“Controlling Officer”** means an officer entrusted by Department of the State Government with the responsibility of controlling the incurring of expenditure and / or the collection of revenue. The term includes Heads of Department and Heads of Administrative Department.
- (xiii) **“Drawing and Disbursing Officer”-** means a Departmental officer who is entrusted with the responsibility of drawing and disbursing funds of the Government.

Note-1: Administrative Departments/Heads of the Departments shall be competent to declare Officers holding *Group-B and above posts* under their Administrative Control as Drawing and Disbursing Officer in respect of specific establishments/functions.

Note-2: The Comptroller of Finance of Universities and Designated authority/Principal of Non-Government 255 Fully Aided +3 Degree Colleges are declared as Drawing and Disbursing Officer in respect of their establishment by Respective Administrative Department.

(FDOM No 45174/F Dated 04th October, 2008)

Note-3: The Principal of 193 +2 Non-Government Aided Colleges are declared as Drawing & Disbursing Officer in respect of their establishment by respective Administrative Department.

(FDOM No 327/F Dated 03rd January, 2011)

- (xiv) **"Finance Department"** means the Finance Department of Government of Odisha;
- (xv) **"Financial year"** means the year beginning on the 1st of April and ending on the 31st of March following;
- (xvi) **"Government or State Government"** means the Government of Odisha;
- (xvii) **"Governor"** means the Governor of the State of Odisha;
- (xviii) **"Government Account"** - means the account relating to the Consolidated Fund , Contingency Fund and the Public Account; as defined in these rules.
- (xix) **"Guiding Price"**- In selling property, a price that gives buyers a general idea of how much the seller wants, but which may be reduced (Financial times Lexicon).
- (xx) **"Heads of the Department"** – means an authority declared to be such by the competent authority with reference to Rule 20 of the Odisha Service Code Volume – I, if the declaration is made in general terms and not with reference to certain specified rules only and includes any other officers, declared to be such by the competent authority for specific purpose(s).

Note-1 "Administrative Department" as the Departments specified in the 1st schedule of Odisha Government Rules of Business.

Note-2 The proposal for declaring any authority as "Heads of the Department" is to be sent to Finance Department for approval and inclusion of the designated Government Servant as Head of the Department in Appendix –3 of Odisha Service Code. After obtaining the approval of Finance Department, the concerned Administrative Department is to issue the orders declaring the designated Government Servant as Head of the Department.

- (xxi) **"Head of an Office"** means any authority declared to be such by the Administrative Departments or Heads of the Departments; if the declaration is made in general terms and not with reference to specified rules, the Head of an office may exercise all powers vested in him not only under these rules, but also other financial rules e.g. the Odisha Service Code, the Odisha Travelling Allowance Rules, General Provident Fund (Odisha) Rules, the Odisha Treasury Code, the Contributory Provident Fund (Odisha) Rules.

Note -1 In declaring any authority as "Head of an Office" by Administrative Department / Head of Department in general terms and not with reference to any specified Rules, the authority of this rule i.e. Rule-2 (xx) is to be quoted in the declaration order. Head of the Office declared under this rule can delegate his power of signing bills under Treasury Rules to a sub-ordinate officer holding *Group- B and above posts* working under him.

Note-2 The head of an office may authorise any officer holding Group- B and above posts under him to sign a bill or order for him, communicating the name and the specimen signature of the officer to the treasury or treasuries concerned. A authorization of this kind will not, however, relieve the head of the office, in any way, of his responsibility for the accuracy of the bill or for the disposal of the moneys drawn from the treasury.

Note-3 In case of big establishments, where it is administratively not convenient for one DDO to sign all the bills of the office, owing to the volume of work and location of different sections, etc. more than one DDO may be authorised by the Head of the office to sign bills on his behalf with the approval of the Government.

- (xxii) **"Inventory"** means all articles and materials purchased or otherwise acquired for the use of Government for providing public services, including not only expendable and assumable articles in use or accumulated for specific purposes, but also articles of dead stock of the nature of plant, machinery, instruments, furniture, equipment, fixtures etc.
- (xxiii) **"Local Body"** means an authority legally entitled or specially empowered by Government to administer a local fund;
- (xxiv) **"Local Fund"** means a local fund as defined in Subsidiary Rule-467 of the Odisha Treasury Code;
- (xxv) **Micro & Small Enterprise (MSE)** means an Industrial Unit or Enterprise as defined in Odisha MSME Development Policy, 2022 and as amended from time to time.
- (xxvi) **"Non-recurring expenditure"** means expenditure other than recurring expenditure;
- (xxvii) **"OPEX model"** In the OPEX model, the seller provides the goods, maintains it and also provides the consumables as required and finally takes back the goods after useful/contracted life. The expenditure is made by the buyer in a staggered manner as per the terms and conditions of the contract.
- (xxviii) **"Primary unit of appropriation"** means a primary unit of appropriation i.e. the detailed head/object head below the minor or sub-head under which Budget provision is made;
- (xxix) **"Public Account or Public Account of the State"** means the Public Account of the State referred to in Article 266 (2) of the Constitution.
- (xxx) **"Public Works"** means Civil/Electrical Works including public buildings, Public services, transport infrastructure etc, both original and repair works and any other project, including infrastructure which is for the use of general;

- (xxxix) **"Public Works Department"** includes Works Department, Rural Development Department, Housing and Urban Development Department, Water Resources Department and Energy Department of the State Government in administrative charge of public works;
- (xxxvii) **"Re-appropriation"** means the transfer of funds from one primary unit of appropriation to another such unit;
- (xxxviii) **"Recurring expenditure"** means the expenditure which is incurred at periodic intervals for the same purpose. Expenditure other than recurring expenditure are non-recurring expenditure;
- (xxxix) **Start-ups** means an Enterprise as defined under Odisha Start-up Policy, 2016 and as amended from time to time.
- (xxxv) **"State"** means the State of Odisha;
- (xxxvi) **"Subordinate authority"** means a Department of the State Government or any authority subordinate to the Governor;
- (xxxvii) **"Treasury Rules"** Means the Treasury Rules of the State Government of Odisha embodied in the Odisha Treasury Code.

3. Inter-Departmental Consultation :

- (i) When the subject of a case concerns more than one department, no order shall be issued nor shall the case be laid before the Council of Ministers/Cabinet until it has been considered by all the stakeholder departments unless the case is one of extreme urgency.
- (ii) If the departments concerned are not in agreement relating to the case dealt with the Minister-in-charge or Minister of State-in-charge, as the case may be, if he wishes to proceed with the case, shall attempt by previous discussion with the Minister-in-charge or Minister of State-in-charge, as the case may be, of other Departments concerned to arrive at an agreement.
- (iii) If no such agreement is arrived at, the case shall be submitted to the Chief Minister for a decision and Chief Minister may either decide the case himself or refer the case to the Cabinet.

4. Departmental Regulations of financial character :

All Departmental regulations, in so far as they embody orders or instructions of a financial character or have important financial bearing, shall be made by, or with the approval of the Finance Department.

5. Modifications :

- (i) The systems and procedures established by these rules are subject to general or special instructions / orders, which Finance Department may issue from time to time.

- (ii) The systems and procedures established by these rules may be modified by any other authority only with the prior approval of the Finance Department.
- (iii) Where a doubt arises as to the interpretation of any of the provisions of these Rules, the matter shall be referred to the Finance Department for clarification.

6. Repeal and saving:

On the commencement of these rules, every order, instructions, office memorandum, notification etc. issued under the provision of Odisha General Financial Rules and under Finance Department Resolution No 52214/F dated 12.11.2002, Letter No 54323/F dated 26.11.2002, FDOM No 23663/F dated 04.06.2003, FD Resolution No 11311/F dated 19.03.2004 and FD Resolution No 46546/F dated 14.11.2006 relating to Government guarantee and which are in force, immediately before such commencement, shall, in so far as it provides for any of the matters contained in these rules, cease to operate. Anything done or any action taken under these orders, instructions, office memorandum, notification etc shall be deemed to have been taken under the corresponding provisions of these rules.

CHAPTER-2

GENERAL SYSTEM OF FINANCIAL MANAGEMENT

SECTION-I

GENERAL PRINCIPLES OF REVENUE AND RECEIPTS

7. All moneys received by or on behalf of the Government either as dues of Government or for deposit, remittance or otherwise, shall be brought/credited into Government Account without delay, in accordance with the provisions of Odisha Treasury Code.

8. (i) If a government officer receives in his official capacity moneys which are not Government dues or the deposit of which in the custody of Government has not been authorized by Government, he must open an account with a bank for their deposit. Such accounts may be opened with a branch of any Bank empanelled by the State Government and as revised by the State Government from time to time. Prior approval of Government is required to their deposit in any other bank.

(ii) The Government officer receiving such moneys is personally responsible for seeing that they are disbursed in strict conformity with the rules, regulations or orders governing the fund to which the moneys appertain, that a precise record of all the transactions is kept in form complying with the regulations of the fund concerned and that the accounts are subjected to proper audit checks.

9. (i) (a) Under Article 284 of the Constitution, all moneys received by or deposited with any officer employed in connection with the affairs of the State in his capacity as such, other than revenues or public moneys raised or received by Government, shall be paid into the Public Account.

(b) All moneys received by or deposited with Orissa High Court or with any other Court, shall also be dealt with in accordance with Clause (a) of sub-rule (i).

(ii) The Heads of Account to which such moneys shall be credited and the withdrawal of moneys therefrom shall be governed by the relevant provisions of Government Accounting Rules, 1990 and provisions of Odisha Treasury Code or such other general or special orders as may be issued in this behalf.

10. It is the duty of the concerned Department to ensure that the receipts and dues of the Government are correctly and promptly assessed, collected and duly credited to the Consolidated Fund or Public Account, as the case may be.

11. (i) The Controlling Officer shall arrange to obtain from his subordinate officers monthly accounts and returns in suitable forms claiming credit for the amounts paid into the treasury or bank, as the case, may be, or otherwise accounted for, and

compare them with the statements of credits furnished by the Accountant General (A&E) to see that the amounts reported as collected have been duly credited. For this, the monthly report on Revenue Receipts furnished by the Accountant General (A&E) will form the basis of reconciliation by the Controlling Officer concerned.

(ii) If wrong credits thus come to the notice of the Controlling Officer, he should at once inform the Accountant General (A&E) with a view to the correction of the accounts as per the procedures prescribed in Rule-76. If any credits are claimed but not found in the accounts, enquiry should be made initially against the responsible Departmental Officer concerned.

Note 1– For this purpose, the Accountant General (A&E) will send to the Departmental Controlling Officer, an extract from his accounts showing the amounts brought to credit in them in each month.

Note 2 – It is essential that the Departmental accounts of revenue should not be compiled from the returns prepared by the treasury. But the Treasury Officer may be required, where necessary, to verify the returns prepared for submission to the Departmental Controlling Authority.

Note 3 – In order to minimise the differences between the treasury figures and the Departmental figures, it is essential that the challans with which money is remitted to the treasury should bear full and correct accounts classification.

12. (i) Detailed rules and procedure regarding assessment, collection, allocation, remission and abandonment of revenue and other receipts shall be laid down in the regulations of the Department responsible for the same.

(ii) In Departments, in which, officers are required to receive moneys on behalf of Government and issue receipts thereof in the prescribed form, the departmental regulations should provide for the maintenance of a proper account of the receipts and issue of the receipts books, the number of receipts books to be issued at a time to each officer and a check with the officer's accounts of the used books when returned.

Note: Integrated Financial Management System (IFMS) of the State Government, an IT based system, has the facility for online and offline receipt of state government taxes and dues through the accredited banks of Cyber Treasury and Odisha Treasury Portal. The reporting and accounting of these receipts is made through Reserve Bank of India and Cyber Treasury. The reporting of the successful transactions is made by the Reserve Bank of India (RBI) to the Cyber Treasury. The Cyber Treasury generates the challan number and prepare the accounts based on the report of RBI and transmits the same to the Accountant General (A&E).

13. No amounts due to Government should be left outstanding without sufficient reasons. Where such amounts appear to be irrecoverable, the orders of the competent authority shall be obtained for their adjustment.

14. Unless specially authorized by any rule or order made by competent authority, no sums shall be credited as revenue by debit to a suspense head. The credit must follow and not precede actual realization.

15. Subject to any general or special orders issued by a Department of the State Government, a Head of Department responsible for the collection of revenue shall keep the Finance Department fully informed of the progress of collection of revenue under his control and of all important variations in such collections as compared with the Budget Estimates / Target fixed by Finance Department.

16. Rents of buildings and lands :

(i) When the maintenance of any rentable building is entrusted to a civil department, other than the Public Works Department, the Administrative Department or the Heads of the Department concerned shall be responsible for the due recovery of the rent thereof.

(ii) The procedure for the assessment and recovery of rent of any building hired out will be regulated generally by the rules applicable to residences under the direct charge of the Public Works Department.

(iii) The detailed rules and procedure, regarding the demand and recovery of rent of Government buildings and lands, shall be contained in the departmental regulations of the Departments in charge of those buildings.

17. Fines :

(i) Every authority having the power to impose and/ or realize a fine shall ensure that the money is realized, duly checked and deposited into treasury or bank as the case may be.

(ii) Every authority having the power to refund fines shall ensure that the refunds are checked and no double refunds of amounts of fines collected or refunds of fines not actually paid into a treasury or bank as the case may be, are made. IFMS shall ensure such control by tagging the refund bill with the challan and it shall be applicable to refund of all receipts made through challan deposit.

18. (i) The duty of realizing fines and of checking the receipts and refund rests with the Departmental officers. Each Court, Civil or Criminal, is required to submit to the District Judge or to the District Magistrates, as the case may be, on the last working day of each calendar month, a statement in a form showing the demand, collection and balance of fines levied and written off by it as well as of the refunds therefrom, the statement being made up for the account month of the Treasury / Special Treasury or Sub-Treasury with which the Court deals. The District Judge / District Magistrate should consolidate these returns into a monthly fines statement for the courts under him and forward it to the Treasury Officer / Special Treasury Officer, within fifth of the next month, for verification of the amounts shown as remitted into the treasury with the

credit appearing in the treasury account. The Treasury Officer/ Special Treasury Officer should certify the correctness or otherwise of these amounts. Where there is any discrepancy between a consolidated statement and the treasury account, the Treasury Officer / Special Treasury Officer may, if necessary, before giving his certificate, request the District Judge or the District Magistrate, as the case may be, to explain the discrepancy.

(ii) The statement should exhibit the amounts under each head of accounts, e.g., Magisterial fines, fines under the Prevention of Cruelty to Animals Act, etc. separately. Compensation fines due to an injured party which are creditable to deposits and fines, under the orders of competent authority, are creditable to a municipal or local fund, should be excluded from this statement.

(iii) When fines are received in another district, intimation should be given by the recovering officer to the officer concerned, who should note the fact in his monthly fine statements.

19. Convict charges recoverable from other states : Where other States are responsible for the cost of maintenance of convicts imprisoned in Odisha Jails for offences committed in such States, the Jail official should communicate to the Accountant-General (A&E) any amount recoverable on this account and the Accountant-General (A&E) will then see to its due recovery.

20. Miscellaneous Demands : The Accountant General (A&E) shall watch the realization of miscellaneous demands of Government, not falling under the ordinary revenue administration, such as payments due from other State Governments, Local Funds, contractors and others towards establishment charges etc.

21. Remission of and Abandonment of Claims to Revenue : A claim to revenue shall not be remitted or abandoned save with the sanction of the competent authority.

22. (i) Subject to any general or special orders issued by the Administrative Departments, Heads of Departments shall submit annually on the 1st of June to the Accountant General (A&E) statements showing the remissions of revenue and abandonment of claims to revenue sanctioned during the preceding year by competent authorities in exercise of the discretionary powers vested in them otherwise than by law or rule having the force of law, provided that individual remissions below Rs 1000/- need not be included in the statements.

(ii) For inclusion in the statements referred to in Sub Rule (i) above, remissions and abandonments should be classified broadly with reference to the grounds on which they were sanctioned and a total figure should be given for each class. A brief explanation of the circumstances leading to the remission should be added in the case of each class.

23. Power of different authority to sanction remission/ write off of Cess, Sairat and Miscellaneous Revenue : The power of different authority to sanction remission/write off of Cess, Sairat and Miscellaneous Revenue is specified under Delegation of Financial Power Rules and amendment made thereof.

SECTION-II

GENERAL PRINCIPLES RELATING TO EXPENDITURE & PAYMENT OF MONEY

24. Standards of financial propriety : Every Officer incurring or authorizing expenditure from public moneys should be guided by high standards of financial propriety. Every officer should also enforce financial order and strict economy and see that all relevant financial rules and regulations are observed, by his own office and by subordinate disbursing officers among the principles on which emphasis is generally laid are the following :-

- (i)** Every officer is expected to exercise the same vigilance in respect of expenditure incurred from public moneys as a person of ordinary prudence would exercise in respect of expenditure of his own money.
- (ii)** The expenditure should not be prima facie more than the occasion demands.
- (iii)** No authority should exercise its powers of sanctioning expenditure to pass an order which will be directly or indirectly to its own advantage.
- (iv)** Expenditure from public moneys should not be incurred for the benefit of a particular person or a section of the people, unless -
 - a)** a claim for the amount is enforced in a Court of Law, or
 - b)** the expenditure is in pursuance of a recognized policy or custom.
- (v)** The amount of allowances granted to meet expenditure of a particular type should be so regulated that the allowances are not on the whole a source of profit to the recipients.
- (vi)** There shall be no idle parking of Government money either in public account or in Bank or Post Office. Government money should not be drawn from the Treasury unless it is required for immediate disbursement.

25. Expenditure from public funds :

- (i)** Unless otherwise expressly authorized by any law or rule or order having the force of law, moneys may not be removed from the Government Account for investment or deposit elsewhere without the consent of the Finance Department.
- (ii)** As a general rule no authority may incur any expenditure or enter into any liability involving expenditure from Government Accounts (Consolidated Fund, Contingency Fund & Public Accounts) until the expenditure has been sanctioned by general or special orders of the Government or by authority to which power

has been duly delegated in this behalf and the expenditure has been provided for in the authorized grants and appropriations for the year.

- (iii) Delay in payment of money, indisputably due by Government is contrary to all rules and budgetary principles and should be avoided. In other words payment due should be made without any delay.

26. Delegation of Financial Powers :

- (i) The financial powers of the Government have been delegated to various subordinate authorities under Delegation of Financial Powers Rules, 1978 as amended from time to time.
- (ii) The financial powers of the Government, which have not been delegated to a subordinate authority, shall vest in the Finance Department.
- (iii) Unless otherwise provided by any special rule or order of Government, a higher authority may exercise the powers delegated to an authority subordinate to it.

27. Powers of Finance Department in regard to certain special matters : No Department or authority may without previous consent of the Finance Department, issue any orders (other than orders in pursuance of general delegations made by or with the approval of the Finance Department) which

- (i) either immediately or by their repercussions will affect the finances of the State or which in particular, either - relate to the number or grading or cadres of posts or the emoluments or other conditions of service or post;
- (ii) any grant of land, or assignment of revenue or concession, grant, lease, or license of mineral or forest rights, or right to water power, or any easement or privilege in respect of such concessions; or
- (iii) in any way involve any relinquishment of revenue.

28. Consultation with Financial Advisor :

- (i) The Financial Powers delegated to the Administrative Departments / Heads of Departments are to be exercised with concurrence of Financial Advisor/ Assistant Financial Advisor/ Accounts Officer of the Administrative Departments / Heads of Departments, as the case may be.
- (ii) Memoranda for the Cabinet / Project Approval Committee/ Empowered Committee and all proposals for new schemes involving financial implications should be prepared in consultation with the Financial Advisor / Assistant Financial Advisor/ Accounts Officer as the case may be.
- (iii) A confirmation to this effect shall be included in the draft memorandum at the circulation stage indicating therein that the same has been concurred in by the Financial Advisor / Assistant Financial Advisor of the Department / Account Officer of the Heads of Department.

29. Appraisal/approval of new scheme or a new service, or where the scope of an existing scheme is proposed to be substantially altered and revised cost estimates of the projects/schemes :

- (i)** The procedure for appraisal/approval of new scheme or a new service, or where the scope of an existing scheme proposed to be substantially altered and revised cost estimates of the projects/schemes including the authority for appraisal and approval and the action to be taken after the schemes have been appraised and approved, is indicated in the Delegation of Financial Power Rules, 1978.
- (ii)** Sanction of expenditure for these schemes can only be made after appraisal and approval by the competent authority as specified in Delegation of Financial Power Rules, 1978.
- (iii)** The guidelines on financial limits to be observed in determining cases relating to new service or scheme and procedure for incurring expenditure for such services have been prescribed in Delegation of Financial Power Rules, 1978.

30. Provision of funds for sanction:

- (i)** All sanctions to the expenditure shall indicate the details of the provisions in the relevant grant or appropriation where from such expenditure is to be met.
- (ii)** All proposals for sanction to expenditure shall indicate whether such expenditure can be met by valid appropriation or re- appropriation.
- (iii)** In cases where it becomes necessary to issue a sanction to expenditure before funds are communicated, the sanction should specify that such expenditure is subject to funds being communicated in the Budget of the year.
- (iv)** In case the sanction pertains to capital head, there must be a clear mention of the particular capital work or asset, which may make it apparent that the expenditure is of capital nature and ownership of the asset belongs to the Government.

31. Issue of Online Sanction Orders :

- (i)** All sanction orders are to be mandatorily generated in IFMS by competent authorities and the respective bill shall be tagged with the sanction order.
- (ii)** Online Sanction Orders generated from IFMS has a unique number attached to it to ensure the identity of the sanction order. The sanction order is also made available at the respective Treasuries on a real time basis. This ensure speedy and accurate drawal of fund.

(Finance Department OM No. 33639/F, Dated. 13.12.2016)

(Finance Department Letter No. 23890/F, Dated 20.07.2018)

32. Responsibility of Controlling Officer in respect of Budget allocation : The duties and responsibilities of a controlling officer in respect of funds placed at his disposal are to ensure:

- (i) that the expenditure doesn't exceed the budget allocation;
- (ii) that the expenditure is incurred for the purpose for which funds have been provided;
- (iii) that the expenditure is incurred in public interest;
- (iv) that adequate control mechanisms is functioning in the heads of department for prevention, detection of errors and irregularities in the financial proceedings of his subordinate offices and to guard against waste and loss of public money.

33. Maintenance of Accounts :

- (i) Every Officer whose duty is to prepare and render any accounts or returns in respect of public money or stores is personally responsible for their completeness and accuracy and their submission within the prescribed date.
- (ii) An officer who signs or countersigns a certificate is personally responsible for the facts certified to, so far as it is his duty to know or to the extent to which he may reasonably be expected to be aware of them. The fact that a certificate is printed is no justification for his signing it unless it represents the facts of the case. If in its printed form it does not represent the facts, it is his duty to make any necessary amendment which will call attention to the deviation and so to give the authority concerned the opportunity of deciding whether the amendments cover requirements.

34. Procedure for Communication of Sanctions:

All financial sanctions and orders issued by a competent authority shall be communicated to the Accountant- General (A&E) in accordance with the procedure as indicated below:

- (i) All financial sanctions and orders issued by a subordinate authority within its own financial powers should be communicated by that authority directly to the Accountant-General (A&E).
- (ii) All financial sanctions issued by a Department of State Government which relate to a matter concerning the Department and on the basis of which payment is to be authorized by the Accountant-General (A&E) should be addressed to Accountant-General (A&E). In other case, i.e., where no payment is to be authorized but the sanction is required by the Accountant-General(A&E) to fulfill his post-audit responsibilities (*e.g. sanction for the grant of advances to non-Gazetted Government servants: sanction for the creation of non-Gazetted posts: sanctions for the write off of losses; etc.*), the sanction should be accorded either in the form of an order which need not be addressed to any authority or in the form of a letter addressed to the Head of Department concerned, and in either case a copy of such sanction should be endorsed to the Accountant-General(A&E). A similar procedure should be followed in the case of sanctions issued by the Heads of Departments in respect of their own and subordinate establishments.

- (iii) In the case of non-recurring contingent and miscellaneous expenditure, the sanctioning authority may, where required, accord sanction by signing or countersigning the bill or voucher, whether before or after the money is drawn, instead of by a separate sanction.
- (iv) (a) All financial sanctions and orders issued by Administrative Departments/ Heads of Departments within the delegated powers should be issued with the concurrence of the Financial Advisor/ Assistant Financial Advisor/ F.A.-Cum-C.A.O./ Accounts Officer, as the case may be. A copy of the sanction order should be communicated to the Accountant General (A&E).
- (b) All Sanction orders and release of funds shall be issued under the signature of Financial Advisor/ Assistant Financial Advisor/ F.A.-Cum-C.A.O./ Accounts Officer as the case may be.
- (Finance Department OM No.40334/F., dt.21.09.1999)**
- (v) Financial sanctions to the write off of irrecoverable balances of sales tax, royalty and other revenue demands etc. should be communicated to the Accountant-General(A&E) by including such balances in the statement required to be submitted under **Rule 22**.
- (vi) All financial sanctions and orders issued by a Department of the State Government with the concurrence of the Finance Department should be communicated to the Accountant-General (A&E) by the Department directly indicating in such sanctions, the number and date of the U.O.R. or the letter of the Finance Department, conveying their concurrence.
- (vii) Sanction orders in respect of recoupment of advance from Odisha Contingency Fund, transfer to Reserve Funds and accounting adjustments to be carried out at the level of Accountant General (A&E) should be marked "Not for Payment".
- (viii) Where a department refers a proposal to the Finance Department for concurrence, the proposal should be sent along with a draft sanction order proposed to be issued with the concurrence of the Finance Department.
- (ix) All orders conveying sanctions to expenditure of a definite amount or up to a specific limit, should express the amount of expenditure sanctioned both in words and figures.
- (x) All financial sanctions and orders including those intended for audit shall be signed in ink or ball pen or digitally signed.
- (xi) If a Financial Sanction or order is issued with the concurrence of the Accountant General (A&E), the fact should be mentioned therein. A copy of such sanction should be endorsed to him.

- (xii) Sanctions accorded by a Head of Department may be communicated to Accountant General (A&E) by an authorized Officer of his office duly signed by him for the Head of Department or conveyed in the name of the Head of Department.
- (xiii) All financial sanctions and orders for provisional payment should be communicated to the Accountant-General (A&E) by an authority, which is competent to finally sanction the payment. The period for which payment should be passed provisionally should be indicated.
- (xiv) A copy attested in each page of sanction containing formal agreements, contracts, schedules of rates and charges, itemized specifications, etc. should be supplied to the Accountant-General (A&E) / Accountant-General (Audit) whenever he demands it.
- (xv) Copies of all sanctions, issued by the Departments of State Government with the concurrence of Finance Department, should be sent to the Finance Department.

35. Indication of the source of Appropriations in the sanction to Expenditure:

- (i) In all applications for sanction to expenditure, it should be distinctly stated whether provision for the proposed charge has, or has not, been made in the budget estimates of the year, and, if it has not been made, whether the funds can be found by valid re-appropriation.
- (ii) Authorities which sanction new expenditure after funds have been communicated should be careful to indicate the source of appropriation.

36. Where it is desired to sanction expenditure before funds have been communicated, as may be necessary in order to avoid delay in starting work at the beginning of a new financial year or to prevent duplication of orders, the authority which does so should be careful to add the words "subject to funds being communicated in the budget of the year".

Note - Expressions such as "**Subject to budget provision**" should be carefully avoided in conveying sanctions to expenditure.

37. Sanctions accorded by Government to grant of land and alienations of land, other than those in which assignment of land revenue are treated as cash payment, shall be communicated to the Accountant-General (A&E) and Accountant-General (Audit) in a consolidated monthly return giving the necessary details for enabling him to audit the sanctions accorded.

38. Date of effect of sanction :

- (i)** Subject the provisions of Delegation of Financial Powers Rules, 1978, all executive orders, sanctions orders, etc shall come into force from the date of issue unless any other date from which they shall come into force is specified therein.
- (ii)** Orders sanctioning the creation of a temporary post should, in addition to the sanctioned duration, invariably specify the date from which it is to be created.
- (iii)** In case of contractual posts and Scheme/ Project specific posts, the period for which the post has been created is to be mentioned.

39. All authorities which are competent to sanction revision of pay or the grant of concessions to Government servants should bear in mind that retrospective effect should not be given to financial sanctions, except in exceptional circumstances, without the special approval of Government. If retrospective effect to financial sanctions involving revision of pay, allowances, etc., is allowed, the sanctioning authority should ensure that requisite appropriations exist or steps have been taken to provide additional appropriations to cover the expenditure.

40. Lapse of sanctions :

A sanction for any fresh charge shall, unless it is specifically renewed, lapse if no payment in whole or in part has been made during a period of twelve months from the date of issue of such sanction.

Provided that –

- (a)** when the period of validity of the sanction is prescribed in the departmental regulations; or is specified in the sanction itself, it shall lapse on the expiry of such periods; or
- (b)** when there is a specific provision in a sanction that the expenditure would be met from the Budget provision of a specified financial year, it shall lapse at the close of that financial year; or
- (c)** in the case of procurement, a sanction shall not lapse, if tenders have been accepted (in the case of local or direct purchase of stores) or through online bidding within the period of one year of the date of issue of that sanction, even if the actual payment in whole or in part has not been made during the said period.

41. Notwithstanding anything contained in **Rule 40**, a sanction in respect of an addition to a permanent establishment, made from year to year under a general scheme by a competent authority, or in respect of an allowance sanctioned for a post or for a class of Government servants, but not drawn by the officer(s) concerned, shall not lapse.

42. The sanction to an estimate for a public work will ordinarily cease to operate after a period of five years from the date upon which it was accorded, but the acceptance by competent authority of a budget estimate which includes specified provision for expenditure upon a work which is in progress may be regarded as on-going, for the year in which the provision is made.

WRITE OFF OF LOSSES

43. (i) The powers have been delegated to different authorities to write off the loss of Public Money or Stores through fraud or negligence of Individuals or other causes under Delegation of Financial Power Rules, 1978 as amended from time to time with the limits and condition prescribed therein.

(ii) Where Government money or stores are lost by fraud or through culpable negligence of any Government servant(s), Government will not agree to write off the loss without a definite expression of the opinion of the Departmental authorities concerned regarding the desirability of recovering the whole or part of the loss from the Government servant(s) through whose negligence the loss occurred. Any proposal to remit part or whole of the sum lost in such cases must be supported by full reasons and will require the special orders of the State Government.

(iii) Heads of Departments or the other subordinate authorities have power to write off losses in accordance with the orders of delegation passed in this behalf, subject to the conditions-

(a) that the loss does not disclose a defect of system, the amendment of which requires the orders of Government, and

(b) that there has not been any serious negligence on the part of some individual Government servant or Government servants which might possibly call for disciplinary action requiring the orders of higher authority.

(iv) All sanctions for write off should be communicated to the Accountant-General (A&E) for its scrutiny.

(v) These rules apply also to the writing off of losses of revenue, irrecoverable loans and advances and of deficiencies, depreciation, etc. in the value of stores included in the stock and other accounts.

Note - The expression “**Value of Stores**” used in this sub-rule should be interpreted as meaning Book Value where prices accounts are maintained and “**Replacement Value**” in other cases.

44. (i) The orders contained in the preceding rule do not apply to loss of cash in treasuries, whether in the course of remittance or out of treasury balance, small coin depot or currency chest.

- (ii) Individual cases of such losses should be reported to Finance Department and its specific approval shall be obtained before any item can be written off in the accounts of the State Government.
- (iii) In cases where recoveries are made in cash e.g. by deductions from pay or otherwise, from the persons responsible for a loss, the entire amount recovered should be credited to the Government under the above arrangement. Recoveries made indirectly e.g. by stoppage of increment or promotion as a measure of punishment, should not be treated as recoveries made in cash. Where the staff is paid for by one Government and the loss is borne by another Government, a copy of the orders regarding the action taken against the persons responsible for the loss should be communicated by the former to the latter.

45. Internal check against irregularities, waste and fraud : In the discharge of his/her ultimate responsibilities for the administration of an appropriation or part of an appropriation placed at his/her disposal, every controlling officer must satisfy himself/herself not only that adequate provisions exists within the departmental organization for systematic internal checks to prevent and detect errors and irregularities in the financial proceedings of his/her subordinate officers and to guard against waste and loss of public money and stores, but also that the prescribed check are effectively applied.

46. Remission of disallowances by Audit and writing off of overpayment made to Government servants :

- (i) The remission of disallowances by Audit and writing off of overpayments made to Government servants by competent authorities shall be in accordance with the provisions of the Delegation of Financial Powers Rules, 1978, and instructions issued there under.
- (ii) The State Government may, for reasons to be recorded, waive the recovery of an amount placed under objection by the Accountant-General (A&E) or otherwise found to have been over-paid to Government servant if-
 - (a) the amount disallowed has been drawn by the Government servant concerned under a reasonable belief that he was entitled to it;
 - (b) the enforcement of the recovery will, in the opinion of State Government, cause undue hardship or it will be physically impossible to effect the recovery; and
 - (c) in the case of disallowances of emoluments of the nature of pay as defined in Rule 33 of Odisha Service Code, made within one year of the date of Payment:-
 - (1) the Government servant is in the Group-D posts; and
 - (2) the over-drawal has not been occasioned by delay in notifying a promotion or reversion.

- (iii) All sanctions to forego recovery under the foregoing rule should be communicated to the Accountant- General (A&E), Odisha with recommendation from Finance Department.

SECTION-III

DEFALCATION AND LOSSES

47. Report of Losses :

- (i) Any loss or shortage of public moneys, departmental revenue or receipts, stamps, stores or other property held by, or on behalf of, Government irrespective of the cause of loss and manner of detection, shall be immediately reported by the subordinate authority concerned to the next higher authority as well as to Accountant General(A&E)/(Audit) concerned, even when such loss has been made good by the party responsible for it. However, the following losses need not be reported:
- (a) Cases involving losses of revenue due to -
- (1) mistakes in assessments which are discovered too late to permit a supplementary claim being made,
 - (2) under assessments which are due to interpretation of the law by the local authority being overruled by higher authority after the expiry of the time-limit prescribed under the law, and
 - (3) refunds allowed on the ground that the claims were time-barred:
- (b) Petty losses of value not exceeding Rs 10,000/-.
- (ii) Cases involving serious irregularities shall be brought to the notice of Financial Adviser or Secretary of the Administrative Department concerned and the Accountant General (A&E).
- (iii) Report of loss contemplated in sub-rule (i) & (ii) shall be made at two stages-
- (a) An initial report should be made as soon as a suspicion arises that a loss has taken place.
- (b) The final report should be sent to authorities indicated in sub rule (i) & (ii) after investigation indicating nature and extent of loss, errors or neglect of rules by which the loss has been caused and the prospects of recovery.
- (iv) The complete report contemplated in sub-rule (iii), shall reach through proper channels to the competent authority, who shall finally dispose of the same under the powers delegated to him under the Delegation of Financial Power Rules, 1978. The reports, which he cannot finally dispose of under the delegated powers, shall be submitted to the Government.

- (v) An amount lost through misappropriation, defalcation, embezzlement, etc., may be redrawn pending investigation, recovery or write-off with the approval of the authority competent to write-off the loss in question.
- (vi) In cases of loss to Government on account of culpability of Government servants, the loss should be borne by the Government Department concerned with the transaction. Similarly, if any recoveries are made from the erring Government officials in cash, the receipt will be credited to the Government Department which sustained the loss.
- (vii) All cases involving loss of Government money arising from erroneous or irregular issue of cheques or irregular accounting of receipts will be reported to the Accountant General(A&E) along with the circumstances leading to the loss, so that he can take steps to remedy defects in rules or procedures, if any, connected therewith.

48. Loss of Government property due to fire, theft, fraud :

- (i) Departmental Officers shall, in addition to taking action as prescribed in Rule 47, follow the provisions indicated below in cases involving material loss or destruction of Government property as a result of fire, theft, fraud, etc.
- (ii) All losses above the value of Rs 50,000/- due to suspected fire, theft, fraud, etc., shall be invariably reported to the Police for investigation as early as possible.
- (iii) Once the matter is reported to the Police Authorities, all concerned should assist the Police in their investigation. A formal investigation report should be obtained from the Police Authorities in all cases, which are referred to them.

49. Loss of immovable property by fire, flood, cyclone, earthquake or any other natural cause, accident etc. : All loss of immovable property exceeding Rs 50,000/-, such as buildings, communications, or other works, caused by fire, flood, cyclone, earthquake or any other natural cause, shall be reported at once by the subordinate authority concerned to Government through the usual channel.

50. Report to Accountant General (A&E)/(Audit) : After a full enquiry as to the cause and the extent of the loss has been made, the detailed report should be sent by the subordinate authority concerned to Government through the proper channel; a copy of the report or an abstract thereof being simultaneously forwarded to the Accountant General(A&E)/(Audit) concerned.

51. Responsibility for Losses :

- (i) An officer shall be held personally responsible for any loss sustained by the Government through fraud or negligence on his part. He will also be held personally responsible for any loss arising from fraud or negligence of any other

officer to the extent to which it may be shown that he contributed to the loss by his own action or negligence.

- (ii) The departmental proceedings for assessment of responsibility for the loss shall be conducted according to the instructions contained in **Appendix-I** and those issued by the State Government from time to time.

52. Prompt disposal of cases of loss : Action at each stage of detection, reporting, write off, final disposal, in cases of losses including action against delinquents and remedial measures should be completed promptly with special attention to action against delinquents & remedial measures, taken to strengthen the control system.

SECTION-IV

SUBMISSION OF RECORDS AND INFORMATION TO AUDIT

53. Demand for information by Audit : It is the duty of every Departmental and controlling officer to see that the Accountant-General (A&E)/ Accountant-General (Audit) is afforded all reasonable facilities in discharge of his/her functions and furnish fullest possible information required by him/her for preparation of any official account or report.

54. A subordinate Authority shall not withhold any information, books or other documents required by the Audit Officer or Accounts Officer.

55. If the contents of any file are categorized as 'Secret' or 'Top Secret' the file maybe sent personally to the Accountant General (A&E)/ Accountant General (Audit) concerned specifying this fact, who will then deal with it in accordance with the standing instructions for handling and custody of such classified documents.

CHAPTER - 3

BUDGET FORMULATION AND IMPLEMENTATION

SECTION-I

PREPARATION OF BUDGET

56. Financial Year :

Financial year of the Government shall commence on the 1st day of April of each year and end on the 31st day of March of the following year.

57. Presentation of Budget to State Legislature:

- (i)** In accordance with the provisions of Article 202 (1) of the Constitution, the Finance Minister shall arrange to lay before the House of Legislature, an Annual Financial Statement also known as the 'Budget' showing the estimated receipts and expenditure of the State Government in respect of a financial year , before the commencement of that year.
- (ii)** The provisions for preparation, formulation and submission of budget to the Legislature are contained in Articles-202 to Article-206 of the Constitution.
- (iii)** Finance Department, shall issue guidelines for preparation of budget estimates from time to time. All the Departments shall comply in full with these guidelines.
- (iv)** Detailed rules regulating the preparation of Budget estimates are embodied in the Odisha Budget Manual separately published.

58. The Budget shall contain the following:

- (i)** Estimates of all revenues expected to be raised during the financial year to which the Budget relates;
- (ii)** Estimates of all expenditure for each programme, scheme and project in that financial year;
- (iii)** Estimates of all interest and debt servicing charges and any repayments on loans in that financial year;
- (iv)** Any other information, as may be prescribed, from time to time by the Finance Department.

59. Receipt Estimates :

- (i)** The detailed estimates of Revenue & Receipts shall be prepared by the estimating authorities separately for each Major Head of Account in the prescribed form. For each Major Head, the estimating authority shall give the

break-up of the Minor/Subhead/ Detailed head wise estimate along with actuals of the past two years. While doing the head wise classification, it may be ensured that item wise break-up of all major items of tax and non-tax revenues are clearly identified and depicted in the receipt estimates. This is required to highlight all individual items of significance. Any major variation in estimates with reference to past actuals or/and Budget Estimates shall be supported by cogent reasons.

- (ii) The accounting heads, under which major tax and non-tax revenues are collected, shall be prescribed by the administrative Department in consultation with the Finance Department.

60. Non-Tax Revenues : While the tax revenues, non-debt capital receipts including disinvestments and borrowings are managed by Finance Departments, the non-tax revenues are collected through all Departments and other autonomous bodies and implementing agencies and comprise an important source of revenue for the Government.

61. User Charges : 'User Charges' is one of the components of the non-tax revenues. Each Department may undertake an exercise to identify the 'user charges' levied by it and publish the same on its website.

- (i) While fixing the rates of user charges, the Departments must ensure that the user charges recover the current cost of providing services with reasonable return on capital investment.
- (ii) Any deviation from these principles shall be specifically recorded with reasons justifying the setting of user charges lower than the cost recovery norms, if any.
- (iii) The rates of user charges should be linked with appropriate price indices and reviewed at least every three years.
- (iv) In order to enable ease of revision of user charges, the rate of user charges shall be fixed, where ever possible through Rules or executive orders and not through a statute.

62. Dividends and profits :

- (i) Dividend and profits are significant component of the non-tax revenues. The payment of dividends/profits by the State Public Sector Enterprises shall not be delayed and must be paid within an appropriate time frame.
- (ii) The Administrative Departments shall monitor timely payments of dividends to the State Government.
- (iii) The dividend shall be payable as per the guidelines issued by Finance Department, from time to time, in this regard.

63. E-receipt of Government Taxes and dues:

- (i) A facility has been provide in Integrated Financial Management System (IFMS) for online collection of various tax and non-tax revenues including various fees and user charges through e-Receipts.
- (ii) All Departments shall take prompt measures for migration to e-Receipts, to ensure customer convenience and immediate credit of receipts to the Government account.

64. Expenditure estimates :

- (i) The expenditure estimates shall show separately the sums required to meet the expenditure Charged on the Consolidated Fund of the State under Article 202 (3) of the Constitution and sums required to meet other expenditure for which a vote of the State Legislature is required under Article 203(2) of the Constitution.
- (ii) The estimates shall also distinguish provisions for expenditure on revenue account from capital account, including on loans and advances made by the Government and for repayment of loans and ways and means advances.
- (iii) The detailed estimates of expenditure shall be prepared by the estimating authorities up to the final unit of appropriation (Object head) under the prescribed Major and Minor Heads of Accounts for both Revenue and other than Revenue expenditure. Estimates shall include suitable provision for liabilities of the previous years that is to be discharged during the year.
- (iv) Component wise provision towards State Share under Centrally Sponsored Schemes may be made separately.
- (v) The estimates of scheme related and other expenditures shall be processed in consultation with Finance Department and Planning & Convergence Department and in accordance with the instructions issued by Finance Department from time to time.
- (vi) The Revised and Budget Estimates of both Revenue and other than Revenue expenditure after being scrutinized by the Financial Advisers and approved by the Secretary of the Administrative Department concerned shall be forwarded to Finance Department Planning & Convergence Department as the case may be in such manner and forms as may be prescribed by it from time to time.

65. Demands for Grants :

- (i) The estimates for expenditure for which vote of State Legislature is required shall be in the form of Demand for Grants.
- (ii) Generally, one Demand for Grant is presented in respect of each Department. However, in respect of certain Departments more than one Demands for Grants

can be presented. Each Demand normally includes provisions required for a service, i.e. provisions on account of revenue expenditure, capital expenditure, grants to the Local Bodies and also Loans and Advances relating to the service.

- (iii) The Demand for Grants shall be presented to the State Legislature at two levels. The consolidated Demand for Grants minor head wise shall be presented to State Legislature by the Finance Department, along with the Annual Financial Statement while the Detailed Demands for Grants, for consideration by the “Departmentally Related Standing Committee” (DRSC) of the Legislature, are laid on the Table of the Legislature by the concerned Departments, as per dates approved from time to time.

66. Form of Annual Financial Statement and Demands for Grant:

- (i) The Annual Financial Statement and Demands for Grants shall be laid down by the Finance Department in the prescribed format.
- (ii) The heads under which provision for expenditure shall be made in the Demands for Grants or Appropriation shall be prescribed by the Finance Department in consultation with the Administrative Department within the broad accounting classification prescribed by Controller General of Accounts, Government of India.

67. Acceptance and inclusion of estimates:

- (i) The estimates of receipts and expenditure of each Department shall be scrutinized in the concerned Expenditure Branch of Finance Department. Secretary Finance Department may hold meetings with Secretaries or Financial Advisers of Administrative Departments to discuss the totality of the requirements of funds for various programmes and schemes, along with receipts of Departments.
- (ii) The estimates initially submitted by the Departments may undergo some changes as a result of scrutiny in the Expenditure Branch of Finance Department and deliberations in the pre-budget meetings between the Secretary Finance Department and the Secretary or Financial Adviser of the Department concerned. The final estimates arrived at on the basis of scrutiny and pre-budget meetings shall be incorporated in the Budget documents.

68. Outcome Budget :

- (i) After finalization of the estimates for budgetary allocations, concerned Administrative Department in consultation with the Finance Department shall prepare an Outcome Budget statement for their Department linking outlays against each scheme/project with the outputs/deliverables and medium-term outcomes.
- (ii) The outputs/deliverables measurable/quantitative shall be mandatorily given on the basis of parameters and deliverables decided in advance, on the basis of projections made in the Medium-Term Expenditure Framework (MTEF) Statement.

- (iii) Allocations for each scheme/project shall be against a firm set of deliverables which shall be adhered to. The performance against specified outcomes would form the basis of deciding on the continuation of the scheme and the quantum of budget allocation.

69. Vote on Account :

If the Appropriation Bill seeking authorization of the State Legislature to make expenditure in consonance with the Budget proposal is likely to be passed after the start of the financial year to which it corresponds then pending completion of the procedure prescribed in Article 203 of the Constitution for passing of the Budget, Finance Department may need to obtain a 'Vote on Account' to cover expenditure for a brief period in accordance with the provisions of Article 206 of the Constitution. Funds made available under Vote on Account are not to be utilized for expenditure on a 'New Service'.

70. Responsibility for the preparation of Budget Estimates:

- (i) The responsibility for the preparation of the statement of estimated revenue and expenditure under Article 202 of the Constitution which is laid before the legislature in each year, as well as any supplementary estimate or demand for extra grant, lies with the Finance Department.
- (ii) Such estimates are prepared by the Finance Department on the basis of information obtained from the concerned Administrative Departments, which are responsible for their correctness.
- (iii) The Accountant General (A&E) is, however, responsible for rendering such assistance in preparation, check and consolidation of Budget Estimates and Demands for Grants as may be settled by the Finance Department in consultation with him/her and shall supply such information in connection with the budget estimates as he/she is in a position to furnish.
- (iv) The Heads of Departments and other subordinate authorities are responsible for submission of correct detailed estimates to the concerned authorities on the dates fixed by the Finance Department in the Budget Circular.

71. Communication and distribution of grants and appropriations : After the Budget is presented to the Legislative Assembly, Budget Documents are circulated and Budget provision for the relevant financial year is made available in the Budget Interface link of Odisha Treasury Portal (www.odishatreasury.gov.in); the Administrative Departments shall distribute the provision under different units of appropriation among the Controlling Officers through the Treasury Portal. Where the provision concerns only one Controlling Officer, it is implied that the allocation is at his disposal. The Controlling Officer shall communicate allotment of funds through the Treasury Portal to the Drawing and Disbursing Officers for incurring expenditure out of the Consolidated Fund of the State.

SECTION-II

CONTROL OF EXPENDITURE AGAINST BUDGET

72. Authorities Responsible for control of Expenditure :

- (i)** The authority administering a grant i.e. Secretary of the Administrative Department is ultimately responsible for watching the progress of expenditure on public services under its control and for keeping the expenditure within the grant in order that the control of departments over such expenditure may be effective and real and that the Departmental Authority should be in a position from month to month to estimate the likelihood of savings and excesses over grants and appropriations. The procedure laid down in the following rules should be observed by all Departments and controlling and disbursing officers subordinate to them, except where the Finance Department have agreed in writing to some other procedure.
- (ii)** While Secretaries of the Administrative Department shall be responsible for control of expenditure against the sanctioned grants and appropriations placed at their disposal; the control shall be exercised by them through the Heads of Departments and other Controlling Officers, if any, and Disbursing Officers subordinate to them.
- (iii)** Control over expenditure must be exercised, with reference to the grant as it stands from time to time. It is the duty of the Secretary of the Administrative Department to distribute the grant as voted by the Legislature or, in the case of charged appropriation, as sanctioned by the Governor, among the various controlling and disbursing officers subordinate to him, so far as this has not been done by the Finance Department. In doing so he must take into account lump sum cuts made by the sanctioning authority. He must similarly distribute any additions or reductions subsequently made in the grant or in any part of it by the competent authority, where the alteration is due to a supplementary grant, to a lump reduction or to a re-appropriation. When making his distributions, he must invariably communicate to the officer concerned the complete accounts classification of each item distributed, including the major, sub-major, minor, sub-head, detailed and object heads of account. In making a distribution, it is always open to the Heads of a Department to keep a portion of the grant as an undistributed reserve in his own hands.

73. No expenditure against a Grant or Appropriation after expiry of the Financial Year : A Grant or Appropriation can be utilised only to cover the charges (including liabilities, if any, of the past year) which are to be paid during the financial year of the Grantor Appropriation and adjusted in the account of the year. No charges against a Grant or Appropriation can be authorized after the expiry of the financial year.

Note - The term "Grant" denotes units of expenditure in Demand for Grants of the Administrative Departments and Odisha Legislative Assembly that are voted by the legislature. The term "Appropriation" means the units of expenditure that are charged on the Consolidated Fund of the State and includes Appropriation for reduction and avoidance of debt (Major Head-2048), Appropriation for Interest Payments (Major Head-2049), Appropriation for Repayment of Internal Debt (Major Head-6003) Appropriation for Repayment of Loans from Central Government (Major Head-6004) and any other expenditure as embodied under Article-202(3) of the Constitution.

74. Bar against excess expenditure over total Grant or Appropriation authorized by the Legislature during a Financial Year : No expenditure shall be incurred which may have the effect of exceeding the total grant or appropriation authorized by Legislature by law for a financial year, except after obtaining a supplementary grant or appropriation or an advance from the Odisha Contingency Fund. Since voted and charged portions as also the revenue and capital sections of a Grant / Appropriation are distinct and re-appropriation *interse* is not permissible, an excess in any one portion or section is treated as an excess in the Grant/Appropriation.

75. Procedure for Control over Expenditure : To have effective control over expenditure by the Departments, Controlling and Disbursing Officers subordinate to them shall follow the procedure given below :-

- (i) For drawal of money, the Drawing and Disbursing Officer shall:-
 - (a) Prepare and present bills for "**Charged**" and "**Voted**" expenditure separately.
 - (c) Enter on each bill the complete accounts classifications from major head down to the object head of account. When a single bill includes charges falling under two or more object heads, the charges shall be distributed accurately over the respective heads.
 - (d) Enter on each bill the progressive total of expenditure up-to-date under the primary unit of appropriation (detailed head /object head) to which the bill relates, including the amount of the bill on which the entry is made.
 - (e) In an automated Treasury System, the DDO-wise progressive unit-wise expenditure including the present bill and the available balance will appear in the DDO Interface of the Treasury Portal.
- (ii) (a) All Disbursing Officers shall maintain a separate expenditure register in **Form-OGFR-1**, for allocation under each minor or sub-head of account with which they are concerned. The expenditure register will be available from the system where the DDOs are submitting their bills online to the Treasury. In case, a DDO partially submits his/her claims to the Treasury online and manually, he/she has to maintain a separate expenditure register manually, compiling the claims submitted online and manually.

(b) On the 10th day of each month (after closure of accounts by the Treasury), a copy of the entries made in this register during the preceding month shall be sent by the officer maintaining it, in **Form-OGFR-2** to the Head of the Department or other designated Controlling Officer together with details of progressive expenditure in **Form-OGFR-3** and monthly account in **Form-OGFR-4**. A nil statement shall be sent for the month in which no drawl has been made from the Treasury/Bank.

(c) The reports to the Controlling Officers/Heads of the Department can be generated from the Treasury Portal, where the DDOs are submitting the bills online to the Treasury by 10th of the next month (i.e. after submission of Accounts of the concerned Treasury to A.G (A&E) for the month). The Controlling Officers in such cases can download the reports for verification with the figures appearing in the books of the Accountant General (A&E).

(iii) (a) The Controlling Officer will maintain a register in **Form-OGFR-5** to monitor the receipt of the returns prescribed in the foregoing sub-clause, in case of drawals made by DDOs which are not processed under automated Treasury System.

(b) On receipt of the returns from Disbursing Officers, the Controlling Officer shall examine them and satisfy himself:-

- (1)** That the accounts classification has been properly given;
- (2)** That cumulative expenditure is within the grant or appropriation; and
- (3)** That the returns have been signed by Disbursing Officers. Where the Controlling Officer finds defects in any of the aspects, he shall take steps to rectify the defect.
- (4)** That, the online reports generated from Treasury Portal will not bear the physical signature of the DDO but will serve all the required purpose for reconciliation at the level of Controlling Officer. The Controlling Officer shall also direct the DDO to take action for rectification of any defects as would be available on such online reports.

(iv) When all the returns from the Disbursing Officers for a particular month have been received and found to be in order, the Controlling Officer shall compile a statement in **Form-OGFR-6**, in which he will incorporate-

- (a)** the totals of the figures supplied by Disbursing Officers;
- (b)** the figures supplied by the Disbursing Officer of his own office in **Form-OGFR-2**.

- (c) the total of such adjustments under the various detailed heads as communicated to him by the Accountant General (A&E) on account of transfer entries and expenditure debited to the grant as a result of settlement of inward account claims and not reckoned by his DDOs.
 - (d) send a copy of the compilation made in **Form-OGFR-6** to the Secretary of the Administrative Department.
 - (e) The Odisha Treasury Portal (IFMS) will provide a statement in **Form-OGFR-6** for the Secretary of the Department through the Departmental Interface of the Treasury application.
- (v) If any adjustment communicated by the Accountant General (A&E) affects the appropriation at the disposal of a subordinate Disbursing Officer, the fact that the adjustment has been made shall be communicated by the Controlling Officer to the Disbursing Officer concerned. The excess may be covered through re-appropriation or supplementary provision by the Controlling Officer.
 - (vi) On receipt of all the necessary returns from the Controlling Officers, the Secretary of the Department shall prepare a consolidated account in **Form-OGFR-7**, showing the complete expenditure from the grant or appropriation at his disposal upto the end of the preceding month. Odisha Treasury Portal will provide a consolidated account in **Form-OGFR-7** showing the complete expenditure from the grant or appropriation against all the major heads operated by the Department.

76. Procedure for reconciliation of expenditure with the Accountant General (A&E) : The figures appearing in the accounts maintained by the Accountant General (A&E) with those appearing in the books of Administrative Department and Head of the Department are to be reconciled as per the following procedure:

- (i) The monthly actual of expenditure along with progressive figures as compiled by the Accountant General (A&E) from the accounts received from various sources are made available to the concerned Controlling Officers soon after submission of Monthly Civil Accounts to the Finance Department. The Controlling Officer is required to compare these figures with the figures available with him/her in **Form-OGFR-6**. If he/she finds any material discrepancy and is not prepared to accept the Accounts Office figures, he/she has to take steps to reconcile the discrepancy. If he/she finds no material discrepancy, he/she will accept the figures and intimate the Accountant General (A&E) accordingly.
- (ii) The reconciliation facility available in the IFMS Portal provides for complete online reconciliation of expenditure. The expenditure figures, as compiled in the VLC system of Accountant General (A&E), are uploaded into the IFMS through the A.G. interface. These data available in the Accountant General (A&E) interface shall be the basis of reconciliation of accounts between the Controlling Officer and the Accountant General (A&E).

- (iii) The Controlling Officers reconciliation functionality of IFMS shall be carried out in two separate stages i.e. between DDO and treasury officer and between controlling officer with Accountant General (A&E). In the first stage, this functionality provides facility for correction of accounts between the drawing and disbursing officer and treasury before submission of monthly Treasury accounts to the Accountant General (A&E). The treasury officers are required to ensure that the DDO should verify and submit the proposal for correction of account, if any, in the online reconciliation module prior to finalisation of accounts. If there is any misclassification in booking of the expenditure at the treasury level or otherwise the DDO shall send a proposal for correction of accounts to the treasury officer before closure of monthly accounts by treasury i.e. before third day of subsequent month. The proposal received from the DDO will be examined by the Treasury and necessary correction, if required, will be made in the accounts. Secondly, comparison of departmental expenditure figures available in the Treasury Portal of IFMS in **Form OGFR-6** with Accounts Office figures available in the Accountant General (A&E) Interface.
- (iv) After submission of the treasury accounts, proposal for any type of correction of head classification may be made to the Accountant General (A & E) by the controlling officer only.
- (v) The Controlling Officer shall verify the month-wise expenditure figure in the CO reconciliation functionality of IFMS with reference to the figures available in A.G. Interface. After necessary check, he/she shall intimate online to the Accountant General (A&E) regarding transfer entry online to the Accountant General (A&E) regarding its acceptance or otherwise. In case of any disagreement, the Controlling Officer is required to state the reason and suggest the appropriate Chart of Account in which the expenditure should be booked. In case where the Controlling Officer has no knowledge as to where the expenditure would be booked, he/she should mark the reported figure as not related to him/her and may also mention any specific observation in the remark field of the functionality.
- (vi) On receipt of request from the Controlling Officer, the Accountant General (A&E) shall examine each such suggestion for rectification and take its view on the basis of vouchers/challans and also the data available at their end. If the suggestion is accepted, then the Accountant General (A&E) will instruct the concerned Treasury to rectify the accounts wherever required within a defined time frame. On acceptance of request from Accountant General (A&E), the Treasury accounts should be revised.
- (vii) Where the Accountant General (A&E) disagrees with the suggestion of the Controlling Officer, he/she may reject the request. The Controlling Officer in such case can either accept the suggestion of the Accountant General (A&E) leading to confirmation of account or may send back to the Accountant General (A&E) with a request to reconsider its decision providing sufficient justification in support of

his/her request. It may also suggest a fresh Chart of Account along with the reconsideration request. Subsequently, the Accountant General (A&E) will determine what should be the appropriate booking head without any further online communication with the Controlling Officer.

77. Procedure for reconciliation of Revenues and other Receipts :

- (i) Controlling Officers entrusted with the responsibilities of collection of revenue and other receipts as well as their respective Administrative Departments are also to reconcile the Departmental receipts every month with the Accountant General (A&E). For this the monthly report on Revenue & Receipts furnished by the Accountant General (A&E) will form the basis of reconciliation by the Controlling Officers. They should also instruct the subordinate authorities to reconcile the monthly receipts by them with the respective District Treasury/Special Treasury/Sub-Treasury. The reconciliation of receipts can be made by the Controlling Officers after downloading the details of receipts from the IFMS Portal.
- (ii) A list containing the names of the Controlling Officers responsible for collection of various kinds of receipts is enclosed as an **Annexure-A**.

78. Constant watch over expenditure : The Secretary of the Department and his / her controlling officers must further take steps to maintain a careful watch over expenditure incurred from time to time on important non-recurring objects such as grants and contributions, purchase of rations and purchase of uniforms. It is necessary to deal with such items separately from the accounts of ordinary monthly expenditure since they occur only once or twice in the course of a year. The Head of the Department or controlling officer must decide for himself what method of watching such expenditure he will adopt. In some cases he may prefer to keep the entire grant under his own control and to order disbursing officers, who wish to spend money against it, apply to him for a special allotment. In other cases he may prefer to distribute the grant and to order his disbursing officers to report expenditure against it as soon as they incur such expenditure, separately from their ordinary monthly accounts. Whatever method he adopts, it is essential that he should keep himself informed not only of actual expenditure against such grants, but also of liabilities which have been incurred and must ultimately be met from them. Without such information, no adequate control over expenditure can be exercised.

79. Time Line for reconciliation of Receipt and Expenditure :

- (i) Verification and reconciliation of accounts is the joint responsibility of the Accountant General (A&E) and the Controlling Officer concerned. Unless otherwise stipulated, verification shall be made every month; persisting discrepancies shall be reconciled and settled through personal discussion at regular interval.

(ii) The Controlling Officers' reconciliation functionality in the Treasury Portal is carried out in two separate stages. At the first instance, this functionality provides facility for correction of accounts between the Drawing & Disbursing Officer and the Treasury / Spl. Treasury before the submission of monthly accounts to the Principal Accountant General (A&E). In second stage, the receipt and expenditure reports compiled by Principal Accountant General (A&E) are made available to the Controlling Officers in the Treasury Portal for verification and reconciliation.

80. Under the procedure prescribed in these rules, Secretary of the Department of Government or controlling officer should be in a position from month to month to estimate the likelihood of savings or excesses and to regularize them in accordance with the instructions issued from time to time and / or prescribed in the Odisha Budget Manual. The processes involved should receive personal attention of the Head of Departments and controlling officers and must on no account be left to be conducted entirely by subordinates.

81. Maintenance of Liability Register for effecting proper control over expenditure : In order to maintain proper control over expenditure, a Controlling Officer should obtain from the spending authorities liability statements in **Form-OGFR-8** every month, starting from the month of October in each financial year. The Controlling Officer should also maintain a Liability Register in **Form-OGFR-9**.

82. Control of expenditure against grant / appropriation and ultimate responsibility of the authority administering it :

- (i)** The Accountant General (A&E) will warn the Department or Heads of the Department concerned immediately on the first appearance of any excessive outlay under any grant or appropriation or under any primary unit of appropriation, particularly in respect of recurring items of expenditure under any grant or appropriation or a primary unit of appropriation thereof.
- (ii)** However, the authority administering a grant / appropriation is ultimately responsible for the control of expenditure against the grant/ appropriation and not the Accountant General (A&E).

83. Surrender of savings:

- (i)** Administrative Departments shall surrender to the Finance Department, by the dates prescribed by the latter before the closure of the financial year, all the anticipated savings noticed in the Grants or Appropriations controlled by them. Finance Department shall communicate the acceptance of such surrenders as accepted , to the Accountant General (A&E), before the closure of the year. The funds provided during the financial year and not utilized before the close of that financial year shall stand lapsed at the close of the financial year. The savings as well as provisions that cannot be profitably utilized should be surrendered to Finance Department immediately that is foreseen without waiting till the end of the year. No savings should be held in reserve for possible future excesses.

(ii) All Administrative Departments shall generate the Surrender Statements in Budget Execution Technique Automation (BETA) module.

84. Expenditure on New Service : No expenditure shall be incurred during a financial year on a “New Service” not contemplated in the Annual Budget for the year except after obtaining a supplementary grant or appropriation or an advance from the Odisha Contingency Fund during that year.

85. Additional Allotment for excess expenditure: A subordinate authority incurring the expenditure will be responsible for watching that the allotment placed at its disposal is not exceeded. Where any excess over the allotment is apprehended, the subordinate authority should obtain additional allotment before incurring the excess expenditure. For this purpose, the authorities incurring expenditure should maintain a ‘Liability Register’ in Form-OGFR 9.

86. Re-appropriation of Funds :

(i) Subject to the provisions of Rule 9 of the Delegation of Financial Powers Rules, 1978, as amended from time to time and also subject to such other general or specific restrictions as may be imposed by the Finance Department in this behalf, re-appropriation of funds from one primary unit of appropriation to another such unit within a grant or appropriation, may be sanctioned by a competent authority at any time before the closure of the financial year to which such grant or appropriation relates.

(ii) Re-appropriation of funds shall be made only when it is known or anticipated that the appropriation for the unit from which funds are to be transferred will not be utilized in full or that savings can be effected in the appropriation for the said unit.

(iii) The Departments (Grant Controlling Officers) and the Controlling Officers who are distributing the budgetary allocation through the online application i.e IFMS for distribution of allotment should ensure that the funds located as savings is available with the Controlling Officers at the time of considering the proposal for re-appropriation.

(iv) Funds shall not be re-appropriated from a unit with the intention of restoring the diverted appropriation to that unit when savings become available under other units later in the year.

87. Supplementary Grants :

(i) The Supplementary demand for grants shall be presented to the State Legislature in accordance with Article 205 (1) of the Constitution.

(ii) All proposals for Supplementary Grants or appropriations shall be submitted by the Administrative Department to the Finance Department to meet the requirement of the following nature:

- a) Cases where advances from Odisha Contingency Fund have been granted, which are required to be recouped to the fund
 - b) Payment against a court decree which cannot be postponed
 - c) Cases of additional requirement of funds for making immediate payments which can otherwise be made by re-appropriation of savings in the Grant but attract the limitation of new service/new instrument of service
- (iii) On receipt of proposals for a supplementary grant Finance Department will review the position of the grant or appropriation as a whole with reference to the known actual of the year to date and the actual and estimates of the previous years.
- (iv) If after such examination Finance Department comes to the conclusion that it shall be possible for the department to meet the expenditure from within the sanctioned grant either from normal savings or by judicious postponement of other expenditure, the concerned department will be so informed and no proposal for supplementary demand will be accepted.
- (v) If on the other hand Finance Department consider that a supplementary grant will be necessary, the demand will be accepted.
- (vi) On the proposals to incur expenditure on a “new service” not provided for in the annual Budget, Administrative Departments shall explain to Finance Department why the expenditure was not provided in the annual Budget and why it cannot be postponed till the next annual Budget. Finance Department, if satisfied on these points will consider whether it would not be reasonable for the Department to curtail its other expenditure so as to keep the total within the grant.
- (vii) Ordinarily no new service or item will be accepted by Finance Department, unless the Department concerned can guarantee that the extra expenditure will be met from the normal savings within the grant. The cases of additional grant will normally be accepted only if they relate to matters of real imperative necessity, or to the earning or safeguarding of revenue.

88. Advance from Contingency Fund :

- (i) When a need arises to incur unforeseen expenditure in excess of the sanctioned grant or appropriation or on a new service not provided in Budget and there is not sufficient time for the voting of the Supplementary Demand and the passing of the connected appropriation bill before closure of the financial year, an advance from the Contingency Fund set up under Article 267(2) of the Constitution shall be obtained before incurring the expenditure.
- (ii) An advance from the Contingency Fund shall also be obtained to meet expenditure in excess of the provisions for the service included in an Appropriation (Vote on Account) Act.

- (iii) The application for an advance from the Contingency Fund should indicate *inter alia* the particulars of the additional expenditure involved and the sanction to the advance has also to indicate the sub-head and the primary unit of the Grant to which the expenditure appropriately relates. In case, however, any difficulty is felt, the matter should be referred to the Finance Department for clarification.
- (iv) The procedure for obtaining an advance from the Contingency Fund and recoupment of the Fund shall be as laid down in the Odisha Contingency Fund Rules, 1967, as amended from time to time. For ready reference, rules have been placed at **Appendix-II**.

89. Inevitable Payments :

- (i) Subject to the provisions of Article 204 (3) of the Constitution, money indisputably payable by Government shall not ordinarily be left unpaid. Delay in payment of money due for payment by Government is contrary to all rules and budgetary principles and should be avoided.
- (ii) Accordingly, suitable provision for anticipated liabilities / committed liabilities should invariably be made in Demands for Grants to be placed before Legislature.

90. For easy reference an extract relating to procedure followed in the District Treasuries / Special Treasuries / Sub-Treasuries for check against provision of funds as a part of pre-check of bills has been placed at **Appendix-III**.

91. Duties and Responsibilities of the Grant Controlling Authority :
The Secretary of a Department who is the Grant Controlling Authority of the Department shall -

- (i) be responsible and accountable for financial management of his Department.
- (ii) ensure that the public funds appropriated to the Department are used for the purpose for which they were meant.
- (iii) be responsible for the effective, efficient, economical and transparent use of the resources of the Department in achieving the stated project objectives of that Department, whilst complying with performance standards.
- (iv) appear before the Committee on Public Accounts and any other Committee of State Legislature for examination.
- (v) review and monitor regularly the performance of the programmes and projects assigned to his Department to determine whether stated objectives are achieved.
- (vi) be responsible for preparation of expenditure and other statements relating to his Department as required by regulations, guidelines or directives issued by Finance Department.

- (vii) shall ensure that his Department maintains full and proper records of financial transactions and adopts systems and procedures that will at all-time afford internal controls.
- (viii) shall ensure that his Department follows the Government procurement procedure for execution of works, as well as for procurement of services and supplies, and implements it in a fair, equitable, transparent, competitive and cost-effective manner.
- (ix) shall take effective and appropriate steps to ensure his Department collects all moneys due to the Government and avoids unauthorized, irregular and wasteful expenditure.

92. Constitutional provision for regularisation of excess expenditure :

- (i) While Article 205(1)(a) of the Constitution provides for supplementary, additional or excess grant required to be made during a current financial year to defray the expenditure, over and above the amount approved by the Legislature, Article 205(1)(b) provides that if any money has been spent on any service during a financial year in excess of the amount granted for that service for that year, the Governor of the State shall cause to be laid before the House or the Houses of Legislature of the State another statement showing the estimated amount of that expenditure or cause to be presented to the Legislative Assembly of the State a Demand for such excess, as the case may be.
- (ii) Both in respect of Supplementary Statement of Expenditure for a particular year or excess expenditure for a particular year/year requires the prior approval of the Governor under Article 203(3) which states that no demand for a Grant shall be made except on the recommendation of the Governor.

93. Recommendation of the Public Accounts Committee : Before the expenditure incurred in excess of the Grant or the Appropriation approved by the Legislature is processed for placing before the Legislative Assembly on the approval of the Council of Ministers and on the recommendation of the Governor, the recommendation of the Public Accounts Committee is mandatorily required before taking follow up steps for regularisation of expenditure incurred in excess of Grant/Appropriation approved by the State Legislature.

94. Regularisation of excess expenditure: The Bill introduced in pursuance of Article 204 of the Constitution read with Article 205 thereof to provide for the appropriation out of the Consolidated Fund of Odisha of the moneys that have been incurred in excess of the sanctioned Grant made by the Legislature for expenditure of the Government of Odisha from the year _____ to the year _____ on the recommendations of the Public Accounts Committee.

CHAPTER – 4

SECTION I

GOVERNMENT ACCOUNTS

95. Form of Accounts :

- (i) By virtue of the provisions of **Article 150** of the Constitution, the Accounts of the State Government shall be kept in such form as the President may, on the advice of the Comptroller and Auditor General of India, prescribe.
- (ii) The Controller General of Accounts, in the Ministry of Finance (Department of Expenditure) is responsible for prescribing the form of Accounts of the Union and States, and to frame, or revise rules and manuals relating thereto on behalf of the President of India in terms of Article 150 of the Constitution, on the advice of the Comptroller and Auditor General of India.

96. The form and methods according to which the accounts of the Government should be kept have been prescribed by the Comptroller and Auditor-General of India with the approval of the President. The main directions in respect thereof are contained in Government Accounting Rules 1990, Accounting Rules for Treasuries 1992 and Account Code Volume III embodying the directions of the Comptroller and Auditor-General of India regarding the form of initial and subsidiary accounts to be kept in treasuries and by Officers of the Public Works and the Forest Departments. Detailed rules and instructions relating to the forms of the initial and subsidiary accounts to be kept and rendered by officers of the technical departments whose accounts are not finally settled through the treasury accounts may be laid down in the departmental regulations relating to the Departments concerned.

97. Preparation and Presentation of Accounts : Accounts of the State Government shall be prepared every year showing the receipts and disbursements for the year, surplus or deficit generated during the year and changes in Government liabilities and assets. The Accounts shall be prepared by the Accountant General (A&E), the accounts so prepared shall be certified by the Comptroller and Auditor-General of India. These accounts along with the Report of the Comptroller and Auditor-General of India there on shall be submitted to the Governor preferably within **6** month of close of the Financial Year, who shall cause them to be laid before the State Legislature.

98. Principles of Accounting :

- (i) The main principles according to which the accounts of the State Government shall be maintained are contained in Government Accounting Rules, 1990, Accounting Rules for Treasuries, 1992 and Account Code Volume III.

- (ii) Detailed rules and instructions relating to the forms of the initial and subsidiary accounts to be kept and rendered by officers of the technical departments are laid down in the respective Accounts Manual or in the Departmental regulations relating to the Department concerned.

99. Cash based Accounting : Government Accounts shall be prepared on cash basis. With the exception of such book adjustments as may be authorized by Government Accounting Rules, 1990 or by any general or special order issued by the State Government on the advice of the Comptroller and Auditor General of India, the transactions of Government Accounts shall represent the actual cash receipts and disbursements during a financial year as distinguished from amounts due to or by Government during the same period.

100. Period of Accounts : The annual accounts of the State Government shall record transactions which take place during a financial year commencing from the 1st April to the 31st March next year.

101. Currency in which Accounts are kept : The accounts of the State Government shall be maintained in Indian Rupees. All foreign currency transactions and foreign aid shall be brought into account after conversion into Indian rupees.

102. Main Divisions and Structure of Accounts : The accounts of the Government shall be kept in three parts, namely, Consolidated Fund (Part-I), Contingency Fund (Part-II) and Public Account (Part-III).

Part-I Consolidated Fund constituted under Article 266(1) of the Constitution is divided into two Divisions, namely, 'Revenue' and 'Capital' divisions. The Revenue Division comprises of the sections 'Receipt Heads (Revenue Account)' dealing with the proceeds of taxation which includes sharable Union Taxes and Duties and other receipts classified as revenue such as tax and non-tax revenue, grants-in-aid, and the section 'Expenditure Heads' (Revenue Account)' dealing with the expenditure met there from. The Capital Division comprises of three sections, viz., 'Receipt Heads (Capital Account)', 'Expenditure Heads (Capital Account)' and 'Public Debt, Loans and Advances, etc.' These sections are in turn divided into sectors such as 'General Services', 'Social and Community Services', 'Economic Services' etc., under which specific functions or services are grouped corresponding to the sectors of classification and which are represented by Major Heads (comprising Sub-Major Heads wherever necessary).

Part-II Contingency Fund - These are recorded transactions connected with the Contingency Fund set up by the State Government under Article 267 (2) of the Constitution. Contingency Fund is operated only under one Major Head that is "8000 – Contingency Fund". There shall be a single Minor

Head i.e. 201 – Appropriation from the Consolidated Fund which will be followed by Sub Head and Detailed Head.

Note – The amounts appropriated from the Consolidated Fund for transfer to the Contingency Fund, is debited under the major head “7999-Appropriations to Contingency Fund” which will be credited to “8000-Contingency Fund-201-Appropriation for the Consolidated Fund” under the above indicated minor head.

Part-III Public Account – It is constituted under Article-266 (2) of the Constitution, which covers transactions relating to debt (other than those included in Part I), reserve funds, deposits, advances, suspense, remittances and cash balances. The Public Account is divided into six sectors such as I -Small Savings and Provident Funds etc., J-Reserve Funds, K-Deposits and Advances, L-Suspense and Miscellaneous, M-Remittances and N-Cash Balance.

103. Classification of transactions in Government Accounts :

- (i)** As a general rule, classification of transactions in Government Accounts shall have closer reference to functions, programmes and activities of the Government and the object of revenue or expenditure, rather than the department in which the revenue or expenditure occurs.
- (ii)** Major Heads (comprising Sub-Major Heads wherever necessary) are divided into Minor Heads. Minor Heads may have a number of subordinate heads, generally known as Sub-Heads. The Sub-Heads are further divided into Detailed Heads followed by object Heads. Intermediate heads of account known as sub-major heads are sometimes introduced between a major head and a minor head under it when the minor heads are numerous and can conveniently be grouped together under such intermediate heads. In similar circumstances minor heads are divided into sub-heads (group heads).
- (iii)** The Major Heads of Account, falling within the sectors for expenditure heads, generally correspond to functions of Government, while the Minor Heads identify the programmes undertaken to achieve the objective of the functions represented by the Major Head. The Sub-Head represents schemes, the Detailed Head denotes sub-scheme and Object Head represent the Primary unit of appropriation showing the economic nature of expenditure such as salaries and wages, office expenses, travel expenses, professional services, grants-in-aid, etc. The Major Head, Sub-Major Head, Minor Head, Sub-Head, Detailed Head and Object Heads together constitute a SIX-TIER arrangement of the classification structure of Government Accounts. The above six-tiers are represented by a unique 21 digit numeric code. As stated above the structure of Accounts consists mainly of the following divisions: -

- (a) Major Head – Function (Represented by 4 digits e.g. 2202-General Education)
 - (b) Sub-Major Head- Sub-Function (Represented by 2 digits e.g. 80-General)
 - (c) Minor Head – Programme (Represented by 3 digits e.g. 003-Training)=
 - (d) Sub-Head- Scheme (Represented by 4 digits e.g. 0721-Institute of Advance Study)
 - (e) Detailed Heads – Sub-Scheme/Component (Represented by 5 digits e.g. 01003-Salaries)
 - (f) Object Head – For Economic Object (Represented by 3 digits e.g. 855-Arrear Pay)
- (iv) The list of Major and minor head, under consolidated fund, contingency fund and public account, published by the Controller General of Accounts under “List of Major and Minor Heads of Account of Union and States” and as amended from time to time, may be referred to for details of classification.
- (v) The introduction of any new major, sub-major and minor head as well as deletion or change of nomenclature of any of the existing heads is done by the Controller General of Accounts in the shape of correction slips.

104. Authority to open a new Head of Account :

- (i) The “List of Major and Minor Heads of Accounts of Union & States” is maintained by the Ministry of Finance (Department of Expenditure-Controller General of Accounts), which is authorized to open a new head of account on the advice of the Comptroller and Auditor General of India under the powers flowing from Article 150 of the Constitution. It contains General Directions for opening Heads of Accounts and a complete list of Sectors, Major, Sub-Major and Minor Heads of Accounts (and also some Sub/ Detailed Heads authorized to be so opened).
- (ii) The State Government may open Sub-Heads, Detailed Heads and object heads as required by them in consultation with the Accountant General (A&E). The opening of a new sub-head or a detailed head in the demands for grants will be sanctioned by the Finance Department according to administrative requirements after consultation with Accountant General (A&E). As regards heads of expenditure, the subdivisions of minor heads will follow as far as possible the sub-heads and other units of appropriation; selected by the Finance Department for Demand for grants and Appropriation Accounts.

105. Conformity of budget heads with rules of classification :

- (i) Budget Heads exhibited in estimates of receipts and expenditure framed by the Government or in any appropriation order shall conform to the prescribed rules of classification.

- (ii) In the matter of accounting and for control of expenditure, the nomenclature of the budget-cum-accounts heads should be strictly followed by departmental officers. Provision made in the estimates of receipt and expenditure framed by Government or in any order of appropriation should ordinarily conform to the prescribed rules of classification. Where there is divergence, the corresponding receipt or expenditure shall be brought to account under the appropriate major head or minor head or other unit of classification as prescribed by Controller General of Accounts.
- (iii) If provision of receipts or expenditure in any budget document or in any order of appropriation does not conform to the prescribed accounting classification, the discrepancy should be rectified in consultation with the Finance Department at the earliest or at the stage of Revised Estimates and if this is not be feasible for any reason, a note may be kept in the relevant accounts e.g. Appropriation Accounts and/or the Finance Accounts wherever necessary, explaining the discrepancy.
- (iv) Changes in nomenclature of account or budget heads or in the classification of receipts or expenditure shall not be entertained in the course of a financial year except under special orders of Government.

106. Responsibility of Departmental Officers :

- (i) Every officer responsible for the collection of Government dues or expenditure of Government money should see that proper accounts are maintained in such form as may have been prescribed for all financial transactions of Government with which he is concerned and render accurately and promptly all such accounts and returns relating to them as may be required by Government, the Accountant-General(A&E) or the controlling authority concerned.
- (ii) It is essential that all accounts should be so kept and the details so fully recorded and that the initial records of payment, measurement and transactions in general are so clear, explicit and self-contained as to be produceable, where necessary, as satisfactory and convincing evidence of facts.

107. Classification should be recorded in all the bills and challans by Drawing Officers :

- (i) Suitable classification shall be recorded by Drawing Officers on all bills drawn by them. Similarly, classification on challans crediting Government money into the Bank shall be indicated or recorded by Departmental Officers responsible for the collection of Government dues, etc. In cases of doubt regarding the Head under which a transaction should be accounted, the matter shall be referred to the Financial Advisor of the Department concerned, Finance Department and Accountant General (A&E), wherever necessary.

- (ii) The responsibilities of disbursing officers, controlling officers and Heads of departments with regard to the control over expenditure incurred against the grants allotted to them are laid down in Appendix VII of Odisha Budget Manual.

108. Charged or Voted Expenditure :

- (i) The expenditure covered under Article 202 (3) of the Constitution is charged on the Consolidated Fund of State and is not subject to vote by the Legislature.
- (ii) All other expenditure met out of the Consolidated Fund of State is treated as Voted expenditure and is subject to vote of the Legislature.
- (iii) Charged or Voted Expenditure shall be shown separately in the accounts as well as in the Budget documents.

109. Classification / Categorization of State Government expenditure : The expenditure of the State Government shall be classified into following four broad categories:

A. Administrative Expenditure :

- (i) **Establishment, Operations and Maintenance (EOM) Expenditure :** The Establishment, Operations and Maintenance (EOM) Expenditures of the State shall include all the establishment related expenditure of the Administrative Departments and expenditure on maintenance and upkeep of the assets. The budgetary proposals for this section shall 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 tentage, 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 shall include both debt repayment and interest payments liabilities of the State Government.

B. Programme Expenditure :

- (i) **State Sector Schemes :** State Sector Schemes shall include State's own Schemes (erstwhile 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 Bodies.

- (ii) Central Sector Schemes :** The Central sector schemes shall 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 shall also be included in the Central Sector Schemes.
- (iii) Centrally Sponsored Schemes :** All the Centrally Sponsored Schemes (CSS) shall include the scheme for which Central Assistance is received by the State Government. Besides, this shall also include funds received against Security Related Expenditure (SRE) and Modernisation of Police Force (MPF) both under erstwhile 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.

Finance Department shall 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 Risk Management Fund:

- (i) State Disaster Risk Management Fund (SDRMF) :** Provision for State Disaster Risk Management Fund (SDRMF) shall be made against the Central Assistance to be received for SDRMF and corresponding State Share.
- (ii) National Disaster Risk Management Fund (NDRMF) :** Provision for National Disaster Risk Management Fund (NDRMF) shall be made against the anticipated Central Assistance from NDRMF.

D. Transfers from State

- (i) Union Finance Commission Transfers to Local Bodies :** Grants for Local Bodies recommended by Central Finance Commission (CFC) shall be made 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 shall be made 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 made under this category.

110. Banking Arrangements :

- (i)** The Reserve Bank of India (RBI) shall be the banker to the State Government. It shall maintain cash balance of the State Government and provide banking

facilities to the Treasuries either directly through its own offices or through its agent banks. For this purpose, RBI shall, in consultation with the Accountant General (A&E) nominate a bank to function as Accredited Bank of a Treasury. Revenues of the State Government shall be collected by the RBI through its own offices or through the nominated branches of its agent banks.

Note: Detailed procedure to be followed for remittance of Government receipts into Government cash balance and reimbursement of payments made on behalf of Government by the banks are laid down in the Memoranda of Instructions issued by the Reserve Bank of India.

- (ii) For direct functioning of RBI as banker of the Government, electronic platform of Integrated Financial Management System (IFMS) has been integrated with RBI (e-KUBER). The **e-KUBER** system of RBI facilitates disbursement of Government money to the designated bank account of the beneficiary/recipient through the National Electronic Fund Transfer (NEFT) process.
- (iii) All Treasuries /P.L Administrators/ (Cheque Drawing and Disbursing Officers) CDDOs of Public works and Forest divisions are to use the electronic advice platform of IFMS to send request to CePC (Central electronic Processing Cell) for disbursement of Government money. The CePC of IFMS is to process such request and prepare consolidated advices at particular intervals Treasury wise/ P.L Operator wise/ CDDO wise. The same in the form of electronic advice is to be sent to e-KUBER of RBI. On receipt of the advice, the RBI debits the Government accounts and credits the amount to the beneficiary account through NEFT mechanism.
- (iv) The RBI shall furnish a monthly consolidated electronic debit scroll to CePC. The CePC shall process the same for generation of Treasury wise T.V numbers/CTI (Certificate of Total Issues) in respect of different CDDOs.
- (v) Similarly, IFMS is also integrated with RBI to facilitate electronic receipt of state Government taxes and dues through Odisha Treasury Portal in addition to receipt of Government dues through agency banks linked to Treasuries.
- (vi) The depositor can use various electronic modes like Net banking, Debit cards, UPI (Unified Payment Interface) and over the counter (Offline) to remit Government taxes and dues. All the agency banks shall report the receipt transactions to the e-KUBER of RBI. The RBI shall send a consolidated electronic scroll to cyber Treasury for accounting.

111. Capital or Revenue Expenditure :

- (i) Significant expenditure incurred with the object of increasing concrete assets of material and permanent character or acquiring tangible assets of a permanent nature (for use in the organisation and not for sale in the ordinary course of business) or enhancing the utility of existing assets, shall broadly be defined as Capital expenditure.

- (ii) Subsequent charges on maintenance, repair, upkeep and working expenses, which are required to maintain the assets in a running order as also all other expenses incurred for the day to day running of the organisation, including establishment and administrative expenses shall be classified as Revenue expenditure. Capital and Revenue expenditure shall be shown separately in the Accounts.

112. Integrated Financial Management System (IFMS) :

- (i) Integrated Financial Management System (IFMS), an IT based system shall be used for essential financial management functions such as budgeting, payment processing, accounting, auditing and reporting for governments and other stakeholders to ensure reduced cost & time for financial transaction and provide information for efficient decision making.
- (ii) IFMS provides facility for online preparation of budget estimate and compilation at all levels of Administrative Departments prior to forwarding it to Budget Execution Technique Automation (BETA) system of Finance Department for both Administrative & Programme expenditure.
- (iii) Online budget allocation in IFMS is used as a tool for cash management in the state.
- (iv) Government Receipt Management is made through Cyber Treasury with jurisdiction all over the state having linkages with multiple banks for receipt of Government taxes and dues.
- (v) Government Payment Management is made through Central Electronic Processing Cell of Directorate of treasuries, which serves as focal point for consolidating and routing through all electronic payments advised by Treasuries, Public Works Divisions, Forest Divisions and PL Operators using RBI Platform (E-Kuber). The CePC remains the single point contact between the State Government and the RBI.
- (vi) All bills /claims to the Treasury shall be submitted online through IFMS.
- (vii) IFMS provides facility for generation of all kinds of sanction orders having financial implication through the system.
- (viii) The electronic submission of Pension application to Accountant General (A&E), Odisha is available in IFMS.

113. Direct Benefit Transfer (DBT) :

- (i) Direct Benefit Transfer (DBT) is a way to pass on the benefits intended for target beneficiaries by crediting their bank accounts/wallets directly.
- (ii) Transfer of benefits should be done directly to beneficiaries under various Government Schemes and Programmes using Information and Communication Technology (ICT). Necessary process re-engineering to minimise intermediary levels and to reduce delay in payments to intended beneficiaries with the objective of minimising pilferage and duplication should be done for all

Government Schemes and Programmes. The process for implementation of DBT as prescribed should be adopted.

- (iii) DBT should include in-kind and cash transfers to beneficiaries as well as transfers/honorariums given to various enablers of Government schemes like community workers, etc. for successful implementation of the schemes.
- (iv) Transfer of cash benefits from Administrative Departments should be done (a) directly to beneficiaries; (b) through State Treasury Account; or (c) through any Implementing Agency as appointed by the Government.
- (v) In-kind Transfer to Individual Beneficiary/Household/Service provider includes schemes or components of schemes where in-kind benefits are given by the Government or through any Implementing Agency as appointed by Centre / State Government to individual beneficiary /Household/Service provider.
- (vi) Administrative Departments shall use online platform for processing of payments for cash / in kind for transfers to individual beneficiaries as per framework laid down by Finance Department.
- (vii) Implementing Agencies shall generate Electronic Utilisation Certificate (E-UCs) on PFMS portal and submit them online. E-UCs shall be used to certify that money was actually utilized for the purpose for which it was sanctioned to eliminate the need for physical generation of UCs.
- (viii) Transaction charges for the financial intermediaries facilitating DBT payments shall be paid as stipulated by Ministry of Finance, Government of India.

SECTION II

ANNUAL ACCOUNTS

- 114. (i)** Annual Accounts i.e. Appropriation Accounts and Finance Accounts of the Government are prepared by the Accountant General (A&E) on behalf of the C & A.G. of India.
- (ii)** Appropriation Accounts are the accounts of expenditure (both Voted and Charged) of the Government for each Financial Year compared with the accounts of Voted grants and Charged appropriations for the different purposes as specified in the schedules appended to the Appropriation Acts passed by the Legislature.
- (iii)** Finance Accounts present the accounts of receipts and outgoing of the Government for the year, together with financial results disclosed by the revenue and Capital Accounts, the accounts of Public debt and the liabilities and assets of the Government concerned as worked out from the balances recorded in the accounts.

Note: - Finance Accounts is a supplement to the Appropriation Accounts.

115. Presentation of Annual Accounts: The Annual Accounts prepared by the Accountant General (A&E) are submitted to the Comptroller and Auditor General of India for certification. After certification, those Accounts are submitted to the Governor who shall cause them to be laid before the state Legislature along with the Reports on those accounts.

116. Confidentiality : Appropriation Accounts and Finance Accounts cannot be made public until they are laid on the table of the House along with the Audit Reports.

117. The comments or recommendations of the legislature or of the Public Accounts Committee, if any, arising out of scrutiny of the Appropriation Accounts and Finance Accounts and the Audit Reports thereon along with the orders of the Government, will be communicated by Finance Department to the Accountant-General (Audit). The general responsibility for watching the action taken on the Audit Report will, under directions of the Comptroller and Auditor-General of India, devolve on the Accountant-General (Audit).

118. Administrative Departments/PSUs/Subordinate/Statutory/Autonomous Bodies may have financial stakes in Public Private Partnerships (PPP)/Production Sharing Contracts(PSCs)/Joint Ventures(JV's)/Subsidiary companies etc. In such case, details of the financial stakes of the Government or other entities mentioned above shall be disclosed in the Annual Accounts, the information of which shall be provided by concerned Administrative Department.

SECTION III

PROFORMA ACCOUNTS

119. Subsidiary Accounts of Government Departments undertaking commercial activities: Where the operations of certain Government Departments working on a commercial or quasi-commercial basis e.g., an industrial factory or a store cannot be suitably brought within the cash based Government accounting system, the Head of the units shall be required to maintain such subsidiary proforma accounts in commercial form as may be agreed between Government and Accountant-General (A&E)/ (Audit). This includes the maintenance of suitable Manufacturing, Trading, Profit & Loss Accounts and Balance Sheet.

120. Methods and principles on which subsidiary accounts in commercial form are to be kept:

- (i) The methods and principles in accordance with which subsidiary and proforma accounts in commercial form are to be kept shall be regulated by orders and instructions issued by Government in each case.

Note-1. Proforma accounts of regular Government Workshops and Factories shall be kept in accordance with the detailed rules and procedure prescribed in

the departmental regulations. Proforma accounts relating to Public Works shall be prepared by the O/o the Accountants General (A&E) in accordance with the instructions contained in Account Code for Accountants General (A&E).

Note-2. The Heads of Account (which should, as far as possible, be common to the Government accounts and the General Ledger maintained by a Commercial Undertaking) shall be selected with due regard to the principles of Governmental and Commercial accounting so that the monthly classified account of income and expenditure of the undertaking may be prepared readily from the General Ledger maintained by it.

- (ii) The Head of the unit shall arrange to obtain the orders of Government regarding the nature and form of subsidiary accounts and statements, if any. Such accounts and statements shall be submitted to the Accountant General (A&E) on such date as may be required by him. The same shall be appended to the Appropriation Accounts of each year.

121. Adequate regulations to be framed to ensure cost deduced is accurate and true : Where commercial accounts are maintained for the purpose of assessment of the cost of an article or service, the Head of the unit shall ensure that adequate regulations are framed with the approval of Government in order to ensure that the cost deduced from the accounts is accurate and true.

122. Maintenance and submission of subsidiary accounts and statements by Department units : The Head of the unit shall arrange to obtain the orders of Government regarding the nature and form of subsidiary accounts and statements, if any, he should also arrange to obtain the orders of Government regarding the nature and form of subsidiary accounts, and statements if any, which should be appended to the Appropriation Accounts of each year, and submit such accounts and statements to the Accountant-General (A&E) on such date as may be required by him

SECTION IV

PERSONAL DEPOSIT ACCOUNT

123. Personal Deposit Account :

- (i) Personal Deposit Accounts and other Personal Ledger (PL) Account are devices intended to facilitate the Designated Officer thereof to credit receipts into and effect withdrawals by electronic cheque directly from the banking account maintained at the treasury through the P.L Module of IFMS.
- (ii) There is a System validation in the module to prevent any instance of over-drawal in respect of a P.L. Account. The Designated Officer shall ensure that no withdrawal will result in a minus balance therein.
- (iii) Only Government officers acting in their official or any other capacity shall be the Designated Officer thereof.

- (iv) The P.L. module of IFMS facilitates online transfer of Funds from one P.L. account to another account within the same Treasury or different Treasury of the state. The P.L. Passbook, Encashed Cheque Register and Plus-Minus Memo shall be generated from the P.L. module of IFMS.

124. Authority to open Personal Deposit Account :

- (i) The Personal Deposit Account shall be authorised to be opened by a special order by the concerned Department in consultation with the Accountant General (A&E) and Finance Department.
- (ii) Such special order or permission shall be issued or granted by the Department concerned after it is satisfied that the initial accounts of the moneys to be held in a personal deposit account and disbursement thereof, shall be arranged to be maintained properly and shall be subject to audit.
- (iii) Every personal deposit account so authorised to be opened, shall form part of the Government Account and be located in the Public Account thereof. The provisions relating to “Personal Deposit Account” are contained in Rule 191 to 194 of Central Government Account (Receipts and Payments) Rules and subsidiary Rules 423 and 450-461 of Odisha Treasury Code Vol-1.
- (iv) Personal Deposit accounts shall generally be authorised to be opened in the following types of cases:
- (a) in favour of a Designated Officer appointed for the purpose of administering monies tendered by or on behalf of wards and attached estates under Government management. It shall also be ensured that proper arrangements are made for the maintenance and audit of connected initial accounts;
- (b) Where, under certain regulatory activities of the Government, receipts are realised and credited to a Fund or Account under the provisions of an Act to be utilised towards expenditure there under and no outgo from the Consolidated Fund is involved.
- (c) where a personal deposit account is required to be created by a law or rules having the force of law and certain liabilities devolve on the Government out of the special enactments.

SECTION-V

CAPITAL AND REVENUE ACCOUNTS

125. Capital Expenditure :

- (i) Significant expenditure incurred with the object of increasing concrete assets of material and permanent character or acquiring tangible assets of a permanent nature (for use in the organisation and not for sale in the ordinary course of business) or enhancing the utility of existing assets, shall broadly be defined as Capital expenditure. Subsequent charges on maintenance, repair, upkeep and

working expenses, which are required to maintain the assets in a running order as also all other expenses incurred for the day to day running of the organisation, including establishment and administrative expenses shall be classified as Revenue expenditure. Capital and Revenue expenditure shall be shown separately in the Accounts.

- (ii) Expenditure on a temporary asset or on grants-in-aid cannot ordinarily be considered as a capital expenditure and shall not, except in cases specifically authorised by the President on the advice of the Comptroller & Auditor General of India, be debited to a Capital Head.
- (iii) Capital expenditure is generally met from receipts of capital, debt, deposit of banking character as distinguished from ordinary revenues derived from taxes, duties, fees, fines and similar items of current income including extraordinary receipts. It is open to the Government to meet capital expenditure from ordinary revenues, provided there are sufficient revenue resources to cover this liability.
- (iv) Expenditure of a capital nature, as defined above, shall not be classed as Capital expenditure in the Government Accounts unless the classification has been expressly authorised by general or special orders of Government.
- (v) Expenditure of a Capital nature shall be distinguished from Revenue expenditure both in the Budget estimates and in Government Accounts.

126. Principles for allocation of expenditure between Capital and Revenue : The following are the main principles governing the allocation of expenditure between Revenue and Capital:

- (a) Capital shall bear all charges for the first construction and equipment of a project as well as charges for intermediate maintenance of the work while not yet opened for service. It shall also bear charges for such further additions and improvements, which enhance the useful life of the asset, as may be sanctioned under rules made by competent authority.
- (b) Subject to Clause (c) below, revenue shall bear subsequent charges for maintenance and all working expenses. These embrace all expenditure on the working and upkeep of the project and also on renewals and replacements and additions, improvements or extensions that are revenue in nature as per rules made by Government.
- (c) In the case of works of renewal and replacement, which partake expenditure both of a capital and revenue nature, the allocation of expenditure shall be regulated by the broad principle that Revenue should pay or provide a fund for the adequate replacement of all wastage or depreciation of property originally provided out of capital grants. Only the cost of genuine improvements, which enhance the useful life of the asset whether determined by prescribed rules or formulae, or under special

orders of Government, may be debited to Capital. Where under special orders of Government, a Depreciation or Renewals Reserve Fund is established for renewing assets of any commercial department or undertaking, the distribution of expenditure on renewals and replacements between Capital and the Fund shall be so regulated as to guard against overcapitalisation on the one hand and excessive withdrawals from the Fund on the other.

- (d) Expenditure on account of reparation of damage caused by extraordinary calamities such as flood, fire, earthquake, enemy action, etc., shall be charged to Capital, or to Revenue, or divided between them, depending upon whether such expenditure results in creation/acquisition of new assets or whether it is only for restoring the condition of the existing assets, as may be determined by Government according to the circumstance of each case.
- (e) Expenditure on a temporary asset cannot ordinarily be considered as a capital expenditure and shall not, except in cases specifically authorised by the President on the advice of the Comptroller and Auditor General of India, be debited to a Capital Head.

127. Allocation between Capital and Revenue Expenditure : The allocation between capital and revenue expenditure on a Capital Scheme for which separate Capital and Revenue Accounts are to be kept, shall be determined in accordance with such general or special orders as may be prescribed by the Government after consultation with the Accountant-General (A&E).

128. Capital receipts during construction mainly to be utilised in reduction of Capital Expenditure : Capital receipts in so far as they relate to expenditure previously debited to Capital accruing during the process of construction of a project, shall be utilised in reduction of capital expenditure. Thereafter their treatment in the accounts will depend on circumstances, but except under special rule or order of Government, they shall not be credited to the revenue account of the department or undertaking.

129. Receipts and recoveries representing recoveries of expenditure previously debited to Capital Major Head : Receipts and recoveries on Capital Account in so far as they represent recoveries of expenditure previously debited to a Capital Major Head shall be taken in reduction of expenditure under the Major Head concerned except where, under the rules of allocation applicable to a particular department, such receipts have to be taken to Revenue.

130. Capital cost of non-productive work to be met from ordinary revenues :

- (i) Expenditure debitable to capital will be booked under the appropriate capital head of accounts prescribed within or outside the revenue account, according as the funds required to meet such expenditure are provided from ordinary revenue or from other sources including borrowed money.

- (ii) As a general rule, capital cost of all comparatively small schemes/works which are non-productive in nature is met from ordinary revenues. Borrowed moneys and other resources outside the Revenue Account shall not ordinarily be spent for non-productive purposes unless the following conditions are fulfilled:-
- (a) The objects for which the money is wanted are so urgent and vital that the expenditure can neither be avoided, postponed nor distributed over a series of years, and
- (b) The amount is too large to be met from current revenues.
- (iii) Except under special orders of Government, no expenditure previously met from ordinary revenue may be transferred to a capital head outside the revenue account.

Note - A productive work is one which produces sufficient revenue to afford a surplus over the charges relevant to its functioning.

131. Conversion of outstanding loans into equity investments or grants-in-aid :

- (i) Government, takes from time to time, suitable measures to strengthen / restructure the Capital base of public sector enterprises so that these enterprises can improve their performance and productivity. As a part of the package scheme, financial relief shall be in the form of conversion of outstanding Principal of the loan into equity investments or grants-in-aid.
- (ii) Where Principal of the loan outstanding against Public Sector Undertakings are proposed to be converted into equity investments in *or* as grants-in-aid to the Public Sector Undertakings, the approval of the Legislature to such proposals shall be obtained by including a token provision in the relevant Demands for Grants or Supplementary Demands for Grants as may be found expedient. The details of such conversion of Principal may be explained in the relevant Budget / Supplementary Demand documents. After obtaining the approval of the Legislature, the balances under loans and the progressive expenditure of the Capital Heads of Accounts shall be corrected pro forma through "Prior Period Adjustment Account" in the relevant Finance Accounts of the State Government without affecting the current transactions of the year, under the Loan/Capital Major Heads concerned.

SECTION VI

INTEREST ON CAPITAL

132. Interest rate : Except in special cases regulated by special orders of Government, interest at such rates as may be specified from time to time shall be charged in the accounts of all Commercial departments or units for which separate capital and revenue accounts are maintained within the Government accounts.

133. Charging of interest on capital outlay met out of specific loans raised by Government :

- (i) For capital outlay met out of specific loans raised by the State Government, the interest shall be charged at such rate as may be prescribed by the State Government having regard to the rate of interest actually paid on such loans and the incidental charges incurred in raising and managing them.

Note: By specific loans are meant loans that are raised in the open market for one specific purpose which is clearly specified in the prospectus and in regard to which definite information is given at the time of raising of the loans.

- (ii) For capital outlay provided otherwise, interest shall be charged at the average rate of interest to be determined each year by Government in consultation with the Accountant General (A&E).

134. Method of calculation of interest : The interest shall be calculated on the direct capital outlay at the end of the previous year *plus* half the outlay of the year itself, irrespective of whether such outlay has been met from current revenues or from other sources.

135. How interest charged to capital is to be written back : When under any special orders of Government, charges for interest during the process of construction of a project are temporarily met from capital, the writing back of capitalised interest shall form the first charge on any capital receipts or surplus revenue derived from the project when opened for working.

SECTION VII

ADJUSTMENTS WITH OTHER GOVERNMENT DEPARTMENTS ETC,

136. Adjustments with Government of India & other State Governments : Subject to the relevant provision of the Constitution or of law or any orders issued there under, adjustments in respect of financial transactions with Government of India and other State Governments shall, unless otherwise provided for, be made in such manner, and to such extent as may be mutually agreed upon by them. However, adjustments with State Government in respect of the matters mentioned below shall be regulated by the rules contained in Appendix-5 to the Government Accounting Rules, 1990. The rules are based on reciprocal arrangements made with the State Governments and are, therefore, binding on all of them :-

- (i) Pay and allowances, other than Leave Salaries.
(ii) Leave Salaries.
(iii) Pensions.
(iv) Expenditure involved in Audit and Keeping Accounts.
(v) Cost of Police functions on Railways including the cost of protecting Railway Bridges.

(vi) Cost of (a) Forest Surveys carried out by the Survey of India, and (b) Forest maps prepared by that Department.

(vii) Leave Salary and Pension Contributions recovered in respect of Government servants lent on Foreign Service.

137. Re-audit : As a convention, a period of three years has been accepted by Central Government, Government of Odisha and other State Governments for the re-audit of past transactions involving errors in classification.

138. When adjustment necessary : Adjustment shall always be made unless otherwise agreed upon-

(i) If a commercial department or undertaking or a regularly organized store department or store section of a department is concerned, or

(ii) If under the operation of any rule or order, an adjustment would have been made if the particular transaction with State Government were a transaction between two Departments of the Government or with Central Government.

139. Petty and isolated claims for services rendered not to be preferred : The Central Government (which includes Union Territories) and the State Governments have agreed under reciprocal arrangements not to prefer petty and isolated claims for an amount not exceeding Rupees ten thousand against one another.

140. Criteria in determining whether a particular claim is covered by the reciprocal arrangement :

(i) The significant criterion in determining whether a particular claim is covered by the reciprocal arrangement mentioned above, will be that the claim shall be both petty and of an occasional character and shall cover services rendered and not supplies made unless the latter forms part of service. The term "service rendered" will be taken to mean an individual act of service, like providing police escort to a high dignitary and will not apply to supply of stores etc. Claims relating to Commercial undertakings under the Government of India or the State Governments such as those of the Railways, the Department of Post, the Electrical undertakings, etc., shall fall outside the purview of the proposed reciprocal arrangements and shall continue to be settled as hitherto.

(ii) If a doubt arises as to whether a particular claim would fall within or outside the purview of the proposed arrangement, it shall be decided by mutual consultation. The above arrangements will remain in force without any time limit in respect of all State Governments.

141. Projects jointly executed by several State Governments : In the case of Projects, jointly executed by several Governments, where the expenditure is to be shared by the participating Governments in agreed proportions, but the expenditure is *ab-initio* incurred by one Government and shares of other participating Governments

recovered subsequently; such recoveries from other Governments shall be exhibited as abatement of charges under the relevant expenditure Head of Account in the books of the Governments incurring the expenditure initially.

142. Claims of State Governments, on account of the extra cost of agency functions : Payment made by the Government of India on account of the extra cost of agency functions entrusted to the State Government under Article 258 of the Constitution are treated as contributions from the Government of India.

143. Principles to be observed in dealing with State Government claims towards the cost of Agency functions :

- (i) The following principles shall be generally observed in dealing with claims preferred by the State Government against Government of India under Clause (3) of Article 258 of the Constitution:-
 - (a) If the agency work involves the employment of a State Commercial Department, it would be open to that department to charge its normal commercial costs.
 - (b) Public Works Department agency costs shall be represented by such percentage charges on the cost of Central Works executed by the State as may be agreed between the Central Government and the State Government, works outlay being treated as an amount placed at the disposal of the State Government for actual expenditure on the execution of the work,
 - (c) The cost of regular joint establishment shall be shared as far as practicable on the basis of fixed annual sums settled in agreement with the Government of India.
 - (d) In other cases, the following procedure shall be adopted unless there are special orders to the contrary:-
 - (1) Details of claims preferred by State Government shall be ascertained. (They may include Pay, Leave Salary and Pension Contributions, Contingencies etc.)
 - (2) If the work has been performed by the State Government in the past, the charges shall be compared with those charged in the past but it is not necessary to be meticulous in the matter. Finance Department will assist in taking fairly general view.
 - (3) If the charges are found to be reasonable and do not exceed Rupees fifty thousand per annum for any individual item (or connected group of items), a five years' contract shall be offered to

the State Government during which the Central Government would pay the fixed sum per annum for the work. The amount will be subjected to review at the end of each period of five years.

- (4) If the amount agreed upon exceeds Rupees fifty thousand, it shall be necessary to have an annual statement of proposed charges from the State Government at the time of preparation of the Budget. However, if in any individual case, the charges are obviously static, then the contract system may be adopted in these cases also.
- (e) In exceptional cases in which arbitration has to be resorted to, Finance Department will make the requisite arrangement in the matter.
- (f) Finance Department shall be consulted on all matters arising under Article 258(3) of the Constitution.

144. Principles governing transactions in connection with the agency functions entrusted by the Government of India to State Government : The following procedure shall be followed in regard to transactions arising in connection with the agency functions entrusted to the State Governments under Article 258 of the Constitution:

- (i) **The expenditure on extra staff or contingencies which the State Government have to incur :** The extra cost to the State Government arising mainly in respect of the additional staff employed or contingent and other expenditure, as in the case of work devolving on the State Government in connection with the administration of the Census Act, is reimbursable under Article 258(3) of the Constitution. Expenditure in this regard shall be provided in the State Budget in the first instance and adjusted in the accounts of the State Government under the normal Heads of Accounts. These will be reimbursed in lump-sum by the Central Government to the State Government. In computing the extra cost, the element of leave and pensionary charges can also be included provided the relevant service and financial rules of the State Government provide for this.
- (ii) **The expenditure on work entrusted to the State Government, such as expenditure on construction and maintenance of National Highways, expenditure on Defence Works, Aviation Works, etc. -** The expenditure directly connected with the execution of the scheme or work entrusted to the State Government such as expenditure on the construction or maintenance of National Highways, etc., will be adjusted direct in the accounts of the Central Government under the relevant Head of Account. The question of including the estimates in this regard in the Budget of the State Governments and subjecting them to the vote of the State Legislature will not arise. The expenditure will be

adjusted under the Head "8658–Suspense Accounts–PAO Suspense" in the Remittance Section of the State Accounts in the first instance pending their eventual clearance in accordance with the prescribed procedure.

Note: In the converse case relating to the entrustment of a State function to the Central Government under Article 258-A of the Constitution, a procedure similar to that indicated in **Rule 143** above shall be followed.

145. Crucial date for closure of inter-Government adjustments : No inter-Governmental adjustments can be carried out after the **15th of April** in which date the book of the bank are closed for the month of March. Every endeavour must, therefore, be made to settle as far as possible all transactions with the Government of India or other State Governments before the close of the year.

146. Adjustments with foreign Governments, outside bodies, etc.: Unless exempted by Government by general or special orders, services shall not be rendered to any foreign Government or non-Government body or institution or to a separate fund constituted as such except on payment.

147. Recoveries of expenditure for services rendered to Non-Government entities : Recoveries of expenditure for services rendered or supplies made to non-Government entities or other Governments (including local funds and Foreign Governments), shall in all cases, be classified as receipts of the Government rendering such services.

148. Recoveries of expenditure for services rendered as an agent : When a Government undertakes a service merely as an agent of a private body, the entire cost of the service shall be recovered from that body so that the net cost to Government is nil. The recoveries shall be taken as reduction of expenditure.

Explanation: The term 'recovery' is used in these rules to denote repayment of, or payment by non-Government parties or other Governments towards charges initially incurred and classified by a Central or State Government Department in the account, as final expenditure by debit to a Revenue or Capital Head of Account. Recoveries towards establishment charges, tools and plants, fees for procurement of inspection of stores or both etc., effected at percentage rates or otherwise, are some examples.

149. Payments to outside body or fund to be through grant-in-aid : Any relief in respect of payment for services rendered or supplies made to any outside body or fund shall ordinarily be given through a grant-in-aid rather than by remission of dues.

SECTION VIII

INTER-DEPARTMENTAL ADJUSTMENTS

150. Inter-Departmental Adjustments : Save as expressly provided by any general or special orders, a Service Department shall not charge other departments for services rendered or supplies made which falls within the class of duties for which the former department is constituted. However, a commercial department or undertaking shall ordinarily charge and be charged for any supplies made and services rendered to, or by, other departments of Government.

151. Principles for division of Departments for purposes of interdepartmental payments : For purposes of inter-departmental payments, the departments of a Government shall be divided into service departments and commercial departments according to the following principles:-

- (i) **Service Departments.** - These are constituted for the discharge of those functions which either -
 - (a) are inseparable from and form part of the idea of Government e.g. Departments of Administration of Justice, Jails, Police, Education, Medical, Public Health, Forest, Defence ; or
 - (b) are necessary to and form part of, the general conduct of the business of Government e.g. Departments of Survey, Government Printing, Stationery, Public Works (Building and Roads Branch).
- (ii) **Commercial Departments or Undertakings** - These are established mainly for the purposes of rendering services or providing supplies, of certain special kinds, on payment for the services rendered or for the articles supplied. They perform functions, which are not necessarily governmental functions. They are required to work to a financial result determined through accounts maintained on commercial principles.

152. Period for preferment of claims : All claims shall ordinarily be preferred between Departments, both commercial and non-commercial of the State Government, within the same financial year and not beyond three years from the date of transaction. This limitation, however, may be waived in specific cases by mutual agreement between the departments concerned.

153. Procedure for settlement of inter-departmental adjustments : The settlement of inter-departmental adjustments shall be regulated by the directions contained in Chapter 4 of Government Accounting Rules, 1990.

154. Inter-departmental and other adjustments to be made in the account year:

- (i) Under the directions contained in the "Account Code for Accountants General" , inter-departmental and other adjustments are not to be made in the accounts of

the past year, if they could not have been reasonably anticipated in time for funds being obtained from the proper authority. In all cases, where the adjustment could have reasonably been anticipated as, for example, recurring payments to another Government or department and payments which, though not of fixed amount, are of a fixed character, etc., the Accountant-General (A&E) will automatically make the adjustment in the accounts before they are finally closed. The onus of proving that the adjustments could not have been reasonably anticipated should lie with the Controlling Officer.

- (ii) As between different Departments of the same Government, the recoveries effected for services rendered shall be classified as deductions from the gross expenditure. However, recoveries made by a Commercial Department, or a departmental commercial undertaking in respect of services rendered in pursuance of the functions for which the Commercial Department is constituted shall be treated as receipts of the Department but where it acts as an agent for the discharge of functions not germane to the essential purpose of the Department, the recoveries shall be taken as reduction of expenditure.

NOTE -1 The term 'recovery' is used in this rule to denote repayment of / or payment by one Department of the same Government towards charges initially incurred and classified by another Department in its accounts as final expenditure by debit to a Revenue or Capital Head of Account. Recoveries towards establishment charges, tools and plants, fees for procurement or inspection of stores or both, etc., effected at percentage rates or otherwise, are some examples.

NOTE -2 Recoveries effected from another Department of the same Government which are to be classified as deduction from the gross expenditure, shall be shown in the relevant Demand for Grant as "below the line" recovery under the appropriate major, Head of Account etc. Recovery actually effected, irrespective of the year to which it relates shall be adjusted in accounts in the schedule of recovery to be attached to the Appropriation Accounts of the year in which the recovery is affected.

155. Adjustment of Pensionary Charges of certain Commercial Departments : Except as otherwise provided, the pensionary liability of commercial departments and undertakings, for which pro forma commercial accounts are maintained outside the regular Government accounts is assessed on a contribution basis at rates fixed by Governments, the actual method of adjustment in the regular Government accounts being determined in consultation with the Accountant General(A&E). As regards other departments and undertakings, for which no regular commercial accounts are maintained either within or outside the regular Government accounts but which are allowed to charge for their products or services rendered, the pensionary liability is taken into account in the estimate of overhead charges and manufacturing costs for the

purpose of calculating the issue price of goods manufactured or fees for services rendered, the calculation being made at rates prescribed for the purpose by Government.

156. Pensionary liability in the case of Government Departments/ Undertakings declared as commercial: In the case of Government Departments and Undertakings declared as commercial, adjustment of Pensionary liability shall be made in the regular accounts by charging the average of the percentage for 15th year of service stipulated in Appendix-II-A to the P & T Compilation of Fundamental and Supplementary Rules, Volume-II, duly rounded to the nearest whole number. The average of the rates for Groups 'A' to 'D' employees prescribed in O.M. No. F. 8 (9)-E. 111/81, dated the 29th July, 1982, issued by the Ministry of Finance (Department of Expenditure), works out to twelve per cent.

CHAPTER-5

WORKS

SECTION I

GENERAL RULES

157. The Rules in this chapter contain the guiding principles and regulations applicable to public works undertaken by various Departments including Public Works Department, required for use in public service.

158. Classification of Works :

Public works, such as Civil works including Roads & Bridges as well as Buildings, Public Health Engineering Works (Water Supply, Sewerage and Sanitation works), Irrigation, Flood Control, Drainage and Electrical Works etc. are classified under three main categories: “**Original works**”, “**Minor Works**” and “**Repair works**”.

(a) Original Works means all new constructions, site preparation, additions and alterations to existing works, special repairs to newly purchased or previously abandoned buildings or structures, including remodelling or replacement.

(b) Minor Works: Minor works mean works which add capital value to existing assets but do not create new assets.

(c) Repair Works means works undertaken to maintain public works such as Civil works including Roads & Bridges as well as Buildings, Public Health Engineering Works (Water Supply, Sewerage and Sanitation works), Irrigation, Flood Control, Drainage and Electrical Works etc. Works will also include services or goods incidental or consequential to the original or repair works.

159. Petty Works and Repairs, when treated as contingent expenditure :

(i) Subject to provision of Departmental Rules, if any, expenditure on Works and Repairs including special repairs to Government Buildings, provision of Sanitary Fittings, Water Supply & Electricity and Repairs of the Installations, the estimated cost of which does not exceed Rs 1,00,000/- in each case, may be classified as Contingent Expenditure and shall be sanctioned by Administrative Department / Heads of Department concerned.

(ii) Construction and Repairs exceeding Rs 1,00,000/- shall be treated as Works Expenditure and handled by the Public Works Departments or any other Engineering Organisation like IDCO, Odisha Police Welfare and Housing Corporation, Odisha Construction Corporation, Odisha Tourism Development Corporation, Odisha Bridge & Construction Corporation etc.

(iii) Budget Provision for Works and or Repair costing up to Rs 1,00,000/- which is treated as contingent expenditure should be made under the Detailed Head or

Object Head for Office Expenses / Other Contingencies in the functional Major Head of the Demand for Grants of the respective Department other than Public Works Department.

- (iv) Civil Officers shall not incur any expenditure out of the funds placed at their disposal for “works and repairs”, on buildings borne on the books of Public Works Department, either residential or non-residential, except on account of repairs of fixtures and the replacement of broken glass in doors and windows in non-residential buildings required at the intervals between periodical repairs done by the Public Works Department subject to the financial limit not exceeding Rs 1,00,000/-.

160. Administrative control of works i.e. original or repair includes :

- i) assumption of full responsibility for construction, maintenance and upkeep;
- (ii) proper utilization of buildings and allied works;
- (iii) provision of funds for execution of these functions,

161. Notwithstanding the provision contained in Rule-160, funds for execution of original building works is to be made in the Budget of the concerned user Departments, even if, full responsibility for construction, maintenance and upkeep; proper utilization of buildings and allied works; are entrusted to Public Works Department.

162. The Basic Principles of undertaking works : No new works shall be sanctioned without the following :

- (i) Careful assessment of the assets or facilities already available and time and cost required to complete the new works.
- (ii) A concept plan/ preliminary drawing has been approved by the Authority competent to accord sanction. While designing projects to the extent possible, principles of Life Cycle Costing may also be considered;
- (iii) As budgetary resources are limited and granted on annual basis, adequate provisions should be ensured for works and services already in progress before new works are undertaken;
- (iv) No project or work will be split up to bring it within the sanctioning powers of a lower authority;
- (v) Any development of a project /Work in progress, if considered necessary, which is not contingent on the execution of work first sanctioned, shall have to be covered by a supplementary estimate;
- (vi) The construction period and sanctioned cost stipulated in the sanction of Project shall not be exceeded as far as possible;

- (vii)** Department shall put in place, as far as possible, empowered project teams for all large value projects and these teams shall be tasked only with project execution and not given other operational duties;
- (viii)** The competent authority according administrative approval shall be kept informed of the physical and financial progress of the work till their completion through regular periodical reports;

163. General Principle for execution of work

- (i)** No work shall be commenced or liability incurred in connection with it unless:
 - (a)** Administrative approval has been obtained from the appropriate authority in each case as per the power delegated under Delegation of Financial Powers Rules-1978 and as amended from time to time.
 - (b)** Sanction to incur expenditure has been obtained from the competent authority with reference to cost estimate as per administrative approval;
 - (c)** Administrative approval does not ipso facto confer any authority to incur expenditure unless it is followed by technical sanction by competent authority;
 - (d)** A properly detailed design has been sanctioned;
 - (e)** While designing the project, the principle of life cycle cost may also be considered;
 - (f)** Technical approval has been obtained of the detailed and coordinated design of all the Architectural, Civil, Electrical, Mechanical and any other services included in the scope of the sanction and of the Detailed Cost Estimates containing the detailed specifications and quantities of various items prepared on the basis of the schedule of rates maintained by Odisha Public Works Department
 - (g)** Funds to cover the work, which will be executed, at least during the current year have been provided by competent authority;
 - (h)** Tenders invited and processed in accordance with Rules;
 - (i)** Award of work and execution of the contract agreement
 - (j)** A Work Order has been issued i.e. Orders for its commencement has been issued by the competent authority.
- (ii)** The process of land acquisition shall be started by the Procuring Entity, well ahead and completed entirely, or at least substantially, before the work is started. As a principle, no work should be awarded before the land acquisition , forest clearance and all statutory approvals/permission/clearances required from the competent authorities are in place.

164. On grounds of urgency or otherwise, if it becomes necessary to carry out a work or incur a liability under circumstances when the provisions set out above cannot be complied with, the concerned executive officer may do so on his own judgement and responsibility. Simultaneously, he should initiate action to obtain approval from the

competent authority and also to intimate the Accountant General (A&E), and to Government through proper channel that he is incurring an unauthorised liability and states approximately the amount of the liability which he is likely to incur. In such cases, the concerned superior authority and the concerned Chief Engineer, in case of Public Works Department, should see that necessary administrative approval or technical sanction to the estimate, as the case may be, is accorded by the competent authority within three months from the date of commencement of work

165. For the purpose of approval and sanction, a group of works which forms one project, shall be considered as one work. The necessity for obtaining approval or sanction of higher authority to a project which consists of such a group of work shall not be avoided because of the fact that the cost of each particular work in the project is within the powers of such approval or sanction of a lower authority. This provision, however, shall not apply in case of works of similar nature which are independent of each other.

166. Any anticipated or actual savings from a sanctioned estimate for a definite project, if the accepted tender amount is less than the estimated cost administratively approved, shall not, without approval of authority competent to approve the deviation in the scope of works after observing the procedure prescribed in OPWD Code, be applied to carry out additional work not contemplated in the original estimate.

167. Powers to Sanction Works : The powers delegated to various Departments and subordinate authorities to accord administrative approval for works are regulated by Delegation of Financial Powers Rules, 1978 as amended from time to time and provisions of Odisha Public Works Department Code and other special orders, if any, contained in the respective Departmental regulations.

168. Electronic procurement of works : Tenders for execution of works may be invited through any authorized electronic platform such as GeM, e-procurement portal etc. as per the guidelines or Department Rule, if any.

169. Modes of Tendering : The award of Public Contract through open tender is to ensure transparency in public procurement, to maximize economy and efficiency in public procurement, to promote healthy competition among tenderers, to provide for fair and equal treatment to all the tenderers and to eliminate irregularities, interference and corrupt practices by authorities concerned. This is also required by article 14 of the Constitution of India. Normally the modes of tendering that can be used in Public procurement of works are as below :

- Open Tenders
- Limited Tenders
- Single Source / Nomination Basis
- Award of work without inviting Tender

- i) Open Tender** - In an Open Tender, bids are invited giving wide and adequate publicity. This is the most preferred mode of Tendering. Open Tenders shall be called for Works costing the financial limit prescribed in OPWD Codes and as amended from time to time.
- (ii) Limited Tender** - In case of small value works, urgent works and in case only a few bidders are available in the market for a particular work of complex or specialised or secret nature possessing the requisite skills, technology and resources, irrespective of the amount of the cost estimate, limited tenders from such bidders who have been empanelled through opened tender are to be invited. In case of limited tenders, the empanelment shall be done in a transparent way and updated periodically. Normally Limited tenders shall be called for works within the estimated value prescribed in OPWD Codes and as amended from time to time.
- (iii) Single source / Nomination basis** - Award of contract on nomination basis shall be resorted to under following conditions:
- a)** There is an urgent need for the work and engaging in competitive tendering process would, therefore, be impractical, provided that the circumstances giving rise to the urgency were neither foreseeable by procuring entity nor the result of dilatory conduct on its part;
 - b)** Works that represent a natural continuation of previous work carried out by the firm when considering the limited size of the additional work in relation to the original procurement and the reasonableness of the price it will be cost effective to resort to single source procurement. However, the incremental work should not be more than 25 (twenty-five) per cent of the original contract value;
 - c)** In case of an emergency situation, situations arising after natural disasters, situations where timely completion of the work is of utmost importance subject to the reason for such decision being recorded and approval of the competent authority obtained;
 - d)** Situations where execution of the work may involve use of proprietary techniques or only one contractor has requisite expertise;

The reasons for a Single Tender Enquiry and selection of a particular firm must be recorded and approval of next higher authority be obtained prior to single tendering unless it is otherwise exempted by law.

- iv) Award of works without inviting tenders:** Full justification for award of works without inviting tenders shall be recorded in the file and approval of next higher authority be obtained before resorting to such methods. In emergent cases, requiring intensive employment of labour or when the interest of work so demands, contracts for works may be awarded without inviting tenders,

provided Departmental execution by engagement of labour on muster roll basis is not found feasible. Inviting of Tenders may be dispensed with, in the following cases:

- (a) Cases of exceptional urgency like test-relief works, flood damage repairs, closure of breaches in embankments and roads etc. when it is not possible in the interest of speedy execution of works to award contracts even by short tender notice.
- (b) Other cases of exceptional urgency when award of contracts by invitation of tenders is likely to involve delays which will be against the public interest.
- (c) Financial power of different officers of Public Works Department to award works without inviting tenders shall be prescribed by Works Department from time to time in consultation with Finance Department.

170. Procedure for acceptance of Tenders :

- (i) The provisions contained in OPWD Code Vol.-I as amended from time to time, instructions issued by Works Department / Finance Department will be followed mutatis mutandis by the concerned authorities.
- (ii) In case the Tendered value of a work exceeds the estimated cost by 10% or more in respect of works costing Rs 5.00 crore or more , as per the current Schedule of Rate(SoR), prior concurrence of Finance Department shall be obtained by the Administrative Department before awarding the contract.
(Finance Department Office Memorandum No.WF-I(W)-16/2010-50394/F.,dated 6.12.2010)
- (iii) Finalization of tender for the work costing Rs. 100.00 Crore and above will be placed before the Cabinet for approval, prior to acceptance of tender.

171. Electronic Distribution of Allotment : Consequent upon the withdrawal of Letter of Credit for Public Works Division and Irrigation Project w.e.f 1st July, 2011, the Odisha Treasury Portal has facilitated all the Grants controlling authorities and Budget Controlling Officers for distribution of Works allotment through its Works expenditure module.

172. Electronic Disbursement of Works expenditure :

- (i) All drawal and Disbursement relating to Works Expenditure incurred by Public Works (P.W) Divisions and Irrigation Projects shall be made electronically to the beneficiary Bank Account. The Divisional Officers of the P.W. Divisions and Irrigation Projects Divisions shall issue electronic cheques and electronic payment advice to Central Electronic Processing Cell (CePC), the focal point for consolidating and routing all electronic payment advised by the P.W.Divisions and Irrigation Projects using RBI platform of E-kuber for transmission to the beneficiary Bank Account through RBI, PAD, Bhubaneswar.

- (ii) The Public Works Divisions shall issue electronic cheques and electronic payment advice to Central Electronic Processing Cell (CePC-i.e.the focal point for consolidating and routing all electronic payment advised by the treasuries, divisions, forest divisions and PL Operators using RBI platform of E-Kuber) for transmission to RBI, PAD , Bhubaneswar.
- (iii) **Failed Transaction :** When the payment could not be credited to the beneficiary Bank Account for some reasons or other, the Bank shall credit the return amount to a suspense Head under 8782-P.W Remittances. On getting such information from the Treasury Portal, the DDO of the P.W Divisions and Irrigation Projects shall debit the amount under 8782-P.W.Remittances by Contra Credit to 8443-P.W. Deposits in his account. At the time of issue of fresh cheque against the failed transaction, the DDO of the P.W Divisions and Irrigation Projects shall credit it under 8782-P.W.Remittances by Contra Credit to 8443-P.W.Deposit.
(Finance Department OM No. 26375/F dated 10.9.2014, 29388/F dated 13.11.2015)

173. Works Accounts Management Information System (WAMIS) : Works Accounts Management Information System (WAMIS) is the software developed for preparation and generation of bills of P.W Divisions and Irrigation Projects divisions. The P.W Divisions / Irrigation Projects shall prepare works bill in WAMIS by capturing the details of Administrative Approval, Technical Sanction, Award of work, Agreement etc. On finalisation of the bill, the detail information of beneficiary along with the bill data shall be transferred to IFMS for generation of electronic cheque and subsequent payment to the beneficiary. On payment, the DDO of the P.W Divisions / Irrigation Projects shall convert bills into vouchers. The payment data shared by IFMS seamlessly enables the Divisions to prepare the monthly accounts for onward submission to Principal Accountant General (A&E). However, any changes / modification required on WAMIS by the Nodal Office or Finance Department, from time to time, shall be made only in consultation of the Principal Accountant General (A&E), Odisha.

(Finance Department OM No. 26375/F dated 10.9.2014, 29388/F dated 13.11.2015)

174. Lapse of Sanction :

- (i) The approval of sanction to an estimate for any public work other than annual repairs will, unless such work has been commenced, cease to operate after a period of five years from the date on which it was accorded. If a project fails to secure funds during the five consecutive financial years following that in which it was administratively approved, it will not be considered for a schedule to compete for funds until fresh administrative approval is accorded.
- (ii) In case of a work which has been started and is either required to be abandoned or its further execution deferred under order of competent authority, the contract should be terminated under proper notice without loss of time and the accounts of the work closed. When an abandoned work is required to be taken up again, fresh administrative approval and provisions of funds will be

necessary, but in case of a work, the execution of which was deferred, the work can be restarted on receipt of instructions from the competent authority without fresh administrative approval within five years from the date of its original approval, provided budget provision exists and the estimate does not otherwise require revised administrative approval on account of increase in rates or modification of the original proposal or design.

175. Review of Projects :

- (i) For project/work costing Rs 100/- crore or above, the Administrative Department shall set up a Review Committee consisting Secretary of the Administrative Department, Financial Adviser/ Assistant Financial Adviser of the Department, concerned Chief Engineer and the Executing Agency to monitor and review the progress of the work.
- (ii) Monitoring of the project by the review committee has to be done at regular interval till completion of the project.
- (iii) The reports of the Committee will be submitted to the State Government.

SECTION-II

WORKS UNDER THE ADMINISTRATIVE CONTROL OF PUBLIC WORKS DEPARTMENT

- 176. i)** All original work, normal maintenance, special repair, minor works of buildings as a matter of principle is to be executed by the concerned Public Works Department.
- ii)** Public Works Department viz. Works Department, Rural Development Department, Housing & Urban Development Department, Water Resources Department Energy Department & PR& DW Department are authorised to exercise administrative control over their own works and the works of other user Departments.
 - iii)** Forest & Environment Department and Panchayati Raj & Drinking Water Department (except RWSS projects) have been authorised to exercise their control over works of their Department and the State Government may authorise any other Department in this regard to execute Original Works or Repair Works to any other Engineering Organisation.
 - (iv)** All Original Works and Repairs shall invariably be undertaken by the concerned Public Works Departments as specified in sub-rule-(ii) and where the Departments mentioned in sub-rule-(iii) of this rule, except the cases where it is felt expedient to execute such work through any other Engineering Organisation specified under this Rule.

177. Financial powers of different authorities : The financial powers of different authorities responsible for execution of works and appropriation and re-appropriation of funds allotted for expenditure upon such works are to be governed by the provisions

of Odisha Public Works Department Code (OPWD Code), the Central Public Works Account Code and other special rules made by Government for application to special classes of works, e.g., rules for the management of Governor's residence etc.

178. Execution of Repair & Maintenance and Special Repair Works :

- (i)** Lump provision for repair and maintenance works of Buildings, both residential and non-residential, borne in the books of concerned Public Works Department is to be made in the Demand for Grants of respective Public Works Departments. The repair and maintenance works include special repair pertaining to Civil, Electrical, Water Supply and Sanitation Works.
- (ii)** Separate lump provision is also to be made for Minor Works of Buildings (both Residential & Non-residential) in the Demand for Grants of concerned Public Works Department indicating user Department-wise allocation. The user Departments are required to indicate the Work-wise distribution of funds before the end of the first quarter of the financial year, to the Controlling Officer of the concerned Public Works Department (Chief Engineer) with whom the allocation of Fund has been placed.
- (iii)** The Maintenance and Repair Works, Minor Works mentioned in Sub-Rule-(i) & (ii) above are to be executed by the Public Works Divisions of the concerned Public Works Departments under which the provision is made for the purpose.
- (iv)** Budget provision for these works intended to be executed through Engineering Organisation / Agency is required to be made in the Demand for the Grants of the concerned Administrative Department.

179. Building Work under the administrative control of the Public Works Department : Works not specifically allotted to any other Department shall be included in the grants of Civil Works to be administered by Public Works Departments.

180. Procedure for Execution of Works by Public Works Department : The procedure and guidelines contained in the Odisha Public Works Department (OPWD) Code as amended from time to time shall be "mutatis-mutandis" followed by the Public Works Department in execution of works.

SECTION III

WORKS UNDER THE ADMINISTRATIVE CONTROL OF OTHER CIVIL DEPARTMENTS

181. Provision of funds for construction of building in the Demand for Grants of the respective User Departments :

- (i)** Even though the Building, both residential and non-residential, would continue to remain under administrative control of the Public Works Department, the funds, however, are to be provided in the budget of the user Departments and not in the Demand for grant administered by the Public Works Department.

- (ii) While making budget provision for construction of Building, both residential and non-residential, the user / requisitioning Department shall make lump provision of funds in the respective Demands for Grants under the related functional Major Heads for Non-residential and Residential Buildings separately for on-going and new building works.
- (iii) Priority should be given for provision of funds for completion of the on-going works. In case of new works, it should be ensured that land is available for construction of building. Plan, estimates and design are ready for approval. After provision of funds, the budgetary allocation for the construction works should be placed by the grant controlling authority i.e. Secretary of the Administrative Department at the disposal of the Chief Engineer, Buildings and the Chief Engineer, Public Health Engineering Organization (PHEO) /Chief Engineer-in-Charge of Buildings in Rural areas, as the case may be, through the works expenditure module of IFMS. However, the ultimate responsibility for timely spending of the budgetary provision and completion of the building works shall rest with the respective grant controlling authorities.
- (iv) No proportionate charges on percentage basis shall be levied on all works for which funds are provided in the budget. In respect of the fund received by Public Works Departments from sources other than the state budget (such as fund received from UGC etc.) and other deposit works pro-rata charges is applicable.
(Finance Department OM No. 49660/F dated 1.12.2010)
- (v) Provision for all maintenance works for buildings, however, shall continue to be made in the Demand for Grants of concerned Public Works Departments.

Note-1 Maintenance Work of Buildings of the Forest & Environment Department and Panchayati Raj & Drinking Water Department shall be carried out by those Departments. ***Electronic disbursement towards Works expenditure in Forest Divisions shall be in terms of provisions issued vide Finance Department OM No. 1242/F dated 14.1.2016 .***

Note-2 Separate grants are obtained for expenditure on irrigation, Navigation, Embankment, Flood Control, Drainage works etc. which are in charge of Water Resource Department.

182. Procedure for Execution of Works by Departments other than Public Works Department : The broad procedure to be followed by a Department other than Public Works Department as defined in Rule-176 for execution of works under its own arrangements shall be as under :-

- (i) The detailed procedure relating to expenditure on such works shall be prescribed by departmental regulations framed in consultation with the Accountant General (A&E), generally based on the procedures and the principles underlying the financial and accounting rules prescribed for similar works carried out by the Public works Department;

- (ii) Preparation of detailed design and estimates shall precede any sanction for works;
- (iii) No work shall be undertaken before issue of Administrative Approval and Expenditure Sanction by the competent Authority on the basis of estimates framed;
- (iv) Bids costing above a threshold, as prescribed in OPWD Code may be made through authorized electronic platform such as GeM, e-Procurement portal of the State etc.
- (v) Execution of Contract or Award of work should be done before commencement of the work;
- (vi) Final payment for work shall be made only on the Personal Certificate of the Officer-in-charge of execution of the work in the format given below;

"I Executing Officer of (Name of the Work), am personally satisfied that the work has been executed as per the specifications laid down in the Contract and the workmanship is up to the standards followed in the Industry".

183. Procedure for assigning work to Construction Corporations/PSUs :

- (i) In case of emergency situations arising out of natural disasters or where timely completion of work is of utmost importance, concerned Administrative Departments may entrust execution of certain original and repair works which include Civil, Public Health & Electrical Works to any State Public Works Organisation/Construction Corporations in the state with the approval of competent authority. The working procedure for execution of works through different Construction Corporations / Engineering Organisation / Agencies prescribed by Works Department, as amended from time to time, is to be followed.

(Works Department Resolution No. 9133/W dated 6.9.2012, 6120/W dated 29.5.2015, 6398/W dated 23.5.2016)

- ii) For the assignment of work to State PSUs or Central PSUs or outside State PSUs , the concerned Department shall ensure competition among all such PSUs/Organizations. This competition shall be essentially on the lump sum service charges to be claimed for execution of work. The award of work to a PSU shall be taken as Project Management Consultancy (PMC) and the concerned PSU shall be treated as consultancy firm. Relevant methods of QCBS, LCS etc for procurement of Consultancy will be applicable.

(Finance Department OM No. 37523/F dated 30.11.2018)

Note- In respect of execution of construction works allotted to Departmental Undertakings/Public Sector Undertakings, Supervision charges @ 8% (of actual expenditure) shall be allowed for all awarded civil works. Additional incentive of 2% of actual expenditure shall be allowed for timely completion of an awarded work.

(Finance Department letter no. 25217/F dated 30.7.2018)

- iii) In exceptional cases, for assignment of work on nomination basis to PSU provisions of Rule-169(iii) would apply. The work under these circumstances shall also be assigned only on lump sum basis.
- iv) For works entrusted under the Rule, the administrative approval and expenditure sanction shall be accorded and funds allotted by the concerned authority.
- v) A Memorandum of Understanding (MoU) shall be drawn with the PSU for proper execution of work. The MoU shall spell out the obligations on the part of PSU regarding execution of work as per proper specifications and for maintaining proper quality and speed of execution of works. Different stages at which funds shall be released to the PSU shall also be clearly spelt out. A sample MoU delineating complete procedure of work to PSUs and its monitoring is shown in Annexure-B.
- vi) For execution of any work, the Department shall constitute a “Work Committee”, whether on adhoc or standing basis comprising of representatives of administrative wing, finance wing and technical wing and member from User Department, PSU/CPSU/Other State PSU. The Works Committee shall ensure observance of due process for planning and execution of work, check the reasonability of the estimates and other technical details and monitor the execution of the works.

SECTION-IV

RULES FOR SANITARY, WATER SUPPLY AND ELECTRIC INSTALLATION TO GOVERNMENT BUILDINGS ETC.

- 184. Sanitary, Water Supply and Electric Installation to Government Buildings :**
- (i) All works and repairs in connection with sanitary, water-supply and electric installations to Government buildings where such buildings are not under control of Civil Departments, should be carried out by the Public Works Department, except in special cases where separate Government orders exist in this regard.
 - (ii) The rules relating to the assessment of rent on account of these installations in Government buildings occupied as residences will be as per relevant rules provided in Odisha Service Code.
 - (iii) Expenditure incurred by Civil Departments in connection with these installations, where it does not exceed **Rs 1,00,000/-** may be charged as contingent expenditure of the Department carrying out the work.

SECTION-V

MISCELLANEOUS RULES

185. Non-Government Works : Non-Government works are divided into three classes-i) Deposit Works ii) Local Loan Works and iii) Takavi Works

i) DEPOSIT WORKS :

- a)** For every Non-Government Works, the local body or other party concerned shall advance the gross estimated expenditure, which is payable by it to the Public Divisional Officer in lumpsum or in instalments, and by such dates as may be specially authorized by the Department concerned.
- b)** For every non-Government works there must be a duly sanctioned detailed estimates or requisition, as the case may be, in the same way as for a government work.
- c)** The design and estimate will, in the first instance be drawn up in communication with the party or parties depositing or administering the funds and must be submitted for the approval of such higher local Departmental authority as the extent of the estimate would require in the case of an ordinary public work.
- d)** Outlay on Deposit Works is required to be limited to the amount of deposit received. In case of urgency to complete the work, the Executing Agency must obtain the balance deposit prior to execution of balance cost of work.
- e)** The online remittance by Government Agencies, Corporate and private Organizations to the Public Works Divisions /FA & CAOs of Irrigation Projects / Forest Divisions for execution of Deposit works shall be made using online platform of IFMS .

(Finance Department OM No. 2342/F Dated 20.1.2020)

ii) Local Loan Works :

- (a)** No public Department or public officer may incur any expenditure or liability against local loan funds, unless a statement in writing is first obtained from the Accountant-General (A&E), Odisha, that the amount is available out of the loan funds, and has been placed in a separate account by the Accountant-General (A&E) so as to be available for the proposed expenditure. The amount so placed should be treated as the appropriation for the work, and should not be exceeded without special orders.
- (b)** Funds so spent under the above Sub-Rule shall reckon for interest as if they were drawn on the last day of the month in the accounts of which they were included by the spending Department or Government servant.
- (c)** The limit of funds set aside for expenditure on a work during the year should be ascertained from the Accountant General (A&E), by the

Government servant authorizing the expenditure and communicated to the Divisional Officer for guidance. This limit should be treated as the appropriation for the work and should not be exceeded without special orders.

iii) Takavi Works :

- a) The transactions relating to Takavi Works shall be recorded under Sub-head "Takavi Works Advances, under 8550 – Civil Advances, 103 - Other Departmental Advances". They should be accounted for in the Schedule of Takavi Works (CPWA Form No.66) which shows the expenditure incurred on each work, the amount realized on account of it and the outstanding balance of the account.
- b) The estimated cost of a Takavi Work is recoverable through the District and Revenue Authorities in the same way as arrears of Land Revenue. Endeavour should, however, be made to effect direct and prompt recoveries of the probable cost of Takavi Works, as recoveries through the District and Revenue Authorities cause considerable trouble and delay in adjustment.

186. Public Buildings:

- (i) The term "**Public Buildings**" applies to buildings borne on the books of the Public Works Department and maintained from the appropriation for Public Works in charge of Works officers. Buildings constructed by any agency other than PWD is to be transferred to the books of PWD within a reasonable period not exceeding six months from the date of completion of the building and maintenance thereof is to be taken up by the PWD.
- (ii) **Petty Repair and Maintenance** : Concerned Public Works Department shall take up repair works of the buildings under their administrative control in time to ensure proper maintenance. Where for administrative or economic reasons the maintenance of any Government building in charge of the Works Department is entrusted to any other civil Department by a mutual understanding between the Public Works Department and the Department concerned, original works and special repairs costing Rs 1,00,000/- or less and all ordinary repairs irrespective of cost, in respect of such buildings may be carried out by the Head of the Department concerned in accordance with such special instructions as may be issued to him by the Public Works Department. Provision for expenditure on such works should be made in the budget for "2059-Public Works- 01/60- Office Building/Other Building- 053 – Maintenance & Repair" and "2216- Housing-01- Government Residential Buildings-106-General Pool Accommodation" under a special sub-head "Petty construction and repairs by Civil Departments," subdivided into the secondary units (i) works and (ii) repairs, against which allotments will be made by the Works Department to heads of civil Departments carrying out the works and while full budgetary and

financial control in respect of such works will remain with the Public Works Department, the charges incurred by the civil Departments may be drawn under the rules and procedure governing contingent expenditure.

- (iii) **Major / Special Repair Works:** The head of the civil Department shall forward to the Executive Engineer concerned an annual statement of the amount spent by the civil Department on each building, road, etc. whether on ordinary or special repairs to enable the Public Works Department to keep a check on the amount and also to see that the buildings are not neglected for years together. While entrusting works to other Departments, it should be the endeavour to entrust the works, as far as possible, to Departments which have engineering personnel under their control.
- (iv) **Methodology for preparation of repair estimates of Public Buildings :** The detail procedures for preparation of estimate for different repair works are contained in OPWD Code Vol-I.
- (v) In cases in which a civil Department is entrusted with the execution of Public works the Departmental officer carrying out the work shall act as a Public Works disbursing officer and be guided generally by the rules and procedure which apply when works are carried out by the Works Department. The charges in connection with such works are debitable to the works grant.

187. Timely utilisation of fund for different works : The Guidelines for utilisation of provision made for different works under Program Expenditure of Works, Rural Development, Housing & Urban Development and Water Resources Department and construction of Buildings, as prescribed by Finance Department from time to time, shall scrupulously be followed.

(Finance Department OM No. 15744/F dated 5.4.2012)

188. Timely payment of Municipal Rates and Taxes, Water Tax and Electricity Charges in respect of Government Buildings : The powers of different Authorities to sanction and pay Municipal Rates and Taxes, Water Tax and Electricity Charges, and terms, conditions, & stipulations, as specified under Delegation Financial Power Rules, 1978 shall be meticulously followed for timely payment of these dues to concerned Authorities.

FIXTURES AND FURNITURE

189. Fixtures : Every public building should be provided with all necessary fixtures. The periodical repair of these fixtures should be carried out by the Public Works Department and charged to the repair estimate of the building. All petty repairs of fixtures and replacement of broken glass in doors and windows required in non-residential buildings at the intervals between the periodical repairs should be carried out by the Department in occupation of the building and charged to the contingent accounts of that Department.

190. Furniture :

- (i)** The Executive Engineer will not supply or repair furniture, screens, purdahas, or tatties nor will he performs any of the duties specified above. Furniture for new offices may, however, is supplied by the Executive Engineer provided the cost of such furniture is included in the estimates of the offices concerned. This rule does not apply to furniture of travellers, rest houses staging, bungalows or circuit houses, Dak Bungalows or rest houses in charge of Civil Officers the outlay on the supply and repair of which will be treated as charges of the Civil Department. For Public works inspection bungalows, and rest sheds, the furniture should be supplied and repaired at the cost of the Public Works Department.
- (ii)** The Administration of the furniture grant of the official residence of the Governor, including the upkeep of stock list and the purchase, repair, and maintenance of furniture shall be conducted in accordance with the rules, contained in the Odisha P.W.D. Code and separate rules, if any, framed by Government in that connection.

TRANSFER, PURCHASE AND SALE OF GOVERNMENT BUILDINGS

191. Transfer of Buildings :

- (i)** When it is proposed to transfer a building from one Department to another a descriptive statement of the building with information regarding title to the land, rent of the land, cost of the land, reason for the transfer, present condition and a plan of the land and building must invariably accompany the proposal.
- (ii)** The proposal should be finally sanctioned in the Department from which the building is transferred with the consent of the Department to which the transfer is made and the buildings assigned to a Department shall be borne in the books of that Department.

192. Purchase of buildings : No building may be purchased for the public purposes without the orders of the State Government, to whom a survey and valuation report by the Executive Engineer of the division should, in all cases, be submitted through proper channel.

193. Sale and Dismantlement of buildings :

- (i)** Permanent public buildings, whatever be their book value, constructed from State funds may be sold or dismantled under the orders of the State Government to whom a survey and valuation report by the Executive Engineer of the Division should, in all cases, be submitted through proper channel. The limits and conditions on which sale and dismantlement may be conducted by subordinate authorities are regulated by special orders of delegation in this behalf.
- (ii)** Temporary buildings erected during the construction of a work may, under the sanction previously obtained from the Superintending Engineer, be sold or dismantled on the completion of the work or when the purpose for which they

were erected has been served. It is the duty of the Executive Engineer to report when in his opinion, any building or other property of Government in his charge ought to be sold or dismantled.

- (iii)** Superintending Engineers including Public Health Engineers have been empowered to sanctioned dismantling and sale of public buildings, the book value of which does not exceed Rs 10,00,000/- after ascertaining from the local Civil Officers that the building cannot be put to any other use.

Note 1 - Approval of the Collector has to be taken before any building is ordered to be sold.

Note 2 - No building should be demolished unless it is in a dangerous condition and past repairs.

Note 3 - The power will not extend to the sale or dismantlement of several individual buildings situated in a compound, the total cost of which exceeds **Rs.10,00,000/-**.

Note 4 - When it is proposed to sell or dismantle a portion of the building, the value of the entire building and not a portion shall be taken for the purpose of determining the authority competent to sanction it.

Note 5 - Concurrence of the Revenue & Disaster Management Department and Finance Department is to be obtained for the sale of sites.

194. Hire of Office Accommodation :

- (i)** When no suitable Government building is available, private buildings may be hired for public purposes, the rent being paid by the office or Department occupying it. When the building is entirely used for office accommodation, the rent is wholly chargeable to Government. When, however, it is partly used for office purposes and partly for residential purposes, the Government servant shall, for the portion occupied for his residential purposes, be liable to pay rent calculated on the basis of the plinth area occupied for his residential purposes or at the rate of ten percent of his monthly pay whichever is higher subject to a maximum of 50 percent of the total rent of the house. The plinth area occupied for residential purposes will have to be certified initially by the competent authority giving the fair rent certificate for the building hired for public purposes. The certificate so produced should be subject to annual verification for facility of check so that in due course, the proportion between residential and official portions is not unduly disturbed.

- (ii)** The certificate of non-availability of Government accommodation shall be obtained from the concerned Departmental authorities who are in charge of Government buildings available in the locality. In the case of accommodation sought at Bhubaneswar and Cuttack the certificate should be obtained from the Estate Officer/Director of Estate/Deputy Director of Estate, General Administration Department depending upon the internal allocation of work made between these officers from time to time. The certificate of fairness of rent

shall be given by an officer not below the rank of Assistant Executive Engineer, in accordance with the principles prescribed by Government from time to time. A fair rent certificate shall ordinarily remain valid for a period of three years.

- (iii) The rent for a hired building should not ordinarily exceed the certified fair-rent. In special circumstances, however, Administrative Departments and Heads of Departments may sanction rent up to 20 per cent above the certified rent for which reasons are to be recorded in writing.
- (iv) In special and unavoidable circumstances Administrative Department and Heads of Departments may hire accommodation for office purpose, as per the financial power prescribed in Delegation of Financial Power Rule, 1978 and as amended from time to time without obtaining fair-rent certificate.
- (v) The terms conditions, stipulations, the powers of Administrative Department, Heads of Department, Revenue Divisional Commissioner etc. to sanction rent for hired accommodation etc. specified under the Delegation of Financial Power Rules, 1978 as amended from time to time shall be applicable in the matter of hiring of accommodation for office, office-cum-residence and other official purpose like store, dispensary, hostel etc.
- (vi) The Municipal tax or Union tax assessed on the annual value of buildings in which office accommodation is provided, or on the land appertaining to them, should be treated as separate from the rent. At the time of hire of the building it should be decided who will pay such tax on the building, in case, where Govt. is to pay the tax, the Govt. share of tax will be proportionate to the rent payable by Govt.

195. Residences for Government Servants :

- (i) Residences for public servants may be built or purchased by Government-
 - (a) When it is the recognized duty or established custom of the Government to provide quarters at Government expenses.
 - (b) When it is necessary on public ground for the officer to reside in, or close to the locality in which his duties are performed such as a jail, a police thana, a school, a factory, a mint, etc.;
 - (c) When it is necessary to provide residence in parts of the country where no civil station or cantonment exists, and where a lengthened term of residence would render camp accommodation unsuitable, e.g., buildings along lines of roads or canals or Transmission Lines for the housing of officials employed on their construction or maintenance;
 - (d) When it is shown to the satisfaction of the State Government that suitable house accommodation for officers whose appointment are permanent in respect of locality is not available in the vicinity or is available only in circumstances which will be likely to place such officers in an undesirable position in relation to house proprietors.

- (ii)** In respect of building available for occupation as residences, capital and revenue accounts are prepared periodically by the Accountant-General (A&E) in accordance with the directions given in the Account Code for Accountants' General issued by the Comptroller and Audit- General of India and any further orders that the State Government may issue in this behalf. All officers concerned should furnish the Accountant-General (A&E) annually with the necessary data in respect of such buildings in such form as may be prescribed by the Accountant-General (A&E).

196. Leasing :

- (i)** Before recommending the construction or purchase of a residence for a Government official, local and Departmental officers should always consider whether the requisite accommodation cannot more conveniently and economically be provided by taking an existing building on lease for such a term and on such conditions as may be appropriate, no such lease can, however, be entered into without the express sanction of the State Government. The present and future incumbents for whom accommodation is leased should pay as rent-
- (a)** the sum payable annually to the lessor;
 - (b)** when repairs are executed by Government, the estimated annual charge for repair and maintenance;
 - (c)** if Government are liable to pay Municipal taxes, the amount of such taxes; subject to the maximum of 10 per cent of the Pay including Grade Pay but excluding Special Pay as well as any other Compensatory allowance , if any, of the occupant or such lower percentage thereof as may be-fixed by the State Government. He shall also pay municipal taxes which by local rule or custom are levied on the occupant, in addition to the rent payable to Government.
- (ii)** Leases should ordinarily provide that the lessor will execute all structural repairs before the building is occupied and will carry out such additions, alternations and repairs as are necessary to render the building habitable and suitable for the purpose for which it is required. In the event of any addition or alteration to the building being made subsequent to the signing of the lease at the request of the occupant and at Government expenses, the consent of the owner must first be obtained in writing unless the work is considered by the State Government to be essential for sanitary reasons and a written undertaking from the Government servant who requires the addition or alteration is taken to the effect that he will pay increased rent for such additions and alterations as under the following rules:-

(a) If the lessor agrees to take over the work done on the expiry of the lease and to pay to Government the original cost of that work, less an allowance for deterioration, which should be fixed before the work is done, the occupant will be required to pay the following additional charges:-

(1) six percent on the capital cost of the additional work; (b) the percentage or amount fixed for deterioration;

(2) the annual estimated charges for maintenance and repairs of the additional work (if repairs are executed by Government); or

(b) If the landlord refuses to accept any liability for additional work, the rent payable by the occupant will be increased by a sum sufficient to cover during the period of the lease:-

(1) the capital sum expended, including interest at 6 percent;

(2) the annual estimated charges for maintenance and repairs of the additional work.

The amount to be recovered monthly from the tenant should be fixed when the work is completed, and should be distributed equally throughout that remaining period of the lease.

In case

(i) the capital cost will be held to be the total expenditure less half the amount which will be recovered on account of deterioration.

In case

(ii) interest will be calculated on half the amount of the outlay.

(iii) Capital expenditure under Sub clause-(ii) (b) (2) above should only be incurred when absolutely necessary, and capital expenditure under either sub-clause should not ordinarily be incurred which will raise the rent of the leased building to an amount in excess of 10 per cent of the pay, if any, of the class of official who will usually occupy the building.

197. Rent rules for Government buildings used as residences :

(i) When a building is rendered uninhabitable by reason of extensive repairs being in progress or for any other cause, partial or total remission of rent may be sanctioned by the State Government on the recommendation of the Chief Engineer, provided that the occupant at once reports the circumstances to the Executive Engineer. The Executive Engineer will at once inspect the building or, where this is impossible, will depute a responsible officer to do so, and will submit a full report of the inspection to the Superintending Engineer, who will

take any action, considered necessary, and will then submit the case with his recommendations to Government through the Chief Engineer. Special responsibility for avoiding delay attaches to cases in which an incoming tenant refuses to enter into occupation on the plea that whitewashing or repairs are necessary before he can do so.

- (ii) Inconvenience caused by petty or ordinary annual repairs is insufficient to warrant remission of rent, which should be granted only when extensive structural repairs, justifying in the opinion of the State Government, the vacation of the building, are carried out.

198. Expenditure on ceremonies connected with the inauguration of important public works : Government may sanction expenditure on ceremonies connected with the inauguration of important public works, e.g., the laying of foundation stone of public buildings, the opening of canals, the opening of bridges, other than those constructed from railway funds, etc., up to the limit of **Rs 1,00,000** in each case.

Note - The expenditure on such functions should be limited to the minimum absolutely necessary and the Finance Department should be afforded full justification for any such contemplated outlay before any commitments are entered into with regard to it.

CHAPTER-6

PROCUREMENT OF GOODS AND SERVICES

199. The Rules in this chapter contain general rules applicable for procurement of goods and services for use in the public service.

200. These instructions may be followed in conjunction with the provisions of “**Manual on Procurement of Goods, 2017**” and “**Manual for Procurement of Consultancy and other Services, 2017**” issued by the Department of Expenditure, Ministry of Finance and available in the website of the Ministry of Finance (www.finmin.nic.in).

201. Procurement of goods and services for Externally Aided Projects funded by loan or grant from bilateral/ multilateral donor agencies like IBRD, IDA, ADB, DFID, JICA etc. would be guided by the procurement procedures envisaged in the respective loan/ credit agreement.

SECTION - I

(General Condition for Public Procurement)

202. Fundamental principles of public procurement : Every authority delegated with the financial powers of procuring goods in public interest shall have the responsibility and accountability to bring efficiency, economy and transparency in matters relating to public procurement and for fair and equitable treatment of suppliers and promotion of competition in public procurement. The procedure to be followed in making public procurement must conform to the following requisites:

- i)** The description of the subject matter of procurement to the extent practicable should :
 - (a) be objective, functional, generic and measurable and specify technical, qualitative and performance characteristics.
 - (b) not indicate a requirement for a particular trade mark, trade name or brand.
- ii)** The specifications in terms of quality, type etc. as also quantity of goods to be procured, should be clearly spelt out keeping in view the specific needs of the procuring organisations. The specifications so worked out should meet the basic need of the organisation without including superfluous and non-essential features, which may result in unwarranted expenditure.
- iii)** Where applicable, the technical specifications shall, to the extent practicable, be based on the national technical regulations or recognized national standards or building codes, wherever such standards exist or a procuring entity may, for the reasons to be recorded in writing, adopt any other technical specification, as per the scheme conditions.
- iv)** Care should also be taken to avoid purchasing quantities in excess of requirement to avoid inventory carrying costs

- v) Offers should be invited following a fair, transparent and reasonable procedure;
- vi) The procuring authority should be satisfied that the selected offer adequately meets the requirement in all respects;
- vii) The procuring authority should satisfy itself that the price of the selected offer is reasonable and consistent with the quality required;
- viii) At each stage of procurement, the concerned procuring authority must place on record, in precise terms, the considerations which weighed with it while taking the procurement decision.
- ix) A complete schedule of procurement cycle from date of issuing the tender to date of issuing of the contract should be published when the tender is issued.
- x) All Departments shall prepare Annual Procurement Plan before the commencement of the year and the same should also be placed on their website.
- xi) It should be ensured that sufficient budget provision is available for the purpose.
- xii) The procuring authority should procure goods or services either through open tender or any authorized electronic platform such as e-procurement portal of the State, GeM platform, MSTC platform etc. by adhering to the above fundamental principles.
- xiii) The procuring authority shall decide the mode of procurement i.e open tender or e-procurement platform viz. e-procurement portal of the State, GeM platform, MSTC platform etc. as follows :
 - (a) If the goods or services are to be procured from e-platform, Reverse Auction (RA) and Analytics tools available on such platform shall be mandatorily used to ensure reasonableness of price.
 - (b) In case the procuring authority decides to procure the goods or services through open tender, simultaneous bidding on e-platform may be made to ascertain the reasonableness of price.
 - (c) However, simultaneous bidding on e-platform may not be resorted to in case the procurement is urgent in nature or if the procuring authority is of the view that simultaneous bidding will not add value to the price discovery process. In such cases approval of next higher authority is mandatory.

203. Restriction on procurement from certain countries : Notwithstanding anything contained in this Rule, the State Government may by order in writing, impose restrictions, including prior registration and/or screening, on procurement from bidders from a country or countries, or a class of countries, on grounds of defence of India, or matters directly or indirectly related thereto including national security, no procurement shall be made in violation of such restrictions.

204. Transparency, competition, fairness and elimination of arbitrariness in the procurement process : All Government purchases should be made in a transparent, competitive and fair manner to secure best value for money. This will also enable the prospective bidders to formulate and send their competitive bids with confidence. Some of the measures for ensuring the above are as follows:

- i)** The text of the bidding document should be self-contained and comprehensive without any ambiguity. All essential information, which a bidder needs for sending responsive bid, should be clearly spelt out in the bidding document in simple language. The condition of prior turnover and prior experience may be relaxed/waived for local MSEs / Start-ups subject to meeting of quality & technical specifications and making suitable provisions in the bidding document. The bidding document should inter alia include:
- (a)** description and specifications of goods including the nature, quantity, time and place or places of delivery;
 - (b)** the criteria for eligibility and qualification to be met by the bidder such as minimum level of experience, past performance, technical capability, manufacturing facilities and financial position etc or limitation for participation of the bidders, if any;
 - (c)** eligibility criteria for goods indicating any legal restrictions or conditions about the origin of goods etc. which must be met by the successful bidder;
 - (d)** the procedure as well as date, time and place for sending the bids;
 - (e)** date, time and place for opening of bids;
 - (f)** criteria for evaluation of bids;
 - (g)** special terms affecting performance, if any.
- ii)** Any other information which the procuring entity consider necessary for the bidders to submit their bids.
- iii)** Modification to Bidding Document by Procuring Authority:
- (a)** In case any modification is made to the bidding document or any clarification is issued which materially affects the terms contained in the bidding document, the procuring entity shall publish or communicate such modification or clarification in the same manner as the publication or communication of the initial bidding document was made.
 - (b)** In case a clarification or modification is issued to the bidding document, the procuring entity shall, before the last date for submission of bids, extend such time limit, if, in its opinion more time is required by bidders to take into account the clarification or modification, as the case may be, while submitting their bids.
 - (c)** Any bidder who has submitted his bid in response to the original invitation shall have the opportunity to modify or re-submit it, as the case may be, or withdraw such bid in case the modification to bidding document materially affect the essential terms of the procurement, within the period initially allotted or such extended time as may be allowed for submission of bids, after the modifications are made to the bidding document by the procuring entity provided that the bid last submitted or the bid as modified by the bidder shall be considered for evaluation.

- iv) Suitable provision should be kept in the bidding document to enable a bidder to question the bidding conditions, bidding process and /or rejection of its bid. The reasons for rejecting a tender or non-issuing a tender document to a prospective bidder must be disclosed, where enquiries are made by the bidder.
- v) Suitable provisions for settlement of disputes, if any, emanating from the resultant contract, should be kept in the bidding document.
- vi) The bidding document should indicate clearly that the resultant contract will be interpreted under Indian Laws.
- vii) The bidders should be given reasonable time to prepare and send their bids.
- viii) The bids should be opened in the presence of authorised representatives of the bidders
- ix) The specifications of the required goods should be clearly stated without any ambiguity so that the prospective bidders can send meaningful bids. In order to attract sufficient number of bidders, the specification should be broad based to the extent feasible.
- x) Efforts should also be made to use standard specifications which are widely known to the industry. The specification of the required goods to be purchased should be precise. The essential technical functions required to be performed by the goods are to be indicated without including superfluous and non-essential features, which may result in unwarranted expenditure.
- xi) While inviting competitive bids (i.e., other than Single Tender enquiry), brand name and/ or model number should not be mentioned in the specification and in case the same is unavoidable due to some specific reason, such brand name/ model number should be qualified with “or equivalent”. Standard specifications, which are widely known to the industry, should be utilized to the maximum extent possible.
- xii) Mandatory/ statutory regulations, if any, applicable for the goods in question should be indicated.
- xiii) **Pre-bid conference:** In case of turn-key contract or contract (s) of special nature for procurement of sophisticated and costly equipment wherever felt necessary a suitable provision is to be kept in the bidding documents for one or more rounds of pre-bid conference for clarifying issues and clearing doubts, if any, about the specifications and other allied technical details of the plant, equipment and machinery etc., projected in the bidding document. The date, time and place of pre-bid conference should be indicated in the bidding document. This date should be sufficiently ahead of bid opening date. The record of such conference shall be intimated to all bidders and shall also be exhibited in the website where the tender was published.

- xiv)** Criteria for determining responsiveness are to be taken into account for evaluating the bids :
- (a)** time of delivery;
 - (b)** Performance / efficiency / environmental characteristics;
 - (c)** the terms of payment and of guarantees in respect of the subject matter of procurement;
 - (d)** price;
 - (e)** cost of operating, maintaining and repairing etc.
- xv)** Bids received should be evaluated in terms of the conditions already incorporated in the bidding document. No new condition, which was not incorporated in the bidding document, should be brought in for evaluation of the bids. Determination of a bid's responsiveness should be based on the contents of the bid itself without recourse to extrinsic evidence.
- xvi)** Bidders should not be permitted to alter or modify their bids after expiry of the deadline for receipt of bids.
- xvii)** Negotiation with bidders after bid opening must be discouraged. However, in exceptional circumstances where price negotiation is necessary due to some unavoidable circumstances, the same may be resorted to only with the lowest evaluated responsive bidder by the evaluation committee.
- xviii)** Contract should ordinarily be awarded to the lowest evaluated bidder whose bid has been found to be responsive and who is eligible and qualified to perform the contract satisfactorily as per the terms and conditions incorporated in the corresponding bidding documents. When the lowest bidder declines to supply the goods for any reasons, the evaluation committee may invite the second lowest bidder for negotiation at the prices quoted by the lowest bidder. If the negotiation with the second lowest bidder fails, the Procuring Authority shall cancel the bid and invite fresh bid.
- xix)** If a special situation arises, where the lowest evaluated responsive bidder is not in a position to supply the full quantity required, the remaining quantity, as far as possible, be ordered on the next higher responsive bidder (s) at the rate offered by the lowest evaluated responsive bidder, after obtaining specific approval from the competent authority on the specific recommendation of the respective purchase committee.
- xx)** The name of the successful bidder(s) receiving the contract should be mentioned in the Department's notice board and its website.
- xxi)** Rejection of all Bids is justified in the following circumstances:
- a.** effective competition is lacking.
 - b.** all Bids and Proposals are not substantially responsive to the requirements of the bidding documents.
 - c.** the Bids' prices are substantially higher than the updated cost estimate or available budget; or
 - d.** none of the technical proposals meets the minimum technical qualifying

score.

xxii) Lack of competition as mentioned in sub-para (xx) above shall not be determined solely on the basis of the number of Bidders. Even when only one Bid is submitted, the procuring authority may accept the single bid provided following conditions are satisfied:

- a. the procurement was adequately advertised and sufficient time was given for submission of bids.
- b. the qualification criteria were not unduly restrictive; and
- c. prices are reasonable in comparison to market values.

Before acceptance of the single bid, the procuring authority shall obtain the approval of next higher authority and after recording the following certificate -

"I _____(designation) certify that the procurement was satisfactorily advertised, the qualification criteria were not unduly restrictive, and prices are reasonable in comparison to market value."

Signature with designation

205. Efficiency, Economy and Accountability in Public Procurement System:

Public procurement procedure should ensure efficiency, economy and accountability in the system. To achieve the same, the following key areas should be addressed.

- (i) To reduce delay, appropriate time frame for each stage of procurement (from bid opening to placement of contract) should be prescribed by the Department. Such a timeframe will also make the concerned purchase officials more alert to avoid delay in procurement.
- (ii) To minimize the time needed for decision making and placement of contract, every Department, with the approval of the competent authority, may delegate, wherever necessary, appropriate purchasing powers to the lower functionaries
- (iii) The Department should ensure placement of contract within original validity of the bids. Extension of bid validity must be discouraged and resorted to only in exceptional circumstances.

206. Debarment from Bidding :

- (i) A bidder shall be debarred if he has been convicted of an offence—
 - (a) under the Prevention of Corruption Act, 1988; or
 - (b) the Indian Penal Code or any other law for the time being in force, for causing any loss of life or property or causing a threat to public health as part of execution of a public procurement contract.
- (ii) A bidder debarred under sub-section (i) or any successor of the bidder shall not be eligible to participate in a procurement process of any procuring entity for a period not exceeding three years commencing from the date of debarment. The

concerned department shall maintain such list which will also be displayed on their website.

- (iii) A procuring entity may debar a bidder or any of its successors, from participating in any procurement process undertaken by it, for a period not exceeding two years, if it determines that the bidder has breached the code of integrity. The Departments will maintain such list which will also be displayed on their website.
- (iv) The bidder shall not be debarred unless such bidder has been given a reasonable opportunity to represent against such debarment.
- (v) The procuring Authority shall insist the bidder to furnish a certificate as per the format specified below along with the bid:

"I certify that I have not committed any offence-

(a) Under the Prevention of Corruption Act, 1988; or

(b) the Indian Penal Code or any other law for the time being in force, for causing any loss of life or property or causing a threat to public health as part of execution of a public procurement contract.

(c) I have not been debarred by any Central / State Government Organization/Bodies for the last 3 years."

Signature with designation

- (vi) The procuring Authority shall ensure that the above clause will form part of the Notice Inviting Tender.

207. Code of Integrity : No official of a procuring entity or a bidder shall act in contravention of the following principles of public procurement.

- (i) There should be prohibition of-
 - a) making offer, solicitation or acceptance of bribe, reward or gift or any material benefit, either directly or indirectly, in exchange for an unfair advantage in the procurement process or to otherwise influence the procurement process.
 - b) any omission, or misrepresentation that may mislead or attempt to mislead so that financial or other benefit may be obtained or an obligation avoided.
 - c) any collusion, bid rigging or anti- competitive behaviour that may impair the transparency, fairness and the progress of the procurement process.
 - d) improper use of information provided by the procuring entity to the bidder with an intent to gain unfair advantage in the procurement

- process or for personal gain.
 - e) any business or financial transactions between the bidder and any official of the procuring entity related to tender or execution process of contract; which can affect the decision of the procuring entity directly or indirectly.
 - f) Any coercion or any threat to impair or harm, directly or indirectly, any party or its property to influence the procurement process.
 - g) obstruction of any investigation or auditing of a procurement process.
 - h) making false declaration or providing false information for participation in a tender process or to secure a contract;
- (ii) Proactive disclosure of conflict of interest.
- (iii) Mandatory disclosure by the bidder of any previous transgressions made in respect of the provisions of sub-clause (i) with any entity in any country during the last three years or of being debarred by any other procuring entity
- (iv) If any prospective bidder is found to have contravened the code of integrity, the procuring entity, after giving a reasonable opportunity of being heard, may take appropriate measures against such bidder.

208. Purchase from exclusive list:

(i) List of goods and services reserved for exclusive purchase from Micro & Small Enterprises (MSEs)/Start-ups located within the State of Odisha will be notified by MSME Department from time-to-time in terms of relevant provisions of Odisha MSME Development Policy, 2016 and “Odisha Procurement Preference Policy for Micro and Small Enterprises”-2015 and other relevant Acts and Rules. State Government Departments and its attached offices / State PSUs/ Autonomous Bodies/ Local Bodies/Co-operatives etc. shall procure the items indicated in the exclusive list from the local MSEs/Start-ups as per the procedure prescribed in these guidelines.

Provided that the buyers have the option of buying those items, included in the Exclusive List, from authorized e-platform keeping in view the objective of reasonableness of price of the goods / services to be procured. In such case permission from the next higher authority shall be obtained.

(ii) Director of Export Promotion and Marketing (EPM) may enter into contract with local MSEs/Start-ups in respect of goods included in the exclusive list as notified by MSME Department and purchase of such goods by State Government Departments and its attached offices / State PSUs/ Autonomous Bodies/ Local Bodies/Co-operatives etc. should be only from sources with whom such rate contracts have been entered into by placing order in accordance with the procedure outlined for this purpose by MSME Department.

Provided that the buyers have the option of buying the item from authorized e-platform keeping in view the objective of reasonableness of price of the goods / services to be procured for which Rate Contracts have been entered into, in case the buyer is not

able to obtain the supply of goods in desired quality and quantity. In such case permission from the next higher authority shall be obtained.

209. The State Government may, by notification, reserve all items of hand spun and hand-woven textiles (khadi goods) required by Government Office to be procured exclusively from Khadi & Village Industries Commission (KVIC) or Odisha Khadi and Village Industries Board (OKVIB) and exclusive purchase of fabric goods, Handicraft Products from Odisha State Cooperative Handicraft Corporation Ltd. (Utkalika) to be issued by Handloom, Textiles and Handicraft Department from time to time.

210. Purchase preference system for MSEs and Local Start-ups : The quantum and manner of purchase preference to local MSEs/Start-ups in Public Procurement should be as notified by MSME Department under respective Rules / Guidelines.

211. Purchase Preference System under Make in Odisha:

(i) The State Government, may, by notification, provide for mandatory procurement of any goods or services from any category of bidders, or provide for preference to bidders on the ground of promotion of locally manufactured goods or locally provided services under Make in Odisha initiatives.

(ii) MSME Department shall act as nodal Department for issue of necessary order for special provisions for local Suppliers under “Make in Odisha” initiative in line with Public Procurement (Preference to Make in India) order, 2017 issued by Government of India.

212. Bid Security :

i) To safeguard against a bidder’s withdrawing or altering its bid during the bid validity period in the case of advertised or two-bid tender enquiry, bid security (also known as earnest money) is to be obtained from the bidders except Micro and Small Enterprises (MSEs) and start-ups. The bidders should be asked to furnish the bid security along with their bid. Amount of bid security should generally be between two to five per cent of the estimated value of the goods to be procured.

ii) Accordingly, the exact amount of bid security should be determined by the Department and indicated in the bidding document. The bid security may be accepted in the form of Insurance Surety Bond, account payee demand draft, fixed deposit receipt, bank guarantee including e-Bank Guarantee from any of the scheduled commercial banks or payment online in an acceptable form, safeguarding the purchaser's interest in all respects. The bid security is normally to remain valid for a period of forty-five days beyond the final bid validity period. The Model Bank Guarantee Format for furnishing EMD is at **Annexure-C**.

iii) Bid securities of the unsuccessful bidders should be returned to them at the earliest after expiry of the final bid validity period and latest by the 30th day after the award of the contract. However, in case of two packets of two stage bidding,

bid securities of unsuccessful bidders during the first stage i.e technical evaluation etc should be returned within 30 days of the declaration of results of the first stage i.e technical evaluation.

- iv) Bid security should be refunded to the successful bidder on receipt of performance security.
- v) In place of a Bid Security, Departments may require bidders to sign a Bid Security Declaration accepting that if they withdraw or modify their bids during the period of validity, or if they are awarded the contract and they fail to sign the contract, or to submit performance security before the deadline defined in the request for the bids documents, they will be suspended for the period of time specified in the request for bids document from being eligible to submit bids for contracts with the entity that invited the Bids.

213. Performance Security :

- (i) To ensure due performance of the contract, Performance Security is to be obtained from the successful bidder awarded with the contract. Performance security should be for an amount of five to ten per cent of the value of the contract.
- (ii) Performance security may be accepted in the form of Insurance Surety Bond, account payee demand draft, fixed deposit receipt, bank guarantee including e-Bank Guarantee from any of the scheduled commercial banks or payment online in an acceptable form, safeguarding the purchaser's interest in all respects. The Model Bank Guarantee Format for Performance Security is at Annexure-D.
- (iii) Micro and Small Enterprises (MSEs) and start-ups are allowed concessional payment of performance security @ 25% of performance security prescribed for normal bidders.
- (iv) Performance security should remain valid for a period of sixty days beyond the date of completion of all contractual obligations of the supplier including warranty obligations.

214. Registration under Odisha Goods and Service Tax (GST) Act : Bidders participating in the tender must be registered under Odisha GST (OGST) Act.

215. Splitting up of Purchase order : A demand for goods/service should not be divided into small quantities to make piecemeal purchases to avoid the necessity of obtaining the sanction of higher authority required with reference to the estimated value of the total demand.

216. E- Publishing :

- (i) It is mandatory for all Departments of the State Government, their attached and Subordinate Offices and Autonomous / Statutory Bodies to publish their tender enquiries, corrigenda thereon and details of bid awards on e-procurement portal of State Government. They may also publish the same in their Departmental or other website of the State Government.

- (ii) The above instructions apply to all Tender Enquiries, Requests for Proposals, Requests for Expressions of Interest, Notice for pre-Qualification/ Registration or any other notice inviting bids or proposals in any form whether they are advertised, issued to limited number of parties or to a single party.
- (iii) These instructions shall not apply to the procurement made in terms of provisions of **Rule-220 & Rule-221**.

PART-B

(PROCUREMENT OF GOODS)

217. Definition of Goods :

(i) The term 'goods' used in this chapter includes all article, material, commodity, livestock, furniture, fixtures, raw material, spares, instrument, machinery, equipment, industrial plant, vehicles, medicine, accessories, a group of machinery comprising of an integrated production process or such other category of goods or intangible products like software, technology transfer, licenses, patents or other intellectual properties purchased or otherwise acquired for the use of Government but excludes books, publications, periodicals, etc. for a library.

(ii) The term 'goods' also includes works and services which are incidental and consequential to the supply of such goods, such as, transportation, insurance, installation, commissioning, training and maintenance.

218. Authorities competent to procure goods : Procuring Authority may execute contract for procurement of goods as per the financial power delegated under Delegation of Financial Powers Rules, 1978 as amended from time to time and subject to any special rule or order, applicable to any Department.

219. Registration of Suppliers:

- (i) Administrative Departments and Heads of Departments shall register suppliers of goods which are specifically required by that Department or Office periodically. Such registered suppliers are prima facie eligible for consideration for procurement through Limited Tender Enquiry as envisaged in **Rule-224**.
- (ii) Registration of the supplier should be done following a fair, transparent and reasonable procedure after giving due publicity.
- (iii) Credentials, manufacturing capability, quality control systems, past performance, after-sales service, financial background etc. of the Suppliers should be carefully verified before registration.
- (iv) The suppliers will be registered for a fixed period (between 1 to 3 years) depending on the nature of the goods. At the end of the period, the registered Suppliers willing to continue with registration are to apply afresh for renewal of registration. New Suppliers may also be considered for registration any time, provided they fulfil all the required conditions.

- (v) Performance and conduct of every registered Supplier is to be watched by the concerned Department. The registered supplier(s) are liable to be removed from the list of approved suppliers, if they fail to abide by the terms and conditions of the registration or fail to supply the goods on time or supply substandard goods or make any false declaration to any Government agency or for any ground which, in the opinion of the Government, is not in public interest.
- (vi) The list of registered suppliers for the subject matter of procurement be exhibited on the websites of the procuring entity/e-procurement portal.

220. Purchase of goods without quotation : Purchase of goods upto the value of **Rs.25,000/-** on each occasion, may be made without inviting quotations or bids on the basis of a certificate to be recorded by the competent authority in the following format :

"I,....., (designation) am personally satisfied that these goods purchased are of the requisite quality and have been purchased from a reliable supplier at a reasonable price."

Signature with designation

221. Purchase of goods through Local Purchase Committee :

(i) Purchase of goods costing above **Rs. 25,000/-** and up to **Rs. 1,50,000/-** on each occasion may be made on the recommendations of a duly constituted Local Purchase Committee consisting of three members of appropriate levels as decided by the Authorities Competent to Purchase.

(ii) The committee will survey the market to ascertain the reasonableness of rate, quality and specifications and identify the appropriate supplier for the required goods.

(iii) Before recommending placement of the purchase order, the members of the committee will jointly record a certificate as under:

"Certified that we, _____members of the Purchase Committee are jointly and individually satisfied that the goods recommended for purchase are of the requisite specification and quality, priced at the prevailing market rate and the supplier recommended is reliable and competent to supply the goods in question and it is not debarred by State Government."

Signature with designation

222. Purchase of goods by obtaining bids : Except in cases covered under **Rule-220 and Rule-221**, the Procuring Authorities shall procure goods, as per the power delegated under Delegation of Financial Power Rules, 1978, by following the standard method of obtaining bids through :

- (i) Advertised Tender Enquiry (ATE),
- (ii) Limited Tender Enquiry (LTE);
- (iii) Single Tender Enquiry (STE);

223. Advertised Tender Enquiry :

- (i) Subject to exceptions to **Rule-220, Rule-221, and & Rule-224** invitation of tenders by advertisement should be used for procurement of goods of estimated value of **Rs.10,00,000/-** and above. A brief advertisement for such purchase should be given in at least one local and one National newspaper having wide circulation asking for the offers by specified date and time etc and details may be made available in the departmental website or or State Government website or e-procurement portal of State Government.
- (ii) If the Department has its own website, it should also publish all its advertised tender enquiries on the website. It should also give its website address in the advertisements in the newspaper.
- (iii) The advertisement for invitation of the tender should give the complete web address from where the bidding document can be downloaded.
- (iv) Hardcopies of the bidding documents should be prepared for sale as per normal practice. In addition, the Department should upload the complete bidding document in the website and permit prospective bidders to make use of the document downloaded from the website. In order to promote wider participation and ease of bidding, no cost of tender document may be charged for the tender document downloaded by the bidder from the department website.
- (v) Where Departments feel that the goods of the required quality, specifications etc., may not be available in the country and it is necessary to also look for suitable competitive offers from abroad, the Department may send copies of the tender notice to the Indian Embassies abroad as well as to the foreign Embassies in India. The selection of the embassies will depend on the possibility of availability of the required goods in such countries. **However, no Global Tender Enquiry (GTE) shall be invited for tenders upto Rs 200 crore or such limit as may be prescribed by Finance Department from time to time.**
- (vi) Minimum time to be allowed for submission of bids should be three weeks from the date of publication of the tender notice or availability of the bidding document for sale, whichever is later. Where the department contemplates obtaining bids from abroad, the minimum period should be kept as four weeks for both domestic and foreign bidder.
- (vii) Whenever there is an urgency / emergent need for procurement of goods at a short notice, in such cases, full justification for relaxation of the prescribed minimum time shall be recorded in the file and approval of the next higher authority and in case of the Administrative Department, concurrence of Finance Department shall be obtained.

224. Limited Tender Enquiry :

- (i)** This method may be adopted when estimated value of the goods to be procured is up to **Rs.10,00,000/-**. Copies of the bidding document should be sent directly by speed post/ registered post/ courier/ e-mail to the firms, which are borne on the list of registered suppliers for the goods in question as referred under **Rule-219** above. The number of firms to be approached for such Limited Tender Enquiry should be more than three. Wherever necessary, efforts should be made to identify a higher number of approved suppliers to obtain more responsive bids on competitive basis.
- (ii)** Sufficient time period should be allowed for submission of bids in Limited Tender Enquiry cases. The Department should publish the limited tender enquiry on their website.
- (iii)** The unsolicited bids should not be accepted. However, Departments should evolve a system by which interested firms can register and bid in next round of tendering.
- (iv)** Purchase through Limited Tender Enquiry may be adopted even where the estimated value of the procurement is **Rs.10,00,000/-** and above, in the following circumstances:
 - (a)** The competent authority in the Department / agency certifies that the demand is urgent and any additional expenditure involved by not procuring through advertised tender enquiry is justified in view of urgency.
 - (b)** The Department/ agency should record in writing:
 - (1)** the nature of the urgency and reasons why the procurement could not be anticipated,
 - (2)** If there are sufficient reasons that it will not be in public interest to procure the goods through advertised tender enquiry.
 - (3)** The sources of supply are definitely known and possibility of fresh source(s) beyond those being tapped is remote.

225. Single Tender Enquiry : Procurement from a single source may be resorted to in the following circumstances:

- (i)** It is in the knowledge of the user Department that only a particular firm is the manufacturer of the required goods.
- (ii)** In a case of emergency, the required goods are necessarily to be purchased from a particular source and the reason for such decision is to be recorded and approval of Government or next higher authority obtained.
- (iii)** For standardisation of machinery or spare parts to be compatible to the existing sets of equipment (on the advice of a competent technical expert and approved by the Government or next higher authority), the required item is to be purchased only from a selected firm.
- (iv)** Advice of a competent technical expert for single source procurement be obtained and kept in file for approval of Government or next higher authority.

Note: Proprietary Article Certificate in line with the following form is to be placed on record by the competent authority before procuring the goods from single source.

- (v) The indented goods are manufactured by M/s.....
 - (a) No other make or model is acceptable for the following reasons.....
 - (b) Concurrence of FA / AFA/Accounts Officer to the proposal is available
 - (c) Approval of the competent authority is available vide

(Signature with date and designation of the procuring officer)

226. Two-Stage Bidding : (Obtain bids in two stages with receipt of financial bids after receipt and evaluation of technical bids)

- (i) Department may procure the subject matter of procurement by the method of two-stage bidding, if
 - (a) it is not feasible to formulate detailed specifications or identify specific characteristics for the subject matter of procurement, without receiving inputs regarding its technical aspects from bidders; or
 - (b) the character of the subject matter of procurement is subject to rapid technological advances or market fluctuations or both; or
 - (c) Departments seek to enter into a contract for the purposes of research, experiment, study or development, except where the contract includes the production of items in quantities sufficient to establish their commercial viability or to recover research and development costs; or
 - (d) The bidder is expected to carry out a detailed survey or investigation and undertake a comprehensive assessment of risks, costs and obligations associated with the particular procurement.
- (ii) The procedure for two stage bidding shall include the following, namely:-
 - (a) in the first stage of the bidding process, the Departments shall invite bids through advertised tender containing the technical aspects and contractual terms and conditions of the proposed procurement without a bid price;
 - (b) all first stage bids, which are otherwise eligible, shall be evaluated through an appropriate committee constituted by the Departments concerned;
 - (c) the committee may hold discussions with the bidders and if any such discussion is held, equal opportunity shall be given to all bidders to participate in the discussions;
 - (d) in revising the relevant terms and conditions of the procurement, the procuring entity shall not modify the fundamental nature of the

procurement itself, but may add, amend or omit any specification of the subject matter of procurement or criterion for evaluation;

- (e) in the second stage of the bidding process, the procuring entity shall invite bids from all those bidders whose bids at the first stage were not rejected, to present final bid with bid prices in response to a revised set of terms and conditions of the procurement;
- (f) any bidder, invited to bid but not in a position to supply the subject matter of procurement due to modification in the specifications or terms and conditions, may withdraw from the bidding proceedings without forfeiting any bid security that he may have been required to provide or being penalised in any way, by declaring his intention to withdraw from the procurement proceedings with adequate justification.

227. Electronic Reverse Auction :

- (i) Electronic Reverse Auction means an online real-time purchasing technique utilised by the procuring entity to select the successful bidder, which involves presentation by bidders of successively more favourable bids during a scheduled period of time and automatic evaluation of bids;
- (ii) A procuring entity may choose to procure a subject matter of procurement by the electronic reverse auction method, if:
 - (a) It is feasible for the procuring entity to formulate a detailed description of the subject matter of the procurement;
 - (b) There is a competitive market of bidders anticipated to be qualified to participate in the electronic reverse auction, so that effective competition is ensured;
 - (c) The criteria to be used by the procuring entity in determining the successful bid are quantifiable and can be expressed in monetary terms;
- (iii) The procedure for electronic reverse auction shall include the following, namely:
 - (a) The procuring entity shall solicit bids through an invitation to the electronic reverse auction to be published or communicated in accordance with the provisions similar to e-procurement; and
 - (b) The invitation shall, in addition to the information as specified in e-procurement, include details relating to access to and registration for the auction, opening and closing of the auction and Norms for conduct of the auction.

228. Two Bid Tender Enquiry: (Simultaneous receipt of Technical and Financial Bid separately)

- (i) For purchasing high value plant, machinery etc. of a complex and technical nature, bids may be obtained in two parts as under:

- (a) Technical bid consisting of all technical details along with commercial terms and conditions; and
 - (b) Financial bid indicating item-wise price for the items mentioned in the technical bid.
- (ii) The technical bid and the financial bid should be sealed by the bidder in separate covers duly super scribed and both these sealed covers are to be put in a bigger cover which should also be sealed and duly super scribed. The technical bids are to be opened by the purchasing authority at the first instance and evaluated by a competent committee or authority. At the second stage financial bids of only the technically acceptable offers should be opened for further evaluation and ranking before awarding the contract.

229. Late Bids : In the case of advertised tender enquiry or two bid tender enquiry, late bids (i.e., bids received after the specified date and time for receipt of bids) should not be considered.

230. Quotation received from Dealers/ Agents for items not manufactured by them : When a firm sends a quotation for an item manufactured by some different company, the firm should attach along with the quotation of manufacturer's authorisation certificate and also manufacturer's confirmation of extending the required warranty for that product (in addition to the tenderers' confirmation to required warranty). If the firm is an authorized agent/ dealer of that manufacturer, certified documentary evidence to this effect is to be attached along with the quotation.

231. Contents of Bidding Document :

All the terms, conditions, stipulations and information to be incorporated in the bidding document are to be shown in the appropriate chapter. The structure of a sample format for this purpose is indicated below:

Chapter-1: Instructions to Bidder

Chapter-2: Conditions of Contract.

Chapter-3: Schedule of Requirements.

Chapter-4: Specifications and allied Technical Details.

Chapter-5: Price Schedule (to be utilised by the bidders for quoting their prices).

Chapter-6: Contract Form.

Chapter-7: Other standard forms, if any, as decided by the Department may be used with the approval of the competent authority.

The Model bidding document for procurement of goods published by Department of Expenditure, Ministry of Finance, Government of India and as available in <https://eprocure.gov.in/cppp/sites/default/files/standardbiddingdocs/MTD%20Goods%20NIC.pdf> may be adopted for the purpose with suitable customisation to meet specific needs.

232. Advance payment to supplier :

- (i) Payments should be released only after the supplies have been made. However, it may become necessary to make advance payments in the following types of cases:
- (a) Advance payment demanded by firms holding maintenance contracts for servicing of Air- conditioners, Computers, other costly equipment etc.
 - (b) Advance payment demanded by firms against fabrication contracts and turnkey contracts.
 - (c) Advance payment demanded by Central Government PSUs / State PSUs in respect of supplies of goods.
- (ii) Such advance payments should not exceed the following limits :
- (a) 30% of the contract value to private firms subject to furnishing of Bank Guarantee of equal amount;
 - (b) 40% of the contract value to a State or Central Government agency or a Public Sector Undertaking; or
 - (c) 100% advance payment for procurement of arms and ammunitions from Ordnance Factories.
 - (d) In case of maintenance contract, the amount should not exceed the amount payable for six months under the contract subject to furnishing of Bank Guarantee of equal amount.
- (iii) In exceptional cases, Administrative Departments may relax the ceilings mentioned above with prior concurrence of the Finance Department. While making any advance payment as above, adequate safeguards in the form of Bank Guarantee should be obtained from the firm. The Model Agreement for Supply of Goods and Bank Guarantee Format for Advance Payment are at **Annexure-E** and **Annexure-F** respectively.
- (iv) **Part Payment to Suppliers** - Depending on the terms of delivery incorporated in a contract, part payment to the supplier may be released after it dispatches the goods from its premises in terms of the contract.

233. Buy-Back Offer : When it is decided with the approval of the competent authority to replace existing old item(s) with a new and better version, the department may trade the existing old item while purchasing the new one. For this purpose, a suitable clause is to be incorporated in the bidding document, so that the prospective and interested bidders formulate their bids accordingly. Depending on the value and condition of the old item to be traded, the time as well as the mode of handing over the old item to the successful bidder should be suitably incorporated in the bidding document.

234. Maintenance Contract : Depending on the cost and nature of the goods to be purchased, it may be necessary to enter into maintenance contract(s) of suitable

period either with the supplier of the goods or with any other competent firm. Such maintenance contracts are especially needed for sophisticated and costly equipment and machinery. It must be kept in mind that the ordered goods/ items are maintained free of cost by the supplier during its warranty period or such other extended periods as the contract terms may provide and the paid maintenance should commence only thereafter.

PART-C
(PROCUREMENT OF SERVICES)

SECTION-I
(CONSULTING SERVICES)

235. Consulting Service : "Consulting Service" means any subject matter of procurement (which as distinguished from 'Non- Consultancy Services' involves primarily non-physical project specific, intellectual and procedural processes where outcomes/ deliverables would vary from one consultant to another), other than goods or works, except those incidental or consequential to the service, and includes professional, intellectual, training and advisory services or any other service classified or declared as such by a procuring entity but does not include direct engagement of a retired Government servant.

Note: These Services typically involve providing expert or strategic advice e.g., management consultants, policy consultants, communications consultants, Advisory and project related Consulting Services which include, feasibility studies, project management, engineering services, finance, accounting and taxation services, training and development etc.

236. Authority competent to hire Consultants :

(i) The Administrative Departments and Heads of Departments may hire external professionals, consultancy firms or consultants (referred to as consultant hereinafter) for a specific job, which is well defined in terms of content and time frame for its completion.

(ii) The Administrative Departments and Heads of Departments may enter into contracts for consultancy assignments within the financial limits as per the power delegated under Delegation of Financial Power Rule, 1978 as amended from time to time.

(iii) However, sanction of expenditure for consultancy services shall be subject to availability of budget provision.

237. Identification of Services required to be performed by Consultants : Engagement of consultants may be resorted to in situations requiring high quality services for which the concerned Department does not have requisite expertise and manpower. Approval of the competent authority should be obtained before engaging consultants.

238. Estimation of reasonable expenditure : The Administrative Department proposing to engage consultant(s) should estimate reasonable expenditure for the same by ascertaining the prevalent market conditions and consulting other Organizations/Departments/PSUs engaged in similar activities.

239. Preparation of scope of Work : The Administrative Departments shall prepare in simple and concise language the requirement, objectives and the scope of the assignment. The eligibility and the prequalification criteria to be met by the consultants shall also be clearly identified at this stage.

240. Identification of likely sources :

- (i)** Where the estimated cost of the work or service is up to **Rs 25,00,000/-** preparation of a long list of potential consultants may be done on the basis of formal or informal enquiries from other Administrative Departments, Heads of Departments, Heads of offices, Organisations, Chambers of Commerce & Industry, Association of consultancy firms etc. involved in similar activities.
- (ii)** Where the estimated cost of the consulting service is above **Rs 25,00,000/-** , in addition to sub rule (i) above, an enquiry for seeking “Expression of Interest” from consultants shall be published on the e-Procurement portal and own website of the Department, if it is not feasible for the procuring entity to formulate detailed specifications or identify specific characteristics for the subject matter of procurement without receiving the inputs regarding its technical aspects from the bidders.
- (iii)** Where the procurement is moderately complex and the procuring authority has the clear understanding of the subject matter of procurement, then they shall opt for issuance of the “Request for Proposal” directly.
- (iv)** A brief advertisement, in at least one national daily, one local daily and in the web site of concerned Administrative Department shall be made available. The website address shall be indicated in the advertisement.
- (v)** Enquiry for seeking Expression of Interest should include in brief, the broad scope of work or service, inputs /support /materials / data to be provided by them, eligibility and the pre-qualification criteria to be met by the consultant(s) and their past experience in similar work or service. Adequate time should be allowed for getting responses from interested consultants.

241. Short listing of Consultants : On the basis of responses received from the interested parties as per **Rule-240**, consultants meeting the requirements shall be short listed for further consideration. The number of short listed Consultants shall not be less than three.

242. Preparation of Terms of Reference (TOR) : The TOR shall include

- (i) Precise statement of objectives of the assignment;
- (ii) Outline of the tasks to be carried out;
- (iii) Schedule for completion of tasks;
- (iv) The support or inputs / materials / data to be provided by the competent authority to facilitate the consultancy.
- (v) The final outputs in quantifiable/ comprehensible terms that will be required from the Consultant;

243. Preparation and Issue of Request for Proposal (RFP) : RFP is the document to be used by the administrative department / competent authority for obtaining offers from the consultants for the required service. The RFP should be issued to the shortlisted consultants to seek their technical and financial proposals. The RFP should contain:

- (i) A letter of Invitation
- (ii) Information to Consultants regarding the procedure for submission of proposal.
- (iii) Terms of Reference (TOR).
- (iv) Eligibility and pre-qualification criteria in case the same has not been ascertained through Enquiry for Expression of Interest.
- (v) List of key positions/ resource persons whose CV and experience would be evaluated.
- (vi) Bid evaluation criteria and selection procedure.
- (vii) Standard formats for technical and financial proposal.
- (viii) Proposed contract terms.
- (ix) Procedure proposed to be followed for mid-term review of the progress of the work and review of the final draft report.

Standard format, for Request for Proposal for selection of Consultant, circulated vide Finance Department Office Memorandum No.37323/F, Dated: 30.11.2018 available in the website of the Finance Department (www.odisha.gov.in/fin) may be adopted for the purpose with suitable customisation to meet specific needs.

244. Receipt and opening of proposals : Proposals shall ordinarily be asked for from consultants in “Two-bid” system with technical and financial bids sealed separately. The bidder shall put these two sealed envelopes in a bigger envelope duly sealed and submit the same to the competent authority by the specified date and time at the specified place. On receipt, the technical proposals shall be opened first by the competent authority at the specified date, time and place.

245. Late Bids : Late bids i.e. bids received after the specified date and time of receipt shall not be considered.

246. Evaluation of Technical Bids : Technical bids are to be analysed and evaluated by a Consultant Evaluation Committee (CEC) constituted under the Delegation of Financial Power Rules, 1978 to identify the bids, which are technically qualified. However, suitable domain experts may be included in the Committee to render assistance in evaluation of the bids. The Evaluation Committee shall record in detail the reasons for acceptance or rejection of the bids analysed and evaluated by it.

247. Evaluation of Financial Bids of the technically qualified bidders : The Consultant Evaluation Committee (CEC) shall open the financial bids of only those bidders who are declared technically qualified by the Committee for further analysis, evaluation, ranking and selecting the successful bidder for placement of the consultancy contract.

248. Method of Selection/Evaluation of Consultant Proposals : The basis of selection of the Consultant shall follow any of the methods given in **Rule - 249 and 250** as appropriate for the circumstances in each case.

249. Quality and Cost Based Selection (QCBS) :

- (i)** Quality and Cost based Selection (QCBS) Method may be used for Procurement of Consultancy Services, where quality of consultancy is of prime concern.
- (ii)** In QCBS, initially the quality of technical proposals is scored as per criteria announced in the RFP. Only those responsive proposals that have achieved at least minimum specified qualifying score in quality of technical proposal are considered further.
- (iii)** After opening and scoring, the financial proposals of responsive technically qualified bidders, a final combined score is arrived at by giving predefined weightage for the score of technical proposal and financial proposal.
- (iv)** The RFP shall specify the minimum qualifying score for the quality of technical proposal and also the relative weight ages to be given to the quality and cost (determined for each case depending on the relative importance of quality vis-a-vis cost aspects in the assignment, e.g. 70:30, 60:40, 50:50 etc). The proposal with the highest weighted combined score (quality and cost) shall be selected.
- (v)** The weightage of the technical parameters i.e. non- financial parameters in no case should exceed 80 percent.

250. Least Cost System (LCS) : Least Cost System is appropriate for assignments of a standard or routine nature (such as audits and engineering design of non-complex works) of work, where well established methodologies, practices and standards exist.

Unlike QCBS, there is no weightage for technical score in the final evaluation and the responsive technically qualified proposal with the lowest evaluated cost shall be selected.

251. Single Source Selection/Consultancy by Nomination : The selection by direct negotiation/nomination, on the lines of Single Tender mode of procurement of goods, is considered appropriate only under exceptional circumstance such as :

- (i) tasks that represent a natural continuation of previous work carried out by the firm;
- (ii) in case of an emergency situation, situations arising after natural disasters, situations where timely completion of the assignment is of utmost importance;
- (iii) situations where execution of the assignment may involve use of proprietary techniques or only one consultant has requisite expertise;
- (iv) under some special circumstances, it may become necessary to select a particular consultant where adequate justification is available for such single-source selection in the context of the overall interest of the Department. Full justification for single source selection shall be recorded in the file and approval of the next higher authority obtained before resorting to such single-source selection;
- (v) it shall ensure fairness and equity, and shall have a procedure in place to ensure that the prices are reasonable and consistent with market rates for tasks of a similar nature; and the required consultancy services are not split into smaller sized procurement.

252. Contract Negotiations :

- (i) Negotiations are not an essential part of the selection process. In many cases, however, it is felt necessary to conduct negotiation with the selected consultant. Negotiations shall include discussions of the ToR, the methodology, staffing, Government / Department's inputs, and special conditions of the contract. These discussions shall not substantially alter the original ToR or the terms of the contract, lest the quality of the final product, its cost, and the relevance of the initial evaluation be affected. The final ToR and the agreed methodology shall be incorporated in "Description of Services," which shall form part of the contract.
- (ii) Financial negotiations shall only be carried out if due to negotiations as mentioned in sub rule (i) above, there is any change in scope of work which has any financial bearing on the final prices or if the costs/cost elements quoted are not found to be reasonable. In such negotiations, the selected firm may also be asked to justify and demonstrate that the prices proposed in the contract are not out of line with the rates being charged by the consultant for other similar assignments. However, in no case such financial negotiation shall result in increase in the financial cost as originally quoted by the consultant and on which basis the consultant has been called for the negotiations.

- (iii) In case of QCBS selection method, if the negotiations with the selected consultant fail, the procuring authority shall cancel the bidding procedure and re-invite the bids.
- (iv) In case of Least Cost Selection method, if the negotiation with the L1 bidder fails, then the Procuring Entity may invite the L2 bidder to execute the assignment at price of L1. If the negotiation with the L2 bidder fails, the Procuring Entity shall cancel the bidding procedure and re-invite the bids.

253. Monitoring the Contract :The Administrative Department engaging the Consultant shall be involved throughout in the conduct of consultancy preferably, by taking a task force approach and continuously monitoring the performance of the consultant (s) so that the output of the consultancy is in line with their objectives.

254. Public competition for Design of symbols/logos : Design competition shall be conducted in a transparent, fair and objective manner. Wide publicity shall be given to the competition so as to ensure that the information is accessible to all possible participants in the competition. This shall include publication on the website of the Administrative Department concerned. If the selection has been by a jury of experts nominated for the purpose, the composition of the jury may also be notified.

SECTION-II **OUTSOURCING OF SERVICES**

255. Non-Consulting Service :

- (i) “Non-Consulting Service means any subject matter of procurement (which as distinguished from “Consultancy Services”) involve physical, measurable, deliverables /outcomes where performance standards can be clearly identified and consistently applied, other than goods or works, except those incidental or consequential to the service.
- (ii) It includes routine jobs of Small Offices like cleaning and sweeping of the premises, watch and ward, horticulture work, housekeeping services, security services, Catering services for Hostels and Guest Houses, Cook-cum-Housekeeping for Small Guest House etc. which requires deployment of outside agencies on a sustained long term (for one year or more), which were being traditionally done by the in-house employees.
- (iii) The offices with larger built-up area may adopt Comprehensive Facilities Management Services focusing upon the efficient and effective delivery of all services i.e. Housekeeping and Sanitation service, Security Services, Operation and Maintenance of all Equipment, Horticulture and Plantation, Front Desk Management, Waste Management, Parking Management, Reporting and Complain Management etc. under one contract. Administrative Department/ Heads of the Department and other Government offices having minimum built up area of 40,000 sq. ft or more may opt for Comprehensive Facilities Management Services to bring economy and efficiency in provision of services.

256. Outsourcing of Non Consulting Services :

- (i) Authority competent to outsource services:** Administrative Departments and Heads of Departments may allow outsourcing certain services in the interest of economy and efficiency.
- (ii) Conditions precedent to outsourcing:** Outsourcing of services may be resorted to if adequate man-power is not available in the Organization for providing the required services. The services to be outsourced may include routine jobs like cleaning and sweeping of the premises, watch & ward, horticultural work, housekeeping services, maintenance of buildings, transport services, courier services, information and communication technology related services, highly professional and technical services etc. which is illustrative but not exhaustive. Other kinds of services may also be outsourced in case of the need for economy and efficiency in provision of services.
- (iii) Identification of the service to be outsourced:** The identification of the service to be outsourced is to be finalized by the Administrative Department and Head of Department in respect of its own Office or any attached or subordinate Office(s).
- (iv) Cost Estimate and Budget Provision:** The competent authority proposing to outsource a particular service should estimate the reasonable expenditure for the same by ascertaining the prevalent market conditions and consulting other Organizations/ Departments/ PSUs engaged in similar activities and ensure that available budget provision is adequate for the purpose and then proceed to outsource the service.

257. Powers to sanction expenditure and approve outsourcing of services : The Administrative Departments and Heads of Departments may approve outsourcing of services and sanction expenditure thereon subject to the power delegated under Delegation of Financial Power Rule, 1978 as amended from time to time. However, sanction of expenditure in this account shall be subject to availability of budget provision.

258. Identification of Potential Service Providers : The authority proposing to outsource a particular service shall prepare a list of likely and potential service providers on the basis of formal or informal enquiries from other Administrative Departments, Heads of Departments, Heads of offices and Organisations involved in similar activities, scrutiny of 'Yellow pages', and trade journals, web site etc, if available.

259. Preparation of Tender enquiry :

The authority proposing to outsource a particular service shall prepare a tender enquiry containing, inter alia:

- (i)** The details of the work or service to be performed by the service provider;
- (ii)** The facilities and the inputs/materials which will be provided to the service provider by the procuring authority;

- (iii) Eligibility and qualification criteria to be met by the service provider for performing the required work / service; and
- (iv) The statutory and contractual obligations to be complied with by the service provider.

260. Model Bidding Documents :

- (i) The Model Bidding Documents, for use by the Administrative Departments/Heads of the Departments/ Other Government Offices for (i) Outsourcing of other services for small offices and (ii) Comprehensive Facilities Management Services for Offices having larger built up Area of 40,000 sq.ft. or more, consist of a complete framework including instruction to Bidders, General Conditions of Contract, Technical Specification for model scope of the work (as indicative list of scopes) and evaluation of the proposals.
- (ii) The soft copies of the model bidding documents for the above services are available in the Finance Deptt. website at www.finance.odisha.gov.in/OGFR.asp.

261. Procurement of Non-Consulting Services from e-platform :

- (i) Administrative Departments, Heads of Department and other field offices may procure Non-Consulting Services from any authorized e-platform such as GeM, MSTC Ltd, State E-procurement portal etc. that is available on its platform.
- (ii) If the services are to be procured from e-platform, Reverse Auction (RA) and Analytics tools available on such platform shall be mandatorily used to ensure reasonableness of price.

262. Invitation of Bids :

- (i) For Procurement of Non-Consulting Services, up to **Rs 10,00,000/-**, the competent authority shall scrutinize the preliminary list of likely service providers as identified as per the provisions of **Rule-258**, decide the prima facie eligible and capable service providers and issue RFP as per Model Bidding Document to those shortlisted firms on a limited tender enquiry basis asking for their offers by a specified date and time as per standard practice. The number of the service providers so identified for issuing limited tender enquiry shall not be less than three.
- ii) For Procurement of Non-Consulting Services above Rs 10,00,000/-, the competent authority shall issue advertised single stage tender enquiry asking for the offers by a specified date and time. Advertisement in such a case shall be published in two largely circulated Newspapers (One English Daily and One Odia Daily) and in the website of the concerned Administrative Department. An organisation having its own website shall also publish all its advertised tender enquiry on its website.

263. Late Bids : Late bids i.e. bids received after the specified date and time of receipt shall not be considered.

264. Evaluation of Bids Received :

- (i) The Administrative Departments shall evaluate, segregate, rank the responsive bids and select the successful bidder for placement of the contract.
- (ii) Technical evaluation of the bids in case of outsourcing of services of routine jobs and small offices will be done to determine whether the bid complied to the prescribed eligibility condition and the requisite documents/information have been properly furnished by the bidder or not. Bidders qualified the technical evaluation stage will be considered for opening of the financial bids. The financial bids shall be evaluated on the basis of Least Cost Selection Method.
- (iii) The technical proposal of the bidders, in case of comprehensive Facilities Management Services, will be evaluated as per the prescribed technical score and the bidder who scores 70% or above will be technically qualified and shall be considered for financial evaluation. L1 offer among the technically qualified offers is selected on price criterion alone.
- (iv) The minimum rate of service charge shall be 3.85% (3% profit plus transaction charge). The procuring entity may also fix the service charge above 3.85% with proper justification, whenever required, provided that the service charge should not exceed 7% in any case.
- (v) The Committee constituted under Delegation of Financial Power Rule, 1978 will evaluate the responsive bids and select the successful bidder for placement of the contract. The tender inviting authority will award the contract to the bidder whose bid has been determined as the lowest and competitive evaluated bid price.

265. Procurement of Non-Consulting Services by nomination : In exceptional situations when it became necessary to procure a service from a particular service provider, adequate justification shall be available for such selection through nomination basis. In such case, prior approval of the next higher authority shall be obtained.

266. Negotiation and award of contract :

- (i) Negotiations are not an essential part of the selection process. In many cases, however, it is felt necessary to conduct negotiations with the selected service provider. Negotiations shall include discussions on staffing, Department's inputs, and special conditions of the contract. These discussions shall not substantially alter the original terms of the contract, lest the quality of service, its cost, and the relevance of the initial evaluation be affected.
- (ii) Financial negotiations shall only be carried out if due to negotiations as mentioned in sub rule (i) above, there is any change in scope of work which has any financial bearing on the final prices or of the costs/cost elements quoted are not found to be reasonable. In such negotiations, the selected firm may also

be asked to justify and demonstrate that the prices proposed in the contract are not out of line with the rates being charged for other similar assignments. However, in no case such financial negotiation should result into increase in the financial cost as originally quoted and on which basis the service provider has been called for the negotiations.

- (iii)** In case of Least Cost Selection method, if the negotiation with L1 bidder fails, then the Procuring authority may invite the L2 bidder to execute the assignment at the Price of L1. If the negotiation with the L2 bidder fails, the Procuring authority shall cancel the bidding process and re-invite the bids for the assignment.

267. Monitoring the Contract : The competent authority should be involved throughout in the conduct of the contract and continuously monitor the performance of the service provider.

CHAPTER-7

INVENTORY MANAGEMENT

268. Introductory :

- (i)** This chapter contains the basic rules applicable to all Departments in connection with Inventory Management.
- (ii)** They shall be applied in conjunction with the special rules, if any, applicable to particular Departments, e.g Works and Forest Department.
- (iii)** If needed, detailed instructions, procedures and formats may be formulated by a Department relating to its inventory management. However, while doing so, care should be taken that such actions are broadly in conformity with the basic rules contained in this chapter.
- (iv)** Works Department and certain other Departments of Government viz, Jails, Agriculture etc, obtain large amount of inventory for consumption, manufacture or otherwise. The Departmental officers entrusted with the care, use or consumption of these stores, are responsible for maintaining correct records and preparing correct returns in respect of the stores entrusted to them.
- (v)** Expenditure on inventory incurred in the Civil Departments is included under contingent expenditure (except where it is treated otherwise, e.g stores relating to works), and subject to what is provided in the following Rules, governed generally by the rules which apply to such expenditure.

269. All purchases of inventories for use in public services should be regulated in strict conformity with the provision contained in Chapter-6 on Procurement of goods and Services.

270. Receipt of goods and materials from private suppliers :

- (i)** While receiving goods and materials from a supplier in terms of a contract / purchase order, the officer-in-charge of stores should refer to the relevant contract / purchase order terms and follow the prescribed procedure for receiving the material.
- (ii)** All materials shall be counted, measured or weighed and subjected to visual inspection at the time of receipt to ensure that the quantities are correct, the quality is according to the required specifications and there is no damage or deficiency in the materials. Technical inspection where required should be carried out at this stage by Technical Inspector or Agency approved for the purpose. An appropriate receipt, in terms of the relevant contract provisions may also be given to the supplier on receiving the materials.
- (iii)** Details of the materials so received should thereafter be entered in the appropriate stock register, preferably in an IT-based System. The Officer-in-Charge of stores should certify that he/she has actually received the material and recorded in the appropriate stock register.

271. Receipt/issue of goods and materials from Field offices of the same Department/Organisation :

- (i)** The indenting officer requiring goods and materials from field offices of the same Department should project an indent in the prescribed form for this purpose. While receiving the supply against the indent, the indenting officer shall examine, count, measure or weigh the materials as the case may be, to ensure that the quantities are correct, the quality is in line with the required specifications and there is no damage or deficiency in the materials. An appropriate receipt shall also be given to this effect by the indenting officer to the concerned field offices sending the materials, if the materials are received centrally by the Department.
- (ii)** In the case of issue of materials from stock for departmental use, manufacture, sale, etc., the Officer-in-charge of the stores shall see that an appropriate indent, in the prescribed form has been projected by the indenting officer. A written/online acknowledgement of receipt of material issued shall be obtained from the indenting officer or his authorised representative at the time of issue of materials.
- (iii)** In case of materials issued to a contractor, the cost of which is recoverable from the contractor, all relevant particulars, including the recovery rates and the total value chargeable to the contractor should be acknowledged from the contractor duly signed and dated.
- (iv)** If the Officer-in-charge of the stores is unable to comply with the indent in full, he should make the supply to the extent available and make suitable entry to this effect in the indenter's copy of the indent. In case alternative materials are available in lieu of the indented materials, a suitable indication to this effect may be made in the document.

272. Custody of goods and materials : The officer-in-charge of stores having custody of goods and materials, especially valuable and/or combustible articles, shall take special care for arranging their safe custody, proper storage, accommodation, and for protecting them from loss, damage or deterioration including arrangements for maintaining required temperature, dust free environment etc.

273. (i) Lists and Accounts :

- (a)** The Officer-in-charge of stores shall maintain suitable item-wise lists and accounts and prepare accurate returns in respect of the goods and materials in his charge with a view to preventing losses through theft, accident, fraud or otherwise and to making it possible at any point of time to check the actual balances with the book balances.
- (b)** The form of the stock accounts mentioned above shall be determined with reference to the nature of the goods and materials, the frequency of the transactions, the special requirements of the concerned Departments etc.

- (c) The Departments concerned may have their own detailed rules, if so required, prescribed by the Government for maintenance of stock accounts of different classes of materials and for submission of periodical returns for review by higher authorities.
- (ii) Separate accounts shall be maintained for-
 - (a) Fixed Assets i.e plant, machinery, equipment, furniture, fixtures etc. - in **Form-OGFR-10**.
 - (b) Consumables such as office stationery, chemicals, maintenance spare parts etc.- in **Form-OGFR-11**.
 - (c) Library books – in **Form-OGFR-12**.
 - (d) Assets of historical/artistic value held by museum/Government Departments- in **Form-OGFR-13**. If necessary, these forms may be supplemented with additional details by the concerned Departments.
- (iii) Where a price inventory is maintained, it should be ensured that :
 - (a) The stores are priced with reasonable accuracy and rates initially fixed are reviewed from time to time, are co-related with market rates and revalued where necessary.
 - (b) Steps are taken for the adjustment of profit or loss due to revaluation, stock taking or other causes and that these are not indicative of any serious disregard of rules.

274. Hiring out of Fixed Assets :

- (i) When a fixed asset is hired to local bodies, contractors or others, proper record should be kept of the assets and the hire and other charges as determined under rules prescribed by the competent authority, should be recovered regularly. Calculation of the charges to be recovered from the local bodies, contractors and others as above should be based on historical cost.
- (ii) The Officer-in-charge of inventory shall be responsible to collect rent/hiring charges from the Local Bodies, Contractors or others as per the rate fixed by the Competent Authority.
- (iii) Any loss to the fixed assets during the period of hiring for mishandling shall be recovered from the tenant.

275. Physical verification :

- (i) **Physical verification of Fixed Assets :** The inventory for fixed assets shall generally be maintained at the site. Fixed assets should be physically verified at least once in a year by the Head of the Office or such other officer as may be specially authorized and the outcome of such verification should be recorded in the corresponding register. Discrepancies if any, found during such verification shall be promptly investigated and brought into account.

- (ii) Physical verification of Consumables :** Physical verification of all the consumable goods and materials should be undertaken at least once in a year and discrepancies, if any, observed during such verification should be recorded in the stock register for appropriate action by the competent authority.
- (iii) Physical verification of Library Books :**
- (a)** Complete physical verification of books should be done every year in case of libraries having not more than ten thousand volumes. For libraries having more than ten thousand volumes and up to twenty five thousand volumes, such verification should be done at least once in three years. Sample physical verification at intervals of not more than three years should be done in case of libraries having more than twenty five thousand volumes. In case such verification reveals unusual or unreasonable shortages, complete verification should be done.
 - (b)** Loss of five volumes per thousand volumes of books issued/ consulted in a year may be taken as reasonable provided such losses are not attributable to dis-honesty or negligence, However, loss of a book of a value exceeding Rs.1000/- (Rupees One thousand only) and rare books irrespective of value shall invariably be investigated and appropriate action shall be taken.
- (iv)** All physical verification of fixed assets, consumables and library books should be mandatorily undertaken within three months from the closure of the financial year.

276. (i) Procedure for verification :

- (a)** Every such verification (as mentioned above) shall always be made in the presence of the officer, who is responsible for the custody of the inventory being verified.
- (b)** A certificate of verification along with the findings shall be recorded in the IT enabled stock register duly signed by the officer verifying the inventory and the officer responsible for the custody of such inventory.
- (c)** Discrepancies, including shortages, damages and unserviceable goods, if any, identified during verification, shall immediately be brought to the notice of the competent authority for taking appropriate action in accordance with provisions incorporated under Chapter 2 – General System of Financial Management and Control.

(ii) Precaution to be taken for verification of stores:

- (a)** A physical verification of all stores should be made by the Head of Office concerned or such other officer as may be specially authorised by him/her on his/her behalf subject to the condition that the verification is not entrusted to a person-

- (1) who is custodian, the ledger-keeper or the accountant of the stores to be verified, or who is a nominee of, or is employed under, the custodian, the ledger-keeper or the accountant; or
 - (2) who is not conversant with the classification, nomenclature and technique of the particular classes of stores to be verified .
- (b) The verification should never be left to low-paid subordinates and in the case of large and important stores; it should be as far as possible entrusted to a responsible officer who is independent of the superior executive officer in charge of the stores.

277. Discrepancies found on verification of Stores :

- (i) Deficiency detected during verification of stores may be due to the following reasons:-
- (a) incorrect accounting,
 - (b) loss arising from fraud, theft or negligence, or
 - (c) an unavoidable cause, e.g., wastage, shrinkage and spilling in the case of stores which are subject to them.
- (ii) The Head of the office or institution concerned should fully investigate the causes of any deficiency and send a full report on it to the controlling authority along with the verification report. If he holds that any loss caused to the Government through a deficiency is due to misconduct or culpable negligence on the part of any Government servants concerned, he should add his recommendation as to how the loss should be made good by recoveries from them. The controlling authority should, after such examination and investigation as the importance of the case warrants, issue or obtain from the competent authority an order to write off the deficiency from the stock accounts. On receipt of this order the deficiency should be charged in the stock accounts, with a note quoting the authority. If any recovery is ordered, a note should be recorded in the stock accounts when each amount is actually recovered.
- (iii) Any excess detected during stocktaking should, after investigation, be entered in the stock accounts at once as a receipt with the remarks "excess found on stock verification." No special orders are necessary for this.

278. Transfer of charge of goods, materials etc. : In case of transfer of Officer-in-charge of the goods, materials etc., the transferred officer shall see that the goods or material are made over correctly to his successor. A statement giving all relevant details of the goods, materials etc., in question shall be prepared and signed with date by the relieving officer and the relieved officer. Each of these officers will retain a copy of the signed statement.

279. Buffer Stock : Depending on the frequency of requirement and quantity thereof as well as the pattern of supply of a consumable material, optimum buffer stock should be determined by the competent authority.

Note: As the inventory carrying cost is an expenditure that does not add value to the material being stocked, a material remaining in stock for over a year shall generally be considered surplus, unless adequate reasons to treat it otherwise exist. The items so declared surplus may be dealt as per the procedure laid down in the manual

280. Disposal of Goods /Stores :

- (i) (a) An item may be declared surplus or obsolete or unserviceable if the same is of no use to the Department. The reasons for declaring the item surplus or obsolete or unserviceable should be recorded by the authority competent to purchase the item.
- (b) The competent authority may, at his discretion, constitute a committee at appropriate level to declare item(s) as surplus or obsolete or unserviceable.
- (c) No loss, deficiency or depreciation in value of stores shall be written off and no store, furniture, fixture, tool, plant, machinery or vehicle condemned without previous sanction of the competent authority
- (d) The book value, guiding price and reserved price, which will be required while disposing of the surplus goods, should also be worked out. In case the book value is not available or has become insignificant, the reserve price may be worked out based market cost of new items after deduction of depreciation. A report of stores for disposal shall be prepared in the **Form-OGFR 14**.
- (e) In case an item becomes unserviceable due to negligence, fraud or mischief on the part of a Government servant, responsibility for the same should be fixed.
- (f) **Sale of Hazardous waste/Scrap Batteries/Electronic waste:** Scrap lots comprising of hazardous waste, batteries etc. shall be sold keeping in view the extant guidelines of Ministry of Environment & Forest. Prospective bidders of such lots of hazardous waste/scrap batteries/e-waste should be in possession of registration, valid on the date of Auction and on the date of delivery, as recycler/ pre-processor agency.
- (ii) Subject to special Rules or Government orders, if any, the authority competent to sanction purchase of stores, equipment, tools, plants, vehicles etc. may condemn and dispose of or cause to be disposed of obsolete surplus or unserviceable stores, equipment, tools, plant, machinery and vehicles by sale or otherwise. The order, in each case, shall stipulate the upset price and the date, venue and mode of disposal. Disposal of Government property through public auction shall be given wide publicity by notifying the particulars in the locality as well as out-stations.

- (iii) Where stores or other articles are transferred to a Government Department, costing there of shall be based on their book value.

(F.D.O.M. No Codes-75/79-9609-F., dated the 28th February, 1980)

281. Modes of Disposal :

- (i) Surplus, obsolete, unserviceable goods, scraps, unserviceable vehicles, obsolete materials including e-wastes of Government Offices having assessed residual value above Rs. 1,00,000/- shall be disposed of by:
- (a) obtaining bids through advertised tender, or
 - (b) public auction under wider publicity.
 - (c) Through e-platform such as Metal & Scrap Trading Corporation (MSTC) Ltd etc.
- (ii) In case the residual value less than Rs.1,00,000/-, the mode of disposal will be determined by the competent authority, keeping in view the necessity to avoid accumulation of such goods and consequential blockage of space and, also, deterioration in value of goods to be disposed of. Department should, as far as possible, prepare a list of such goods.
- (iii) Certain surplus or obsolete or unserviceable goods such as expired medicines, food grain, ammunition etc., which are hazardous or unfit for human consumption, should be disposed of or destroyed immediately by adopting suitable mode so as to avoid any health hazard and / or environmental pollution and also the possibility of misuse of such goods.
- (iv) Surplus or obsolete or unserviceable goods, equipment and documents, which involve security concerns (e.g. currency, negotiable instruments, receipt books, stamps, security press etc.) should be disposed of / destroyed in an appropriate manner to ensure compliance with rules relating to official secrets as well as financial prudence.

282. Disposal through Advertised Tender:

- (i) The broad steps to be adopted for this purpose are as follows:
- (a) Preparation of bidding Documents
 - (b) Invitation of tender for the surplus goods to be sold
 - (c) Opening of bids
 - (d) Analysis and evaluation of bids received.
 - (e) Selection of highest responsive bidder.
 - (f) Collection of sale value from the selected bidder.
 - (g) Issue of sale release order to the selected bidder.
 - (h) Release of the sold surplus goods to the selected bidder.
 - (i) Return of bid security to the unsuccessful bidders.
- (ii) The important aspects to be kept in view while disposing the goods through advertised tender are as under :-

- (a)** The basic principle for sale of such goods through advertised tender is ensuring transparency, competition, fairness and elimination of discretion. Wide publicity of the sale plan and the goods to be sold is to be given including a suitable advertisement in a widely read local newspaper.
- (b)** Ordinarily, the minimum time to be allowed for submission of bids should be three weeks from the date of publication of the notice or availability of bidding documents for sale. However, in case of urgency or disposal of perishable items, the prescribed time limit may be relaxed after approval of the next higher authority and in case of the Administrative Department, concurrence of Finance Department.
- (c)** All the required terms and conditions of sale are to be incorporated in the tender document comprehensively in plain and user-friendly language. Applicability of taxes, as relevant, should be clearly stated in the bidding document.
- (d)** The bidding document should also indicate the location and present condition of goods to be sold so that the interested bidders can inspect the goods before sending their bids.
- (e)** The bidders should be asked to furnish bid security (EMD) along with their bids. The amount of bid security should ordinarily be five per cent of the reserved price of the goods. The exact amount of the bid security should be indicated in the bid document. The EMD shall be forfeited if the tenderer unilaterally withdraws, amends, impairs or derogates from his offer in any respect within the period of validity of his offer.
- (f)** The bid of the highest acceptable responsive bidder should normally be accepted. However, if the price offered by that bidder is not acceptable, negotiation may be held only with that bidder. In case such negotiation does not provide the desired result, the reasonable or acceptable price may be counter offered to the next highest responsive bidder(s).
- (g)** In case the total quantity to be disposed of cannot be taken up by the highest acceptable bidder, the remaining quantity may be offered to the next higher bidders at the price offered by the highest acceptable bidder.
- (h)** Full payment, i.e. the residual amount after adjusting the earnest money should be obtained from the successful bidder before releasing the goods.
- (i)** In case the selected bidder does not show interest in lifting the goods, its earnest money should be forfeited and other actions initiated including resale of the goods in question at the risk and cost of the defaulter, after obtaining legal advice.
- (j)** If the tenderer's offer is not accepted, the tenderer's EMD shall be refunded to him. No interest shall be payable on such refunds. The EMD deposited by the successful tenderer shall remain with the disposing Department till payment of the Security Deposit (SD) Money has been made. It may be adjusted as part of the total SD money as the discretion of disposing Department.

- (K) The acceptance letter / sale order would be issued to the successful bidder notifying the amounts and scheduled of submission of SD and Balance Sale Value (BSV).
- (l) Successful tenders shall submit a SD @ 25 percent of the total sale value of contract within seven calendar days of the issue of acceptance letter / sale order.
- (m) The successful bidder may be allowed 15 calendar days for payment of BSV.
- (iii) Late bids i.e. bids received after the specified date and time of receipt of bid should not be considered.

283. Disposal through Auction :

- (i) Department may undertake auction of goods to be disposed of either directly or through approved auctioneers.
- (ii) The basic principles to be followed here are similar to those applicable for disposal through advertised tender so as to ensure transparency, competition, fairness and elimination of discretion.
- (iii) The auction plan including details of the goods to be auctioned and their location, applicable terms and conditions of the sale etc. should be given wide publicity in the same manner as is done in case of advertised tender.
- (iv) The Department organizing the auction may decide to take non-returnable "entry fee" from the prospective buyers before they are allowed to enter the auction site. The amount of entry fee should be Rs.500/- or 10% of the up-set price whichever is lower. A mention to this effect is also to be made while publicizing the auction.
- (v) While starting the auction process, the condition and location of the goods to be auctioned, applicable terms and conditions of sale etc., (as already indicated earlier while giving wide publicity for the same), should be announced again for the benefit of the assembled bidders.
- (vi) During the auction process, acceptance or rejection of a bid should be announced immediately on the stroke of the hammer. If a bid is accepted, earnest money (not less than twenty-five per cent. of the bid value) should immediately be taken on the spot from the successful bidder in shape of Bank Draft/Banker's Cheque, drawn in favour of the Department selling the goods. The goods should be handed over to the successful buyer only after receiving the balance payment.
- (vii) The composition of the auction committee will be decided by the competent authority. The committee should, however, include FAs/AFs/Account Officer of the Department.

284. Disposal at scrap value or by other modes : If a Department is unable to sell any surplus item in spite of its attempts through advertised tender or auction, it may dispose of the same at its (i.e. the item's) scrap value with the approval of the competent authority in consultation with the Financial Adviser / Asst. Financial Adviser. In case the Department is unable to sell the item even at its scrap value, the Department may adopt

any other mode of disposal including destruction of the item in an eco-friendly manner, with the approval of the competent authority.

285. A sale account should be prepared for goods disposed of, duly signed by the officer(s) who supervised the sale or auction. A sample format for the same is provided in **Form-OGFR - 15**.

286. Recording of losses:

(i) All profit or losses due to revaluation, stocktaking or other causes should be duly recorded and adjusted where necessary. Formal sanction of competent authority should be obtained in respect of losses even though no formal correction or adjustment in the accounts is involved.

(ii) Losses due to depreciation:

Losses due to depreciation should be analysed and recorded under the following heads :

- (a)** Normal fluctuation of market prices;
- (b)** Fair wear and tear;
- (c)** Lack of foresight in regulating purchases;
- (d)** Neglect after purchase;

(iii) Losses not due to depreciation:

Losses not due to depreciation should be grouped under the following heads:

- (a)** losses due to theft or fraud;
- (b)** losses due to neglect;
- (c)** Anticipated losses on account of surpluses of obsolescence of stores or of purchases in excess of requirements;
- (d)** Other losses due to damage;
- (e)** Losses due to extraordinary situation under "Force Majeure" conditions like fire, flood & enemy action etc;

287. Audit of Stores and Stock Accounts : Audit of the accounts of stores and stock is undertaken by the Comptroller and Auditor-General, India. The detailed guideline issued by C&AG, India is embodied in **Appendix-IV**.

CHAPTER-8

CONTRACT MANAGEMENT

288. (i) All contracts shall be made by an authority empowered to do so by or under the orders of the Governor in terms of Article 299 (1) of the Constitution of India.

(ii) All the contracts and assurances of property made in the exercise of the executive power of the State shall be executed on behalf of the Governor. The words “for and on behalf of the Governor of Odisha” should follow the designation appended below the signature of the officer authorized in this behalf.

(iii) The various classes of contracts and assurances of property, which may be executed by different authorities, are specified in the Notifications issued by the Law Department from time-to-time.

289. (i) No contract on behalf of an organization of the State Government should be entered into by any authority which has not been empowered to do so under the orders of the State Government.

(ii) The general procedure prescribed with regard to contracts, such as, calling for and or acceptances of tenders, etc. are laid down in the appropriate departmental regulations.

(iii) The powers of various authorities, the conditions under which such powers should be exercised and the general procedure prescribed with regard to various classes of contracts and assurances of property are laid down in **Appendix-V**.

290. General principles for contract : The following general principles should be observed while entering into contracts:

(i) The terms of contract must be precise, definite and without any ambiguities. The terms should not involve an uncertain or indefinite liability, except in the case of a cost plus contract or where there is a price variation clause in the contract. In other words, no contract involving an uncertain or indefinite liability or any condition of an unusual character should be entered into without the previous consent of Finance Department.

(ii) Standard forms of contracts should be invariably adopted. Wherever possible modifications are considered necessary in respect of individual contracts, the modifications should be carried out only after obtaining financial and legal advice and approval of competent authorities.

(iii) In cases where standard forms of contracts are not used, legal and financial advice should be taken in drafting the clauses in the contract and approval of competent authorities as stated at (ii) above is to be obtained.

- (iv)** **(a)** Authorities competent to make purchases may at its discretion, make purchases of value up to Rs 1,50,000/- by issuing purchase orders containing basic terms and conditions.
- (b)** In respect of works contract or contracts for purchases of goods/services valued between Rs 1,50,000/- to Rs 5,00,000/-, where tender documents include the General Conditions of Contract (GCC), Special Conditions of Contract (SCC) and scope of work, the letter of acceptance will result in a binding contract.
- (c)** In respect of contracts for works or contracts for purchases of goods/services with estimated value of Rs 5,00,000/- or above, a Contract document should be executed, with all necessary clauses to make it a self-contained contract. If however, these are preceded by Invitation to Tender, accompanied by GCC and SCC, with full details of scope and specifications, a simple one page contract can be entered into by attaching copies of the GCC and SCC, and details of scope and specifications, Offer of the Tenderer and Letter of Acceptance.
- (d)** Contract document should be invariably executed in cases of turnkey works or agreements for repair/ maintenance of equipment, provision of services etc.
- (v)** No work of any kind should be commenced without proper execution of an agreement as given in the foregoing provisions.
- (vi)** Contract document, where necessary, should be executed within 21 days of the issue of letter of acceptance. Non-fulfilment of this condition of executing a contract by the Contractor or Supplier would constitute sufficient ground for annulment of the award and forfeiture of Earnest Money Deposit.
- (vii)** Cost plus contracts should ordinarily be avoided. Where such contracts become unavoidable, full justification should be recorded before entering into the contract. Where supplies or special work covered by such cost plus contracts have to continue over a long duration, efforts should be made to convert future contracts on a firm price basis after allowing a reasonable period to the suppliers/contractors to stabilize their production/execution methods and processes. Government approval should be obtained in such cases.

Explanation : A cost plus contract means a contract in which the price payable for supplies or services under the contract is determined on the basis of actual cost of production of the supplies or services concerned plus profit either at a fixed rate per unit or at a fixed percentage on the actual cost of production.

- (viii) (a)** Price Variation Clause can be provided only in long-term contracts, where the delivery period extends beyond 18 months. In short-term contracts firm and fixed prices should be provided. Where a price variation clause is provided, the price agreed upon should specify the base level viz, the month and year to which the price is linked, to enable variations being calculated with reference to the price levels prevailing in that month and year.
- (b)** A formula for calculation of the price variations that have taken place between the Base level and the Scheduled Delivery Date should be included in this clause. The variations are calculated by using indices published periodically by Governments/Chambers of Commerce. An illustrative formula has been appended to these rules at **Appendix-VI** for guidance.
- (c)** The Price variation clause should also specify cut off dates for material and labour, as these inputs taper off well before the scheduled delivery dates.
- (d)** The price variation clause should provide for a ceiling on price variations, particularly where escalations are involved. It could be a percentage per annum or an overall ceiling or both. The buyer should ensure a provision in the contract for benefit of any reduction in the price in terms of the price variation clause being passed on to him.
- (e)** The clause should also stipulate a minimum percentage of variation of the contract price above which price variations will be admissible (e.g. where resultant increase is lower than two per cent, no price adjustment will be made in favour of the supplier).
- (f)** Where advance or stage payments are made there should be a further stipulation that no price variations will be admissible on such portions of the price, after the dates of such payment.
- (g)** Where deliveries are accepted beyond the scheduled Delivery Date, subject to levy of liquidated damages as provided in the Contract, the liquidated damages (if a percentage of the price) will be applicable on the price as varied by the operation of the price variation clause.
- (h)** No price variation will be admissible beyond the original scheduled delivery date for defaults on the part of the supplier/contractor.
- (i)** Price variation may be allowed beyond the original scheduled delivery date, by specific alteration of that date through an amendment to the contract in cases of Force Majeure events or defaults attributable to the Government/employer.
- (j)** Where contracts are for supply of machinery, equipment, goods etc. imported (subject to customs duty and foreign exchange fluctuations) and/or locally manufactured (subject to GST and other duties and taxes), the percentage and element of duties and taxes included in the price should be specifically stated, along with the selling rate of foreign

exchange element taken into account in the calculation of the price of the imported item may be included in the contract.

- (k)** The mode of calculation of variations in duties and taxes and foreign exchange rates and the documents to be produced in support of claims for such variations, should also be stipulated in the contract.
- (l)** The clause should also contain the mode and terms of payment of the price variation admissible.
- (ix)** Contracts should include provision for payment of all applicable taxes/statutory dues/cess by the contractor or supplier.
- (x)** “Lump sum” contracts should not be entered into except in cases of absolute necessity. Where lump sum contracts become unavoidable, full justification should be recorded. The contracting authority should ensure that conditions in the lump sum contract adequately safeguard and protect the interests of the Government/employer.
- (xi)** Departmental issue of materials should be avoided as far as possible. Where it is decided to supply materials departmentally, a schedule of quantities with the issue rates of such material as are required to execute the contract work, should form an essential part of the contract.
- (xii)** **(a)** In contracts where government property is entrusted to a contractor either for use on payment of hire charges or for doing further work on such property, specific provision for safeguarding government property (including insurance cover) and for recovery of hire charges regularly, should be included in the contracts.

(b) Provision should be made in the contract for periodical physical verification of the number and the physical condition of the items at the contractors premises. Results of such verification should be recorded and appropriate penal action taken where necessary.
- (xiii)** **(a)** The terms of a contract, including the scope, deliverables and specification once entered into, should not be materially varied.

(b) Wherever material variation/service variation in any of the terms or conditions in a contract becomes unavoidable, the financial and other effects involved should be examined and recorded and specific approval of the authority competent to approve the revised financial and other commitments obtained, before varying the conditions.

(c) All such changes should be in the form of an amendment to the contract duly signed by all parties to the contract.

(d) No payments to contractors/suppliers should be made by way of compensation or otherwise outside the strict terms of the contract or in excess of the contract rates.
- (xiv)** Normally no extensions of the scheduled delivery or completion dates should be granted except where events constituting force majeure, as provided in the contract, have occurred or the terms and conditions include such a provision for other reasons. Extensions as provided in the contract may be allowed

through formal amendments to the contract duly signed by parties to the contract to the approval of the next higher authority.

- (xv) All contracts shall contain a provision for recovery of liquidated damages for defaults on the part of the contractor. Only in exceptional circumstances to be justified by the procuring entity in writing, an exemption from such provision can be made.
- (xvi) A warranty clause should be incorporated in every contract, requiring the supplier to, without charge, repair or rectify defective goods or to replace such goods with similar goods free from defect. Any goods repaired or replaced by the supplier shall be delivered at the buyers premises without costs to the buyer.
- (xvii) All contracts for supply of goods should reserve the right of Government to reject goods which do not conform to the specifications with reasons to be recorded for such rejection.
- (xviii) When a contract is likely to endure for a period of more than five years it should, wherever feasible, include a provision for an unconditional power of revocation or cancellation by Government at any time on the expiry of six months' notice to that effect.
- (xix) No claims for the payment from contractor shall be entertained after lapse of three years of arising of the claim.

291. Management of Contracts :

- (i) Implementation of the contract should be strictly monitored and notices issued promptly whenever a breach of provisions occurs. The procurement entity shall constitute a Contract Monitoring Committee (CMC) to monitor the progress of the contract. The CMC shall be responsible for monitoring the progress of the assignment, to oversee that the assignment is carried out as per the contract, to assess the quality of the deliverables, to accept/reject any part of assignment, to levy appropriate liquidated damages or penalty, if the assignment is not carried out as per the contract and if the quality of services is found inferior and for any such deficiency related to the completion of the contract.
- (ii) Proper procedure for safe custody and monitoring of Bank Guarantees or other Instruments should be laid down. Monitoring should include a monthly review of all Bank Guarantees or other instruments expiring after three months, along with a review of the progress of supply or work. Extensions of Bank Guarantees or other instruments, where warranted, should be sought immediately.
- (iii) Wherever disputes arise during implementation of a contract, legal advice should be sought before initiating action to refer the dispute to conciliation and/or arbitration as provided in the contract or to file a suit where the contract does not include an arbitration clause. The draft of the plaint for arbitration should be got vetted by obtaining legal and financial advice. Documents to be filed in the matter of resolution of dispute, if any, should be carefully scrutinized before filing to safeguard Government interest.

CHAPTER – 9

GRANTS-IN-AID AND LOANS

SECTION – I

GRANTS-IN-AID

292. Grants-in-aid are payments in the nature of assistance, donations or contributions made by one Government to another Government, body, institution or individual. Grants-in-aid are given for specified purpose for supporting an institution including creation of assets. Such grants-in-aid, given in cash or in kind, are used by the recipient agencies towards meeting their operating as well as capital expenditure requirement.

293. Grants-in-aid are given by the Union Government to State Governments and by the State Governments to the Local Bodies discharging functions of local government under the Constitution. This is based on the system of governance in India, which follows three-tier pattern with the Union Government at the apex, the States in the middle and the Local Bodies (LBs) consisting of the Panchayat Raj Institutions (PRIs) and the Urban Local Bodies (ULBs) at the grass root level. Accounts of these three levels of Government are separate and consequently the assets and liabilities of each level of Government are recorded separately. Grants-in-aid, released by the Union Government to the State Governments are paid out of the Consolidated Fund of India as per Article 275 and 282 of the Constitution. The Union Government releases grants-in-aid to the State / Union Territory Government under Central Sector Schemes and Centrally Sponsored Schemes. Sometimes, the Union Government disburses funds to the State Governments in the nature of Pass-through Grants that are to be passed on to the Local Bodies or the ultimate grantee. Funds are also released directly by the Union Government to District Rural Development Agencies (DRDAs) and other specialized agencies including Special Purpose Vehicles (SPVs) for carrying out rural development, rural employment, rural housing, other welfare schemes and other capital works schemes like construction of roads, etc. Similarly, the State Government also disburse Grants-in-aid to agencies, bodies and institutions such as universities, hospitals, co-operative institutions and others.

294. Article 243 of the Constitution endows the Panchayats and the Municipalities with such powers and authorities to enable them to function as institution of self-government in relating to the matters listed in the eleventh and the twelfth schedule respectively. The Constitution also authorizes the State Governments to provide for making such grants-in-aid to the Panchayats and the Municipalities as may be specified in the law.

295. Classification of Grantees: As a general principle, grants-in-aid can be given to a person or a public body or an institution having a distinct legal status of its own. Thus Grants-in-aid including scholarships may be sanctioned by an authority competent to do so under the Delegation of Financial Powers Rules, 1978 in favour of the following:-

- (i) Institutions or organizations set up as an Autonomous Organisation under a specific statute or as a society registered under the Societies Registration Act, 1860 or Indian Trusts Act, 1882 or other statutes.
- (ii) Voluntary organizations or Non-Government Organisations carrying out activities which promote the welfare schemes and programmes of the Government selected on the basis of well-defined criteria regarding financial and other resources, credibility and type of activities undertaken.
- (iii) Educational and other institutions.
- (iv) Urban and Rural local self-government institutions.
- (v) Co-operative societies;
- (vi) Societies or clubs set up by Government servants to promote amongst themselves social, cultural and sports activities as recreational avenues.

296. Enabling Provision :

- (i) Sanction of Grants-in-aid including scholarships is regulated by Departmental Rules and Orders.
- (ii) Grants-in-aid including stipend & scholarships may be sanctioned by an authority competent to do so under Delegation of Financial Powers Rules, 1978 as amended from time to time and Departmental instruction issued with concurrence of Finance Department.

297. Sanctioning Authority: The Administrative Department, directly concerned with the aim or activity of the Institution, should consider requests for grants-in-aid in consultation and with the concurrence of concerned Financial Adviser subject to availability of Budget Provision.

298. Principles and Procedure for award of Grants-in-aid:

- (i) The procedure regarding disbursement of grants-in-aid contribution, scholarships etc. at the treasury is contained in Subsidiary rules 350-354-A of the Odisha Treasury Code, volume I and order of Government issued from time to time.
- (ii) Grants-in-aid in cash shall be recognized in the books of the grantor at the time cash disbursements take place. Grants-in-aid in cash shall be recognized in the books of the grantee at the time cash receipts take place.
- (iii) Any Institution or Organisation seeking Grants-in-aid from State Government is required to submit an application in Form **OGFR-16** which includes all relevant information such as Articles of Association, bye-laws, audited statement of

accounts, sources and pattern of income and expenditure etc. enabling the sanctioning authority to assess the suitability of the Institution or Organisation seeking Grant. The application should clearly spell out the need for seeking Grants. The Institution or Organisation seeking Grants-in-aid should also certify that it has not obtained or applied for grants for the same purpose or activity from any other Ministry or Department of the Government of India or State Government.

- (iv)** In order to obviate duplication in Grants-in-aid, each Department should maintain the list of Institutions or Organisations along with details of amount and purpose of grants given to them on its web site.
- (v)** Award of grants should be considered only on the basis of viable and specific schemes drawn up in sufficient detail by the Institution or Organisation. The budget for such schemes should disclose, inter alia, the specific quantified and qualitative targets likely to be attained against the outlay.
- (vi)** Every order sanctioning a grant shall indicate whether it is recurring or non-recurring and designation of the countersigning authority, and specify clearly the object for which it is being given and the general and special conditions, if any, attached to the grant. In the case of non-recurring grants for specified object, the order shall also specify the time limit within which the grant or each instalment of it is to be spent.
- (vii)** Recurring Grant is defined as one which is released periodically to the same organisation for the same purpose. Non-Recurring Grant is one time release to an organisation for a special purpose (which could be released in instalments).
- (viii)** When recurring Grants-in-Aid are sanctioned to the same institutions for the same purpose, the unspent balance of the previous grants should be taken into account in sanctioning subsequent grant. The fact of exemption from submission of audited statement, if any, may also be indicated in the sanction order.
- (ix)** The sanctioning Authority while sanctioning Grants-in-Aid to Small Institutions, which are entirely or mainly financed by Government, and to Local Bodies shall specify the Counter Signing Authority, the Drawing and Disbursing Officer, the periodicity of drawal and disbursement, the time limit by which utilization certificate is to be submitted.
- (x)** **(a)** Before a grant is paid to any public body or institution, the sanctioning authority should, as far as possible, insist on obtaining an audited statement of the account of the body or institution concerned in order to see that the grants-in-aid is justified by the financial position of the grantee and to ensure that any previous grant was spent for the purpose for which it was intended. For this purpose, it will be sufficient, if the accounts are certified

as correct by a Practising Chartered Accountant or other recognized body of auditors instead of audit agencies of the State Government or the Accountant General (Audit). In the case of small institutions, which cannot afford to obtain the services of a Practising Chartered Accountant or other registered body of auditors, the sanctioning authority may exercise its discretion of exempting any such institution from submission of accounts audited in this manner.

- (b) The authority sanctioning a grant while communicating the sanction to the Accountant-General (A&E) should state whether the audited statement of accounts has been received when required or whether the grantee has been exempted from submitting the statement.
- (xi) Any new recurring grants-in-aid for salary would require the concurrence of Finance Department and consequent approval of State Cabinet.
- (xii) The grants-in-aid for Pani Panchayats, Aided Educational Institutions including Block Grants for the Universities and private Educational Institutions etc. would be governed by the relevant Acts/Rules/Regulations of the respective Administrative Departments.
- (xiii) The grants for promotion of various recreational activities, culture, arts, research activities etc. would be sanctioned by the Government in respective Administrative Departments within the budgetary allocation placed at their disposal for the purpose.
- (xiv) The Administrative Department instead of sanctioning recurring grant, wherever possible, may consider creating a corpus fund, the returns on investment of which, along with their internally generated resources should enable the Autonomous Organization to meet its revenue expenditure.
- (xv) A target date shall be prescribed for submission of audited statements of accounts by the grantee-institutions to the sanctioning authorities concerned and for submission of utilization certificate to the Accountant-General (A&E).

299. Conditions and stipulations for sanctioning Grants-in-Aid :

- (i) The sanctioning authority may prescribe conditions regarding quantum and periodicity for release of Grants-in-aid in instalments in consultation with the Financial Adviser of the Department. However, the release of the last instalment of the annual grant must be conditional upon the grantee institutions providing reasonable evidence of proper utilization of instalments released earlier.
- (ii) In order to avoid delay in sanction or release of grants in aid to the grantee Institutions, the Administrative Department should impress upon Institution or Organisation desiring grants from Government, to submit their requirement with supporting details by the end of October in the year preceding the year for which the grants-in-aid is sought. The Department should finalize their examination of

the requests with the utmost expedition and make necessary budget provision in consultation with the Finance Department where it is decided to sanction grants. The Institution or Organisation should be informed of the result of their requests by April of the succeeding year.

- (iii)** **(a)** All grantee Institutions or Organisations which receive more than fifty per cent of their recurring expenditure in the form of grants-in-aid, should ordinarily formulate terms and conditions of service of their employees which are, by and large, not higher than those applicable to similar categories of employees in State Government.

(b) Grantee Institutions or Organisations should be encouraged to take advantage of the pension or gratuity schemes or group insurance schemes or house building loans or vehicle loans schemes etc. available in the market for employees instead of undertaking liability on their own or Government account.
- (iv)** In making grants to non-government or quasi-government Institutions or Organisations, a condition should be laid down that assets acquired wholly or substantially out of Government grants, except those declared as obsolete and unserviceable or condemned in accordance with the procedure laid down in the Odisha General Financial Rules, shall not be disposed of without obtaining the prior approval of the authority which sanctioned the grants-in-aid for acquiring such assets.
- (v)** The sanctioning authority, while laying down the pattern of assistance, may decide whether the ownership of buildings constructed with grants-in-aid may vest with Government or the grantee Institution or Organisation. Where the ownership is vested in the Government, the grantee Institution or Organisation may be allowed to occupy the building as a lessee. In such cases suitable record of details of location, cost, name of lessee and terms and conditions of lease must be maintained in the records of the granting Department. In all cases of buildings constructed with grants-in-aid, responsibility of maintenance of such buildings should be laid on the grantee Institution or Organisation.
- (vi)** Before a Grant is released, the members of the executive committee of the grantee should be asked to execute bond in a prescribed format binding themselves jointly and severally to :

 - (a)** Abide by the conditions of the grants-in-aid by the target dates, if any, specified therein; and
 - (b)** not to divert the grants or entrust execution of the scheme or work concerned to another Institution(s) or Organization(s); and
 - (c)** abide by any other conditions specified in the agreement governing the grants-in-aid.

- (d) In the event of the grantee failing to comply with the conditions or committing breach of the conditions of the bond, the signatories to the bond shall be jointly and severally liable to refund to the Governor of Odisha, the whole or a part amount of the grant with interest at ten per cent per annum thereon or the sum specified under the bond. The stamp duty for this bond shall be borne by the Government.
- (vii) Execution of bond will not apply to Quasi-Government Institutions, State Autonomous Organisations and Institutions whose budget is approved by State Government. It will not applied to Universities and Non-Government Aided Colleges/Schools.
- (viii) The stipulation in regard to refund of the unutilised amount of grants-in-aid with interest thereon should be brought out clearly in the letter sanctioning the grants as well as in the bond so required to be executed.
- (ix) State Autonomous Organisations, which receive grants towards Programme Expenditure and Administrative expenditure, should account for expenditure under Capital and Revenue Account separately. All grants sanctioning authorities shall ensure that all the State Autonomous Organisations present their annual accounts in the standard format prescribed by Finance Department vide Letter **No 7042/F Dated 12.03.2013**.
- (x) The grant sanctioning authorities shall not only take into account the internally generated resources while regulating the award of grants but should consider laying down targets for internal resource generation by the grantee Institutions or Organisations every financial year, particularly where grants are given on a recurring basis.
- (xi) Grants-in-aid towards administrative expenditure may be sanctioned to **voluntary organizations** to ensure a certain minimum staff structure and qualified personnel to improve their effectiveness and expand their activities.
- (xii) The Grant-in-Aid shall be sanctioned as per the sample format prescribed in **Form OGFR-17** with necessary addition and alteration wherever needed in order that the sanction order captures all relevant information required for maintaining Grants-in-aid register in **Form-OGFR-18 /Form-OGFR-19** for incorporation of the same in the Finance Accounts subsequently.

300. Discretionary Grants : When under orders of competent authority, an allotment for discretionary grants is placed at the disposal of a particular Authority, the expenditure from such grants shall be regulated by general or special orders of the State Government, specifying the objects for which the grants can be made and any other condition(S) that shall apply to them. Such discretionary grants must be non-recurring and involve any future commitment.

Note- The general orders in respect of expenditure from discretionary grants are given in **Appendix VII** .

301. Other Grants : Grants, subventions, etc. other than those dealt with in the foregoing rules, shall be made only under special orders of Government.

302. Accounts of Grants-in-aid (In the books of the Grantor) :

- (i)** Grants-in-aid disbursed by a grantor to a grantee shall be classified and accounted for as revenue expenditure in the Financial Statements of the grantor irrespective of the purpose for which the funds disbursed as Grants-in-aid are to be spent by the grantee except in cases referred to in Sub Rule- (v).
- (ii)** Grants-in-aid, that are in the nature of Pass-Through Grants, from the Union Government to the State Governments, to be disbursed to ultimate grantee shall be classified and accounted for as revenue expenditure in the financial Statements of both the Union Government and State Governments irrespective of the purpose for which such grants are to be spent by the ultimate grantee except in cases referred to in Sub Rule -(v).
- (iii)** Grants-in-aid received by State Government shall be classified and accounted for as revenue receipts in its Financial Statements, irrespective of the purpose for which the funds received as grants-in-aid, are proposed to be utilized, except in cases referred to in Sub Rule -(v).
- (iv)** Grants-in-aid in kind shall be valued or disclosed as per the following :
 - (a)** Grants-in-aid in kind in the nature of consumables or of value as given by the grantor of less than Rupees One crore must be disclosed in appropriate quantitative terms.
 - (b)** Grants-in-aid in kind relating to natural calamities or emergent purpose must be disclosed in appropriate quantitative terms. The disclosure is in addition to the monetary value thereof.
 - (c)** In other cases, grants-in-aid in kind would be valued as per cost given by the grantor. In cases where the grantor is unable to indicate the cost, the market value of the grants-in-aid would be used.
 - (d)** Market value would be the value prevailing in the market and in the absence thereof the replacement cost of the same or similar assets of same age, condition and purpose.
- (v)** Expenditure on Grants-in-aid for the purpose of creating assets shall not, except in cases specifically authorized by the President, on the advice of the Comptroller and Auditor General of India, be debited to a capital head of account in the Financial Statements of the Government.

- (vi) Grants-in-aid are classified and accounted for as revenue expenditure in the Financial Statements of the grantor irrespective of its ultimate application by the grantee. This position holds true in those cases where Grants-in-aid are utilized by the grantee for the purpose of creation of assets. Receipts of grants-in-aid are also required to be treated as revenue receipts in the Financial Statements of grantee Government.
- (vii) Grants-in-aid are also received in kind by various grantees in the form of permanent assets like land. Normally, such grants-in-kind should be valued at current market price. However, in case of non-availability of market prices, cost incurred by grantor may be used as the basis of valuation.
- (viii) The Pass-Through Grants are normally given through an intermediate grantee for transfer to ultimate grantee. Such Grants-in-aid are also accounted for as revenue expenditure both in the books of grantor and the intermediate grantee.

303. Accounts of Grants-in-aid (In the books of Grantee Institutions) :

- (i) Institutions or Organisations receiving Grants should, irrespective of the amount involved, be required to maintain subsidiary accounts of the Government grant as indicated below and furnish to the Accountant General (A & E), Odisha a set of Audited Statement of accounts. This Audited statement of accounts should be required to be furnished after utilisation of the Grants in Aid or whenever called for.
 - (1) Sanctioning Authority:
 - (2) Sanction Order & Date:
 - (3) Amount Sanctioned :
 - (4) Purpose of the Grant :
 - (5) The time limit prescribed for utilization of sanction amount :
 - (6) Amount actually spent with broad breakup of the purpose :
 - (7) Details of the Utilization Certificate furnished :
(indicating the Authority to whom sent, the amount)
 - (8) Whether conditions prescribed in the sanctioned order have been complied with :

304. Maintenance of Register of Grants and submission of information for preparation of disclosure statement in accordance with IGAS-2 by the Departmental Officer :

- (i) A Register of Grants shall be maintained by the sanctioning authority/ countersigning authority in the format given in **Form-OGFR-18** where the grants-in-aid is drawn by the grantee.

- (ii) A Register of Grants-in-aid is to be maintained in **Form-OGFR-19** by the drawing officer where the grant is drawn by the Departmental authority.
- (iii) The following conditions should be observed in the matter of sanction of grants-in-aid which result in the creation or acquisition of permanent or semi-permanent assets:-
- (a) The grantee institutions should maintain a register in **Form-OGFR-20** of the permanent and semi-permanent assets acquired wholly or substantially out of Government grants. The register should be maintained by the grantee institutions separately in respect of each sanctioning authority and a copy thereof furnished to the sanctioning authority annually.
(F.D.O.M. No. Code-55/80-55088-F., - dated the 30th October 1980).
- (b) The sanctioning authorities should also maintain block accounts of permanent and semi-permanent assets acquired wholly or substantially out of Government grants in **Form-OGFR-21**. This record is of a permanent nature and should be posted from the annual return furnished by the grantee institutions.
- (c) The Register of Assets and the Register of Block Accounts maintained by the grantee institutions and the sanctioning authorities respectively should be open to scrutiny by audit.
- (d) An undertaking should be obtained by the sanctioning authorities from the grantee institutions to the effect that they (the institutions) agree to be governed by the conditions of the grants which result in the creation or acquisition of permanent or semi-permanent assets.
- (e) In respect of grants to non-Government or quasi-Government bodies or institutions the assets should not, without prior approval of Government be disposed off or encumbered or utilized for purpose other than those for which grants are sanctioned. This condition may be laid down in the orders sanctioning grants-in-aid.

Note - Assets for the above purpose should mean (a) immovable property and (b) movable property of a capital nature where the value exceeds Rs. 50,000.

305. Audit of Accounts :

- (i) The accounts of all grantee Institutions or Organisations shall be open to inspection by the sanctioning authority and audit, by the Accountant General(Audit) under the provision of Controller & Auditor Generals' (Duties, Powers & Conditions of Service) Act 1971, whenever the Institution or

Organisation is called upon to do so and a stipulation to this effect should invariably be incorporated in all orders sanctioning grants-in-aid.

- (ii) (a)** The accounts of the grantee Institution or Organisation shall be audited by the Accountant General(Audit) under Section 14 of the Comptroller and Auditor General of India (Duties, Powers and Conditions of Service) Act, 1971, if the grants or loans to the institution in a financial year are not less than Rupees twenty five lakhs and also not less than seventy-five percent of the total expenditure of the Institution. Where the accounts are so audited by the state Accountant General(Audit) in a financial year, he shall continue to audit the accounts for a further period of two years notwithstanding that the conditions outlined above are not fulfilled during those two years.
- (b)** In all other cases, the Institution or Organisation shall get its accounts audited by Chartered Accountants of its own choice.
- (c)** Where the Accountant General(Audit) is the sole auditor for a Local Body or Institution, auditing charges will be payable by the audited Institution in full unless specifically waived by Government.
- (iii) (a)** With regard to the accounts of all institutions the audit of which is conducted by the Examiners of Local Accounts, Odisha, either under the provisions of Local Fund Audit Act, 1948 or under any other law in force or under specific orders of Government, the Examiner, Local Accounts concerned will be the only competent agency responsible to issue audit certificate to the Accountant-General (Audit) irrespective of the extent of amounts of grants received by those institutions. Where the accounts are not audited by the Examiner, Local Accounts but by another Head of the Audit Organization under the State Government, the latter will be responsible to furnish the certificate.
- (b)** Before sanctioning grants-in-aid to private institutions of sum of Rs 1,00,000 or more, the sanctioning authority should ensure that proper arrangement is made for the audit of the accounts of the grantee by the Examiner, Local Accounts or the internal Audit Organization-in-charge, if any, as the case may be.
- (iv) Forwarding of statement of bodies and authorities receiving Grants-in-aid to the Accountant General (A&E) :**
- (a)** Administrative Departments and Heads of Departments which sanction grants to bodies or authorities, shall reconcile the cumulative release of Grants-in-Aid by the Department with the books of Accountant General (A & E) at the end of each quarter to avoid any overstatement or understatement of Grants-in-Aids in the accounts compiled by the Accountant General (A & E).

(b) Based on the information available in the register maintained by the sanctioning authority, counter signing authority and / or the drawing officer, as the case may be, a statement in the **Form OGFR-22**, as mandated in Indian Government Accounting Standard (IGAS-2), shall be submitted to Accountant General (A & E), Odisha in respect of grant-in-aid released during the previous financial year by 30th April of the succeeding financial year.

(c) The Administrative Departments and Heads of Departments, which sanction Grants-in-Aids or loans shall also furnish to the Accountant General (A&E) by end of July every year a statement of such bodies and authorities to which grants and / or loans aggregating Rs 25,00,000/- were released during the preceding year with the following information:

- i. Name of the Grantee;*
- ii. Amount of assistance released during preceding year;*
- iii. Purpose; and*
- iv. The total expenditure incurred by the body or authority, so far, out of the funds released during the year/previous year.*

306. Submission of Utilization Certificate (UC), Reports, Statements etc.:

(i) Submission of Utilization Certificate in respect of grants-in-aid to the Sanctioning authority and Accountant General is required only in respect of those grants-in-aid sanctioned for specific purpose wherein the sanction order specifically stipulates submission of such Utilization Certificate. In the absence of such specific stipulation for submission of Utilization Certificate, submission of Utilization Certificate is not necessary. Further, in respect of grants-in-aid sanctioned for general purpose no Utilization Certificate is necessary. Similarly, no Utilization Certificate is necessary in respect of the sanction of funds for the following items :-

- a)** Compensation and assignments sanctioned under the head of account “3604-Compensation and assignment” except for creation of capital assets and other non-salary grants for specific purpose;
- b)** Contribution to Fund and annual subscriptions to different organisations;
- c)** Relief and compensation on account of loss, atrocities etc;
- d)** Scholarship, Stipend and Reimbursement of expenditure;
- e)** Grants-in-aid salary drawn by the Drawing & Disbursing Officers declared for the Grantee Institutions (Aided Educational Institutions) as the salary of these employees is being directly credited to their Bank Accounts;
- f)** Central Grants not transferred to outside agencies.

However, every sanctioning authority must clearly mention in the sanction order the condition of Utilization Certificate required or not.

- (ii) Notwithstanding the stipulations indicated in Sub-Rule (i), the sanctioning authority may insist Utilization Certificate in respect of any types of grants-in-aid earlier sanctioned before releasing further fund to ensure proper accountability for the funds earlier released.
- (iii) (a) The Utilization Certificates should be furnished in **Form-OGFR-23** within a 'reasonable time' after the grant is released to the institutions. The Administrative Department should prescribe, in consultation with the Finance Department, target dates for the submission of the Utilization Certificates by the institution concerned to the Accountant General(A&E). The target date for submission of Utilization Certificate shall be as stipulated in the sub-para below. Subject to exceptional situations, the submission of Utilization Certificate shall be made on-line in IFMS Module or any other mode as prescribed by the State Government from time to time.
- (b) Since expenditure is incurred to achieve certain physical objectives, the Utilization Certificates must provide information on the physical progress of schemes for which grant has been utilized. It is, therefore, imperative that all institutions / organizations (including Public Sector Undertakings) receiving grants are to enclose a statement on the physical achievements made out of the grants sanctioned which should commensurate with the amount of funds received. Such a statement as per the proforma in the **Form-OGFR-24** shall be separately enclosed with all the Utilization Certificates and are to be countersigned by the Head of the Department as per the terms and conditions of the grants.
- (Finance Deptt. Memo No.Codes-40/2002-1035 (333)/F., dt.07.01.2003)**
- (iv) The due dates for submission of the Utilization Certificates should be specified in the sanction order as per subsequent Sub-Rules. The target date as specified should be rigidly enforced and extension should only be allowed in very exceptional circumstances in consultation with the Finance Department under intimation to the Accountant General(A&E). No further grants-in-aid should be sanctioned unless the sanctioning authority is satisfied about the proper utilization of the earlier grant sanctioned to an Institution, etc.
- (v) **State Government to submit utilization certificate when expenditure incurred through local bodies:** When Central grants are given to State Governments for expenditure to be incurred by them through local bodies or private institutions, the Utilization Certificates should be furnished by the State Government concerned which in turn may ask for the same from the grantee institutions/organisations.
- (vi) As a General principle the time line specified below for different types of grants shall invariably be followed.
- a) In case of recurring grants-in-aid released on half-yearly/quarterly basis, the instalment due in the financial year "t" till the end of 1st half year/2nd quarter shall be released on receipt of Utilization Certificate in respect of

the total amount of grants-in-aid released during the year preceding the previous financial year i.e. released during the financial year (t-2).

- b)** The instalments due in the 2nd half year /3rd quarter of the financial year (t) shall be released on receipt of Utilization Certificate for 50% of the grants-in-aid released in the previous financial year i.e. the financial year (t-1).
- c)** In case of recurring grants-in-aid towards salaries for educational institutions released on monthly/quarterly basis, the instalment(s) during the first two quarters of the financial year (t) shall be released on the basis of Utilization Certificate for the total amount of grant released during the year preceding the previous financial year i.e. during the financial year (t-2).
- d)** The instalments due in respect of recurring grants-in-aid towards salaries for educational institutions as indicated in the foregoing paragraph, for the third and fourth quarter of the financial year (t) shall be released on receipt of Utilization Certificate for 50% of the grant released during the previous financial year i.e. released during financial year (t-1).
- e)** The above arrangement as indicated in (a) to (d) would provide a “reasonable time” of one year from the date of issue of the sanction order, for submission of full Utilization Certificate in respect of recurring grants. However, the dates for submission of Utilization Certificate in respect of grants released during the year (t-2) and 50% of the grants released during the year (t-1) to Administrative Department and transmission of the same to the Accountant General (A&E) Odisha would be 1st December and 31st December of the year (t) respectively.
- f)** In respect of non-recurring Central Grants routed through the State Budget and utilized through the Departmental Officers or through autonomous agencies, the Utilization Certificate shall be submitted to Government of India within twelve months of the closure of the financial year in which the grant was released i.e. the U.C. to be submitted in the year ‘t’ in respect of the grant released during the year ‘(t-1)’. In case of recurring grants, any release in excess of 75% of the amount sanctioned in the subsequent financial year (t) would be made by the concerned Department, only after receipt of Utilization Certificate and annual audited statement in respect of grants released in the preceding year (t-1). In order to secure 100% of the central grants allocated for the financial year (t), the Utilization Certificate for the grants received during the year (t-1) should be submitted by the end of the 3rd quarter of the year (t).
- g)** If up to date Utilization Certificate in respect of total amount of grants released till the year (t-2) and 50% of the grants released during the year (t-1) has not been obtained and furnished before 31st December of the

year (t) by the Administrative Department to the Accountant General (A&E), the salary, for the month of January payable on 31st January, of the concerned Officials responsible for submission of UC, shall not be released until the Utilization Certificate is submitted to the concerned authorities.

h) The Financial Advisers and Assistant Financial Advisers of the Administrative Departments are required to ensure submission of Utilization Certificate in the above manner before sanction of grants during the 1st half of the financial year (t) **and issue necessary instructions to the Treasury / Sub-Treasury Officers concerned not to allow drawal of salary bills of the Officials responsible for obtaining Utilization Certificate from the Grantee Institutions as indicated in Para (g) above.**

i) The time limit for submission of Utilisation Certificate in respect of non-recurring and recurring grants-in-aid is summarized below:

(A) recurring grants-in-aid released on half yearly / quarterly basis	Due date by which the Administrative Department / Controlling Officer are to reconcile with the records maintained at their end and communicate acceptance or correction proposal to the Accountant General (A &E).
(i) Till the end of 1 st Half of the year/2 nd quarter of the year 2019-20	(i) Full Utilization Certificate for the total grants-in-aid sanctioned during the year '(t-2)' i.e. 2017-18 (time gap 18 months counted up to 30 th September, 2019)
(ii) For the release of instalment dues in the 2 nd Half Year / 3 rd quarter of the year 2019-20	(ii) 50% of Utilisation Certificate for the Grants-in-aid sanctioned during the year (t-1) i.e. 2018-19 (time gap 12 months on the average)
(B) recurring grants-in-aid towards salaries for educational institution released on monthly/ quarterly basis	Particulars of utilization certificate which should be insisted for release of grants-in-aid
(i) The instalment due in the 1 st two quarters of the financial year 2019-20 i.e. the year 't'	(i) The Utilization Certificate for the total amount of Grants-in-Aid released during the year 2017-18 i.e. for the financial year (t-2) (time gap 18 months counted up to 30 th September, 2019)
(ii) The instalment due for the 3 rd and 4 th quarter of the financial year 2019-20 i.e. the year 't'	(ii) The Utilization Certificate for 50% of the Grants-in-Aid released during 2018-19 i.e. the financial year (t-1) (time gap 12 months on the average)
(C) release of central grant	Particulars of the utilisation certificate which should be submitted for release of central grant mentioned in col-1
(i) Non-recurring central grant to released during 2019-20 through state budget and utilized through the Departmental Officers / Autonomous Bodies	(i) Full utilization of central assistance received during the year 2018-19 i.e. (t-1) is to be insisted for release of central assistance during 2019-20. (time gap 12 months)
(ii) Recurring central grant (a) Release during 2019-20 in excess of 75% of the central assistance sanctioned for the year 2019-20	(a) Full utilization certificate with audited statement, "wherever required" for the year 2018-19 is to be insisted before release of central assistance in excess of 75% as indicated in Col-1 (time gap 12 months)
(b) Release during the year 2019-20 of 100% central grant allocated for the year 2019-20	(b) Full utilization certificate with annual audited statement for the year 2018-19 is required to be submitted in the 3 rd quarter of the year 2019-20 (time gap 9 months)

307. Submission of Audited Statement of Expenditure: The circumstances and the procedure for submission of audited statement of expenditure outlined under **Rule 335** (relating to loans and advances) shall mutatis mutandis be applicable in case of Grants-in-aid, where ever such audited statement of expenditure is required to be submitted.

SECTION - II

I. Loans

308. Loans and advances made by the State Government are broadly categorized in two Heads:-

A. Loans and advances bearing interest :

These comprise -

- (i)** Loans to Local Bodies, Development Authorities, Government Companies, Corporations, Autonomous Bodies, Co-operative Institutions, Statutory Corporations, Quasi-Public Bodies, other Non-Government or Private Institutions, miscellaneous loans and advances etc.
- (ii)** Recoverable Long Term advances to Government Servants for House Building, Purchase of Conveyances and Computers etc.

B. Interest-free advances -

Interest free Advances comprise mostly miscellaneous advances to Government servants for various public purposes.

309. The Rules in this Chapter shall be observed generally by all Departments, in making loans and advances, unless there is any special rule or order of Government to the contrary.

310. Powers and Procedure for sanction of loans :

- (i)** The power of Administrative Departments and Heads of Department as well as other subordinate authorities to sanction loans are contained in Delegation of Financial Powers Rules, 1978 as amended from time to time.
- (ii)** Credit & Investment Branch in Finance Department shall be the Nodal Branch to finalize terms & conditions of loan provided by State Government.

311. (i) All sanctions of loans issued by Administrative Departments or Heads of Departments in exercise of their powers under Rule 11 of the Delegation of Financial Powers Rules, 1978, shall include a certificate to the effect that the loan has been sanctioned in accordance with the rules or principles prescribed by Finance Department and carries prior approval of Finance Department.

- (ii)** The rate of interest on the loan and the period of repayment thereof shall be fixed by the Administrative Department with the approval of the Finance Department.

312. (i) All sanctions to loans shall be subject to proviso (b) to Rule 11 of the Delegation of Financial Powers Rules, 1978, and shall specify the terms and conditions relating to them including the terms and conditions of their repayment and payment of interest.

(ii) Borrowers shall be required to adhere strictly to the terms settled for the loans made to them. Modifications of these terms in their favour can be made subsequently only for very special reasons with specific prior concurrence of Finance Department.

(iii) A “loan in perpetuity” needs only to be serviced by way of payment of interest wherever so enjoined.

(iv) The debt assumption due to invocation of guarantee shall be treated as disbursement of loan unless otherwise so specified.

(v) The loans converted into equity shall be treated as conversion and shall lead to a reduction in the outstanding loan amount.

(vi) Historical cost measurement shall be the basis for accounting & reporting on loans and advances made by Government. Subsequent to initial valuation, Loans and advances will be reflected in the Financial Statements at carrying amount.

(vii) Provision shall be made in the budget for all loans and advances which can be foreseen. Controlling Officers should make timely estimates both of the gross advances and recoveries for the coming year and include them in their annual estimates for submission to the proper authorities concerned.

313. General conditions for regulating all loans :

(i) All loans shall be regulated by the following general conditions:-

(a) A specific term shall be fixed which shall be as short as possible, within which each loan has to be fully repaid with interest due. The terms may, in very special cases, extend to thirty years.

(b) The term is to be calculated from the date on which the loan is completely drawn or declared by competent authority to be closed.

(c) The repayment of loans shall be effected by instalments, which shall ordinarily be fixed on annual basis, and with due dates of payment being specially prescribed.

(d) When the due date of repayment of any instalment of principal or interest falls on a Sunday or a public holiday, the payment made on the next working day following the Sunday or the public holiday, shall be regarded as payment on the due date and no interest shall be charged for the day or days by which the recovery is so postponed.

Exception: If an instalment of principal or interest is payable on the 31st March of a year, and if that day happens to be a public holiday the recoveries shall be made on the immediately preceding working day. In case, the due date for the repayment of a loan or payment of interest falls on a holiday observed by the

Reserve Bank of India, at which the effective credit of the same is to take place this shall be shifted to the next working day, except when the due date is 31st March.

- (ii) Before sanctioning a loan to private Institutions the lending Department shall examine the financial health and managerial ability of such institutes.
- (iii) Before considering a loan application from parties, the following requirements should be fulfilled:-
 - (a) There is adequate budget provision;
 - (b) Sanction of loan is in accordance with approved Government policy and accepted patterns of assistance.
- (iv) Before approving the loan, the applicant shall be asked to furnish the following materials and information:-
 - (a) Copies of profit and loss (or income and expenditure) accounts and balance sheets for the last 3 years;
 - (b) The main sources of income and how the loan is proposed to be repaid within the stipulated period;
 - (c) The security proposed to be offered for the loan together with a valuation of the security offered by an independent authority and a certificate to the effect that the asset offered as security has not been already encumbered.
 - (d) Details of loan or loans taken from the Central Government or a State Government in the past, indicating amount, purpose, rate of interest, stipulated period of repayment, date of original loan and amount outstanding against the loan(s) on the date of the application and the assets, if any, given as security;
 - (e) A complete list of all other loans, outstanding on the date of application and the assets given as security against them;
 - (f) The purpose for which the loan is proposed to be utilized and the economics of the scheme.
- (v) There may be cases in which the State Government may sanction loan in favour of a State PSU or Autonomous Agency to on-lend the funding on the same terms and conditions to other agencies for execution of its plans and programmes. In such cases, there would be two sets of Loan Agreements i.e. one Loan Agreement between the Government of Odisha and the State PSUs or Autonomous Agency receiving the loan and another Subsidiary Loan Agreement (SLA) between the State PSUs or Autonomous Agency receiving the loan and the Agency to which the funds are on lent for execution of the projects/schemes. The Loan Agreement may be made as per the provisions of **Rule-314** and the Subsidiary Loan Agreement should always be in conformity with the provisions of the Loan Agreement and approved by the State Government.

314. Agreement and other documentation :

- (i) The loan shall be sanctioned in standard format prescribed in **Form OGFR-25**.
- (ii) In the case of loans to parties other than wholly owned Government Companies/Corporations, a loan agreement specifying all the terms and conditions shall be executed. A clause shall invariably be inserted in all such agreements enabling Government at any time to call for accounts of the applicant relating to any accounting year with power to depute an officer specially authorized for this purpose to inspect the applicant's books, if necessary. Similarly, there should be another clause specifying therein that it will also be open for the State Government to cause audit of the books of accounts of such loanee entities in respect of the loan sanctioned by the State Government and proper utilization thereof.
- (iii) A written undertaking in **Form-OGFR-26** should be obtained from a wholly owned Government company/corporation at the time of sanctioning the loan to the effect that the fixed assets of the company/corporation shall not be hypothecated without prior approval of the Government. No stamp duty need be paid on these written undertakings. The sanction should specifically state that such an undertaking would be obtained from the loanee before the drawal of the amount of loan and a certificate that the undertaking has been obtained should be recorded by the Drawing Officer of the office of the sanctioning authority in the bill for drawal of the amount of loan. The sanction order in respect of loans to other organizations, where a formal agreement is required to be executed, will also be issued in the same manner containing the same conditions as applicable to Government-owned Company/Corporation stipulated above.
- (iv) In case of loans sanctioned to parties other than wholly owned Government company /corporation and Local bodies, it will be against adequate security only. The security to be taken shall ordinarily be at least **thirty-three** and one-third per cent more than the amount of the loan. However, a competent authority may accept security of less value for adequate reasons to be recorded in writing. Besides, a joint agreement / bond in **Form-OGFR-27** specifying all the terms and condition shall be executed. A clause shall invariably be inserted in all such agreements enabling Government at any time to call for accounts of the applicant relating to any accounting year with power to depute an officer specially authorized for this purpose to inspect the applicant's books, if necessary. Similarly, there should be another clause specifying therein that it will also be open for the State Government to cause audit of the books of accounts of such loanee entities in respect of the loan sanctioned by the State Government and proper utilization thereof.

315. Loans for Public Sector Projects:

(i) For new installations or expansion of existing institutions:

- (a)** The terms and conditions of loans should be fixed with reference to the financial picture presented in the approved project report. Once the pattern is settled, there should be no change except with the specific concurrence of Finance Department for reasons to be stated in writing.
- (b)** The capital requirements of a project should include adequate provisions for interest payment on borrowings during the period of construction, as specified in the project report. The interest on loans due during the period of construction will be allowed to be capitalised to the extent of the provisions made for this purpose in the approved project report. In other words, while interest on loans advanced to an undertaking during the period of construction will be notionally recovered by allowing its capitalisation, the payment of interest should effectively commence after the construction period is over.
- (c)** The repayment of principal should ordinarily commence one year after the project commences production, the number of instalments being determined with reference to the financial projections and repaying capacity specified in the project report. Requests for further moratorium shall be considered only in exceptional cases where the project report has specified any special circumstances that may necessitate a longer period of moratorium and has indicated clearly what staggering of repayment would be needed over the necessary break period. The period of repayment of loans sanctioned against capitalised interest during the period of construction may also be on the same terms and conditions as are applicable to loans provided for financing the project costs.
- (d)** A suitable period of moratorium subject to a maximum of five years from the date of drawal of the loans may be allowed for the repayment of instalments of principal, having regard to the nature of the project, the stage of construction etc. The period of moratorium should not, however, extend in any case, beyond two years from the date of project going into production, or in the case of programmes of expansion, beyond two years from the date of expanded project coming into operation.

(ii) For working capital requirements:

- (a)** The undertakings are expected to obtain their cash credit requirements from the Banks by hypothecating their current assets (such as stock of stores, raw materials, finished goods, work-in-progress, etc.).
- (b)** Where the entire working capital requirements cannot be raised in this manner, requests from Public Sector Undertakings for funds for meeting

working capital requirements shall be considered only to the extent the same cannot be had from the Banks.

316. Interest on Loans :

- (i) Interest shall be charged at the rate prescribed by the Government for any particular loan or for the class of loans concerned.
- (ii) A loan shall bear interest for the day of disbursement of the loan but not for the day of repayment. Interest for any shorter period than a complete year shall be calculated as follows, unless any other method of calculation is prescribed in any particular case or class of cases.

$$\frac{\text{Number of days} \times \text{Yearly rate of interest}}{365 \text{ (366 in case of Leap Year)}}$$

- (iii) In the event of default either in repayment of principal or interest, penal interest rate of 2.5% over and above the original rates will be levied.
- (iv) Normally, loans should not be given to Private Sector Companies. In exceptional cases where such loans become necessary interest should be 1% to 2% higher than those prescribed for Public Sector.
- (v) The rate of interest on different types of loans and advances granted by State Government shall be notified by Finance Department from time to time.

317. Modalities for payment of Interest :

- (i) The account heads for principal repayments and interest payment are different. The Loan sanction order should invariably contain the Head of Account in which interest is to be paid and the Head of Account in which the principal repayment is to be made.
- (ii) It should be borne in mind that the interest due is to be realised first and then the principal repayment is to be received since the first charge on debt service charges is the interest component.
- (iii) The recovery of loans shall ordinarily be effected in annual equal instalments of principal together with interest due on the outstanding amount of principal from time to time. The repayment and interest instalments may be rounded off to the nearest rupee subject to final adjustment at the time of payment of last instalment of principal and/or interest.
- (iv) A suitable period of moratorium towards repayment might be agreed to having regard to the projects for which the loans are to be utilized on case-to-case basis. However, no moratorium shall ordinarily be allowed in respect of interest payable on loans.

318. Capitalisation of Interest during construction/ Project period:

- (i)** Where the terms and condition of a loan sanction order contains a provision for capitalisation of interest during construction /Project period, the amount equivalent to the interest due should be sanctioned as a fresh loan on the same terms and conditions of the original loan sanctioned for the project.
- (ii)** In order to properly account for the capitalization of the interest payment during the construction period, a loan sanction order should be issued for equal amount without any cash out-go but clearly mentioning the debit to relevant loan head of account by contra credit to the head of account for interest receipt. This sanction order should be super-scribed “**No cash payment, for accounting adjustment only**”. A copy of the sanction order should be endorsed to the Accountant General (A&E) for enabling him/her to carry out necessary adjustment.

319. Conditions of Repayment:

- (i)** The following general principles shall apply to repayment of loans and advances to Public Sector Undertakings, Local Bodies, etc.
 - (a)** No loan or advance shall be sanctioned before the loanee furnishes a written undertaking of the acceptance of its terms.
 - (b)** Repayment of each loan or advance with interest shall be subject to a specific term.
 - (c)** The term of repayment shall commence from the date on which the loan is fully availed of or declared by the competent authority as closed.
 - (d)** Where repayment is stipulated in installments, the dates thereof shall ordinarily be fixed at half-yearly intervals.
 - (e)** Unless otherwise stipulated, interest shall be the first charge on repayment.
- (ii)** Borrowers should be required to adhere strictly to the terms settled for the loans made to them. Modifications of these terms in their favour can be made subsequently only for very special reasons after seeking prior concurrence of Finance Department.

320. (i) The period of repayment of loans for all parties should be fixed with due regard to the purpose for which they are sanctioned. Normally no loan should be granted for a period exceeding 12 (twelve) years. Where a longer period for repayment is sought, prior concurrence of the Finance Department shall be necessary.

- (ii)** The repayment of a loan should normally commence from the first anniversary date of its drawal or on the expiry of the period of moratorium, as the case may be. The recovery should ordinary be effected in annual equal instalments of principal.
- (iii)** The period of repayment of working capital loans should preferably be restricted to two or three years. In no case, however, the period of these repayment should

exceed 5 (five) years.

- (iv) The loan converted into equity shall be treated as conversion and shall lead to reduction in the outstanding loan amount.

321. Repayment before due date:

- (i) Any instalment paid before its due date may be taken entirely towards the principal, provided it is accompanied by payment toward interest due up-to-date of actual payment of instalment; if not, the amount of the instalment will first be adjusted towards the interest due for preceding and current periods and the balance, if any, will alone be applied towards the principal.
- (ii) If, however, the payment of the instalment is in advance of the due date by fourteen days or less, interest for the full period (half-year or full year, as the case may be) will be payable.
- (iii) Prepayment of premium of **0.25%** on the balance outstanding loans with residual maturity of less than 10 years and **0.50%** for the loans with residual maturity of 10 years and above shall be charged. However, in deserving cases pre-payment of premium as stated above may be waived with prior concurrence of Finance Department.

322. Instalments of Loans :

- (i) A loan shall be recognized by disbursing entity as an asset from the date the money is actually disbursed and not from the date of sanction.
- (ii) When a loan of public money is taken out or disbursed in instalments, each instalment of the loan so drawn shall be treated as a separate loan for purposes of repayment of principal and payment of interest thereon except where the various instalments drawn during a financial year are, for this purpose, allowed to be consolidated into a single loan as at the end of that particular financial year.
- (iii) In the latter event, simple interest at the prescribed rate on the various loan instalments from the date of drawal of each instalment to the date of their consolidation shall be separately payable by the borrower.
- (iv) Repayment of each loan or the consolidated loan, as the case may be, and the payment of interest thereon shall be arranged by the borrower annually on or before the anniversary date of drawal or consolidation of the loan in such number of instalments as the sanctioning authority may prescribe.
- (v) The sanctioning authority may allow, in deserving cases a moratorium towards repayment of principal but not for the payment of interest.
- (vi) When it appears that there is an undue delay on the part of the debtor in taking out the last instalment of a loan, the authority sanctioning the loan may at any time declare that the loan is closed, and order repayment of Principal to begin.

Note-1- If, in any case particular dates have been fixed for the payment of interest, or the repayment of instalments of a loan, then such repayments should not begin until the second of the half-yearly dates

so fixed, after the loan has been completely taken up, simple interest only being recovered on the first half-yearly date after the completion of the loan. For example, supposing a loan, the interest on which is recoverable half-yearly, to be completely taken up on 31st March and the interest to be payable on 30th June and 31st December, the first half-yearly instalment in repayment of principal will not be due until 31st December following, simple interest only will be due on the intermediate 30th June.

Note-2 These instructions are applicable *mutatis mutandis* to loans, the repayments of which are made by other than annual instalments.

Note-3 It must be remembered that the calculation fixing the amount of equal periodical instalments, by which a loan is repaid with interest, presupposes punctual payment of the instalment and that, if any instalment is not punctually repaid, the interest amount will need to be recalculated.

323. Defaults in payment of Principal/ interest :

- (i)** In the event of a default in payment of Principal / Interest, the recovery of interest at penal rate may not be waived unless there are special reasons justifying a waiver. However, a decision in this regard shall be taken by the Finance Department. Even in such cases, a minimum of 0.25% shall be recovered from the defaulting party as penalty.
- (ii)** The penal rate of interest is chargeable on the overdue installments of principal and / or interest from the due date of their payment to the date preceding the date of actual payment.
- (iii)** Whenever a fresh loan is to be sanctioned to a borrower who has earlier defaulted, the loan sanctioning authority must consider the question of recovery of defaulted dues. All releases to Public Sector Undertakings against budgeted outlays should be made only after adjusting the defaults, if any, pertaining to repayment of loans and interest. If for special and exceptional reasons such adjustments are not possible, specific concurrence of Finance Department should be obtained, before release of fresh loans.
- (iv)** However, no request for waiver/ postponement of installments on any ground whatsoever shall be accepted, except in cases of companies referred to BIFR or in respect of those companies which have incurred cash losses for last three years.
- (v)** Any default in the payment of interest upon a loan or in the repayment of principal, shall be promptly reported by the Accountant General (A&E), to the authority which sanctioned the loan. The responsibility of the Accountant General (A&E), under this rule refers only to the loans, the detailed accounts for which are kept by him.
- (vi) (a)** In the case of grant of interest free loans e.g. loans to technical educational institutions for construction of hostels, prompt repayment should

be made a condition for the grant of interest-free loans. The sanction Order in such cases should provide that in the event of any default in repayment, interest at rates prescribed by Government from time to time shall be charged.

(b) In the case of loans sanctioned at concessional rates of interest e.g., loans under the **State Aid to Industries Act and Rules**, the payment of subsidy (to cover the concession, viz., difference between the normal rate and concessional rate), should be made conditional upon prompt repayment of principal and payment of interest thereon by the party concerned.

(c) In the cases where in addition to interest free loans, subsidy is also provided to meet running expenses e.g., loans to department canteens, the sanction Order shall provide that in the event of any default in repayment, the defaulted dues would be recovered out of the subsidy payable.

324. Requests for modification of terms of loans :

- (i)** Borrowers are required to adhere strictly to the terms settled for loans made to them and modifications of these terms in their favour can be made subsequently only for very special reasons.
- (ii)** Requests for modification of terms may relate to increase in the period of a loan or of initial moratorium period towards repayment, or waiver of penal interest or reduction in or waiver of normal rate of interest. These cases are to be considered in consultation with Finance Department. While referring such cases, the impact of the modifications on the estimates of repayment/ interest which have gone into the Budget and Government's resources position should be succinctly brought out by the Administrative Department.
- (iii)** In examining proposals for modification of the period of the loan, the interest rate at which the loan was sanctioned should also be reviewed. In the case of a loan of which repayment has already commenced the revised rate of interest shall be applied ab initio only to the residuary portion of the loan outstanding on the date of extension of its period.

325. Loans sanctioned at concessional rates:

- (i)** The State Government, in deserving cases, may sanction loans at concessional rates or sanction interest free loans. In cases where loans are sanctioned at a concessional rate, it shall be made conditional upon prompt repayment of principal and payment of interest thereon by the borrower. In case of default interest shall be charged at the normal rate.
- (ii)** In cases where loans are sanctioned interest free, prompt repayment shall be made a condition for the grant of interest free loans. The sanction Order in such cases shall provide a clause that in the event of any default in repayment, interest at rates prescribed by Government from time-to-time shall be charged.

326. One time settlement of Loan: In order to ensure recovery of the outstanding principal, the concerned Administrative Department, with prior concurrence of Finance Department, may allow one time settlement of the outstanding loan in deserving cases by allowing partially or fully the waiver of the interest due on the date of payment of the entire principal including the defaulted instalments for which there has been repeated defaults in payment of the instalments.

327. Procedure for write off of Irrecoverable loans and Advances:

- (i) A competent authority may remit or write off any loans owing to their irrecoverability or otherwise with the concurrence of Finance Department.
- (ii) After ascertaining the irrecoverability of the Loans and Advances, the concerned Loan sanctioning Authority, shall get it written off from the accounts under the sanction of competent authority. In the sanction order, the Accountant-General (A&E), will be requested to make necessary adjustment in the accounts by debiting to, Demand No. 5-2075-Miscellaneous-General Services-00-800-Other expenditure-0922-Miscellaneous-48100 write off of Irrecoverable loans and advances with contra credit to the Loan head.
- (iii) Irrecoverable advances written off should nevertheless be registered by the Departmental authorities in a separate account or record, in order that any possible eventual recovery may be made.

328. Accounting Procedure :

- (i) **Head of Account for drawal of loan :** Loans sanctioned by the Administrative Department or Heads of Department are to be debited to the concerned functional Major Head of Account under the Sector 'F'- Loans and Advances in the List of Major Heads and Minor Heads. For example loans sanctioned for Village and Small Industries shall be debited to the Major Head 6851-Loans for Village and Small Industries' under the Demand for Grant i.e. Grant No.40 Micro, Small and Medium Enterprises Department with full accounts classification-Demand No. 40 -6851- Loans for Village and Small Industries'- Programme Expenditure-State Sector Scheme-Loans to Public Sector and other Undertakings -2332-Loans to State PSUs for small Industries-48033-Loans to Odisha Small Industries Corporation – voted.
- (ii) **Head of Account for Repayment of Principal :** The Balances of the Major Heads under the Sector 'F'- Loans and Advances are carried forward from year to year. The loans advanced and repayments are accounted for under the same Major Head as Advanced during the year on the expenditure side. The closing balance of the year is carried forward to the next financial year. For example, taking particular sanction of loan cited above, the repayment of the same loan will be accounted for under Demand No. 40 -6851- Loans for Village and Small

Industries’– Programme Expenditure–State Sector Scheme--Loans to Public Sector and other Undertakings -2332–Loans to State PSUs for small Industries–48033–Loans to Odisha Small Industries Corporation.

- (iii) Head of account for payment of Interest :** Payment of interest on all loan shall be credited to the Major Head “**0049-Interest Receipts**”. For example, the interest payment on House Building Advances is to be credited to “0049-Interest Receipts-04-Interest Receipts of State / Union Territory Governments-800-Other Receipts-0060-Interest Receipts-10019-Interest on Loan & Advances to Government Servants-076-House Building Advance”.

329. Accounts and Control:

- (i)** The detailed accounts of loans and advances granted to public and quasi-public bodies and individuals shall be maintained by the Drawing & Disbursing Officers and the Controlling Officers as per the format prescribed in **Form OGFR-28**.
- (ii)** Drawing & Disbursing Officers and the Controlling Officers shall be responsible to watch repayment, interest payment and review the progress of repayments periodically to avoid delays and irregularities.
- (iii)** Quarterly and annual return should be submitted in **Form-OGFR-29** and **Form-OGFR-30** by the dates prescribed in **Rule-330**.

330. Submission of Quarterly and Annual Returns by Accountant General (A&E) and reconciliation by Administrative Departments/ Controlling Officers:

The Accountant General (A&E) will submit to Administrative Departments and Controlling Officers, for review and reconciliation, quarterly and annual statement showing the details of outstanding loans and advances borne on his books under the head “Loans and Advances by State Government” to be submitted in **Form-OGFR-31 & Form-OGFR-32** (Statement No.7 and 18 of Finance Accounts) as per the time schedule indicated below.

Quarterly/Annual Statement of Loans & Advances given by the State Government	Due date by which Accountant General (A&E) is to submit the statement to the Finance Department /Administrative Department / Controlling Officer.	Due date by which the Administrative Department/ Controlling Officer are to reconcile the statement received from AG (A&E) with the records maintained at their end.
(1)	(2)	(3)
First quarter ending 30 th June	By 10 th of August	By end of August
Second quarter ending 30 th September	By 10 th of November	By end of November
Third quarter ending 31 st December	By 10 th of February	By end of February
Fourth quarter ending 31 st March and Annual	By 10 th of May of the next financial year	By end of May of next financial year

331. Submission of Utilisation Certificate, Reports, Statements etc.:

- (i)** Submission of Utilisation Certificate, in respect of the loan to the Sanctioning authority and Accountant General (A&E) is required only in respect of those loans sanctioned for specific purpose, wherein, the sanction order stipulates submission of such Utilisation Certificate. In the absence of such specific stipulation for submission of Utilisation Certificate, submission of Utilisation Certificate is not necessary. Further, in respect of loans sanctioned for general purpose no Utilisation Certificate is necessary.
- (ii)** Notwithstanding the stipulations indicated in Sub-Rule (i), the sanctioning authority may insist Utilisation Certificate in respect of any types of loans earlier sanctioned before releasing further fund to ensure proper accountability for the funds earlier released.
- (iii)** The utilization certificates should be furnished in **Form-OGFR-23** within a 'reasonable time' after the loan is paid to the institutions. The Administrative Department should prescribe, in consultation with the Finance Department, target dates for the submission of the utilization certificates by the institution concerned to the Accountant General (A&E). The target date should, as far as possible, be not later than eighteen months from the date of sanction of the loan.
- (iv)** The due dates for submission of the Utilization Certificates shall be specified in the sanction order. The target date as specified should be rigidly enforced and extension should only be allowed in very exceptional circumstances in consultation with the Finance Department under intimation to the Accountant General (A&E), as the case may be.
- (v)** No further loans should be sanctioned unless the sanctioning authorities are satisfied about the proper utilization of the earlier loan sanctioned to an Institution, etc.

332. Submission of Audited Statement of Expenditure:

- (i)** While sanctioning Central assistance in the shape of grant or loan, the concerned Ministry/Department of Government of India stipulates submission of Audited Statement of Expenditure based on which further release of Central assistance is regulated. It is, therefore, very crucial that the expenditure covering the Central assistance as well as the State share of expenditure, if any, are correctly booked under the proper Head of Account. It is also equally important that the expenditure incurred is timely reconciled with the accounts maintained by Accountant General (A&E), so that there is no difficulty on the part of Accountant General (Audit) to issue Audited Statements of Expenditure in time for facilitating release of Central assistance. Improper maintenance of accounts and negligence in reconciliation of expenditure in time/periodically will cause loss of Central assistance to the State Government.
- (ii)** The various steps involved in submission of Audited Statement of Expenditure / Audit Certificate are outlined below:

- (a)** The State Government is required to furnish to the Accountant General (A&E) the statement of expenditure relating to particular scheme(s) according to major, minor and detailed heads of account. The statement so furnished would take into account the reconciling figures at the end of the financial year so that the figures in the statement would agree with that in Finance/Appropriation Accounts.
- (b)** The Audited Statement shall show scheme wise expenditure under the three categories of Program Expenditure i.e State Schemes, Central Schemes & Central Sponsored Schemes.
- (c)** In case, where the expenditure is not identifiable, the statement of expenditure may be furnished according to the Finance Accounts and the Appropriation Accounts to the extent, it is available. Accountant General (Audit) has to depend on the figures of expenditure available in the Finance Accounts and the Appropriation Accounts. In order to obviate such eventualities, it is to be ensured by the concerned Administrative Department and Finance Department that the budget provision is made for each scheme under a distinct sub-head.
- (d)** Where the expenditure is identifiable, scheme wise, there is no difficulty in verifying the statement of expenditure by the Accountant General (A&E) and then issue of audit certificate by Accountant General (Audit). Where the expenditure is not identifiable, the verification of statement of expenditure vis-à-vis issue of audit certificate by the Accountant General (A&E /Audit) is conducted on the basis of information available in the Finance Accounts and the Appropriation Accounts. In such a case Ministry of Finance / concerned line Ministry / Department of Government of India may call for such further information from the State Government as may be necessary for final adjustments of central assistance.
- (e)** Loans and grants given to the local bodies and autonomous bodies shall be treated as final expenditure for the purpose of computation of program expenditure in the Audited Statement for adjustment of Central Assistance.
- (f)** In cases where the Accountant General (A&E) is able to relate the amounts held under objection for want of D.C. bills / utilization certificate these may be excluded from the figures of audited expenditure while furnishing the certificate. In order to ensure that such exclusion is not warranted, submission of DC bills against the AC bills is strictly enforced as provided under Subsidiary Rule 261 of Odisha Treasury Code.
- (g)** In cases where the Accountant General (A&E) is not able to identify the particulars of individual schemes or category of schemes to which the objections relate, they shall qualify the certificate to indicate that scheme wise break-up of amounts held under objection is not available and is being obtained from the Departmental Officers.

- (h) As per the above procedure, Accountant General (A&E) would certify the figure under program expenditure, wherever they are available and wherever they are not available, they would furnish a certificate of expenditure under different program expenditure separately based on the facts available with him/her.
- (i) According to the existing arrangement decided in consultation with the Accountant General (A&E), the Heads of Department/Department concerned shall initiate preparation of statement of expenditure against schemes under program expenditure on which audit certificate is required to be issued. These statements of expenditure which would be based on the actuals in the Finance Accounts/Appropriation Accounts are forwarded to Accountant General (A&E) through the Finance Department. The Accountant General (A&E), after proper verification with reference to the accounts-records maintained in his/her office, shall forwards the verified statement of expenditure to the Accountant General (Audit) to enable him/her to issue audit certificate as in **Form OGFR-33**.

333. Close watch on timely repayment of loans and recovery of interest thereon :

- (i) The date of drawal of a loan by the borrower shall be the date on which he receives payment. Disbursement of the loan shall be made electronically to the bank account of the borrowing organization/ borrower. The Drawing and Disbursing Officer shall intimate the date of payment to the Accountant General (A&E), Odisha to enable the latter to make a suitable note in his records.
- (ii) Departments are required to keep close watch on timely repayments of loans advanced by them and recovery of interest thereon. Notice shall be given to the borrowers a month in advance of the due date of payment of instalment of the principal and/ or interest thereon. The borrower shall not be given any advantage in the event of non-receipt of such a notice. Demand notice for repayment of loan and payment of interest thereon and remainder , if required, shall be issued as per the format in **Form OGFR-34 & Form OGFR-35** respectively.
- (iii) Repayment of instalments of Principal/ Payment of interest due from the loanees shall be reviewed at least quarterly and where any default occurs a fresh notice shall be served on the borrower to arrange payment with penal/higher rate of interest.

CHAPTER - 10

GOVERNMENT GUARANTEE

334. Definition: Guarantees are contingent liabilities that come into play on the occurrence of an event covered by the guarantee. Since guarantees result in increase in contingent liability, they should be examined in the same manner as a proposal for a loan, taking into account, inter alia, the credit-worthiness of the borrower, the amount and the risks sought to be covered by a government guarantee, the terms of the borrowing, the justification and public purpose to be served, probabilities that various commitments will become due and possible costs of such liabilities, etc.

335. Power to sanction Government guarantee: The power of the State Government to give guarantees emanates from and is subject to such limits as may be fixed in terms of Article 293 (1) of the Constitution of India, Odisha Fiscal Responsibility & Budget Management (FRMB) Act, 2005 as amended from time to time and Rules framed there under, if any, and executive orders of the State Government issued as and when required.

336. Ceiling on Government guarantee: The ceiling on outstanding guarantees and incremental guarantees issued during a year shall be as notified by the State Government from time to time.

337. Objective of Government Guarantee :

- (i) To improve viability of projects or activities undertaken by Government entities with significant social and economic benefits;
- (ii) To enable State Public Sector companies / Co-operatives / Local Bodies / State owned companies to raise resources at lower rate of interest or on more favorable terms;
- (iii) To fulfill the requirement in cases where State Government guarantee is a precondition for concessional loans from bilateral / multilateral agencies.

338. Guidelines for sanction of Government Guarantee :

- (i) All cases of initial Sanction or renewal or extension of guarantee shall be submitted by the Administrative Department to the Cabinet for approval in the shape of Memorandum with prior concurrence of Finance Department. Provided that in urgent cases, the guarantee may be given with the approval of the Finance Minister and Chief Minister and all such cases must be submitted to the Cabinet for post-facto ratification and approval.
- (ii) The following guidelines should be followed by the Administrative Departments for recommending guarantee or renewal or extension of guarantee:-

A proposal for Government Guarantee must be justified on the grounds of public interest for borrowings by the Public Sector Undertakings / Co-operatives /Local Bodies to carry out approved development programmes or for working capital and other purposes. The concept of public interest has wide connotations and does not admit of a precise definition. However, cases cited below will illustrate some of the examples of public interest which are illustrative only:

- (a)** Loans to be made available at concessional rate of interest meant for development of the S.C, S.T and other Backward Class people through the schemes approved by Government of India or State Government.
 - (b)** The loan will ensure reduction of debt servicing liabilities of the concerned organization by way of repaying the earlier costlier loans.
 - (c)** The loan will leverage more Central Assistance in the shape of grants or subsidy.
 - (d)** There is no risk of contingent liabilities accruing for the State Government because of better performance in the past.
 - (e)** The loan will lead to restructuring and right sizing of the concerned organization and reduce the burden on the State Government.
 - (f)** There is no default on the part of the concerned organization in paying the dues of the State Government and financial institution for which State Government guarantee were provided in the past.
 - (g)** Any other reason to be recorded in writing as to how it is in public interest to be given guarantee and if not given how it will affect the public interest.
- (iii)** The concerned Administrative Department shall examine the proposal in consultation with the Financial Adviser/ Assistant Financial Advisor in the same manner as a proposal for loan. While examining the proposal, the following considerations shall be kept in view:-

- (a)** Public interest which the proposed guarantee is expected to serve.
- (b)** Credit-worthiness of the borrower to ensure that no undue risk is involved.
- (c)** Terms and the conditions of the borrowings shall take into account the yields as applicable on Government paper of similar maturity.
- (d)** The conditions prescribed in the guarantees in order to ensure continued credit worthiness of the borrower.
- (e)** Maintenance of prescribed ledgers and Accounts and submission of regular report/return.
- (f)** Other conditions, if any, which should also be imposed by Government while giving guarantee i.e period of guarantee, levy of guarantee fee to cover risk, representation of Government on Board of Management, mortgage or lien on assets.

339. Criteria for giving Government Guarantee :

- (i)** No Government guarantee shall be given unless the borrowing organization has opened an Escrow Account for availing loans from the Banks /Financial Institutions. The Administrative Department shall ensure that Escrow Account has been opened and reflect the same in the guarantee sanction order as well as in the guarantee agreement;
(FD Resolution No 11311/F Dated 19th March, 2004)
- (ii)** The Government Guarantee shall be confined only to the principal amount of the loan borrowed by the PSUs/Local Bodies/Co-operative Institutions;
(FD Resolution No 46546//F Dated 14th November, 2006)
- (iii)** The guarantee shall be given only in public interest as outlined in Rule-338 (ii), for a specific period, renewable in case considered fit. The borrower, availing the loan on the cover of Government guarantee, shall not raise any further loan or alienate its assets without prior approval of Finance Department.
- (iv)** In view of the quasi-sovereign nature of the borrowings, the interest payable should compare with yield on Government Securities of comparable maturity with a small spread;
- (v)** The guarantee given by the State Government shall be non-transferable and would cease to exist in case of the ownership of the entity is transferred from the State Government, unless the guarantee is re-confirmed by Finance Department;
- (vi)** No Government guarantee shall be given to any private individual or institution or company unless share capital contribution of the Government or any other public sector unit is more than 50%;
- (vii)** Government guarantee should not normally be extended for external commercial borrowing;
- (viii)** Government guarantee may be given on all soft loan components and should not be given for commercial loan components. However, in case of power sector, extension of Government guarantee even in respect of commercial components may be considered on a case to case basis keeping in view the criticality of the need to ensure power supply in the State.
- (ix)** Government guarantee will not be given in case of grants. However, if the donor insists on ensuring performance, the same may be listed as a negotiating condition for getting grant;
- (x)** Government guarantee shall not be considered unless accounts of the borrowing organization have been audited and finalized for the last two financial years.
- (xi)** State Guarantee may not be proposed in respect of State PSUs, whose strong financial credentials and high credit rating indicate inherent ability to directly raise required resources without Government guarantee.

340. Furnishing of data for issue of Guarantees :

- (i)** With a view to enable the Finance Department to examine cases of Government guarantee and also for renewal and extension thereto, the concerned Administrative Department should furnish to Finance Department, detailed data of certain operational parameters of the Public Sector Undertaking or Entity in the Form **OGFR-38** along with the proposal.
- (ii)** In case the accounts of the Public Sector Undertaking or entity have been audited by the Accountant General (Audit) under Section 143 of the Companies Act, 2013, the response of the action taken on the comments of the Accountant General (Audit) on the Public Sector Undertakings' profitability should be brought out. Further, where BIFR targets have been assigned to the Company, the actuals vis-à-vis targets for the preceding three years should be indicated in a separate sheet alongwith the proposal.

341. Execution of Government Guarantee :

- (i)** After examination in the concerned Department in the light of the stipulations contained in the Rule 337, 338 & 339 all proposals for extending guarantees shall be referred to Finance Department in shape of Cabinet Memorandum for concurrence / approval.
- (ii)** After obtaining concurrence of Finance Department and approval of Chief Minister or Cabinet, as the case may be, the concerned Administrative Department shall convey the sanction of Government Guarantee in Form **OGFR-36** and ensure execution of Agreement in Form **OGFR-37**.
- (iii)** The obligation of the borrower to service the loan and the guarantee, and the monitoring of the utilization of the guaranteed loan, and adherence to the terms and conditions of the guarantee by the borrower shall be ensured by the Administrative Department through a back-to-back agreement with the borrower which may be drawn up and implemented to the satisfaction of the Administrative Department. For this purpose, necessary records to monitor the guarantee, including servicing of guarantee fee shall be maintained by the concerned Administrative Department / Organization.
- (iv)** Administrative Department should ensure that there are no inconsistencies between the guarantee approval given by Finance Department and the Guarantee agreement signed by it with the borrower. The obligations enforced by the Government as guarantor would be duly factored in.
 - a.** Deviations / modifications / amendments on the main conditions of the guarantee, particularly with reference to the rate of interest on the loan to be guaranteed or obligation of the Government to be covered, should not be referred in a routine manner to Finance Department for clarification / change.
 - b.** The Administrative Department concerned shall make out a separate case, fully justifying the need for considering any proposed modification

/amendments, after through scrutiny of the request of the borrower for the same, before placing this proposal before Finance Department for a final decision.

- (v) Guarantee proposals approved by Finance Department should have to be executed in the same Financial Year. If the guarantee / loan agreement is not signed in the same Financial Year as that of the approval, the guarantee proposal shall have to be submitted again.
- (vi) The Financial Advisors / Assistant Financial Advisors will perform the responsibility of maintenance of records and reporting of the same for the Finance Accounts as per IGAS-1 format, through Accountant General (A&E), Odisha.

342. Levy of Guarantee Commission:

- (i) The rate of guarantee commission / fee is laid down in **Annexure-G** to this Rule and as amended by Finance Department from time to time. The Administrative Departments should levy and collect the prescribed guarantee commission/fee in respect of all cases. The commission/fee are also to be levied in respect of non-fund based borrowings or credits (viz. Letters of Credit, Bank guarantees etc.).
- (ii) The guarantee commission in any case of guarantee shall be recovered on the maximum amount of the guarantee sanctioned irrespective of the amount of loan actually availed or outstanding as on 1st April each year till liquidation of the guaranteed loan. For example, for the financial year 2019-20, guarantee commission is to be paid on the maximum amount outstanding as on 1st April 2019 plus incremental government guarantee sanctioned during that financial year.

Provided that Reduction/re-phasing of Guarantee on account of repayment by the borrowing institution from time to time will be considered on merit with the consent / clearance of the lending institution and prior concurrence of the Finance Department and the borrowing organization will be allowed to pay guarantee commission on the reduced amount on repayment of loan.

Provided further that the borrowing organization shall pay guarantee commission on the reduced outstanding guarantee with effect from succeeding 1st day of April i.e from the next financial year. Concurrence of the Finance Department for reduction of guarantee shall be obtained by the Administrative Department on production of proof of payment of up-to- date guarantee commission, letter of the financial institution certifying repayment of loan and other supporting papers.

(F.D O.M. NO. 23663/F., dated 04.06.2003)

- (iii) The borrowing organization, following due procedures, is required to move the proposal through the concerned Administrative Department for payment of guarantee fee on reduced amount of loan outstanding latest by **30th June** of the succeeding financial year for consideration. The proposal moved after **30th June**

shall not be considered.

Provided that the proposal moved by the borrowing organization for payment of guarantee fee on reduced amount of loan outstanding after 30th June may be considered, if the borrowing organization proves the availability of sufficient reasons for not moving the proposal within the due date.

- (iv) After receipt of such proposal from Administrative Department, Finance Department will examine each case on merit and intimate the concurrence / rejection, if any, to such proposal to borrowing organization through Administrative Department latest by **31st July** of the succeeding financial year.
- (v) The concerned Administrative Department shall issue a Demand Notice in **Form OGFR-39** latest by 16th August to the borrowing organization to pay the fee payable for the preceding year within 31st August (e.g. for the year 2019-20 payment is to be made on or before 31st August, 2020).
- (vi) If the guaranteed loan is settled / discharged before the close of the financial year, it shall be treated as one year for calculation of guarantee commission/fee. The borrowing organizations are also required to pay guarantee commission/fee for one year in the prescribed rate in case of adhoc borrowing from the financial institutions including Reserve Bank of India if the loan is obtained and repaid in the same year.
- (vii) The guarantee commission/fee shall be deposited in the Treasury under the Relevant Receipt Head of the respective Departments. For example the Guarantee Fees payable by GRIDCO under Energy Department shall be credited to Head "0075-Miscellaneous General Services-108-Guarantee Fee"-0123-Realisation of Guarantee Fee-02184-Energy Department. The copy of the Treasury Challan is to be made available to the Administrative Department and Finance Department.
- (viii) In case of non-payment of fee, even after receipt of the demand notice within the timeline prescribed in the said notice, the same may be recovered out of the receivables of the Organization from Government, if any.
- (ix) In case of default in payment of guarantee fee which is beyond the control of borrowing organization, the matter shall be immediately brought to the notice of Administrative Department and Finance Department.
- (x) Administrative Departments should take adequate steps to ensure prompt recovery of the prescribed Guarantee commission. No waiver / reduction of guarantee commission will be entertained. Any loss of revenue in this regard will be recovered from the person who is responsible for collecting the guarantee commission.
- (xi) In case of any doubt with regard to the categorization of any particular undertaking or organization or the nature of borrowing for the purpose of levy of commission, the matter may be referred to the Finance Department for clarification.

343. Surrender/closure/reduction of Government guarantee by PSUs/Co-operative Institutions /Local Bodies and other Institutions etc:

- (i) Where the loan amount has been fully paid (both principal and Interest), proposal for surrender/closure of Government guarantee shall be moved to Finance Department for concurrence with the following papers / documents with detailed facts and figures:
- a. G.O No and Date of sanction of Government guarantee with copy of G.O.
 - b. Clearance certificate / No dues certificate from Financial Institution / Bank to the effect that “the borrowing organization has fully paid the loan dues with interest and no dues are outstanding against the borrowing organization.”
 - c. Return of Guarantee documents (deed of agreement) by the Financial Institution and duly cancelled by the Administrative Department.
 - d. Detailed regarding Guarantee fee due and paid with supporting Treasury Challan or adjustment order, if any.
 - e. Proof of payment of guarantee fee in full in the proposed case.
- (ii) For surrender of un-availed / unutilized Guarantee, proposal shall be moved to Finance Department for concurrence with the following papers / documents:
- a. Where Guarantee has been sanctioned but not availed by the borrowing organization, the Administrative Department may furnish the following documents with detailed facts and figures:
 1. Copy of the G.O, where Government guarantee was sanctioned.
 2. Guarantee Deed duly cancelled by the Administrative Department, if executed, and if not executed, the Administrative Department should record a certificate to the effect that “although Guarantee was sanctioned, Guarantee deed has not been executed so far and the organization has not availed loan from the Financial Institution.”
 3. Guarantee fee paid till date with supporting treasury challan.
 - b. Where Guarantee has been sanctioned and the organization availed loan less than the sanctioned amount or the organization desires to reduce the Guarantee to the extent of loan availed, the concerned Administrative Department may furnish the following documents with detailed facts and figures:
 1. Copy of the G.O, where Government guarantee was sanctioned;
 2. Copy of Guarantee Deed;
 3. Supporting Treasury Challan towards payment of up to date guarantee fee;
 4. Revised / modified proposed Guarantee sanction order.
 5. Any other papers/documents;

344. Review of Guarantees :

- (i) All Departments shall ensure that all guarantees are reviewed periodically at least twice in a year. The monitoring or review undertaken should examine

whether the borrower is discharging repayment obligations or interest obligations as per terms of the loan agreement, and whether all covenants and conditions are being religiously followed.

- (ii) The Financial Advisers/Assistant Financial Advisers of the Departments should undertake these reviews and may issue notice to the borrower about due date for repayment of loan and interest thereon in Form **OGFR-40**.
- (iii) A copy of the review report, including, timely payment of commission, shall be forwarded to Finance Department by 30th April every year for the previous financial year.

345. Maintenance of Ledger :

- (i) The Administrative Department shall maintain a guarantee ledger in **Form OGFR 41** specifying therein the amount of guarantee sanctioned, actual amount of loan availed, name of the financial institutions, loan repaid, balance outstanding, rate of guarantee commission, guarantee commission due, guarantee commission paid, guarantee commission outstanding etc. which is subject to Audit by A.G (Audit), Odisha.
- (ii) The Administrative Department shall send periodical report / data in Form **OGFR-42** and **OGFR-43**, duly updated, to the Finance Department by 1st week of July and 1st week of January every year for updation of the database on guarantee maintained in Finance Department.

346. Classification of guarantees : For the purpose of record keeping, guarantees shall be classified and defined both as class and sector as under:-

(a) Class of guarantee:

- (i) Guarantees given to the RBI, other banks and financial institutions for repayment of principal, cash credit facility, financing seasonal agricultural operations and for providing working capital to companies, corporations and cooperative societies and banks;
- (ii) Guarantees given for re-payment of share capital, payment of minimum annual dividend and repayment of bonds or loans, debentures issued or raised by the statutory corporations and financial institutions;
- (iii) Counter guarantees to banks in consideration of the banks having issued letters of credit or authority to foreign suppliers for supplies made or services rendered;
- (iv) Guarantees given to State Electricity Companies and other entities for due and punctual Payment of dues by companies or Corporation;
- (v) Any other guarantee not covered under the above four classes.

(b) Sector of Guarantee:

- (i) Power;
- (ii) Co-operative;
- (iii) Irrigation;

- (iv) Roads Transport;
- (v) State Financial Corporation;
- (vi) Urban Development and Housing;
- (vii) Other Infrastructure;
- (viii) Any other;

347. Accounting for Guarantees :

- (i) In order to ensure greater transparency in its fiscal operation in the public interest, section 6 (9) of Odisha Fiscal Responsibility and Budget Management Act, 2005 mandates the State Government to publish a disclosure statement indicating institution wise State Government guarantee given, default by these organization in discharging debt servicing liabilities and contingent liability created in the State Government Accounts, on account of default of these organization at the time of presenting the Annual Budget in the State Legislature.
- (ii) The statements should show the position up-to 31st March of the previous year or 31st December of the current financial year, as the case may be. For example, the Budget documents for 2021-22 will show the position of guarantees outstanding as at 31st March 2019 or 31st December, 2020. The form in which the statement of guarantees is to be shown is prescribed in **OGFR-42**. The present proforma adopted for preparing the statement showing the Guarantee outstanding as a part of Explanatory Memorandum placed in the Legislative Assembly is adopted as **OGFR-42**. Statement No.9 of Finance Accounts is adopted as **OGFR- 43**. In cases, where interest payments are also guaranteed as a special dispensation, the outstanding shown under the columns for sums guaranteed and outstanding should disclose the interest element outstanding, if any, separately. While furnishing the summary statement of guarantees to the Finance Department, the Departments should ensure and certify that the amounts shown tally with the ledger maintained by them in the Form **OGFR-41** and the information furnished to the Accountant General (A & E) for the purpose of inclusion in Finance Account of the relevant year.

348. Invocation of Guarantee :

- (i) (a) In the event of invocation of a guarantee, the obligation may be discharged by sanctioning loan equal to the amount of guarantee outstanding with the approval of Finance Department.
- (b) In case of default, the lending agency shall invoke the guarantee within a time limit not exceeding **90** days of the default. In case the guarantee is not invoked within the stipulated period, the guarantee would cease to exist for that portion of the tranche / loan / liability for which guarantee has not been invoked;
- (c) Any claim arising out of guarantee should be lodged with the Government within one month from the expiry of the period of guarantee, failing which the

liability of the Government will cease towards any loss or damage caused to a lending institution because of the default of the borrower in discharging its obligation to the lending agency during the period of validity of the guarantee.

(d) Any payment on this account shall finally be charged to the Guarantee Redemption Fund maintained in the Public Account. The detailed procedure prescribed under Guarantee Redemption Fund rule Notified by vide F.D. Notification No 24515-FIN-CI-SG-0002/2013-F, dated 23.07.2013 is to be followed read with amendments and instructions, if any, issued from time to time.

(ii) A guarantee Redemption Fund (GRF) has been established in the Public Account of the State for redemption of guarantee given to State PSUs/ Co-operative / Local Bodies, whenever such guarantee is invoked. The Fund shall be utilized only in the manner prescribed in the “Revised Scheme for Constitution and Administration of Guarantee Redemption Fund of Government of Odisha” notified on 23.07.2013.

349. Revocation of Guarantee:

If at any time, during the continuance of the guarantee, the State Government feel that the activity of the borrower / lending institution is detrimental to the interest of the State Government, the latter shall have the option, subject to the condition stipulated in the agreement, if any, with the lending institution and after giving 30 days’ notice to the lending institution and the borrower, to revoke the guarantee so far as it relates to future transaction covered thereby. Administrative Departments are competent to revoke guarantee, whenever justified, under intimation to Finance Department.

350. Rectification of mistake:

With a view to rectifying any arithmetical or clerical mistake or any error apparent on the face of the record, it may be rectified, at any time within 2 years from the date of the order.

351. Modification of the terms of guarantee agreement:

Extraordinary event or circumstance, which is beyond human control, leads to delay in or non-fulfillment of contractual obligations as per the guarantee agreement. In such a situation, State PSUs/ Co-operative Institutions/Local Bodies may invoke Force Majeure Clause, after following prescribed due procedures, for modification of terms of the guarantee agreement.

CHAPTER-11

EXTERNALLY AIDED PROJECTS, RURAL INFRASTRUCTURE DEVELOPMENT FUND AND CENTRAL SECTOR SCHEMES

I. POSING, IMPLEMENTATION, MONITORING, BUDGETING & ACCOUNTING OF EXTERNALLY AIDED PROJECTS

352. Introduction : Additional Central Assistance for Externally Aided Projects forms a significant component of Resources for programme Expenditure given the competitive cost of such resources as well as their long-term availability, external development assistance continues to be useful as it also provides access to best practices besides supporting projects in the social and infrastructure sectors and strengthening human and institutional capacities.

353. Classification of Externally Aided Projects :

- (i)** The Projects / Programmes funded from External Agencies are mainly classified as **Central Projects and State Projects**.
- (ii)** Those Externally Aided Projects which are implemented by Central Ministries / Departments, Central Public Enterprises, Financial Institutions and Central autonomous bodies like Port Trusts are taken as Central Projects. Some externally aided projects are also implemented as Centrally Sponsored Schemes. These schemes are extended by the Union Government to States under Article 282 of the Constitution and backed by Central Government grants. Depending on the nature of the scheme, there is an expenditure sharing arrangement in which either the Central Government meets 100% expenditure or it is shared on predefined basis.
- (iii)** Those Externally Aided Projects which are implemented by State Government Departments, State Public Enterprises, State Financial Institutions and State autonomous bodies are taken as State Projects.

354. Recipients of external development assistance :

- (i)** External Development Assistance from bilateral and multilateral sources is received largely by the Government of India (i) for projects / programmes in the Central sector and (ii) on behalf of the State Government for State sector projects / programmes to be implemented by the State Governments and /or local bodies and public sector undertakings.
- (ii)** External development assistance to Central Public Sector Undertakings /Financial Institutions and non-governmental organizations flow directly to these bodies without routing the funds through the Government of India accounts. If the loan is negotiated directly by a particular Public Sector Undertaking /Financial Institution, the funds from the funding agency shall flow

directly to the borrowing entity The External Development Assistance received by the Government of India on behalf of the State Government for state sector projects is passed on to the respective State Government on Back to Back basis.

355. Types of External Development Assistance : External devp. assistance is utilized for Project Finance, Sector Programme Finance, Lines of Credit & Technical Co-operation.

- (i) Project Finance** is meant for financing project works like construction and maintenance of roads, power plants, irrigation project etc.
- (ii) Sector Programme Finance** is provided to support development policies and institutional reforms and channelled as budgetary support in a specific prioritized sector, such as , the Education Sector, Health Sector, Urban Sector, Forest Sector etc.
- (iii) Lines of Credit** is provided to financial institutions like SIDBI, NABARD etc. for implementation of selected activities, such as the promotion of small and medium-scale enterprises in manufacturing; promotion of self-help groups in agriculture, watershed development.
- (iv) External Donor Agencies extend technical cooperation programmes** for enhancing the abilities of individuals, groups, institutions and organisations through capacity development, including advisory and technical expertise services and trainings. Technical cooperation programmes are mainly aimed at skill upgradation, organisational strengthening and procedural improvements. Technical cooperation programmes are provided as grants and normally take the following forms.
 - a)** Consultancy services to carry out any activity related to development;
 - b)** Organisational reinforcement through provision of management and other operational or advisory personnel;
 - c)** Provision of advisers in policy analysis and formulation;
 - d)** Training;
 - e)** Research and studies, including feasibility studies for capital projects; and
 - f)** Assistance for implementation of capital projects in the form of accompanying measures.

356. Forms of External Development Assistance :

- (i)** External Development Assistance mainly comes in two forms: grants and loans.
- (ii)** Grants are transfers made in cash, goods or services without any obligation to repay whereas on loans, borrower has the obligation to repay principal, interest and any other charges agreed between the external agencies and the borrowers.

357. Concessional in External Development Assistance :

- (i) Grants have 100% concessional. Among loans, World Bank's International Development Association (IDA) loan is the most concessional lending window. Except for the 0.75% service charge, an IDA loan is interest-free, grace period is 10 years, and it is to be repaid within 40 years. The grant element of IDA loan is about 70%. India is currently classified as a "blend" country i.e. one in transition from lower middle-income to middle-income and is creditworthy for lending from both IDA and IBRD. The IDA loan being offered by World Bank to India (which is called IDA Blend) has slightly lower grant element as it has the maturity of 25 years instead of 40 years as in the case of pure IDA loans. World Bank is also charging interest rate @ 1.25% under IDA loans being provided to India.
- (ii) Among the bilateral agencies, only DFID (UK) and the European Union provide development assistance to Government of India in the form of grants. The development assistance being received from all other bilateral agencies is mainly in the form of loans with varying degrees of concessionality.
- (iii) For technical cooperation projects, donors provide advisory services and no fund flow takes place. However, external agencies report their expenditure on technical cooperation as grant to Organisation for Economic Cooperation and Development (OECD). Thus, the concessionality for technical cooperation projects is 100% grant.

358. Identification of Projects and Programmes and submission of Preliminary Project Reports :

- (i) The project cycle under the bilateral official development cooperation programmes starts with Project Implementing Agency (PIA) preparing preliminary project report. The PIA should ensure that the project ideas/programmes are consistent with the priorities of the State Government. Central sectoral line Ministries and /or the NITI Aayog may be consulted for shaping up the idea. Department of Economic Affairs (DEA), Ministry of Finance, Government of India, as the nodal agency for posing projects to the World Bank, ADB and IFAD, has instituted a set of principles and a "Finance plus" criteria to govern the selection of projects to be posed to the Donor Agencies vide their Circular No. F.No. 3/2/2010-FB II dated 01.11.2011 (**Appendix-VIII**).
- (ii) The procedure to identify Projects / Programmes and submission of the same has undergone a little change after issue of guidelines by Department of Economic Affairs (DEA), Ministry of Finance, Government of India vide their Office Memorandum No. F.No.07/02/2018/FB-II Dt.25.10.2018(**Appendix-IX**). The procedure for preparation and posing of Preliminary Project Reports (PPR) in respect of AFD, JICA, GIZ, KfW and all others Bilateral Agencies for Externally Aided Projects (EAPs) have been revised by Department of Economic Affairs (DEA), Ministry of Finance, Government of India vide their Letter No.1/17/2018-G & F Dated.11.03.2019 (**Appendix-X**).

- (iii) The Administrative Departments are to formulate proposals (PPRs) for external assistance and submit it to Finance Department, through online Web-Portal: "<https://eapdea.gov.in/ppr>" w.e.f. 1st January, 2019.
- (iv) The Secretary, Finance Department is the Nodal Authority in respect of State of Odisha regarding submission of Preliminary Project Report (PPR). The PPRs drafted by an originating entity or user Department other than the Nodal Authority is to be approved by the Competent Authority before submission of the same to the Nodal Authority. The PPR should be filled in properly, counterpart funding as per Department of Economic Affairs, Government of India Circular Number.04/01/2011-FB II dated 1st December,2011 must be clearly indicated. The PPR, if approved by the Nodal Authority, will be marked to the concerned Line Ministry of Government of India. Once the PPR gets concurrence of Line Ministries, the same is submitted to DEA, which will be placed before the Screening Committee meeting for taking a decision.

359. Prior approval necessary before forwarding the proposals of State Government or its Agency to the Doner Agency seeking Project Finance or Sector Programme Finance :

- (i) Approval of the Central line Ministry is to be obtained on the Preliminary Project Report for State sector projects. In case of Central sector projects, the PPR is marked to NITI Aayog for approval.
- (ii) Assurance of the State Government is required to make adequate budget provision under Programme Expenditure for implementing the project.
- (iii) Approval at the Secretary level in the concerned sectoral / Administrative Department on the Preliminary Project Report in case of Technical cooperation.

360. Sponsoring Project Proposal :

- (i) In terms of the provisions contained under Rule 2(1) read with item 13 of the 1st Schedule –I (Part-III) of the Government of Odisha Rules of Business, the responsibility of processing of the reimbursement claims due from the World Bank and its subsidiaries lies with the Finance Department, so does the acquiring of loans regardless of their source. After the Project Monitoring Unit (PMU) located in the department of Planning and Convergence Department has scrutinised the proposals for external aid and appraised them, reference has to be made to the Finance Department for formal clearance by the Minister in-charge of Finance and the Chief Minister. The association of Secretary, Finance as a member in the PMU/SLPMC does not exempt the proposals for external assistance from examination by the Finance Department in detail.
- (ii) The Administrative Departments are to formulate proposals (PPRs) for external assistance and submit it to the Central Ministry concerned and to the Department of Economic Affairs, Ministry of Finance, Government of India through Nodal

Authority of the State online through the Web-Portal: “https://eapdea.gov.in/ppr” only after the PMU/SLPMC located in Planning & Convergence Department has scrutinized, appraised and approved the proposal and Finance Department have accorded its formal approval thereof.

- (iii) After concurrence of Finance Department the concerned Administrative Department have to take the approval of Chief Minister. **(Appendix-XI & XII)**
- (iv) As per Government of India (Allocation of Business) Rules, 1961, Department of Economic Affairs (DEA), Ministry of Finance shall act as Nodal Department for all matters relating to loans, credits & grants from Foreign Countries, Special Agencies, Non-Governmental Foundations, Agencies & Voluntary Bodies etc. Hence DEA functions as the political and administrative focal point in India for all engagements with and Multilateral agencies including Multilateral Development Banks (MDBs) such as the World Bank Group, Asian Development Bank (ADB), African Development Bank (AfDB), Asian Infrastructure Investment Bank (AIIB), and New Development Bank (NDB); Bilateral Agencies such as JICA, KfW, GIZ, AfD, EIB, DFID etc.; and International Financial Institutions such as International Fund for Agricultural Development (IFAD).
- (v) Accordingly, DEA has issued a protocol for engagement with Multilateral Development Banks, Bilateral Agencies/Partners and international Financial Institutions in India vide their Office Memorandum No. 14/5/2000-FB II(Vol-IV) Dated.05.03.2018 which may be strictly adhered to. (**Appendix XIII**)

361. Clearance of Preliminary Project Report (PPR) by DEA and submission of DPR :

- (i) DEA shall forward the PPR to the foreign Governments/development agencies for external development assistance, giving consideration to equity factors in the allocation of the available resources through external assistance.
- (ii) Once the PPR is cleared, the State Government or the concerned Ministry / Department of the Central Government should submit a detailed project proposal (DPR). The DPR should adequately reflect following dimensions in measurable terms:
 - a) Techno-economic features – economic viability, social cost benefit, value addition, etc.
 - b) Ecological features-land use, ecological sustainability, etc.
 - c) Socio-cultural features-target population and gender matters, participation, social impact, etc.
 - d) Institutional features – institutional and organizational analysis, capacity building, training, etc.
- (iii) It should be in accordance with the generic structure as suggested by Department of Economic Affairs, Government of India vide their Letter No. 3/3/2004-PMU Dated 9th May, 2005 (**Appendix XIV**). An objective oriented project design in a

matrix format along with work plan, cost and time schedule indicating target / output, cash-flow statement, etc. should also be a part of DPR. The proposal of the State Government should reach DEA through the Ministry concerned in the Central Government along with their appraisal / comments. DPR should be submitted with the approval of the competent authority in the State Government. It should also have all the necessary statutory and non-statutory clearances.

362. Project Preparedness Checklist for posing the project and signing the Agreement : A Project Preparedness Checklist has been drawn up to assess the readiness of the proposal for formally posing to the foreign Government / development agency and for signing agreements with the external agency once the proposal is accepted for appraisal by the external agency. The check list is placed at **Annexure-H**.

363. Activities Prior to Signing of Agreements :

- (i)** After formal communication of the proposals from DEA, external development agencies send fact finding or project identification missions with the concurrence of DEA to assess the project or programme and carry out further technical appraisals for finalizing the detailed economic and engineering feasibility report. Appraisal covers four major aspects of the project: technical, institutional, economic, and financial.
- (ii)** After the project proposal have been posed to the funding agency by the DEA, a briefing meeting with the DEA is normally held at the beginning of the Mission as well as a formal wrap-up/debriefing meeting at the conclusion of the Mission. The project authorities, concerned State Government and concerned central sectoral / line ministry also participate.
- (iii)** Negotiation is the last stage at which the external development agency and the borrower endeavour to agree on the measures necessary to assure the success of the project. The bilateral development partners formally communicate pledging of funds for the projects after successful completion of negotiations.

364. Signing of Agreements :

- (i)** DEA signs the Loan /Financing Agreements on behalf of the Government of India for all "Government Projects" being implemented by Central Ministries or State Governments with external assistance. In case, separate project agreements for defining project activities are to be signed, such documents are signed by the concerned PIAs and line ministries with the external donor agencies.
- (ii)** Before signing of agreement, approval of the Cabinet is to required be taken on the terms and conditions of the Agreement.

365. Effective Date and Start of Disbursement :

- (i) After conclusion of the loan agreements, legal opinion from the Department of Legal Affairs, Government of India is obtained on the format prescribed by the external development agency. The legal opinion and evidence of authority executed by DEA (in the prescribed format by the development agency) along with the specimen signatures of officers authorized to sign and deliver claim documents in respect of a particular project are sent to the external development agency.
- (ii) In respect of Government projects, Aid Account & Audit Division (AA&AD) nominates their officer to sign such claim documents, upon finding the documents correct, the loan agreements are made effective by the external development agencies to start the disbursement of the approved assistance.

366. General Principle for Estimation of resources for EAPs :

- (i) All the external development finance from the external agencies is received by the Central Government and such development finance is passed on to the State Governments through the central budget in the form of “Additional Central Assistance for Externally Aided Projects (ACA for EAPs)”.
- (ii) For the Agreement signed prior to 01.04.2005, external development finance to “Non-Special Category States” was released as ACA for EAPs in the loan/grant ratio of 70:30. However, now for the Agreements signed on or after 01.04.2005, transfer of external development finance to “Non-Special Category States” is done on “back-to-back” basis on same terms and conditions as attached to such development finance by external funding agencies.

367. Flow of Funds from Donor agency to Central Government :

- (i) External development assistance from bilateral and multilateral agencies is received largely by the Government of India to implement central and /or state sector projects. External assistance in these cases are routed through Government account i.e. consolidated fund of India and are released to Departments of Union government through their respective Demand for Grants and to State-Government through Additional Central Assistance.
- (ii) The external development assistance flow from the funding agency in foreign currency and is received in the Reserve Bank of India (RBI)’s account maintained with the Central Bank of external partners country and is routed to the RBI, Mumbai who remits the rupee equivalent to the account of Aid, Accounts and Audit Division (AAAD) at RBI, New Delhi. In case of Japan Internal Co-operation Agency, the fund is received by the Bank of India, Tokyo who deposits it into RBI Account. The remittances are accounted as external loan/grant receipts in the Consolidated Fund of India.

- (iii) Under the external policy, Public Sector Enterprises (PSEs) and Financial Institutions (FIs) receive external development assistance directly from external funding agencies, in case the loan is negotiated directly by them External funds in such cases do not flow through the government account.

368. Method of disbursement :

- (i) **Reimbursement through Special Account (Revolving Fund Scheme):-** Under this procedure, the external agency releases the estimated expenditure of four month for the projects as initial advances for the respective loan or Credit or grant agreement. Such initial deposit is received in foreign currency by Reserve Bank of India, Mumbai and Rupee equivalent is passed on to the account of AAAD maintained at RBI, New Delhi through Government Foreign Transactions (GFT) advice. However, Reserve Bank of India, Mumbai maintains a loan wise proforma account for liquidation of advance received from Funding Agency. AAAD on receipt of reimbursement claims from Project Implementing Agency send an advice to Reserve Bank of India, Mumbai advising them to debit the Special Account with the equivalent of the amount of the eligible claim. Office of Controller, Aid Accounts and Audit consolidates all such claims and submit to external agency for replenishment of Special Account. This is accompanied by a statement of debits and credits made during the period by Reserve Bank of India, Mumbai and supporting documents received from the Project Implementing Agency.
- (ii) **Reimbursement outside Special Account:** Under this procedure (where there is no provision in the loan or credit agreement for the Special Account or the balance in the Special Account is 'Nil') office of AAAD sends the reimbursement claims received from the Project Implementing Agency to the external agency after checking the eligibility aspect. The External Agency thereafter disburses the eligible expenditure to the borrower's (implementing Agency) account with Reserve Bank of India, Mumbai, who shall pass on the Rupee equivalent to the account of the AAAD at Reserve Bank of India, New Delhi by issue of Government Foreign Transaction (GFT) advice.

369. Fund flow under the "Reimbursement Method" for State Sector Projects :

- (i) The State Government makes a budget provision for the project/ programme and the State Finance Department authorizes the PIA for releasing funds to incur the expenditure.
- (ii) PIA incurs expenditure and sends reimbursement claims to AAAD of Ministry of Finance, Government of India. AAAD scrutinizes the claims and forwards them to external agency for disbursement. External assistance is received by AAAD in Consolidated Fund of India (CFI).AAAD advises Plan Finance-I, Department of Expenditure to release funds to the concerned State in the form of Additional Central Assistance.

- (iii) The Sanction letter from the Plan Finance-I authorizes the Chief Controller of Accounts, Ministry of Finance to effect the transfer of funds. The Chief Controller advises the RBI Central Accounts Section, Nagpur to debit the Central Government account and credit the State Government account for the amount.

370. Direct Payment Procedure :

- (i) Under this procedure the external agency, on the request of the Project Implementing Agency (received through AAAD), duly supported by relevant documents, directly pays to the contractor / supplier/ consultant.
- (ii) The External Agency then apprises AAAD and the Project Implementing Agency of the particulars of the payment made. AAAD works out the rupee equivalent of the foreign currency payment which is recovered by AAAD from the Project Implementing Agencies or State Government which have availed of the Direct Payment Procedure.
- (iii) In case of central projects and Centrally Sponsored Projects the concerned Ministry or Department deposits rupee equivalent of the foreign currency in the account of AAAD. In case of State Sector Projects, AAAD recommends book adjustment ACA to Plan Finance Division of Department of Expenditure as and when direct disbursement intimated by external agencies and requesting them to release the amount to the State concerned notionally and recover the same for credit to AAAD's account.
- (iv) The Plan Finance Division issues a sanction for the amount to be released to the State concerned and for simultaneous recovery and credit back to the account of the AAAD. While submitting the claim to AAAD, the PIAs should confirm that Budget Provision is available to cover the rupee equivalent of the proposed Direct Payment, failing which such a claim may be returned.
- (v) A sample copy of the sanction order for adjustment of direct payment by the external agency to the contractor /supplier /consultant / implementing agency etc. is enclosed as **Annexure-I**.

371. Accounting adjustment of Aid received in form of Material and Equipment :

- (i) Detailed instructions for the accounting of aid material, equipment and other commodities from foreign countries are laid down in the Civil Accounts Manual.
- (ii) As per these instructions, the value of technical services or cost of experts deputed by foreign agencies at their own cost does not have to be incorporated in Government Accounts.
- (iii) But any support in the form of materials, equipment and other commodities, even if received as a part of the Technical Cooperation Agreement, has to be brought into Government accounts as explained in the Civil Accounts Manual.

- (iv) The adjustment of the aid materials directly received by the State Government/implementing agency of the State Government from the foreign funding agency is to be accounted for in the manner outlined in **Rule 372**.
- (v) In case Assistance from the external agency is in the form of Grant, the direct payment to the contractor / supplier /consultants etc is to be booked under the functional head to concerned department as expenditure with contra credit to 1601 - Grants in Aid from Central Government.
- (vi) If such assistance from the external funding agency in shape of loan, the direct payment made as referred to above is also to be booked under the Head of the concerned Department with contra credit to 6004 – Loan from Central Government under the externally aided project.
- (vii) When the assistance from the external funding agency is released in shape of material, equipment etc., the adjustment is to be carried out as described above for the grant / loan as the case may be.

372. Basic principles of monitoring and evaluation :

- (i) **Monitoring** is a continuous internal process to check the progress of development intervention against pre-defined objectives, targets and activities planned for implementation of the project.
- (ii) An **evaluation** is an assessment, as systematic and objective as possible, of an ongoing or completed project programme or policy, its design, implementation and results. The aim is to determine the relevance and fulfilment of objectives, developmental efficiency, effectiveness, impact and sustainability.
- (iii) Good monitoring and evaluation facilitates improvement of performance by focussing on project delivery outcomes and impact. It also ensures a system to record lessons learnt to improve the design and performance of projects and programmes.
- (iv) Monitoring of projects funded by bilateral partners is presently being carried out in DEA in the following ways :
 - a) Annual Negotiations/Talks/Consultations with the bilateral partners;
 - b) Annual Tripartite Review Meetings at the State level under the Chairmanship of Chief Secretary of the State concerned;
 - c) Review Meetings in DEA with concerned stakeholders.
- (v) Concurrent evaluation should focus on in-depth reflection at a point considered significant in the project cycle/programme. This could be at the end of the work phase or whenever special circumstances demand or at the closure of the project.
- (vi) Project authorities are required to submit (a) projection completion report of the physical-financial parameters and (b) evaluation report on the project object-achievement parameters after completion of the project.

- (vii) Two or three years after completion of the project, an Impact Assessment Study may also be conducted on selected projects preferably by reputed neutral institutions or organizations to ascertain the actual achievement and retention of project objectives vis-à-vis the targeted project objectives.
- (viii) Japan International Cooperation Agency (JICA) conducts an evaluation of each project using the plan-do-check-act (PDCA) cycle criteria encompassing the pre-implementation, implementation, post-implementation and feedback stages. Two types of ex-post evaluation-individual project evaluation and thematic evaluation are conducted by JICA.
- (ix) UK (DFID) evaluates ongoing projects using a mix of process, ex-ante, ex-post and impact evaluations.
- (x) Ex-post evaluations are also undertaken by KFW/GIZ. While evaluating projects, OECD criteria are followed by German Organizations.
- (xi) In addition, State Government in Finance Department conducts quarterly review of the projects to review their physical progress, expenditure incurred, claim submission vis-à-vis ACA received from Government of India.

(Finance Deptt. Letter No.30769/F., dated 2.12.2015)

373. Capitalisation of interest during construction (IDC) and Book Adjustment :

- (i) Interest during construction (IDC) is capitalised on the loan component of ACA for Externally Aided Project received on back to back basis.
- (ii) This capitalised amount is recovered as Principal instalment on becoming due as per payment schedule of the respective loans.
- (iii) The IDC amounts are credited under receipt Heads of respective loans and to be debited to appropriate capital Head of Account of corresponding projects.
- (iv) Necessary Budget provision is to be made in the respective Demand for Grants of concerned Departments for book adjustment of the IDC amount.

374. Repayment of loans and payment of interest:

- (i) Repayment of loans and payment of interest are classified as charged expenditure.
- (ii) In respect of external assistance received from the Donor Agencies on back to back basis for Externally Aided Projects signed after 1st April, 2005, the office of the Controller of Aid Accounts and Audit (CAA&A) functions as the Front Office for repayment of Principal and payment of interest, Front end Fee, commitment charges and service charges etc. to the respective Donor Agencies and advises the Chief Controller of Accounts, Ministry of Finance to effect recovery of the Rupee equivalent from the State Government Account. A copy of the said advice is endorsed to the Secretary to Government, Finance Department of the concerned State.

- (iii) The Chief Controller of Accounts, Ministry of Finance, in turn advises the Reserve Bank of India, Central Accounts Section, Nagpur to debit the State Government Account towards recovery advised by the Controller of Aid, Accounts and Audit.
- (iv) The exchange risk is to be borne by the State Government and is accounted for and adjusted for by the Controller of Aid, Accounts and Audit at the time of repayment.
- (v) For correctly accounting for the debt servicing made by the State Government for Externally Aided Projects, the Chief Controller of Accounts, Ministry of Finance, while sending the debit advice to the Central Accounts Section, Nagpur is required to endorse the copy of such debit advice to the Accountant General (A&E) as well to the Finance Department of the State Government.

II. Rural Infrastructure Development Fund (RIDF) Projects

375. (i) Rural Infrastructure Development Fund (RIDF) was set up by Government of India for providing financial support for creation of Agriculture and Rural Infrastructure Projects since 1995-96 under National Bank for Agriculture and Rural Development (NABARD) with a view to giving an impetus to implementation of various projects / schemes in the State in the rural sector. This fund is maintained by National Bank for Agriculture and Rural Development (NABARD). RIDF Corpus is made up of contribution from all Scheduled Commercial Banks to the extent of their shortfall in agricultural/priority sector lending subject to a maximum of 1.5% of net bank credit.

(ii) National Bank for Agriculture and Rural Development (NABARD) provides term loans of five to seven years at a concessional rate of interest for implementing Rural Sector Projects. Under this window NABARD provides 95% of the project cost as RIDF loan for agriculture, irrigation and allied sector, 85% for social sectors like health, education, drinking water and sanitation etc. and 80% for rural connectivity i.e. roads and bridges.

376. Fixation of Annual borrowing limit under RIDF from NABARD :

- (i)** Department of Expenditure, Ministry of Finance, Government of India convey consent to the States for obtaining Negotiated Loan (NL) from NABARD for financing the State's Programme Expenditure.
- (ii)** Keeping in view the annual borrowing limit as a part of the state programme resources, estimated cost of sanctioned projects and the likely level of drawal of loan from NABARD during a financial year, the State Government seeks the consent of Department of Expenditure, Ministry of Finance, Government of India to a borrowing limit under Article, 293(3) of Constitution of India.

377. Selection and Prioritisation of Projects :

- (i)** New projects under the scheme are selected and approved by A High Power Committee (HPC) under the Chairmanship of the Development Commissioner-cum-Additional Chief Secretary, Odisha. A Sub-Committee under HPC is

constituted with Principal Secretary, Finance as Chairman to scrutinise and prioritise the projects. The report of the Sub-Committee is placed before HPC for approval. While selecting the projects the committee take into account the strategic importance, cost-benefit ratio, parity among the districts of the State and the socio-economic development of backward areas. Departments submit detailed project report (DPR) in respect the projects cleared and approved by the committee to NABARD through Finance Department.

(ii) The important functions of the High Power Committee constituted under the Chairmanship of Development Commissioner inter-alia are as follows: -

- (a)** Concerned Project Executing Departments/Line Departments shall forward project proposals to the P&C Department for posing before the Committee for appraisal and recommendation.
- (b)** The project proposals submitted by the Line Departments to the P&C Department are referred to the Sub-Committee under HPC with Principal Secretary, Finance as Chairman to scrutinise and prioritise the projects. The report of the Sub-Committee is placed before High Power Committee (HPC) for final approval.
- (c)** The Committee deliberates on the strategic importance, cost benefit, ratio of projects, maintaining parity among all the districts of Odisha and Socio economic Development of backward areas while finalising a shelf of projects.
- (d)** Regulatory clearances for implementation of the projects are in place.
- (e)** The Committee finalises projects for various Departments keeping in view the ceiling fixed under Article 293(3) for the year for availing negotiable loan from NABARD.
- (f)** The Committee also deliberates on the cost escalation proposals, project withdrawals and problematic projects for clearance of hindrances by various Departments wherever necessary.
- (g)** The Committee reviews from time to time the progress of projects under implementation, sanction of funds, release of assistance, completion of projects in time etc.

378. Sanction of Projects :

- (i)** The projects pertaining to eligible sectors under each RIDF tranche after being cleared by the High Power Committee are submitted through Finance Department to NABARD's regional office.
- (ii)** The project proposals are scrutinised and appraised by the regional office with the help of consultants by conducting desk and field appraisal. Appraisal reports submitted by the Regional Offices are then scrutinised by the State Project Department of NABARD at Head Office before placing the same to the Project Sanctioning Committee of NABARD for consideration of sanction.

- (iii) After sanction of projects by NABARD, sanction order with terms and conditions issued by NABARD is accepted in Finance Department by authorised person. A certificate under Article 293(1) of the Constitution of India is submitted by Finance Department to NABARD for this purpose.

379. Budget Provision in the Budget of the implementing Department :

- (i) The concerned Department make necessary provision for RIDF Projects in their Budget/Demand for Grants in accordance with the State Programme Ceiling communicated under RIDF by Planning and Convergence Department. While making budget provision the concerned departments are to keep in view the number of projects sanctioned / to be sanctioned during the year and the number of projects identified for completion. The implementing Departments are to ensure that full requirement of fund for the ongoing projects nearing completion is provided on priority instead of spreading the outlay thinly over a large number of projects. If any shortage in the provision is noticed in course of the year, it is to be made up by suitable augmentation/re-appropriation by locating savings/through supplementary budget provision.
- (ii) The implementing Departments incur expenditure for the sanctioned RIDF Projects and then submit claim for reimbursement of eligible expenditure at periodic intervals.

380. Procedure for submission of claims to NABARD :

- (i) The re-imbusement claims in respect of sanctioned projects shall be submitted to the Regional office of NABARD through Finance Department.
- (ii) The loans are released to Finance Department on submission of Time Promissory Note (TPN) duly signed by the authorised person of Finance Department.
- (iii) Finance Department is the Nodal Department for documentation, accounting, reporting and repayment of RIDF loans.
- (iv) The formats in which re-imbusement claims are submitted to NABARD have been placed at **Annexure-J to M.**

III. Central Sector & Centrally Sponsored Schemes - Provision of funds and submission of Utilisation Certificate and Audited Statement of Expenditure.

381. Central Sector and Centrally Sponsored Schemes :

- (i) Central Sector Schemes are those schemes for which Central Government release **100%** central assistance to meet the total expenditure under the scheme. In case of Centrally Sponsored Schemes (CSS) the expenditure is shared by the concerned Ministry/Department of Government of India/ Autonomous Bodies under the Central Government and by the State Government in accordance with the financing pattern in which the respective share of Centre and States e.g. 60:40, 50:50, 90:10, etc. is indicated.

382. Submission of expenditure statement periodically and audited statement of annual expenditure.

- (i) The concerned department / Ministry of Government of India sometime ask for progress of expenditure during the course of the year and the likely level of expenditure during the remaining part of the financial year to access the capability of the implementing department/agency of the State Government to spend the central assistance and accordingly determines the quantum of central assistance to be released `during the financial year. It is therefore crucial for the Administrative Department of the State Government to fix the quarterly target of expenditure and to ensure that hurdles or the impediment for timely spending of central assistance are removed. The dateline fixed by the concerned department/ Ministry of Government of India for submission of periodic statement of expenditure is strictly adhered to.
- (ii) The quantum of central assistance is dependent on actual level of expenditure incurred by the implementing department /agency. It is, therefore, important that not only expenditure is incurred in time but also the expenditure is booked under the appropriate head of account and monthly reconciliation of such expenditure is carried out with the office of the Accountant General. This will enable the Accountant General to issue the annual audited statement of expenditure in time as soon as the appropriation account of the relevant financial year is finalized.

383. Submission of monthly/quarterly/ annual report by the implementing Administrative Department to Finance Department.

- (i) The concerned Administrative Department responsible for implementation of the relevant Central Sector Schemes/Centrally Sponsored Schemes and Finance Commission Grants etc. shall submit to the Finance Department the utilisation position in-respect of the Central Assistance received through the Consolidated Fund of Odisha as well as directly received by the concerned implementing agency without being routed through in the State Government account as per the time limit fixed as under.
 - (a) Monthly Statement of Central Assistance received by end of the following month e.g. for April by end of May.
 - (b) The quarterly report by end of the Month following the expiry of the quarter e.g. for the quarter April – June the report should be submitted by the end of July.
 - (c) The annual report for the financial year ending 31st March shall be submitted by the end of May of next financial year.
- (ii) The monthly/quarterly/annual report of the central assistance received should be reported separately for CS/CSS/ Finance Commission Grants etc. in the proforma indicated in **Annexure-N, O & P**.

384. General Principles for release of fund in respect of Centrally Sponsored Schemes : The following principles are being kept in view by the Ministries/Departments of the Central Government at the time of designing Centrally Sponsored Schemes for implementation in State Government or Union Territories and approving and releasing assistance to State Government or Union Territories for such schemes: -

- (i) Every Centrally Sponsored Scheme should be treated as a Project with time bound targets for monitoring, midterm evaluation and detailed impact studies.
- (ii) The scheme should be designed in consultation with individual States or Union Territories and the outlays should be demand driven. States should be delegated adequate powers to change the details of the schemes to suit local conditions, subject to reporting such changes to the concerned Ministry or Department.
- (iii) Where schemes are in operation with similar objectives targeting the same population, the schemes should be converged and the schemes not yielding results should be weeded out.
- (iv) To ensure monitoring and effective control over such schemes, the number of schemes should be restricted, so that the gain from the expenditure on such schemes is maximized. The role of the Central Ministries or Departments should be capacity building, inter-sectoral coordination and detailed monitoring.
- (v) The release of funds to State Governments and monitoring further utilisation should be undertaken through PFMS. Apart from making provisions in the budget and releasing funds, the Ministries or Departments should establish a mechanism to ensure that the funds earlier released have been effectively utilised and that the data and facts reported by the State Governments or Union Territories relating to physical and financial performance are correct. Before releasing further funds, it should also be ensured that the State Governments or Union Territories have the capacity to actually spend the balance from the previous years and the releases during the current year.
- (vi) The Ministries or Departments should focus attention on the attainment of the objectives and not on expenditure only. A mechanism for avoiding release of large part of funds towards the end of the year should be devised and incorporated in the Scheme design itself.
- (vii) An evaluation mechanism should be built into the scheme/project, providing for concurrent reviews and applying, mid-course corrections where necessary.
- (viii) A post-completion review of every Centrally Sponsored Scheme should be undertaken by the State Government implementing the scheme, highlighting the time and cost overruns, if any, and suggestions for formulating and implementing future schemes. A copy of the review should be obtained by the Ministry concerned from state Government and kept in view while formulating new Centrally Sponsored Schemes.

385. Rationalization of Centrally Sponsored Schemes (CSS) from 17th August, 2016 :

- (i)** The CSS/ACA schemes in the Twelfth Five Year Plan were restructured in to 66 CSS, including Flagship Programmes by Government of India from the year 2014-15. Subsequently, the existing 66 CSS have been rationalized into **28** umbrella schemes (6 schemes as Core of the Core schemes, 20 schemes as Core schemes and 2 schemes as optional schemes) from 17th august, 2016. The Central Share of the rationalised umbrella schemes and the corresponding state share will form a part of the State Programme Outlay.
- (ii)** However, in respect of some Centrally Sponsored Schemes still remaining outside the rationalised CSS and which are further funded by the Ministries / Department of Government of India and Central Autonomous bodies and partly by the State Government, necessary budget provision for Central Share and State share for those schemes only would continue to be made in the State Budget.

CHAPTER-12

MISCELLANEOUS

SECTION - I ESTABLISHMENT

386. Proposal for additions to Establishment:

- (i) No permanent post under Government can be created without the sanction of Government and due provision of fund. All proposals for additions to establishment whether permanent or temporary, shall be submitted to sanctioning authority in accordance with the instructions contained in Delegation of Financial Powers Rules, 1978 as amended from time to time and other such instructions which may be issued in this regard.
- (ii) All proposals for creation of a new establishment or a revision in an existing establishment, whether temporary or permanent should contain, inter-alia:-
 - (a) the present cost of the establishment in existence;
 - (b) cost implications of the change proposed giving details of pay and allowances of post(s) proposed;
 - (c) expenditure in respect of claim to pension or gratuity or other retirement benefits that may arise in consequence of the proposals and in particular, its effect on the important monitorable targets stipulated under Section 5 (e) of the Odisha Fiscal Responsibility and Budget Management Act, 2005 as amended from time to time;
 - (d) details on how the expenditure is proposed to be met including proposed re-appropriations. If the expenditure is proposed to be incurred in the current year, the proposals should show clearly whether it can be met within the grant or appropriation of the year.
- (iii) A full review of the justification for continuation or conversion of temporary posts in consultation with Financial Advisor of the Department and concurrence of Finance Department is necessary before any order for continuation of temporary posts or conversion into permanent posts is issued.

387. (i) Variation in sanctioned pay of a post : All proposals for increase in emoluments for an existing post(s) shall be referred to the Finance Department for approval.

(ii) Adjustment in Appointments : A Department competent to make appointment to posts in any cadre may make appointments in a lower post in the cadre to the extent of vacancies left unfilled in the higher posts only with prior concurrence of Finance Department and General Administration & Public Grievances Department.

388. Transfer of Charge:

- (i)** A report of transfer of an Officer holding Group-B and above posts, duly made in **Form-OGFR-44** and signed by both the relieved and relieving Government servants, shall be sent on the same day to the Head of the Department or other Controlling Officers concerned except in the following types of cases in respect of which report of transfer of charge need not be signed both by the relieving and relieved Government servants simultaneously and may be sent independently:-
 - (a)** Where an Officer holding Group-B and above posts assumes charge of a newly created or vacant post or relinquishes charge of a post which has been abolished.
 - (b)** Where an Officer holding Group-B and above posts vacates a post for a short period and no formal appointment or officiating arrangement is made in his place.
 - (c)** Where due to administrative exigencies a government servant is required to move to another post relinquishing his post against local arrangement.
- (ii)** In cases in which the transfer of charge involves assumption of responsibility for cash, stores, etc., the following instructions should be observed:-
 - (a)** The Cash Book or imprest account should be closed on the date of transfer and a note recorded in it over the signatures of both the relieved and the relieving Government servants, showing the cash and imprest balances and the number of unused cheques/receipt books, if any, made over and received by them respectively.
 - (b)** The relieving Government servant should bring to notice anything irregular or objectionable in the conduct of business that may have come officially to his notice. He should examine the accounts, count, weight and measure certain selected articles, as applicable, in order to test the accuracy of the returns.
 - (c)** In the case of any sudden casualty occurring or any emergent necessity arising for a Government servant to relinquish his charge, the next senior officer of the department present shall take charge. When the person who takes charge is not a Gazetted Government servant, he must at once report the circumstances to his nearest departmental superior and obtain orders as to the cash in hand, if any.

389. Date of Birth :

- (i)** Every person newly appointed to a service or a post under Government shall, at the time of the appointment, declare his/her date of birth by the Christian era with confirmatory documentary evidence such as Matriculation Certificate, where prescribed qualification for appointment is Matriculation or above.
- (ii)** In other cases, Municipal Birth Certificate or Certificate from the recognised school last attended shall be treated as a valid document.

(iii) No alteration of Date of Birth of Government Servant shall be made except in case of clerical error without prior approval of the Government. An application for effecting a change in the Date of Birth shall be summarily rejected, if –

(a) filed after five years of entry in Government Service, or

(b) the change would be to lower the applicant's age that he/she would have been in-eligible to appears in any of the academic or recruitment examination in which he/she had appeared or for consideration for appointment to any service or post under the Government.

(c) If a Government servant is unable to state his exact date of birth but can state the year, or year and month of birth, the 1st July or the 16th of the month respectively, may be treated as the date of his birth.

(d) If he is only able to state his approximate age, his date of birth may be assumed to be the corresponding date after deducting the number of years representing his age from his date of appointment.

(e) When a person, who first entered Military employment, is subsequently employed in a Civil Department, under the State Government, the date of birth for the purpose of the civil employment should be the date stated by him at the time of attestation, or if at the time of attestation he stated only his age, the date of birth should be deduced with reference to that age according to the method indicated in sub-para (d) above.

Note - Cases in which the date of birth has been deduced from the age at appointment or attestation by any other method, need not be reopened.

390. Human Resources Management System (HRMS) :

(i) Human Resources Management System (HRMS) is an electronic system to carry out personnel transaction of government employees. It is the repository of all the service records of the Government employees of the State.

(ii) The sanction strength and men-in-position in respect of an establishment shall be recorded in HRMS. The establishment pay bill (regular/arrear) shall be generated in HRMS.

(iii) HRMS shall provide facility for an employee to apply for leave, loan or submit the Annual Performance Appraisal Report (PAR) and Property Statement.

391. All accounts and registers of an employee, like Service Book, Leave Account, Loan Account, Salary Account, shall be maintained in HRMS.

392. Leave application: Subject to any special rules or orders issued by the competent authority, all employees are required to submit the leave application in **Form OGFR-45** and the leave shall be sanctioned by leave sanctioning authority.

393. National Pension System (NPS) :

(i) The State Government introduced the Defined Contribution Pension Scheme, also known as New Pension System (NPS) vide Finance Department Notification No. 44451/F,.Dt.17.09.2005 w.e.f 01.01.2005 applicable to the employees joining against the pensionable establishment on or after 01st January, 2005.

(ii) The New Pension System will work on defined contribution basis and will have two tiers – Tier- I and Tier- II. Contribution to Tier-I is mandatory whereas Tier-II will be optional and at the discretion of Government Servant.

(iii) Immediately on joining Government Services, the Government Servant shall provide particulars such as his name, designation, scale of pay, date of birth, nominee(s), relationship of the nominee etc. to the concerned Drawing and Disbursing Officer in the prescribed form for generation of Permanent Retirement Account Number (PRAN) of the employee.

(iv) The contribution of the employee and State Government shall be at the rate as prescribed by the State Government from time to time.

(v) Recovery towards contribution shall start from the salary of the month following the month in which the Government Servant has joined the Service.

394. Service Book : Detailed Rules for maintenance of Service Books are contained in **Appendix-11** and **11-A** of the Odisha Service Code. The instructions, issued by the State Government, from time to time, shall be followed for maintenance of service book.

395. Service Book of Officers holding Group-C post :

(i) In July every year the service books should be taken up for verification by the head of the office who, after satisfying himself that the services of the Government servant concerned are correctly recorded in each service book, should record, in it, a certificate in the following form over his signature:-

“Service verified up to (date) from (the record from which the verification is made)”

Note - The verification of service referred to above should be in respect of all services qualifying for pension whether permanent, provisional, temporary, or officiating.

(ii) The head of the office in recording the annual certificate of verification should, in the case of any portion of service that cannot be verified from office record, distinctly state that for the excepted periods (naming them) a statement in writing by the Government servant, as well as a record of the evidence of his contemporaries, is attached to the book.

- (iii) When, however, a Government servants/Officers holding Group-C post is transferred from one office to another, the head of the office under whom he was originally employed should record in the service book under his signature the result of the verification of service, with reference to pay bill and acquaintance rolls, in respect of the whole period during which the Government servant was employed under him, before forwarding the service book to the office where the services are transferred.
- (iv) When a government servants/Officers holding Group-C post are officiating in gazetted posts, their service books should be kept by the head of the office to which each such Government servant permanently belongs, but when they are confirmed in such posts, their service books should be forwarded to the concerned Head of the Office in which such Gazetted Officer is working after making update entries in the Service Book.

396. Service Records of Officers holding Group-B and above posts:

- (i) Service Records of Officers holding Group-B and above posts shall be maintained in the form of Service Books, in duplicate. Duplicate copy of the Service Book shall be supplied to the officer concerned. The authorities sanctioning normal entitlements of gazetted officers shall be responsible for maintenance of the Service Books. When an officer is transferred from one office to another, his Service Book duly updated should also be transferred to his new office.
- (ii) If a Government Servant is transferred to Foreign Service, the head of his office or Department must send his Service Book to the Accountant General (A&E), who will return it after noting in it, over his signature, the order sanctioning the transfer, the effect of the transfer, in regard to leave admissible during foreign service and any other particulars which he may consider to be necessary. On the Government Servant's re-transfer to Government Service, his service book must again be sent to the Accountant General (A&E), who will then note in it over his signature, all necessary particulars connected with the Foreign Service including leave salary contribution, pension contribution etc. No entry relating to the time spent in Foreign Service may be attested by any authority other than the Accountant General (A&E). In other words no authority other than Accountant General, Odisha is competent to make any entry relating to the period on deputation on Foreign Service.

(Finance Department Memo No. - TRA-4/95, Dated 25.04.1995)

- (iii) Annual verification of service of Gazetted Officers / Officers holding Group-B and above posts should be made by the Heads of Offices concerned in July every year and certificate of verification recorded in the Service Books as required under Appendix-11 of the Odisha Service Code. Service Books of Heads of Offices, Heads of Departments and Secretaries of Administrative Departments should likewise be verified by the authorities sanctioning their normal entitlements, who shall also record certificates of verification in them. To enable these authorities to

record the certificates, the Heads of Offices who maintain acquaintance rolls should furnish to them a verification report in the following form: -

“Service verified up to

With reference to pay bills / acquaintance roll

- (iv) Entries in the Service Books of Gazetted Officers / Officers holding Group-B and above posts maintained in the Departments of Government and offices of the Heads of Departments need not necessarily be attested by the Secretaries of Administrative Departments or Heads of Departments themselves. The responsibility may be entrusted to a subordinate gazetted officer, preferably the Officer-in-charge of Establishment matters, subject to the restriction that the officer so entrusted should not attest entries in his own Service Book which should be done by another gazetted officer authorised in that behalf.

397. Service Rolls : Service rolls for Government servants, belonging to Group – ‘D’/Class-IV when they are required to be maintained under Rule 11 of Appendix-11 to the Orissa Service Code, should be taken up every year for verification of service and record of necessary certificate in the manner laid down in Rule 397.

398. Service record of Government Servants who have rendered Military Service :

- (i) In case where Government Servants have rendered some Military Service also, that service should be verified in time from the Comptroller of Defence Accounts concerned as soon as possible without considering whether the official concerned is retiring from Government service in near future or not, as the verification of this portion of service at the time of retirement, necessarily causes much delay.
- (ii) Information on the following points duly verified by the Controller of Defence Accounts should be noted in the service book :-

- a. The correct period of service with the dates of commencement and termination of such services and the amount of leave, if any, availed of during this period.
- b. Whether the service was qualifying under the military rules, and also whether it terminated before a pension or gratuity was earned.
- c. Whether any pension/gratuity was granted by the military authorities.
- d. Whether the service rendered was of superior or inferior nature under the military rules.
- e. Discharge certificate and the Controller of Defence Accounts verification memo should be filled with the service book.

399. Maintenance Service Book in duplicate :

- (i) The service book/service rolls of a government servant, whether Gazetted, Non-Gazetted (Group-B and above posts) Group-C posts or Group- ‘D’, shall be maintained in duplicate. First copy shall be retained and maintained by the Head of the Office and the second copy should be given to the government servant for safe custody as indicated below :-

- (a) To existing employees – If already not given, must be ensured forthwith.
- (b) To new appointees - within one month of the date of appointment.
- (ii) In July each year the Government servant shall handover his copy of the Service Book to his office for updation. The office shall update and return it to the Government Servant within thirty days of its receipt.
- (iii) In case the Government servants' copy is lost by the government servant, it shall be replaced on payment of a sum of Rs. 500/-.
- (iv) The procedure and timeline for verification of service book indicated for non-gazetted government servants is also applicable to gazetted officers.
- (v) In case of electronic service book, the employee can access and download his service book using his personal credentials. The employee cannot modify his records in the service book. However, the employee can suggest for modification / updation in the prescribed manner.

400. Periodical checking of service books :

- (i) The service book are now maintained in HRMS in electronic mode (e-Service Book). Each establishment is required to record all the relevant information in the e-Service Book. The arrangement should be made by the establishment for cross verification of entries made in e-Service Book. The establishment should ask all employes belonging to the category of Group-C and above to verify their service book and bring it to the notice of the establishment in case of any discrepancy / omission/commission for necessary rectification and subsequent updation. In case of group-D employees, the verification shall be done by the concerned establishment by following the principle of maker and checker.
- (ii) The verification of service book shall be completed latest by 31st July. Each Drawing Officer shall furnish a certificate, on proper verification of service, from HRMS in the establishment pay bill for August every year.
- (iii) Treasury/Special Treasury / Sub-Treasury concerned shall refuse to honour the establishment pay bill for the month of August presented by the Drawing Officer of an office who does not append such certificate in the bill.

401. Retrospective claim due from date of sanction: In the case of sanction accorded with retrospective effect the charge does not become due before it is sanctioned. In such cases the time-limit should be reckoned from the date of sanction and not from the date on which the sanction takes effect.

402. Due date of T.A. claim: Travelling allowance claim of a government servant shall fall due for payment on the date succeeding the date of completion of the journey. He shall submit the travelling allowance claim within one-year of it becoming due failing which it shall stand forfeited.

403. Reckoning the date in case of T.A. claims by retired Government servants appearing in a Court of Law for defending himself: Retired Government servants become eligible for reimbursement of Travelling Expenses in respect of travel(s) for appearing in court of law for defending himself only when the judgement relating to his acquittal is pronounced by the Hon'ble Court. In such cases the date of pronouncements of the judgement shall be the reference point for submission and forfeiture of his T.A claim.

404. Due date of Leave Travel Concession claim:

(i) Leave Travel Concession claim of a government servant shall fall due for payment on the date succeeding the date of completion of return journey. The time limit for submission of the claims shall be as under:

a. In case advance drawn: Within three months of the due date.

b. In case advance not drawn: Within six months of the due date.

(ii) In case of (a) above if the claim is not submitted within one month of the due date, the amount of advance shall be recovered but the Government employee shall be allowed to submit the claim as under (b) above. Besides, if the Government servant failed to proceed on LTC, the advance shall be recovered forthwith.

(iii) In case of failure to submit the claim in both the cases within three months of the due date, the claim shall stand forfeited and the advance received by the employee shall be recovered in full.

405. Due date of Over Time Allowance claims :

(i) A claim for overtime allowance shall fall due for payment on first day of the month following the month to which the overtime allowance relates.

(ii) The claim shall stand forfeited if not submitted within one year of the due date.

406. Due date of a withheld increment: In the absence of any specific order withholding an ordinary increment before the date on which it falls due for payment, the period of one year should be counted from the date on which it falls due and not with reference to the date on which the Increment Certificate is signed by the competent authority. Even where an increment is withheld, the time-limit should be reckoned from the date on which it falls due after taking into account the period for which it is withheld.

Note: For example the due date for increment to fall due in 1st July, 2018 and the increment is withheld for 6 months, the period of one year starts from 1st July, 2018 and ends on 31st December, 2019 i.e. the next increment falls due in 1st January, 2020.

407. Arrear claims :

(1) (a) Arrear claims up to 3 years shall be sanctioned by the Drawing and Disbursing Officer after usual checks and scrutiny against double payment/over payment.

(b) Arrear claims more than 3 years and up to 6 years old shall be sanctioned by Heads of Department on the basis of their records and certificate of the Drawing and Disbursing Officer to the effect that the amount has not been drawn previously and that an undertaking has been obtained from the person concerned that in case of over and double payment detected later, the same shall be recovered from him. The proposal in this regard should be submitted to the Head of the Department by the Drawing and Disbursing Officer after exercising usual checks and scrutiny against double payment/over payment.

Note - For the purpose of this Rule, the date on which the claim is presented at the Treasury or any other office of disbursement shall be considered to be the date of which it is preferred.

(2) Arrear claims above 6 years old are ordinarily not to be entertained. In exceptional cases where, however, such delay is not due to the fault of the Government employee the Drawing and Disbursing Officer will furnish a certificate that he is satisfied that the amount has not been drawn previously. He should also furnish an undertaking that in case of over or double payment detected later the same will be recovered. The proposal should be sent along with detailed justification to the Administrative Department for sanction.

Note -Departments of Government shall exercise full powers to sanction arrear claims subject to the restrictions laid down in Sub-Rules (3) and (4).

(3) Claims against Government which are barred by time under the provisions contained in Section 3 read with the First Schedule of the Indian Limitation Act, 1963 or under any other provisions of law relating to limitations should ordinarily be refused and no claim on account of such a time-barred item should be paid without the sanction of Government. The onus is upon the claimant to establish a claim to special treatment for a time-barred item and it is the duty of the authority against which such a claim is made to refuse the claim until a case for other treatment is made out. All petty time-barred claims are to be rejected forthwith and only important claims of this nature considered.

(4) All petty claims of a Government servant more than 3 years old other than those that affect his pension, and all such claims for whose delayed submission and adequate explanation is not forthcoming, should be rejected forthwith. In considering old claims recommended for sanction, the authority concerned will also take into account the fact that it is normally not possible owing to the limited period of preservation of records to audit claims more than 6 years old.

(5) (a) The authority competent to authorize the investigation of a belated claim should be told why the claim was not submitted when it became due.

(b) In respect of pay and allowances drawn on establishment bills by the Head of Offices, the responsibility for making claims rests on them and they should invariably see that all claims are presented within 6 months of their falling due.

(c) The time limits prescribed in these instructions should be calculated from the date on which the charge becomes payable. In the case of sanction accorded with retrospective effect, the charge does not become payable before it is sanctioned; the time limits should, therefore, be calculated from the date of sanction and not from the date from which the sanction takes effect.

408. Time barred claims of persons not in Government service: The provisions of **Rule 400 to Rule 406** shall apply mutatis mutandis to arrear claims preferred against Government by persons not in Government service.

409. Retrospective sanctions: Retrospective effect shall not be given by competent authorities to sanctions relating to revision of pay or grant of concessions to Government servants, except in very special circumstances with the previous consent of the Finance Department.

410. Currency of sanction of Provident Fund advance/withdrawal: A sanction to an advance or a non-refundable part withdrawal from Provident Fund shall, unless it is specifically renewed, lapse on the expiry of a period of three months.

SECTION-II

REFUND OF REVENUE & EXPENDITURE

Part-A

411. Classification of refunds of revenue: Refunds of revenue are broadly classified as -

- (i)** Refunds to which the claimants are legally entitled; and
- (ii)** Refunds which are made ex-gratia, government being under no legal obligation to make them.

Note 1 - Refunds of revenue are not regarded as expenditure for purposes of grants or appropriation.

Note 2 - Remissions of revenue allowed before collection are to be treated as reduction of demands and not as refunds.

Note 3 - Cash payment for refund of revenue after collection should be treated as outlay against the appropriation for the Head "Deduct-Refunds" subordinate to direct receipts. All other refunds of revenue and repayments of "Receipts and Recoveries on Capital Account" should be taken in reduction of the receipts under the heads concerned.

412. Sanctions of refunds of revenue:

- (i)** All sanctions to refunds of revenue shall be regulated by the orders of State Government and by Departmental Rules and Orders contained in the Departmental manuals etc.
- (ii)** The general procedure for refunds of revenue and authorities competent to sanction refunds in certain cases are prescribed in Odisha Treasury Code.
- (iii)** In case of refund of revenues against payment made through electronic mode in Odisha Treasury Portal, the refund sanctioning Authority shall verify the credit of the deposited amount from the Odisha Treasury Portal by downloading the electronic Challan. In such cases the certificate of Treasury Officer certifying that the amount has been credited to Treasury is not required.
- (iv) Competent authority in case of credits wrongly classified:** In cases where revenue is credited to a wrong head of account or credited wrongly under some misapprehension, the authority competent to order refund of revenue shall, in such cases, be the authority to whom the original receipts correctly pertain.
- (v) Remission of revenue before collection is not refund-**Remissions of revenue allowed before collection are to be treated as reduction of demand and not as revenue.

413. Communication of Refund sanction to Audit :

- (i)** The sanction to a refund of revenue may either be given on the bill itself or quoted therein and certified copy being attached when such orders are not separately communicated to the Accountant General (A & E).
- (ii) Suitable note of refund to be made in original Cash Book entry and other documents:** Before a refund of revenue is made, the original demand or realisation as the case may be, must be linked and a reference to the refund should be recorded against the original entry in the Cash Book or other documents so as to make the entertainment of a double or erroneous claim impossible.

414. Refund of unspent balance of funds drawn from Consolidated Fund of the State: No money should be drawn from the Treasuries unless required for immediate disbursement. However, in certain cases funds drawn from the Consolidated Fund of the State remain unspent and are required to be refunded to the Government Account. The head of account for such refund and the manner and treatment of such refunds are outlined below:

- (i)** In case of amount drawn from Revenue Account, refund of unspent balance whether made in cash or by short drawl from a bill, during the same financial year in which such amounts were drawn, shall be recorded as reduction of

expenditure under the concerned Service Head. However, refund of unspent balance pertaining to previous year(s) shall be recorded under distinct minor head '**911-Deduct-Recoveries of Overpayments**' below the concerned major/sub-major head from which it was drawn without affecting the gross expenditure under the functional Major/Sub-Major Head in the Appropriation Accounts.

- (ii) In case of amount drawn from Capital Account, refund of unspent balance whether made in cash or by short drawl from a bill, during the same financial year in which such amounts were drawn, shall be recorded as reduction of expenditure under the concerned Service Head. In case of amount drawn during the previous financial year, the refund of unspent balance may be recorded under the sub-head "**Recoveries on Capital Account**" below the relevant minor heads under the various capital major/sub-major heads wherefrom the expenditure was initially incurred. Where such receipts and recoveries on capital account are not identifiable with any programme minor head, the same may be adjusted in accounts as a sub-head "**Recoveries on Capital Account**" under the minor head '**800- Other Expenditure**' under the concerned major/sub-major head.

PART-B

COMPENSATION TO CIVIL OFFICERS FOR LOSS OF PROPERTY

415. Due to Serious Internal Disturbances directed against Govt.:

- (i) Compensation will be restricted to cases of loss or damage or destruction of the property of a Government servant on duty where such loss, damage or destruction has arisen out of internal disturbances directed against Government. Where such loss, damage or destruction is not so connected no compensation shall be payable.
- (ii) Where the loss, damage or destruction has happened partly on account of such disturbances against Government and partly through other agencies compensation shall still be paid where the main cause of loss, damage or destruction was on account of the anti-Government disturbances. Cases might occur where, in pursuance of the anti-Government demonstration, the property has been removed by the demonstrators to another place and destroyed by accident or by a third party. In such cases compensation shall only be paid so long as the damage or destruction arises out of events connected with the disturbances. The sanctioning authority should also satisfy itself that the officer concerned had taken steps for the proper protection of his property as far as possible under the circumstances.
- (iii) All claims for compensation should be enquired into by a gazetted officer of rank higher than that of the claimant.

- (iv) In order to accelerate payment of compensation, Board of Revenue and Director General of Police, Odisha are empowered to grant compensation to officers of the Magistracy of the Board of Revenue and Police Organisation up to the limit of **Rs.1000/-** in each individual case without reference to Government.
- (v) Cases where the amount exceeds **Rs.1000/-** or where it is doubtful whether the loss could be attributed to disturbances of the kind contemplated and cases arising in departments other than those referred to in the sub-rule (iv) above, should be referred to Government in Finance Department for orders through the Administrative Department concerned.

416. Compensation for accidental loss of property due to causes other than mentioned in Rule 416.

- (i) No compensation for accidental loss of property shall be paid to an officer except with the approval of the Finance Department.
- (ii) Compensation shall not ordinarily be granted to an officer for any loss to his property which is caused by floods, cyclone, earthquake or any other natural calamity or which is due to an ordinary accident, which may occur to any citizen, for example, loss by theft or as the result of a railway accident or fire etc. The mere fact that at the time of the accident, the Government servant is technically on duty or is living in Government quarters in which he is forced to reside for the performance of his duties shall not be considered as a sufficient ground for the grant of compensation.
- (iii) (a) Claims to compensation made by civil officers shall ordinarily be considered only in cases in which-
 - (1) the exposure of the property to risk is directly connected with the duties on which the officer is employed at the time, e.g., when the action of an enemy or insurgents or of raiders or wild tribes causes the loss of the property of an officer employed in the area effected, or
 - (2) the property is lost in consequence of endeavours on the part of the officer to save the property of Government which was also endangered at the time, or
 - (3) the property is destroyed under the orders of competent authority.
- (b) No compensation shall be paid in respect of any loss which is due, in any way to negligence or other default on the part of the claimant. Compensation will not also be granted when, as a matter of ordinary prudence, the Government servant who owned the property could and should have insured it. The question whether the property should have been insured is question of fact to be decided by Government.
- (c) Compensation may be paid in respect of animals- (1) which are killed, captured or stolen by the enemy; (2) which are destroyed by order of

competent authority to prevent the spread of infectious or contagious disease; or (3) when the loss of the animal is due to exposure or excessive work necessitated by sye in the public service or to an accident directly due to such use. When an animal belonging to a Government servant is destroyed under the orders of a competent authority to prevent the spread of an infectious or contagious disease, the amount of compensation which may be sanctioned should not exceed the amount payable to a private person in similar circumstances.

- (iv) When any one of the three conditions mentioned in instruction (3) (a) is satisfied, compensation may be granted to the Government servant concerned as an act of grace up to the value at the time of loss of the necessaries lost by him. The Head of the Department should examine the question whether the articles lost are “necessaries” within the meaning of this instruction with reference to the Government servant’s personal standing and circumstances.
- (v) Heads of Departments should bear in mind the above points while submitting proposals to Government.

417. Compensation for Land Acquisition :

- (i) The procedure to be observed, for the payment of compensation for land acquired for public purpose under the **Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013** (India Act 30 of 2013), is regulated by the provisions in **Appendix 7** of the Orissa Treasury Code, Volume II as amended from time to time and executive instructions issued in this regard by Revenue & Disaster Management Department from time to time.
- (ii) For land acquired by private negotiations, the officer who settle the price, etc., should draw up Form A (attached to Appendix – 7 of Odisha Treasury Code Volume-II) for use in the case of an award, and this should be made the basis of the subsequent payments.
- (iii) Acquisition of land for railway purposes is governed by the special rules issued by the Railway Board.

SECTION-III

DEBT AND MISCELLANEOUS OBLIGATION

418. Introduction- State Government Debt, Liabilities and Debt Sustainability:

- (i) Accumulation of debt reflects the outcome of State Governments’ fiscal operations on the revenue and expenditure sides of the budget. If expenditure, whether committed or discretionary, exceeds revenues – tax and non-tax, the excess can only be financed through fresh borrowings. If the mismatch in the growth of revenues and expenditure is of a temporary nature, borrowing

provides a mechanism by which the gap between the two is bridged. However, if the mismatch persists over a long period and grows in volume, with the increase in revenue receipts turning out to be inadequate to cover the interest liabilities that are required to service the debt, it leads to growing revenue and fiscal deficits. This, in turn, results in unsustainable debt. The sustainable level of fiscal deficits can be derived with reference to three key parameters: growth rate, ratio of revenue receipts to GSDP and the interest rate on borrowings. The existing level of debt-GSDP ratio is also quite material in the context of fiscal sustainability. Fiscal sustainability requires that a rise in fiscal deficit is matched by a rise in the capacity to service the increased debt.

- (ii) **The terms debt and liabilities are often used interchangeably.** Accordingly, all borrowings that are repayable and/ or on which interest accrues are considered as debt. State debt is classified by the CAG under the three broad categories of
 - (a) internal debt which, *inter alia*, includes ways and means advances (WMA) and overdrafts (OD) from the Reserve Bank,
 - (b) loans and advances from the central government and
 - (c) small savings, provident funds and obligations like reserve funds and deposits, both interest and non-interest bearing.
- (iii) **Outstanding Liabilities:** The liabilities of the Government consist mainly of internal borrowings loans and advances from the Government of India and receipts from the Public Accounts and Reserve Funds.
- (iv) **Debt Sustainability:** Debt "sustainability" is often defined as the ability of a Government to meet its debt obligations without requiring debt relief or accumulating arrears. In other words, it basically refers to the prudent level of debt stock at which an organization has the capacity to service the debt stock.

419. Debt and other obligations of the State Government: Public Debt, Small Savings and Provident Funds comprise the Debt and other obligations of the State Government. The accumulations in the Public Account other than the balances of Small Savings and Provident Fund are the liabilities of the State Government.

420. Limitation on the Borrowing by the State Government:

- (i) Article- 293 of the Constitution of India provides that the executive power of the State extends to the borrowing within the territory of India upon the security of the Consolidated Fund of the State within the limits fixed by the Legislature. Further, consent of Government of India is required to raise any loan. Government of India in the Ministry of Finance prescribes the Annual Borrowing limit for the State Government.

(ii) **Odisha Fiscal Responsibility and Budget Management Act, 2005** (FRBM) as amended from time to time , requires the State Government to specify the ratio of Debt of GSDP in line with recommendations of Central Finance Commission.

421. Composition of Public Debt: Public Debt of the State Government consists of internal debt of the State Government, Loans and Advances from the Central Government.

(i) **Internal Debt of the State Government :** Open Market Borrowing, compensation and other Bond as well as loans from Financial Institutions like Life Insurance Corporation of India, General Insurance Corporation, National Co-operative Development Corporation, National Bank for Agricultural and Rural Development etc, Ways and Means Advance and Overdraft from the Reserve Bank of India and Special Securities issued to National Small Savings Fund of Central Government.

(ii) **Loans and Advances from the Central Government :** Government of India provide loans for various purposes to the State Government including Ways and Means Advance which is recoverable within the same financial year.

422. Budget Provision: Debt charges, for which the State is liable, including interest sinking fund charges and redemption charges, and expenditure relating to the raising of loans and the service and redemption of debts, are classified as expenditure charged on the Consolidated Fund of the State in terms of the **Article-202** of the Constitution of India. Finance Department makes provision for repayment and interest payment under the respective charged appropriation.

423. Prepayment of Debt: The State Government in consultation with the Borrowing Organisations makes prepayment of Debt incurred from them. Prepayment of Market Loans is made in consultation with the Debt Manager i.e. Reserve Bank of India.

(i) Any charge or premium for prepayment is accounted for as interest payment to the lending organisation. Similarly, prepayment (premature-repayment) is classified as repayment. If the borrowing Organisation offers a discount on face value, then it is a revenue gain and accounted for by contra debit to the loan head.

(ii) Budget provision is to be made for prepayment of debt in the relevant Major Head for repayment and interest payment.

424. Debt Relief : On the recommendations of Finance Commission, Government of India grants debt relief to the State Government which is either adjusted against normal repayment or premature payment. Since no cash outflow takes place, the relief is accounted as receipt under the Major Head “0075-Miscellaneous General Services” by contra debit to the loan repayment head.

425. Amortisation of Public Debt-Consolidated Sinking Fund: The State Government has established a Consolidated Sinking Fund for amortisation of Public Debt and other liabilities. The corpus of the Sinking Fund is kept outside the cash balance of the State Government and is being invested in Government of India dated securities by the Reserve Bank of India. The interest and maturity proceeds of the securities are being re-invested. Reserve Bank of India Central Account Section, Nagpur carries on day-to-day management of the corpus of the fund. There is a separate accounting procedure for administration of the sinking fund.

426. Management of Debt:

- (i)** In pursuance of resolutions passed by all State legislature, the consolidation and amendment of the law relating to securities issued by the State Government and the management by the Reserve Bank of India, Public Debt of the State is regulated by an Act of the Union Parliament, the Public Debt (Central Government) Rules, 1946 as amended from time to time.
- (ii)** The management of the Public Debt of the State and the maintenance of accounts relating thereto are vested in the Central Public Debt Office, which is managed on behalf of Government by the Reserve Bank of India. Certain functions of the Central Public Debt Office are entrusted to the Public Debt Offices at Madras, Bombay and Delhi which are managed by the local offices of the Reserve Bank of India. A substantial part of the work however falls on Treasuries and Sub-Treasuries.
- (iii)** The procedure to be followed in Treasuries and other Government offices in dealing with securities of rupee loans issued by Government and in making payment of interest in respect thereof is regulated by the Provisions of the Public debt (Central Government) Act, 1944 as amended from time to time, and the Statutory Rules Public Debt (Central Government) Rules, 1945 and amendments issued there under. Detailed rules, based mostly on the Statutory Rules referred to above, and the supplementary orders issued by Government from time to time are to be found in the Government Securities Manual issued by the Reserve Bank under the authority of the Government of India.

NOTE- The Governor has decided that unless there be anything repugnant in the subject or context, and without prejudice to the provisions of the law and the Statutory rules mentioned above, the rules in the Government Securities Manual issued by the Central Government in so far as they deal with the procedure relating to disbursement of money from and payment of money into, the Government Account are to be regarded as rules framed under Article 283 of the Constitution of India. Likewise, the rules in the Manual which prescribe the form of initial accounts to be kept at Treasuries in respect of payment of interest on Government Securities, repayment of principal of terminable loans, receipt of

subscription to new loans and of other allied transactions and the form in which the account of such transaction are to be rendered to the Accountant-General (A&E), should be regarded as directions given by the Comptroller and Auditor-General of India with the approval of the President of India and will be subject to any directions contained in this behalf in Volume II of the Account Code.

- (iv) Treasury Bills, National Saving Certificate, etc., are special form of Government Securities Which are issued and repaid under special rule and orders made by Government in this behalf.
- (v) Reserve Bank of India acts as the Manger of the Public Debt of the State Government in terms of the provision of Section 21A of the Reserve Bank Act, 1934. In other words it raises loans from the open market on the allocations fixed by the Government of India and discharges the repayment and interest payment on behalf of the State Government.
- (vi) The State Government receives loans from the financial institutions and the subscriptions to State Provident Fund and makes the repayment and interest payment through Treasuries/ Sub-Treasuries.
- (vii) Loans from the Central Government are received through Inter Government Adjustment (IGA) Advice of the Central Accounts Section of Reserve Bank of India.
- (viii) The office of the Controller of Aid Accounts and Audit in the Ministry of Finance acts as the front office for repayment and interest payment on loans availed from External Donor Agencies after 1st April, 2005.
- (ix) The Accountant General (A & E), Odisha keeps the account of the loans from the Central Government and issues Inter Government Advice for repayment and interest payment through Central Accounts Section of Reserve Bank of India.
- (x) Government of India in the Ministry of Finance, Department of Economic Affairs releases the advance from National Small Savings Fund against special securities issued by the State Government. The Reserve Bank of India, Central Account Section, Nagpur keeps accounts of these transactions and ensure timely repayment and interest payment to Government of India.

427. Provident Funds:

- (i) The procedure relating to the recovery of, subscriptions to and withdrawals from, the Provident Funds established under the provisions of respective Provident Fund Rules.
- (ii) Subsidiary instructions in this regard are contained in Section III of Chapter XII of Odisha Treasury Code, Volume I.

- (iii) The deposit accounts of these funds on the Government book will be credited with interest at such rates and at such intervals as may be prescribed by Finance Department in each case.
- (iv) The Sub-rules (i) to (iii) are applicable only to State Government employees and the employees of the Aided Educational Institutions who had joined service prior to 01.01.2005. Deposits towards GPF is no longer permissible w.e.f. 1.1.2005 for the employees in terms of provisions issued vide F.D. Letter No. Pen-185/09-12750 (255)/F., dated 25.03.2010.

SECTION-IV

SECURITY DEPOSITS

428. Rules regarding the security of treasurers in the treasuries and the form of security bond to be executed by treasurers are given in Subsidiary Rules 20 and 21 of Odisha Treasury Code. The following instructions apply generally to security to be taken from other officials entrusted with the custody of cash or store.

429. Furnishing of security by Government servants handling cash:

- (i) Subject to any general or special instructions prescribed by Government in this behalf, every Government servant, who actually handles cash or stores shall be required to furnish security, for such amount and in such form as the Government may prescribe according to circumstances and local conditions in each case, and to execute a security bond setting forth the conditions under which Government will hold the security and may ultimately refund or appropriate it.
- (ii) The amount of security to be obtained from a Government servant shall be determined on the basis of actual cash handled which shall not include account payee cheques and drafts.
- (iii) The security should be furnished in the form of a Fidelity Bond in **Form-OGFR-46**, the security bond should be executed in **Form-OGFR-47**. The Administration shall see that the government servant pays the premia necessary to keep the Bond alive, for which the Government servant shall submit premium receipt in time. If the Government servant fails to submit the premium receipt he shall not be allowed to perform the duties of his post and he shall be dealt with in accordance with the terms of his appointment.

Note – The Treasurers in the Treasuries of the State who furnish fidelity bond as additional security under Subsidiary Rule 21 of the Odisha Treasury Code shall be reimbursed annually with the amounts of the premium paid by them in this regard to the Insurance Companies, approved by the State Government.

- (iv) A Government servant who is officiating against the post of another cash or store handling Government servant shall be required to furnish the full amount of the

security prescribed for the post. The Department of Government may, however, exempt a Government servant officiating in such a short-term vacancy from furnishing security if the circumstances warrant such exemption provided that –

- (a) They are satisfied that there is no risk involved;
- (b) Such exemption is granted only in the case of a permanent Government servant; and
- (c) The period of officiating arrangement does not exceed four months.

430. Notwithstanding anything contained in **Rule 429**, security need not be furnished in cases of the following -

- (a) Government servants who are entrusted with the custody of stores, which in the opinion of the competent authority are not considerable.
- (b) Government servants, who are entrusted with the custody of office furniture, stationery and other articles required for office management, if the Head of Office is satisfied about the safeguards against loss through pilferage.
- (c) Librarian and Library Staff.
- (d) Drivers of Government vehicles.

431. Security furnished by private person for supply or execution of works:

Whenever a private person or firm contracts with Government to supply stores or execute a work he/she or it should, unless exempted in very exceptional cases by the department concerned, be required to give security for the due fulfilment of the contract in terms of provision of Chapter-5 and Chapter-6 of this Rules.

432. Retention of Security:

- (i) A security deposit taken from Government servant shall be retained for at least six months from the date he vacates his/her post, but a security bond shall be retained permanently or until it is certain there is no further necessity for keeping it.
- (ii) Without the special orders of the competent authority no security deposit should be repaid or re-transferred to the depositor, or otherwise disposed of, except in accordance with the terms of his/her security bond or agreement. A departmental authority on returning any security to the depositor should be invariably obtaining his/her acknowledgement duly signed and witnessed. When an interest-bearing security is returned or re-transferred, the acknowledgement should set forth full particulars of the security.
- (iii) The percentage deductions from bills held as security in connection with contracts to execute works should not be refunded till the final bill has been prepared and passed.

SECTION-V

TRANSFER OF LAND AND BUILDINGS

433. (i) Save as otherwise provided in any law, rule or order relating to the transfer of Government land, no land belonging to the Government shall be sold to a local authority, body or any person or institution without previous sanction of the Government.

(ii) When any immovable public property is made over to a local authority for public, religious, educational or any other purposes, the grant should be made expressly on the condition in addition to any other grant may be settled, that the property shall be liable to be resumed by Government, if used for purposes other than the specific purposes for which it is granted and that should the property be at any time resumed by Government, the compensation payable therefore shall in no case exceed the amount, if any, paid to Government for grant together with the cost of any building erected, or other works executed, on the land by the local authority or their present value whichever may be less.

NOTE- The orders regarding the alienation of land and assignment of land Revenue, which is to be distinguished always from the alienation of the land itself, are contained in Orissa State Urban Land Settlement Rules, 1959.

(F.D.O.M. No.41546-Codes-81/71-F., dated the 3rd November 1971)

434. Transfer of Land :

(i) All Government land should ordinarily be sold / leased / alienated / transferred whenever necessary through Revenue & Disaster Management Department or General Administration & Public Grievances Department, as the case may be. Such disposal shall be either through auction or lease/alienation at a premium not less than the market value of the land or at such other rate as may be decided by the Government from time to time.

(ii) Transfer of land or building from one Department of the Government to another shall be free of all charges.

(F.D.O.M. No. 26279- Codes-11/99-F., dated the 9th June 1999)

(iii) The transfer of land and building between the State and Union Governments shall be regulated by the provisions of Articles 294, 295, 298 and 299 of the Constitution and subsidiary instructions issued by the Union Government.

(iv) If any dispute arises in the application of this rule, the matter should be referred to the Finance Department.

(Finance Department O.M. No.41546-Codes-81/71-F., dated the 3rd November 1971)

SECTION-VI

LOCAL BODIES

435. (i) The transactions of local funds (as defined in subsidiary Rule 467 of the Orissa Treasury Code) are not included as such in the Public Account, except in so far as their cash balance may be deposited with Government under subsidiary Rule 468 of the Orissa Treasury Code and accounted for under the deposit head "Deposits of Local Funds". The function of Government in regard to such deposits is that of a bank.

(ii) The main classes of local funds are:-

- a. District Funds;
- b. Municipal Funds;
- c. Port and Marine Funds;
- d. Education Funds;
- e. Medical and Charitable Funds;
- f. Village Panchayat Funds;
- g. Other Miscellaneous Funds
- h. P.W. Funds

NOTE- The expression "local body" as used in the Chapter means the authority legally entitled, or specially empowered by Government, to administer a local fund.

436. Financial arrangements between State Government and Local Bodies :

(i) Payment of various grants and loans to and recovery of various charges, if any from the local bodies and all other financial transactions between Government and Local Bodies will be regulated by the procedure prescribed for sanction of Grant-in-Aid and Loan in Chapter-9 and relevant instructions issued by Government from time to time.

(ii) Unless any one of the following arrangements is authorized by specific orders of Government, a local body will be required to pay, in advance, the estimated amount of charges to be incurred or cost of services to be rendered, by Government on account of the fund :-

- (a)** Payments made by Government are debited to the balances of the deposits of the local fund with Government; or
- (b)** Recovery from the Local Fund may be postponed till Government has to make payment for the charges.
- (c)** Payments are made as advances from public funds in the first instance pending recovery from the local funds.

437. (i) Purchase for Local Bodies etc. : In the absence of special orders to the contrary, the cost of all stores, purchased for Local Bodies, etc., must be prepaid in cash. The procedure for purchase of goods, inside the country or from abroad, prescribed in Chapter -6 shall be followed for the purpose.

(ii) In cases where a local fund has to pay for medicines supplied but its liability cannot be accurately known within the year owing to the account of supplies not being available from the Supplying Department by the 31st March, the local fund concerned should be required to pay during March a sum roughly estimated as the value of the medicines, any short or excess recovery being re-adjusted in the following year.

438. Any amount due to Government by a local body, including any amount overdue for payment in respect of a loan, is subject to recovery by adjustment from any non-statutory grant sanctioned for payment to it.

439. Revenue collected by Government on behalf of Local Bodies: Proceeds of taxes, fines or other revenues levied or collected by Government for or on behalf of local bodies shall not be appropriated direct to a local fund without passing them through the Consolidated Fund unless expressly authorised by law.

440. Payments to Local Bodies: Subject to provision of relevant act and rules, payments to local bodies in respect of revenue and other moneys raised or received by Government on their behalf will be made in such manner and on such date, as may be authorized by general or special orders of Government.

441. Audit of Account of Local Bodies: Subject to the provisions of any law or Rule having the force of Law, the accounts of local bodies, other non-Government bodies, or institutions will be audited by the Local Fund Audit staff of the State Government under such terms and conditions as may be agreed upon between the Government and the Accountant General (A&E).

442. Audit Fees:

(i) Audit fees on the basis of daily rates prescribed by Government from time to time shall be charged by the State Government of the account for the audit of local and other non-Government funds, excluding funds for the audit of which the rates of fees recoverable are prescribed by law or by rules having the force of law:

Provided that nothing contained in this rule shall be held to override any special instructions of Government exempting any particular local body or institution wholly or partially from the payment of audit fees.

443. In the case of Government Companies, the recovery of the cost of Supplementary audit conducted under **Section 143 (6) of Companies Act, 2013** as amended from time to time, should be waived in those cases where the audit is done by the Comptroller and Auditor General through his own departmental staff but should be enforced in cases where the Comptroller and Auditor General employs professional auditors for the Supplementary audit.

444. Financial transactions between Government and local bodies shall be rounded off to the nearest Rupee.

SECTION-VII

MAINTENANCE OF RECORDS

445. Supply of Forms :

- (i)** Director, Printing Stationery and Publication, Odisha, Cuttack maintains stocks of the standard forms which are prescribed for use by Government offices, and which are to be printed and supplied by Government.
- (ii)** Heads of offices and other Government servants should send their indents to him, subject to the observance of the procedure prescribed in the "Rules for Supply and Custody of Printed forms in Odisha contained in Chapter IV of "The Odisha Government Press Manual Part-II".
- (iii)** The indent for forms has been prescribed in Appendix-'C' of the said Rule.

446. Destruction of Records connected with Accounts :

- (i)** Subject to any general or special rules or orders applicable to particular departments as prescribed in their departmental manuals, no Government record connected with accounts shall be destroyed except in accordance with the provisions of **Appendix -XV**.
- (ii)** All records prescribed for retention, if maintained in electronic form should mandatorily have a backup and adhere strictly to the retention period and the prescribed formats.
- (iii)** The responsibilities for verification and certification on a monthly/annual basis as prescribed under relevant Rules should also be ensured.

447. Supply of Furniture in Residences of High Officials: The general rules on the subject are incorporated in **Appendix-XVI**.

SECTION-VIII

CONTINGENT AND MISCELLANEOUS EXPENDITURE

448. “Contingent expenditure” means all incidental and other expenditure including expenditure on stores which is incurred for the management of an office, for the working of technical establishment such as laboratory, workshop, industrial installation, store-depot, office expenses and the like but does not include any expenditure, which has been specifically classified as falling under some other Head of expenditure, such as “Works”, “Tools and Plant”.

449. Procedures relating to drawal of contingent expenditure are available in Subsidiary Rules- **236 to 268** of Odisha Treasury Code Volume – I.

450. Special Rules applicable to contingent expenditure of particular Departments are contained in the Manuals, Codes etc. of the Department concerned.

451. Powers of different authorities to sanction Contingent Expenditure :

- (i)** The Financial Powers of Departments of Government and Sub-ordinate authority to sanction contingent expenditure are regulated by Rules – 10 & 20 of the Delegation of Financial Powers Rules, 1978 read with Annexure – ‘C’ & ‘D’ thereof.
- (ii)** The Head of an Office exercising financial powers under the Delegation of Financial Power Rules, 1978, may authorize an Officer holding Group-B or above posts of his office to exercise such of the said powers, to such extent and in such manner as he may, by general or special order, specify.

(F.D.O.M. No. Codes-31/80-23897-F., dated the 29th April 1980)

452. In the case of non-recurring contingencies, the competent authority may, where this course is more convenient, accord sanction by signing or countersigning the bill or voucher whether before or after the money is drawn instead of by a separate sanction.

453. No charge which binds Government beyond a single payment may be incurred without the sanction of the State Government after consideration in the Finance Department.

454. (i) For purposes of control and audit, Government will issue orders specifying the nature or object of contingent charges of particular disbursing officers which should be classed as countersigned contingent charges to be drawn and accounted for in accordance with the procedure prescribed, in Subsidiary Rules 260 *et seq* of the Orissa Treasury Code, Vol.1.

- (ii)** Expenditure incurred by a Disbursing Officer on objects classed as countersigned contingencies must come under the direct supervision and scrutiny of the head of the Department or the Controlling Officer who will sign the detailed bills relating to them.
- (iii)** Monthly detailed bills in respect of countersigned contingent charges incurred by each officer should be submitted to the controlling authority concerned for detailed scrutiny and transmission after countersignature to the Accountant-General (A& E). Full details of such charges need not be entered in the abstract bills presented for payment at the treasury.
- (iv)** A competent authority may in respect of specified items of countersigned contingent charges require the detailed contingent bills to be sent to the Controlling authority for scrutiny and countersignature before it is presented for payment at the treasury.

Note - The provisions of this rule do not apply to contingent charges of heads of Departments and other controlling authorities, which will be drawn and accounted for in accordance with the procedure laid down in the following Rules 455 to 457.

455. No detailed bills need be submitted to a higher authority for contingent charges which are not classed as countersigned contingencies; each bill presented at a treasury should, therefore, contain full details of the expenditure, supported by necessary sub-vouchers for individual payments included in the bill.

456. The duties and responsibilities of disbursing and controlling officers with regard to contingent expenditure incurred on the public service are defined in Subsidiary Rules 247 and 248 of the Orissa Treasury Code, Vol.1. The Head of each Department should issue such subsidiary instructions as may be necessary for the guidance of controlling and disbursing officers subordinate to him.

457. The following special instructions are laid down for the control of contingent expenditure: -

- (i)** Where the appropriation for contingent charges covers expenditure on a number of distinct and individually important objects or class of expenditure, such appropriation should be distributed by the controlling authority among important items comprised in it. If some of the items are not important, those items taken as a whole may be treated as a single important item for this purpose. The expenditure on each important item should be watched and controlled separately against the allotment for it, especially when the charges are of a fluctuating nature. The contingent register prescribed in Subsidiary Rule 250 of the Orissa Treasury Code Vol-I should be so designed that this can be done conveniently.
- (ii)** For countersigned contingencies the monthly detailed bills provide all the information required by the controlling authority for checking the expenditure

against the appropriation. If in any month, the expenditure exceeds the monthly proportion of the appropriation for the year, the disbursing officer should send a report to the controlling authority along with the detailed bill, furnishing special reasons for incurring the excess expenditure.

- (iii) For non-countersigned contingencies, the controlling authority should get periodical statements from each disbursing officer (monthly or at least quarterly) of the progressive expenditure compared with the allotment under each item for which there is a specific appropriation or allotment. If the expenditure is progressing too rapidly, he should instruct the disbursing officer to curtail it to the necessary extent. He should also, during his local inspections, scrutinize the contingent registers of the offices under his control and satisfy himself generally that the charges are necessary and not excessive, the rates correct, the sanction obtained adequate, etc.

458. Contingent and Miscellaneous Expenditure: Subject to any general or specific rules or orders restricting their general financial powers to sanction expenditure, Department of Government are authorised to exercise full powers in respect of contingent charges of offices; directly subordinate to them.

459. Permanent Advance or Imprest :

- (i) Permanent Advance is granted for meeting day to day contingent and emergent expenditure of Government Offices.
- (ii) Heads of Department may sanction the grant of permanent advances for offices subordinate to them calculated in accordance with the provisions under this Rules subject to a limit of **Rs. 10,000/-** for each subordinate office. Permanent Advance exceeding **Rs. 10,000/-** but not exceeding **Rs. 50,000/-** for any office subordinate to a Head of Department and permanent advances for offices of Heads of Departments or Departments of Government not exceeding **Rs. 1,00,000/-** may be sanctioned by the concerned Administrative Department of Government. In other cases, such advances may be sanctioned by the Administrative Department of Government in consultation with Finance Department. While sanctioning the quantum of the advance, the sanctioning authority shall observe the following conditions:-
- (a) (1) The advance should be based on the average monthly contingent expenditure of the office for the preceding twelve months. The applications for permanent advance by an office/organization should be accompanied by a statement for the preceding twelve months, showing the amounts of contingent bills based with classified details of items of expenditure for each month. In case of a new office/organization, the amount of advance may be fixed keeping in view the advances sanctioned to similar office/organization, subject to review after six months to ensure justification for the amount of advance.

(2) As these advances involve permanent retention of money outside the Treasury, the amount of such advance must not be larger than what is absolutely necessary.

- (b) The advance is primarily intended for meeting emergent contingent expenditure, but advances to Government servants who are entitled to draw advance Travelling Allowance for journey on tour may be paid from the permanent advance where it is not possible to draw advance Traveling Allowance from the Treasury.
- (c) The advances on account of emergent contingent expenditure should be recouped at least twice a month, but the advance on account of Traveling Allowance should be recovered from the Government servant immediately on encashment of his T.A. Bill.
- (d) The accountability of the amount shall be the responsibility of the holder of the Permanent Advance.
- (e) In the case of transfer of charges and yearly on the 15th April, each officer in whose favour the permanent advance is sanctioned shall send an acknowledgement of the amount due from and accountable for by himself on the 31st March preceding to the authority which sanctioned the permanent advance, viz., Department of Government or Heads of Department as the case may be and the said authority will maintain suitable record to watch receipt of such acknowledgements.

(F.D.O.M. No. Codes-24/77-59595-F., dated the 23rd November 1977)

- (f) The Departments of Government and Head of Department shall furnish to the Finance Department by the 30th April each year in form **OGFR-48**, a statement of permanent advance retained by their Drawing & Disbursing Officers as on the 31st March of the preceding financial year”.

(F.D.O.M. No. Codes-40/88-47397-F., dated the 26th December 1988)

- (iii) Permanent Advance sanctioned is to be drawn from the Public Account under the Head of Account “8672-Permanent Cash Imprest-101-Civil-1680-Permanent Advance -91010-Advance for Cash Imprest”. Since the Permanent Advance is to be drawn from Public Account no allotment is required for the drawal.
- (iv) The amount taken from Permanent Advance for contingent and other emergent expenditure is to be dawn against the Budgetary Allocation provided under the relevant unit of appropriation for which advance was taken.
- (v) Utilisation of Permanent Advance and its recoupmnt should be watched through a Register or a subsidiary Cash Book.

460. Advances for Contingent and Miscellaneous purpose:

- (i) The Head of the Office may sanction advances to a Government Servant for purchase of goods or services or any other special purpose needed for the management of the office, subject to the following conditions:-

- (a) The amount of expenditure being higher than the Permanent Advance available cannot be met out of it.
- (b) The purchase or other purpose cannot be managed under the normal procedures, envisaging post-procurement payment system.
- (c) The amount of advance should not be more than the power delegated to the Head of the Office for the purpose.
- (d) The Head of the Office shall be responsible for timely recovery or adjustment of the advance.
- (ii) The adjustment bill, along with balance, if any, shall be submitted by the Government servant within fifteen days of the drawal of advance, failing which the advance or balance shall be recovered from his next salary(ies).

461. Insurance of Government property: Government property, both movable and immovable, shall not be insured and no subordinate authority shall undertake any liability or incur any expenditure in connection with the insurance of such property without the previous consent of the Finance Department except in the cases mentioned below-

- i) Departments of the Government shall be competent to incur expenditure on the insurance of materials and equipment received on loan or as aid from Foreign Governments or International or other Organisations if, according to the terms of contracts or agreements entered into with the Foreign Governments or International or other Organizations concerned, insurance of such material and equipment is necessary.
- ii) Where for booking of goods by rail or road, an enhanced risk rate is provided, additional charges above those prescribed for booking of goods at owner's risk rate, being in the nature of insurance charges, Departments of the Government shall be competent to incur such additional expenditure for booking goods for carriage at such enhanced rates.

SECTION-IX

CHARITABLE ENDOWMENTS AND OTHER TRUSTS

462. Detailed instructions relating to Charitable Endowments and other Trusts are contained in "The charitable Endowments Act, 1890" and the Rules issued there under as amended from time to time.

APPENDICES

Instructions for regulating the Enforcement of Responsibility for Losses, etc.

1. The cardinal principle governing the assessment of responsibility is that every Government officer should exercise the same vigilance in respect of expenditure from public funds generally as a person of ordinary prudence would exercise in respect of the expenditure and the custody of his own money. While, therefore, the competent authority may, in special cases, condone an officer's honest errors of judgment involving financial loss, if the officer can show that he has acted in good faith and done his best up to the limits of his ability and experience, personal liability shall be strictly enforced against all officers who are dishonest, careless or negligent in the duties entrusted to them.

2. In cases where loss is due to delinquencies of subordinate officials and where it appears that this has been facilitated by laxity of supervision on the part of a superior officer, the latter shall also be called strictly to account and his personal liability in the matter carefully assessed.

3. (a) The question of enforcing pecuniary liability shall always be considered as well as the question of other forms of disciplinary action. In deciding the degree of an officer's pecuniary liability, it will be necessary to look not only to the circumstances of the case but also to the financial circumstances of the officer, since it should be recognized that the penalty should not be such as to impair his future efficiency.

(b) In particular, if the loss has occurred through fraud, every endeavor should be made to recover the whole amount lost from the guilty persons, and if laxity of supervision has facilitated the fraud the supervising officer at fault may properly be penalized either directly by requiring him to make good in money a sufficient proportion of the loss, or indirectly by reduction or stoppage of his increments of pay.

(c) It should always be considered whether the value of Government property or equipment lost, damaged or destroyed by the carelessness of individual's entrusted with their care (e. g., a policeman's rifle, a touring officer's tent, a factory motor lorry, an engineer's instruments) should be recovered from the delinquent official. The depreciated value of stores may be calculated by applying the 20% depreciation in the case of vehicles, including cycles, and 15% in the case of calculating machines, on the reduced balance every year. The amount to be recovered may be limited to the Government servant's capacity to pay.

4. When a pensionable Government servant is concerned in any irregularity or loss, the authority investigating the case shall bear in mind the provisions contained in Odisha Civil Service (Pension) Rules, 1992 as amended from time to time as adopted by

the State Government and immediately inform the Audit Officer and/or the Accounts Officer, as the case may be, responsible for reporting on his title to Pension or Death-Cum-Retirement Gratuity and the authority competent to sanction Pension or Death-Cum-Retirement Gratuity, and it will be the duty of the latter to make a note of the information and see that Gratuity or Death-Cum-Retirement Gratuity is not paid before a conclusion is arrived at as regards the Government Servant's culpability and final orders are issued thereon.

5. The fact that Government Servants who were guilty of frauds or irregularities, have been demobilized or have retired and have thus escaped punishment, should not be made a justification for absolving those who are also guilty but who still remain in service.

6. It is of the greatest importance to avoid delay in the investigation of any loss due to fraud negligence financial irregularity, etc. Should the Administrative authority require the assistance of the Audit Officer and/or the Accounts Officer, as the case may be, in pursuing the investigation, he may call on that officer for all vouchers and other documents that may be relevant to the investigation and if the investigation is complex and he needs the assistance of an expert Audit Officer/ Accounts Officer to unravel it he should apply forth with for that assistance to Government which will then negotiate with the Audit Officer and /or the Accounts Officer concerned for the services of an investigating staff. Thereafter the administrative authority and the Audit/Accounts authority shall be personally responsible, within their respective spheres, for the expeditious conduct of the enquiry. In any case in which it appears that recourse to judicial proceedings is likely, the Special Police Establishment or the State Police should be associated with the investigation.

7. Depending upon the results of the inquiry, departmental proceedings and/or prosecution shall be instituted at the earliest moment against the delinquent officials concerned and conducted with strict adherence to the Orissa Civil Services (Classification, control and Appeal Rules, 1962 and other instructions prescribed in this regard by Government.

[Finance Department Office Memorandum No. Codes 91/69- 26913-F., dated the 30th July 1969]

**GOVERNMENT OF ODISHA
FINANCE DEPARTMENT**

NOTIFICATION

The 13th September, 1967

No.31721-Bt.-156/67-F. – In exercise of the powers conferred by section 3 of the Orissa Contingency Fund Act, 1967 (Orissa Act 18 of 1967), the State Government do hereby make the following rules in supersession of the Odisha Contingency Fund Rules, 1959 :-

THE ODISHA CONTINGENCY FUND RULES, 1967

1. Short title – These rules shall be called “The Odisha Contingency Fund Rules, 1967”.

2. The Odisha Contingency Fund (hereinafter referred to as the Fund) shall be held on behalf of the Governor by the Secretary to the Government in the Finance Department.

3. Advances from the Fund shall be made for the purposes of meeting unforeseen and emergent expenditure pending authorisation by the Legislature.

4. All applications for advances from the Fund shall be made to the Secretary to the Government in the Finance Department with the particulars contained in the form enclosed to these rules (Annexure).

5. Even in cases where savings are available within a grant, token advances from the Fund for meeting a part or whole of the expenditure from savings, should not be taken. Advances taken from the Fund shall be for the full amount required for expenditure.

6. (a) The Finance Department shall maintain an account of the Fund and shall see that the sum total of the advances sanctioned from the Fund does not exceed the balance in the Fund at any time.

(b) In all cases Supplementary grants shall be obtained by the Controlling Officers and Administrative Departments concerned for the recoupment of advances sanctioned from the Fund at the first session of the Assembly in which Supplementary Estimates will be presented, immediately after the advance is sanctioned ¹[but in no case later than the close of the year.]

(c) As soon as the Supplementary Appropriation Act is passed, steps shall be taken by the Administrative Department concerned to issue an order for recoupment of the advance and a copy of the order which shall give reference to the number and the date of the order in which the advance was originally sanctioned and to the Supplementary Appropriation Act, shall be forwarded to the Accountant General, Odisha and to the Finance Department.

¹ Deleted vide Amendment notification **No.24202-Bt.-152/68-F** date 05.07.1969.

7. All orders sanctioning advances from the Fund shall issue from the Finance Department and copies of such orders specifying the amount of advances and the grant or appropriation to which they relate shall be forwarded to the Accountant General, Odisha.

8. The Controlling Officers shall see that the actual expenditure out of the advances from the Fund does not exceed the sanctioned amounts under any circumstances.

9. (a) In the schedules of the Supplementary Demands prepared and presented for the vote of the Legislature for the recouplement of advance sanctioned from the Fund, the following note shall be appended to the explanatory notes thereto :-

“A sum of Rs._____ has been advanced from the Contingency Fund in _____ and a corresponding amount is required to enable repayment to be made to that Fund”.

(b) If the expenditure met out of the advances from the Fund is covered, wholly or partly, from the savings available within the authorised appropriation, the note appended to the Supplementary Demand shall be in the following form :-

“A sum of Rs._____ has been advanced from the Contingency Fund _____ and an equivalent amount is required to enable repayment to be made to that Fund”.

The amount, viz., Rs.....
----- can be found by
A part of the amount, viz., Rs.....
re-appropriation of savings within the grant and
a token vote only is now required
----- viz., Rs._____ only.
A vote is required for balance

10. If at any time, after the order sanctioning an advance from the Fund has been issued in accordance with rule 7, it is found that the advance sanctioned will remain wholly or partly un-utilised, an application shall be made to the sanctioning authority for cancelling or modifying the sanction, as the case may be.

11. All advances sanctioned from the Fund to meet the expenditure in excess of the provision for the service included in an Appropriation (Vote on Account) Act shall be repaid to the Fund as soon as the Appropriation Act in respect of the expenditure on the service for the whole year, including the excess met from the advances from the Fund, has been passed.

12. (a) Separation accounts relating to the transactions of the Fund shall be maintained and verification of expenditure shall be carried on by the Controlling

Officers, Actual expenditure incurred against advances from the Fund shall be recorded in the account relating to the Fund in the same detail as it would have been shown if it had been paid out of the Consolidated Fund.

(b) The Accountant General shall furnish to the Finance Department a quarterly report showing actuals of expenditure incurred out of the advances sanctioned from Fund as soon as possible after the end of each quarter.

(c) The Accountant General shall be furnished with an account of the Fund as soon as possible after the close of each year by the Finance Department for verification with Audit office books.

By order of the Governor

K. S. BAWA

Secretary to Government

ANNEXURE TO APPENDIX-II*(Vide Rule 4)***APPLICATION FORM FOR ADVANCE FROM
THE ODISHA CONTINGENCY FUND**

1. The authority to whom the application should be made.	:	
2. Name of the Departments applying for the advance.	:	
3. Proposal (In full)	:	
4. Whether the purpose for which advance is required is emergent, unforeseen and inescapable.	:	
5. (i) Whether proposal is a "New Service" for which normally prior vote (Taken or otherwise) of the Legislature is necessary.	:	
(ii) Does it involve any embarrassing commitment ?	:	
(iii) Special reason for anticipating the vote of the Legislature	:	
6. The circumstances under which the expenditure could not be included in the current year's Budget Estimate.	:	
7. Reasons for which the expenditure cannot be postponed till funds are provided by means of Supplementary Demand.	:	
8. Full cost involved in the proposal for remaining part of the year and for the subsequent years.	:	
9. (i) Amount required to be advanced from the Fund.	:	
(ii) Period for which the advance is necessary.	:	
10. Amount available by re-appropriation from the savings within the grant to meet the full or part of the advance.	:	
11. The Major, Minor, Sub-head and Primary Units of appropriation to which the expenditure to be met from the advance is finally debitale.	:	
*12. Whether the proposal has been previously examined and agreed to by the Finance Department.	:	

**Signature of the Secretary
Department applying for advance**

* (In case the proposal is agreed to by the Finance Department the relevant file or extract of the views recorded by them with the minutes of Minister or Deputy Minister concerned, if any, should be furnished along with the application)

“CHECK AGAINST PROVISION OF FUNDS”

The pre-check to be applied to all payments by the District Treasury/Special Treasury/Sub-Treasury Officers includes a check against provision of funds also. It is an important part of the functions of the District Treasury/Special Treasury/Sub-Treasury Officers to see that no payment is made in excess of the budget allotment. In order to exercise an effective check in this behalf, a separate register (Allotment Control Register) should be maintained in the District Treasury/Special Treasury/Sub-Treasury for each Drawing Officer and by sub-heads and units of appropriation so as to ensure at the time of passing each bill that the amount of the bill under check is covered by Budget allotment. If the amount of any bill leads to excess over the budget allotment or is not covered by an advance from the Contingency Fund, the District Treasury/Special Treasury/Sub-Treasury Officer should decline payment under advice to the authority controlling grant so that, the latter could arrange for additional funds. An Appropriation Audit Register shall also be maintained by them.

Note – In cases where payment of a bill / claim would lead to excess over the provision under any unit of appropriation the payment may be made by the District Treasury/Special Treasury/Sub-Treasury only on receipt of re-appropriation order, etc., and that the grant as a whole (i.e. separately under Revenue and Capital Sections) is not likely to be exceeded. This applies in respect of any new item of expenditure, provision for which does not exist in the Budget (as distinct from expenditure on “New Service” or “New Instrument Service” not provided in the Budget) as well as in cases where the existing provisions is not sufficient to cover the payments. In case of an urgent requirement of expenditure attracting the provisions of New Service/New Instruments of Service and thereby Supplementary demands through the approval of Legislature, the same should be referred to Finance Department. The excess expenditure in such cases can be allowed by the concerned Financial Advisers only on the specific approval of Finance Department, that the necessary funds will be made available through the next batch of Supplementary demands for grant.

If such a contingency in regard to inevitable payment of a bill should arise towards the close of financial year, order of FA of the Administrative Department would have to be sought.

In cases the additional funds required are to be made available merely by reallocation (and not by re-appropriation) of savings, if any, under the same sub-head of appropriation, the related claim will be passed for payment only after additional funds therefor are allocated in writing by the Controlling Officer.

Regulations for the conduct of the Audit of Stores and Stock Accounts

1. The audit of stores accounts kept in any office or department of Government shall be directed to ascertaining that the departmental regulations governing purchase, receipt and issue, custody, condemnation, sale and stock-taking of stores are well devised and properly carried into effect, and to bring to the notice of Government any important deficiencies in quantities of stores held, or any grave defects in the system of control.

2. As regards purchases of stores, Audit will see that-

- (i) These are properly sanctioned, are made economically and in accordance with any rules or orders made by competent authority for purchase of stores required for the public service; in particular when stores are purchased from contractors the system of open competitive tender is adopted and the purchase is made from the lowest tenderer unless there are recorded reasons to the contrary;
- (ii) The rates paid agree with those shown in the contract or agreement made for the supply of the stores;
- (iii) Certificates of quality and quantity are furnished by the passing and receiving officers before payment is made, except where the contrary is allowed by the rules of Government regulating purchase of store; and
- (iv) Purchase orders have not been split up so as to avoid the necessity for obtaining the sanction of higher authority required with reference to the total amount of the orders.

Audit should call attention to cases of uneconomical purchase of stores and to any losses, which may be clearly and definitely attributed to the defective or inferior nature of stores which were accepted and certified to be satisfactory in quality.

3. Audit should ascertain that the accounts of receipts of stores whether purchased, or otherwise obtained, and of their issues and balances are correctly maintained. Whether a scale has been prescribed by Government or other authority for issue of stores of any particular kind, it should be seen that the scale is not exceeded.

4. Stores, in many cases, represent a locking up of capital, which is not justifiable unless essential. In order to effect economy in this direction Audit will see that the

balance in hand does not exceed the maximum limit prescribed by competent authority and is not in excess of requirements for a reasonable period.

5. The accounting for and maintenance of unserviceable stores, cannot be utilized by the department in whose custody they are kept involve waste of labour and space. The retention of stores in excess of the probable requirements of the department in the near future may result in loss to Government through deterioration. Audit will, therefore, see that measures are taken to survey, segregate and consider the disposal of un-serviceable, surplus and obsolete stores in accordance with the procedure prescribed by Government in this behalf.

6. It is an important function of Audit to ascertain that the articles are counted periodically and otherwise examined to verify the accuracy of the quantity balances in the books. Audit shall not, except when specially authorized to do so, assume responsibility for the physical verification of stores, but it has the right to investigate balances of stores, if any discrepancies in the stores accounts suggest that such action is necessary. Audit has, however, to see that a certificate of verification of stores is recorded periodically by a responsible authority, that the system of verification adopted by Executive is adequate and proper, that discrepancies found on stock-taking are properly investigated and adjusted and that, wherever possible, the staff responsible for the verification is independent of the staff which is responsible for the physical custody of the stock or for keeping accounts of it. It should also be seen that, wherever practicable, verifiers of stock work directly under the control of Government, and not under the heads of individual departments.

7. Where a priced account is maintained, Audit will see that-

- (i) the stores are priced with responsible accuracy and the rate initially fixed are reviewed from time to time, are co-related with market rates and revised where necessary;
- (ii) the value accounts tally with the accounts of work and of departments connected with stores transactions, that the total of the valued account tallies with the outstanding amount in the general accounts, and that the numerical balance of stock materials is reconcilable with the total of value balances in the accounts at the rates applicable to the various classes of stores; and
- (iii) steps are taken for the adjustment of profits or losses due to revaluation, stocks-taking, or other causes, and that these are not indicative of any serious disregard of rules.

8. The procedure / guidelines contained in Para 59 to 65 of Regulation on Audit and Accounts, 2007 made by the Comptroller and Auditor General of India is applicable for conduct of audit of Stock and Store.

Classes of contract and assurance of property authorized by the State Government to be executed by various authorities of the Civil Departments on behalf of the Government.

Copy of the Law Deptt. Notification No.921-L.D. dt. 22nd January 2001 bearing S.R.O. No. 49/2001

In exercise of the powers conferred by clause (1) of Article 299 of the Constitution and in supersession of the notification of the Government of Odisha in the Law Department No.2489-II, J-43/65 Judicial, dated the 24th/28th March, 1966, as amended from time to time, the Governor of Odisha hereby directs that the under mentioned contracts and assurance of property made in the exercise of executive powers of the State may be executed on his behalf as follows: -

"A - In the case of Works, Commerce & Transport, Water Resources, Energy, Rural Development and Housing and Urban Development Departments (subject to any limit fixed by the concerned Departmental orders)

1. All instruments relating to purchase, supply and conveyance or carriage of materials, stores machinery etc. sale or purchase of electrical energy.
2. All instruments relating to the execution of works of all kinds connected with buildings, bridges, roads, canals, river control, land drainage, reservoirs, docks and harbours and embankments, power stations (all types of prime movers) transmission and distribution lines including sub-stations and electrical installation in buildings and also instruments relating to the construction of water works, sewerage works, the erection of machinery and the working of cost primes.

By the Principal Secretaries / Commissioner-cum-Secretaries and Secretaries to Government in Works Department, Commerce and Transport Department, Water Resources Department, Energy Department, Rural Development Department and Housing and Urban Development Department as the case may be, in their respective Departments, Chief Engineers, Additional Chief Engineers, Superintending Engineers, Divisional Officers, Sub-Divisional Officers or Electrical Inspectors working under the respective Departments mentioned above.

3. Bonds of auctioneers, contractors and security bonds for the due performance and completion of works.

4. Security bonds for the due performance of their duties by servants of the Government whom duties by servants specified have power appoint.

5. Leases for grazing cattle banks or road side for fishing in canals and tanks or reservoirs, for cultivation of land under Water Resources Department, leases of water for irrigation and other purposes, and leases water power; and instruments relating to the sale of grass trees or other produce on road sides or in plantations.

6. Lease of house, land or other immovable property, provided that the rent reserved shall not exceed ₹5,000 a month.

7. All instruments connected with the reconveyance of property given as security.

8. Agreements for the recovery of fines on account of drift wood or other timber passing into a canal except all fines realisable by irrigation officers under the Canal Acts for offences committed in canals.

9. Instruments connected with the collection or farming of tolls at bridges or ferries or other means of communication.

By the concerned Chief Engineers, Addl. Chief Engineers/ Superintending Engineers, Divisional Officers / Sub-Divisional Officers of the Works, Commerce & Transport, Water Resources, Energy, Rural Development, Housing and Urban Development Departments.

By the concerned Chief Engineers, Addl. Chief Engineers/ Superintending Engineers, Divisional Officers / Sub-Divisional Officers of the Works, Commerce & Transport, Water Resources, Energy, Rural Development, Housing and Urban Development Departments.

By the concerned Chief Engineers, Addl. Chief Engineers/ Superintending Engineers, Divisional Officers / Sub-Divisional Officers of the Works, Commerce & Transport, Water Resources, Energy, Rural Development, Housing and Urban Development Departments.

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| 10. Agreement relating to the loan of tools and plant to contractors and others | By the concerned Divisional Officers of the Works, Commerce and Transport, Water Resources, Energy, Rural Development and Housing and Urban Development. |
| 11. Agreements for sewer connection with Government sewerage system. | By Superintending Engineers under the Housing and Urban Development Department. |
| 12. All deeds and instruments relating to any matter other than those specified in items 1 to 11. | By the Principal Secretaries / Commissioner-cum-Secretaries and Secretaries to Government in Works Department, Commerce and Transport Department, Water Resources Department, Energy Department, Rural Development Department and Housing and Urban Development Department as the case may be, in their respective Departments. |

B- In the case of Finance Department (the public Debt and Currency Department, Treasuries, Accounts and Audit Officers) -

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| 1. Security bonds or mortgage deeds given as security in connection with the Employment Officers as Treasurers and Shroffs in Districts or Sub-district Treasuries and Agreements entered into with such officer. | By Collectors or Deputy Commissioner of Districts. |
| 2. Security bonds or mortgage deeds given as security in connection with the employment of Treasurers, Cashiers or Clerks, charged with the disbursement of money or the custody and handling of securities. | By the Head of the Office. |
| 3. Instruments relating to the reassignment of insurance policies which are assigned to the Central Government in accordance with the rules regulating the General Provident Fund. | By the Account Officer of the Fund as defined in the rules of the Fund. |

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| 4. Deeds of re-conveyance of security given by Shroffs in district and sub-district Treasuries. | By the Collector or Deputy Commissioner of Districts. |
| 5. Treasury bills of the Government of Odisha. | } By the Governor or Deputy Governor of Reserve Bank of India. |
| 6. Other securities of the Government of Odisha. | |

C- In the case of General Administration Department -

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| 1. All instruments connected with the lease sale, transfer etc. of Government land existing within the limit of Bhubaneswar Municipal Corporation. | Director of Estates or Deputy Estate Officers or Land Officers as the case may be. |
| 2. Contracts and other instruments relating to House Building Advances including re-conveyance. | Additional Secretary / Joint Secretary / Deputy Secretary to Govt., General Administration Department. |
| 3. Agreements and Bonds relating to grant of loan Scholarship to Pilot trainees under Government Aviation Training Institute in the Directorate of Aviation. | Joint Secretary / Deputy Secretary in charge of Aviation Subject. |

D - In the case of Forest and Environment Department and Co-operation Department -

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| 1 (a) Contract for sale of forest produce up to ₹1,00,000 provided the period of contract does not exceed 3 years | By the Chief Conservator of Forests. |
| (b) Contract for sale of forest produce up to ₹50,000 provided the period of contract does not exceed 3 years | By the Conservator of Forests. |
| (c) Contract for sale of forest produce up to ₹20,000 provided the period of contract does not exceed 18 months. | By the Divisional Forest Officers with special power |

- (d) Contract for sale of forest produce up to ₹20,000 provided the period of contract does not exceed 18 months. By the Divisional Forest Officer.
- (e) Contracts for sale of exchange of animals or birds of the Zoo at Nandan Kanan and at other places in the State of the value not exceeding ₹10,000. By the Wild Life Warden.
- (f) Contracts for sale of exchange of animals or birds of the Zoo at Nandan Kanan and at other places in the State of the value not exceeding ₹50,000. By the Chief Wild Life Warden.
- (g) Contracts for sale of exchange of animals or birds of the Zoo at Nandan Kanan and at other places in the State of the value not exceeding ₹1,00,000. By the Chief Conservator of Forests.
- 2 (a) Security bonds and other instruments other than those specified in items 4 and 5 in connection with the administration and working of Forests and with the business of the value of the property or the amount of expenditure involved does not exceed ₹30,000. By the Chief Conservator of Forests.
- (b) Security bonds and other instruments specified above when the value of the property or the amount of expenditure involved does not exceed ₹20,000. By Conservator of Forests.
- (c) Security bonds and other instruments specified above when the value of the property or the amount of expenditure involved does not exceed ₹2,000. By the Divisional or District Forest Officer

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| 3. Deed for purchase of land which Divisional or District Forest Officer are authorised to buy for Forest purposes when the value does not exceed ₹2,000 | By the Conservator of Forests. |
| 4. Lease for cultivation inside Reserved Forests where the annual rental does not exceed ₹500 | By the Divisional or District Forest Officer |
| 5. Lease for cultivation inside Reserved Forest where the annual rental does not exceed ₹500 | By the Conservator of Forests. |
| 6. Acceptance of security deposit from contractors in lease case on behalf of Governor in their official capacity. | By the Divisional Forest Officers, Conservator of Forests and Chief Conservators of Forests. |
| 7. (a) Execution of contracts in connection with working of forests value of which exceeds ₹1,00,000 | By the Chief Conservator of Forests. |
| (b) Execution of contracts in connection with working of forests when the value of the property does not exceeds ₹1,00,000 and period of contract does not exceed 3 years | By the Conservator of Forests. |
| (c) Execution of contracts in connection with working of forests when the value of the property does not exceeds ₹20,000 and period of contract does not exceed 18 months. | By the Divisional Forest Officers with special powers |
| (d) Execution of contracts in connection with working of forests when the value of the property does not exceeds ₹10,000 and period of contract does not exceed 18 months. | By the Divisional Forest Officers |
| (e) Execution of contracts for plantation within one kilometres wide zone along with sea coast of Odisha to raise shelter belt plantation both on Government land and on private land situated within one kilometre belt from high water mark. | By the Divisional Forest Officers, Coastal Shelter belt (Afforestation). |

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| 8. | Agreements and bonds executed by the Junior Inspectors, Senior Inspectors and Sub-Assistant Registrars of Co-operative Societies in respect of their training. | By the Additional Registrar, Joint Registrar or Deputy Registrar of Co-operative Societies. |
| 9. (a) | Contracts in respect of leasing out Canteens, Shops and other premises of forest lands up to the value of ₹30,000 provided the period of contract is for one year. | By the Chief Conservator of Forests, Odisha |
| (b) | Contracts in respect of leasing out Canteens, Shops and other premises of forest lands up to the value of ₹20,000 provided the period of contract is for one year. | By the Conservator of Forests |
| (c) | Contracts in respect of leasing out Canteens, Shops and other premises of forest lands up to the value of ₹2,000 provided the period of contract is for one year. | By the Divisional Forest Officer |
| 10. | Contracts in respect of leasing out canteens, shops and other premises of forest lands. | (a) Chief Conservator of Forests, Odisha to the extent of ₹30,000 for a period of one year contract

(b) Conservator of Forests to the extent of ₹20,000 for a period of one year contract.

(c) Divisional Forest Officers to the extent of ₹2,000 for a period of one year contract. |

E- In the case of Revenue Department and Excise Department -

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| 1. | Lease of Government lands for temporary occupation for a period not exceeding three year. | Tahasildar |
| 2. | Lease of Government lands for a period exceeding three years when marked value of the lands to be | Sub-Divisional Officer |

leased out does not exceed ₹50,000.

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| 3. Lease of Government lands not covered by items 1 and 2 above. | Collector |
| 4. Lease in respect of Sairat sources up to a value of ₹2,000 | Tahasildar |
| 5. Lease in respect of Sairat sources above the value of ₹2,000 | Sub-Divisional Officer |
| 6. (1) Contracts and other instruments in matters connected with the hire and purchase of land or building or with the sale of Government land or with the lease or sale of Government buildings. | Collector |
| (2) Contracts, instruments and engagements, specified above when the value or amount of such contract, instruments or engagement does not exceed ₹500. | Sub-Divisional Officer |
| 7. All deeds and instruments relating to matters of Revenue Department not covered by items 1 to 6 above. | Collector |
| 8. Release of houses, land and other immovable property concerning the Registration Department. | District Registrar |
| 9. All deeds and instruments relating to matters of the Registration Department not covered by item 8 above. | Inspector General of Registration |
| 10. Contracts with regard to distillery | Collector |
| 11. All deeds and instruments relating to matters of Excise Department other than those not covered by item No.10 above. | Excise Commissioner |
| 12. Contracts or agreements for the supply of demarcation stones. | Offices in charge of Survey Parties or Settlement Officer. |

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| 13. Contracts or agreement for the purchase of survey marks stones in connection with the consolidation scheme. | By the Deputy Director of Consolidation |
| 14. Contracts regarding purchase of machineries and other equipment required for the office of the Deputy Director of Surveys and Map Publication. | Deputy Director of Survey and Map Publication. |
| 15. Contracts relating to purchase of survey instruments and other equipment required for Major Settlement Operation. | Deputy Director of Survey and Map Publication. |
| 16. Contracts with the Air Survey Companies for undertaking serial survey or the odolite travers survey. | Director of Land Records and Survey |
| 17. All deeds and instruments relating to matters of Survey, Settlement and Map Publication not covered by items 12 and 15 mentioned above. | Ditto |
| 18. All contracts and assurances of property in the State of Odisha relating to Natural Calamities and matters incidental thereto. | Special Relief Commissioner, Odisha |

F- In the case of Higher Education Department and School and Mass Education Department -

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| 1. Instruments in respect of grant of land and money to the Elementary and Secondary Schools for School sites and buildings. | By the Inspector of Schools |
| 2. Bonds or other instruments relating to National Loan Scholarship Scheme as promulgated by the Government of India through the State Government. | Deputy Director of Public Instructions in the charge of scholarships and loan scholarships. |

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| 3. Bonds and agreements executed by the loan stipendiaries in connection with their studies. | By any of the following officers of the Government in the School and Mass Education Department / Higher Education Department, namely : - |
| | (a) An Under Secretary; or |
| | (b) An Assistant Financial Advisor-cum-Under Secretary |
| 4. Contracts and other documents in respect of stores and instruments etc. required for the Text Book Press, Bhubaneswar | By the Manager, Text Book Press |
| 5. Agreement with the publishers, Paper Dealers and Exercise Book Manufacturers appointed under the scheme of the distribution of paper for educational purpose. | By the Secretary, State Co-ordination Committee for paper distribution |
| 6. Contracts and other instruments relating to house building advances including the deed of re-conveyance. | (i) By the Senior Administrative Officer of the office of the Director of Public Instructions Odisha in the cases of advances granted in favour of non-gazetted staff of the said office. |
| | (ii) By Inspectors of School in the case of advances granted in favour of employees under their administrative control. |
| | By Principal of Government Colleges in the cases of advances granted in favour of the employees under their administrative control. |
| 7. In respect of all other deeds and instruments other than those specified in item 1 to 6. | By the concerned Director / Deputy Director, as the case may be, or the officer in charge of the relevant subject, not below the rank of a Deputy Secretary. |

G- In the case of contracts etc. not specified under the headings A to F -

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| 1. All deeds and instruments relating to matters not provided hereinafter. | By the Principal Secretary, Commissioner-cum-Secretary, Secretary, Additional Secretary or a District Magistrate, a Sub-Divisional Officer or a Revenue Divisional Officer. |
| 2. (a) Contracts, not otherwise provided for the supply of articles required for the use of any Department or for the sale of articles produced or manufactured by the Department. | By the Head of the Department |
| (b) Contracts and other instruments connected with the administration of the Department. | |
| 3. (a) Contracts for the sale of jail produce | Inspector General of Prisons or the Superintendent of the jail concerned. |
| (b) Contracts and other documents in respect of stones and instruments etc. required for the Press or Stationery Officer | Superintendent of Government Press |
| 4. Contracts and other instruments not otherwise provided for the sale, purchase, supply, carriage or conveyance of stores and building materials and for the provisions of labour and for the execution of public works not executed by Public Works Department and such like engagements. | By Collectors or Deputy Commissioners and in the case of Police Department by the Inspector General or Superintendent of Police. |
| 5. Contracts for the supply of articles produced in the local market for hospitals etc. | By the local Medical Officers in charge of hospitals and asylums etc. |
| 6. Contracts and other instruments relating to house building advances. | (i) By the Secretary to the Board of Revenue, Odisha in the case of advances granted in favour of Class III and Class IV employees of the office of the Board.
(ii) By any Joint Secretary or Deputy Secretary of the Law Department, in the case of advances granted by the Secretary, Law Department ; and
(iii) By the authorities granting the advances in other cases." |

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| 7. Contracts and other instruments relating to matters connected with the Department of Fisheries within the limits of value of ₹5,000 | By the Director of Fisheries |
| 8. Deeds of re-conveyance of properties mortgaged to Government as security for loans granted to co-operative Building Societies. | By the Registrar of Co-operative Societies |
| 9. Deeds and agreement relating to the grant of State-Aid under the Bihar and Odisha State Aid to Industries Act, 1923 (Bihar and Odisha Act VI of 1923) | (i) By the Director of Industries in respect of State-aid-granted by him or Government
(ii) By District Industries Officer in State-aid-granted by him within his power. |
| 10. Bonds and agreement relating to stipend given for training in Engineering and other Technological subjects. | By the Director of Industries |
| 11. Deeds of agreements relating to loans to displaced Goldsmiths for rehabilitation in any productive business not included in the State Aid to Industries Act. | District Industries Officer |
| 12. Execution of loan bonds in respect of loans to be disbursed from project funds in the project area. | By the Project Officers of Rural Industries Projects. |
| 13. Agreement for obtaining loans sanctioned to the Co-operative Societies in handicraft, coir and salt sector. | General Manager, District Industries Centre. |
| 14. Contracts for the supply of articles required for the use of the Transport Department or for the rendering of services by the Department and other instruments connected with the administration of the Department. | By the State Motor Transport Controller |
| 15. Contracts and assurances of property shall be executed on behalf of the Governor by the officers of the Directorate General. | By the Directorate General of Supplies and Disposals of the Government of India. |

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| 16. Agreements relating to grant of subsidy under the Calf Rearing Scheme. | By the Key Village Officer |
| 17. Agreements and Bonds relating to grant of stipends to the students to undergo training in Soil Conservation Training Centre or Centres. | By the Soil Conservation Officers of the Division. |
| 18. Execution of deeds relating to transfer of property concerning the Fisheries Department when the value does not exceed ₹500/- | By the Director of Fisheries. |
| 19. Executive of deeds relating to the grants of financial assistance for the schemes approved under the Local Development Works Programme | By District Magistrate and Sub-Ordinate Officer |
| 20. Execution of agreement regarding supply of radio sets to the Public Institutions. | By the Director, Deputy Director of Public Relations, Assistant Directors of Public Relations, District Public Relations Officers and Additional District Public Relations Officers, Rourkela. |
| 21. (a) Instruments in respect of grant of loans to villages under the Village Housing Project Scheme. | } By the Block Development Officer |
| (b) Instruments for supply of fertilizers to the agriculturists on deferred payment basis. | |
| 22. All contracts and other instruments including lease of private buildings in connection with survey, records of right and settlement work. | By the Settlement Officer |
| 23. Deeds and instruments relating to pledging and release of - | } By the Gazetted Officers of the State Government who for due performance of their duties required to accept and releases securities. |
| (a) 12 Years National Defence Certificates | |
| (b) National Savings Certificate (First Issue) | |
| (c) Post Office Savings Bank Deposits | |

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| 24. Signing of bonds and other connected documents relating to the grant of loans under the schemes production of sheep of Mutton. | By the Joint Director of Animal Husbandry and Veterinary Services, Sambalpur. |
| 25. Signing of bonds and other contracts or assurances relating to the grant of loans under the scheme for potato seeds production –

(a) to the extent of ₹1,300/- per acre in case of potato seeds procured from Simla.

(b) ₹985/- per acre in the case of potato seeds procured inside the State and

(c) for vegetable seeds production to the extent of ₹500 per acre. | By the Seed Certificate Officer / Plant Protection Officer / Potato and Vegetable Development Officer with their locality. |
| 26. Signing of agreement in respect of the hiring of tractor pumping sets to the cultivators in the cyclone affected areas as declared by Government on subsidised basis. | By the Assistant Agricultural Engineers |
| 27. Signing of bonds and other connected documents relating to the grant of loans under the Pisciculture Schemes. | By the Assistant Director of Fisheries, Superintendent of Fisheries. |
| 28. Acceptance of Surety Bond relating to the sanction of Motor Car and Motor Cycle Advances to the temporary Government servant. | By the Secretary, Additional Secretary / Joint Secretary / Deputy Secretary and Under Secretary of the Finance Department. |
| 29. Agreement with the private Presses for printing of the electoral rolls and for preparation of fresh rolls etc. | By the Collector |
| 30. All contracts and assurances of property made in exercise of the executive powers of the State and which are to be executed outside India may be executed. | By the Indian Ambassadors, Charge-D Affairs or High Commissioners and Economic Ministers only in the Country where they have been accredited. |
| 31. Execution of contracts in respect of Gopalpur Port Project. | By the Chief Construction Engineer, Gopalpur Port Project / Executive Engineer, Gopalpur Port Project. |

FORMULA FOR PRICE VARIATION CLAUSE

The formula for Price Variation should ordinarily include a fixed element, a material element and a labour element. The figures representing the material element and the labour element should reflect the corresponding proportion of input costs, while the fixed element may range from 10 to 25%. That portion of the price represented by the fixed element will not be subject to variation. The portions of the price represented by the material element and labour element alone will attract Price variation. The formula for Price variation will thus be :

$$P_1 = P_0 \left[F + a \left[\frac{M_1}{M_0} \right] + b \left[\frac{L_1}{L_0} \right] \right] - P_0$$

Where **P₁** is the adjustment amount payable to the supplier (a minus figure will indicate a reduction in the Contract Price)

P₀ is the Contract Price at the base level.

F is the Fixed element not subject to Price variation.

a is the assigned percentage to the material element in the Contract price. **b** is the assigned percentage to the labour element in the Contract Price.

L₀ and L₁ are the wage indices at the base month and year and at the month and year of calculation respectively.

M₀ and M₁ are the material indices at the base month and year and at the month and year of calculation respectively.

If more than one major item of material is involved, the material element can be broken up into two or three components such as M_x, M_y & M_z. Where price variation clause has to be provided for services (with insignificant inputs of materials) as for example in getting Technical assistance normally paid in the form of per diem rates, the price variation formula should have only two elements viz. a high fixed element and a labour element. The fixed element can in such cases be 50% or more, depending on the mark up by the supplier of the Perdiem rate vis-à-vis the wage rates.

Following conditions would generally be applicable for Price Adjustment:-

- a) Base dates shall be due dates of opening of tender
- b) Date of Adjustment shall be mid point of manufacture.
- c) No price increase is allowed beyond original DP unless the delay is attributable to the purchaser.
- d) Total adjustment will be subject to maximum ceiling prescribed in the contract.
- e) No price adjustment shall be payable on the portion of contract price paid to the contractor as an advance payment.

DISCRETIONARY GRANTS BY THE GOVERNOR

“(1) Discretionary grants may be sanctioned by the Governor. The objects for which such grant can be made and the other conditions and principles that apply to them are specified below:-

(2) A certain sum of money is annually placed at the disposal of the Governor to enable him to spend immediately and without delay which would be involved in the absence of the provision in the budget, any sum which during a tour or otherwise he may wish to grant to objects deserving of assistance from public funds. The disbursements are subject to the same general conditions as are applicable to other expenditure of public money. The expenditure is subject to audit of the Accountant General and to the following restrictions:-

- (a) No expenditure may be incurred which is beyond the powers of the State Government; and
- (b) Such grants may be non-recurring and recurring.

Payment of such grants will be made without an authority from the audit office; but the payment will be subjected to the usual checks in post audit by the Audit Office.”

(Appendix-12 of erstwhile OGFR Volume-II has been retained as Appendix-VIII)

**F. No. 3/2/2010-FB.II
Government of India
Ministry of Finance
Department of Economic Affairs
Multilateral Institutions Division**

New Delhi, September 1, 2011

Circular

Sub : Finance- Plus criteria for selection of projects to be posed to the World Bank, Asian Development Bank and the IFAD.

The Department of Economic Affairs, as the nodal agency for posing projects to the World Bank, ADB, and IFAD, has decided to institute a new set of principles and a Finance Plus criteria to govern the selection of projects to be posed to these agencies. The goal of instituting these principles and criteria is to maximise access and leverage of Multilateral Financial Institution's (MFIs')/ Multilateral Lateral Development Bank's (MDBs') knowledge base, international experience and familiarity with best practices, making the best use of limited external resources available. "Finance Plus" will form the main approach for accessing assistance from the World Bank, ADB and the IFAD.

2. The following principles will be applied:
 - a. The size of external assistance will be up-to a maximum of US \$ 500 million from MDBs for any project inclusive of any Technical Assistance for project preparation.
 - b. The overall portfolio will be progressively re-balanced towards State Projects and amongst the States towards the lagging and the special category States.
3. The new "Finance Plus" criteria for selection of projects will be as follows:
 - (A) Systemic or Transformational Impact:
 1. Does the proposal have elements of sustainable systems re-engineering and or sustainable process re-engineering which would lead to improved systems, business processes or delivery mechanisms?
 2. Does the proposal involve capacity building /institution building that can foster better outcomes on a long term sustainable basis?
 3. Does the proposal have focus on service delivery/improvement (rather than only asset creation) in a sustainable manner - which otherwise has not been the norm in the projects implemented in the sector - e.g. focus on levels of reduction of water loss, focus on number of hours power/water is available per day, reduction in waterborne disease?
 4. Does the proposal bring together otherwise disparate attempts/ schemes to one synergetic platform which has not been possible hitherto (e.g. nutrition, gender issues, livelihoods)?

5. Does the proposal seek to create additional choice for the citizens to access required service/entitlements?
6. Does the proposal involve energy efficiency and environmental benefits without making the project/ outcomes expensive?
7. Are knowledge transfer, technology transfer and best practices transfer from international experience envisaged with adequate long term engagement for ensuring sustainability in Indian context?
8. Does the proposal have institutional improvement measures: e.g. (a) Accounting Reforms (moving from single entry cash based accounting system to double entry accrual system of accounting (b) Ring fencing of finances/activities including corporatization wherever needed c) creation and implementation of appropriate revenue models e.g. tariff reforms or alternative revenue structuring.
9. Does the proposal address issues of real sector reforms e.g. Development of sectoral policies, development of institutional structures, setting up of regulatory framework/regulators?
10. Does the proposal have elements that are transformational in nature - which if implemented could transform the way systems function or the way delivery of services are done?

(B) Innovations and Piloting of new Approaches:

1. Does the proposal have innovative elements and new approaches that have not been tried in the sector and have reasonable chance of changing for the better the way things are done in the sector and have some chance of scalable replication?
2. Does the proposal look at financial sustainability and O&M related issues which otherwise has not been the norm in the sector?

(C) Innovations in financing and Leveraging:

1. Does the proposal use different/ innovative financing products /modalities?
 2. Does the proposal involve co-financing from other financing agencies?
 3. Does the proposal catalyse private sector financing in different ways and especially to create leverage?
 4. Does the proposal involve CDM and accrual of carbon credits as natural by-product of core development projects which can be a way of financing the project?
4. All Union Line Ministries/ State Governments are requested to send only such projects/ proposals that have adequate Finance Plus elements.
5. The Finance Plus criteria mentioned above will become applicable with immediate effect for all new projects/proposals. Projects already posed and appearing in the pipeline of the Department of Economic Affairs will be reviewed and redesigned to the extent possible.



(Nilaya Mitash)
Director (MI) Tel:

1. All Union Line Ministries (Secretaries to the Departments/Ministries; Joint Secretaries Coordination)
2. All State Governments (Chief Secretaries; Finance Secretaries)
3. PS to FM, Sr.PPS to Secretary (EA), PPS to SS (EA)
4. PS to Deputy Chairman, Planning Commission
5. Secretary, D/ o Expenditure
6. All Joint Secretaries in Department of Economic Affairs
7. All Directors/ Deputy Secretaries/ Under Secretaries/ Section Officers in MI Division
8. O/o ED, World Bank, Washington DC, USA
9. O/o ED, ADB, Manila, Philippines
10. World Bank / ADB/ IFAD offices, New Delhi
11. NIC, North Block (with the request to adequately place this circular on the Ministry of Finance website)

APPENDIX - IX

(See Rule 358 (ii))

**F. No. 07/02/2018/FB-II
Government of India
Ministry of Finance
Department of Economic Affairs
(Fund Bank & ADB Division)**

North Block, New Delhi
Dated October 25, 2018

OFFICE MEMORANDUM

Subject : Launch of DEA's Web Portal for submitting the Preliminary Project Report (PPR) to be considered by the Fund Bank and ADB Division for seeking external assistance from MDBs from November 1, 2018 -reg.

The undersigned is directed to refer to OM of even number dated October 10, 2018 (copy enclosed) informing that the submission of the Preliminary Project Report (PPR) to be considered by the Fund Bank and ADB Division for seeking external assistance from MDBs would be made online through DEA's Web Portal from **November 01, 2018**. In this regard, DEA has held two presentations on July 23, 2018 and October 23, 2018 for familiarization with the working of the web portal (copies enclosed).

2. It may be noted that DEA would continue to accept PPR offline (through post/email) for seeking external assistance from MDBs during the period **November 1, 2018 to December 31, 2018**. However, all such **proposals would be processed only when the PPR is also submitted online on DEA's web portal** for the same.

3. PPR Proposals submitted w.e.f. January 1, 2019 will be accepted only through DEA's web portal.

4. DEA's web-portal for online submission of the PPR can be accessed at the following link: <http://eapdea.gov.in/ppr>

5. It is requested that registration of nodal authorities [Additional Chief Secretary/ Principal Secretary (Finance Department)] may kindly be done/confirmed by contacting NIC [Mr Sanjeev Mathur, Technical Director, NIC; Email: sanjeevm@nic.in; Phone: 011-23095136], Registration of other state government officials may also be done once the Nodal Authority from the state is registered. It is requested to kindly contact the aforementioned official from NIC in case of any issues/queries regarding the web-portal.

(Encl: As above)

(Bandana Preyashi) Director (WB)
E-Mail: bandana.preyashi@gov.in Tel No: 23092345

To

All Chief Secretaries of State Governments as per list attached.

APPENDIX - X

(See Rule 358 (ii))

No. 1/17/2018-G&F
Government of India / भारत सरकार
Ministry of Finance/ बित्त मंत्रालय
Department of Economic Affairs/ आर्थिक कार्य विभाग
Germany & France Section / जर्मनी फ्रांस & अनुभाग

North Block, New Delhi
Dated the 11th March, 2019

To

1. All Chief Secretaries of States and Union Territories
2. Line Ministries concerned

Subject: Revised procedures for preparation and posing of preliminary Project Report (PPR) in respect of AFD, JICA, GIZ, KFW and all other Bilateral Agencies for externally aided projects -regarding.

Madam/ Sir,

The undersigned is directed to inform that as per the revised procedure for considering project proposals received from state government/ central ministries/ departments and other Project Implementing Agencies for externally aided projects from bilateral and MDB agencies, the proposals are placed before the Screening Committee of DEA which is held on a monthly basis for examination, recommendation/rejection of such proposals.

2. **The procedure for submitting PPR has also been made online** (online link <https://eapdea.gov.in/ppr>). **It has been decided that only those proposals which have been submitted online will be considered by the Screening Committee. Therefore, all Central Ministries/ Departments, State Governments and other Project Implementing Agencies are requested to submit their PPR through the online mode only. Hard copy of the PPR will be accepted only after the PPR has-been submitted online.**

3. While submitting the PPR in the online portal the following should be ensured :

- 1). The PPR should be filled properly, **counterpart funding** as per DEA Circular No. 04/01/2011-FB-II dated 1st December 2011 (copy enclosed) must be clearly indicated and the PPR should have the **approval of the competent authority**.
- 2). The PPR must be addressed/ marked to all the Line Ministries concerned. Central sector project, the PPR should be marked to NITI Aayog also. For North Eastern (NE) and J&K states the PPR should be referred/ marked to MEA and MHA including DoNER is case of NE projects. The hard copy submitted through the concerned line ministry.
4. The detailed instructions for registration and submission of PPR through the online portal are enclosed for reference.
5. This issues with approval of the competent authority.

Encl: a/a

Copy to: Website of DEA, MoF



(Dr Vyomesh Pant)

Under Secretary to the Govt, of India

Tel: 2309-5125

Email: vyomesh.pant38@nic.in

**GOVERNMENT OF ODISHA
PLANNING & CO-ORDINATION DEPARTMENT**

* * *

RESOLUTION

No. E.A.P.-II-16/96-3007/P dt.01.02.1996

Consequent upon the decision taken in the State Level Monitoring Committee meeting held on 25.02.1995, a “State Level Appraisal Committee on Externally Aided Projects have been constituted for appraisal and approval of the Project proposals & to co-ordinate inter departmental works on EAPs in Odisha. The Committee comprises the following members:

1	Chief Secretary & Development Commissioner--	Chairman
2	Additional Development Commissioner & Secretary to Government, Planning & Co-ordination Department	Member
3	Principal Secretary, Finance Department	Member
4	Secretary of the Administrative Department	Member
5	Heads of Departments of the concerned Administrative Department	Member
6	Director(Evaluation) & Ex-Officio Addl. Secretary, Planning & co-ordination Department.	Member

The broad functions of the Committee are-

- 1) to identify the priorities and to approve new projects for external assistance
- 2) to examine the source of funding and the State share of liabilities involved in it, and
- 3) to approve the project proposal for onward transmission to Government of India.

Ordered also that copy of the Resolution be forwarded to all Departments of Government, Member, Board of Revenue, All Heads of Departments, All District Collectors, Secretary to Governor, Odisha High Court, Secretary to Chief Minister and Director of printing, Stationary and Publication, Odisha, Cuttack with request to furnish 50 copies of the Resolution to Planning & co-ordination Department.

By order of Governor

Dr. L. Mishra

Additional Development Commissioner
and Secretary to Government

Memo No._3008_____/P Dated 01.02.1996

Copy forwarded to all Departments of Government / All Heads of Departments/All Collectors / Secretary to Governor / Registrar, Orissa High Court / Secretary to Chief Minister / Dire, Printing, stationary and Publication, Odisha, Cuttack for information and necessary action. New proposals for external funding need be submitted to Govt. of India through Planning & Co-ordination Department only after clearance of the same by the above Committee.

Sd-

**Director(Evaluation) & ex-Officio
Addl. Secretary to Government.**

**GOVERNMENT OF ODISHA
PLANNING & CO-ORDINATION DEPARTMENT**

* * *

RESOLUTION

No.-E.A.P.-I-26/97-16875/P Dated 26.09.1997

Sub : Setting up of Project Monitoring Unit (PMU) for monitoring Externally Aided Projects (EAPs) in the State.

Government have been pleased to set up a Project Monitoring Unit (PMU) in the P & C Department for making necessary appraisal of new projects to be posed for external assistance and to monitor ongoing Externally Aided Projects (E.A.Ps) in the State. The primary responsibility for formulating project proposals, securing clearance of SLPMC, ensuring timely and effective implementation within the approved cost norms/estimates and submission of claims for reimbursement will rest with the concerned line Department. Project Monitoring Unit (PMU) is however being set-up with the objective of (i) improving project quality at entry, (ii) creating an agency for following up adequate and timely release of funds, (iii) removing operational improvements and (iv) monitoring disbursement by projects and sector and improving disbursement performance. The PMU will guide monitor and supplement the efforts of the line Departments.

2. The broad functions of the PMU in addition to such other functions as may be assigned by Government from time to time will be as follows:-

i) Scrutiny of all new proposals proposed to be posed for external aid with reference to sustainability after completion of project and recurring cost implications. The Project Monitoring Unit shall also monitor all projects in pipeline. In other words, Project Monitoring Unit will draw up guidelines on project processing and ensure that all projects in the pipeline are formulated and processed as per guide lines

ii) Maintain effective co-ordination with the Departments implementing the Externally Aided Projects and obtain information on the status of Externally Aided Projects for furnishing the same to the State Level Committee.

iii) Monitor the implementation of the ongoing projects, review of procurement actions, achievement of physical targets with reference to Agreements concluded and Mission Reports. It shall also follow up resolution of field problems with the concerned line Departments, conduct periodical reviews field inspections and advise the executive agencies for improving their performances.

iv) Assist in resolution of issues relating to procurement, land acquisition, resettlement & rehabilitation and staffing relating to the projects.

v) Guide the project implementing authorities for

(a) Formulation of annual plans and budgets,

(b) Preparation of supplementary estimates and release of funds to executing agencies,

(c) Submission of claims and

(d) Ensuring adequate provision for Externally Aided Projects in the respective plan outlays of the department.

- vi) Monitor submission of claims to Comptroller of Aid Accounts and Audit and reimbursements from the Government if India against each claim.
- vii) Monitor project expenditures on a quarterly basis.
- viii) Ensure that project covenants are adhered to
- ix) Pursue with the project authorities for completion of accounts and audit of project expenditures on annual basis, reconciliation of expenditure with the Accountant General and also follow-up action for obtaining Audit certificate for forwarding the same to the External Agency within the prescribed time.
- x) The Project Monitoring Unit will act as a Nodal Agency for interacting with the project Monitoring Unit in the Department of Economic Affairs, Ministry of Finance, Government of India.
- xi) Assist line Department in arranging visits of the Missions.

3. All Departments should approach the concerned Administrative Ministry in the Government of India/External Funding Agency only after obtaining the clearance of Project Monitoring Unit in the P. & C. Department as Project Monitoring Unit henceforth will be the nodal agency for all the Externally Aided Projects.

4. The Project Monitoring Unit will prioritise projects in the pipeline to establish compatibility with the plan outlays as approved by the State Level Committee headed by the Chief Secretary.

5. In supersession of P & C Department Resolution No.2460/P dt.8.2.1989 and No.3007/P dt.1.2.1996, Govt. have been pleased to constitute a State Level Project Monitoring Committee for appraisal and approval of new projects for availing external assistance and monitoring on-going externally aided projects in the State. The composition of the Committee will be as follows.

i	Chief Secretary	:	Chairman
ii	D.C./A.D.C. and Secretary to Govt., P. & C. Deptt.	:	Member
iii	Additional Chief Secretary	:	Member
iv	Principal Secretary/Secretary to Govt, Finance Department	:	Member
v	Special Secretary to Govt., P. & C. , in-charge of P.M.U	:	Member
vi	Special Secretary to Govt., P. & C. , in-charge of P.M.U	:	Member
vii	Principal Secretary/Secretary to Government and H.O.Ds concerned with the projects (on-going or contemplated) -	:	Member
viii	Addl. Secretary, P. & C. in charge of PMU	:	Member Secretary

The Committee will undertake project appraisal and project reviews ordinarily once in each quarter.

6. All Secretariat Departments and the Heads of the Departments shall promptly furnish the particulars required by the Project Monitoring Unit from time to time relating to the Externally Aided Projects as the nature of work calls for prompt attention and timely information.

ORDER :- Ordered that this Resolution be published on the Odisha Gazette for General Information.

By Order of Governor

S. M. PATNAIK

ADDITIONAL DEVELOPMENT COMMISSIONER

AND SECRETARY TO GOVERNMENT

**No. 14/5/2000- FB II (Vol. IV)
Government of India
Ministry of Finance
Department of Economic Affairs**

New Delhi, dated 05.03.2018

OFFICE MEMORANDUM

Subject: Adherence to Protocol for engagement with Multilateral Development Banks, Bilateral Agencies/Partners, and international Financial Institutions in India

As per Government of India (Allocation of Business) Rules, 1961 Department of Economic Affairs (DEA) in the Ministry of Finance acts as nodal Department, *inter alia*, for all matters relating to:

- (i) Loans, credits and grants from foreign countries, special agencies, non-governmental foundations, agencies and voluntary bodies;
- (ii) Loans, credits and grants from multilateral agencies;
- (iii) Technical and Economic assistance received by India:
- (iv) The United Nations Technical Assistance Administration Programmes
- (v) Ad-hoc offers of technical assistance from various foreign countries, special agencies, non-Government entities
- (vi) United Nations Office of Project Services
- (vii) Technical assistance received by India from or given to foreign governments, international institutions and organizations, except such as are relatable to subjects allocated to any other Department.
- (viii) Accordingly, DEA functions as the political and administrative focal point in India for all engagements with and Multilateral agencies including Multilateral Development Banks (MDBs) such as the World Bank Group, Asian Development Bank (ADB), African Development Bank (AfDB), Asian Infrastructure Investment Bank (AIIB), and New Development Bank (NDB); Bilateral Agencies such as JICA, KfW, GIZ, AfD, EIB, DFID etc.; and International Financial Institutions such as International Fund for Agricultural Development (IFAD).
- (ix) In order to ensure that the borrowings from MDBs/ Bilateral Agencies/IFIs are aligned with the developmental priorities and broad policy directions of the Government of India, it is imperative that all proposals from State Governments as well as Central Ministries/Departments - either for loans, technical assistance or advisory services - are routed through DEA, which, after careful scrutiny, are posed by DEA to the MDBs/ Bilateral Agencies/IFIs concerned. On the other hand, the MDBs/Bilateral Agencies/IFIs are also expected to engage with the States, Central Ministries/Departments, Constitutional bodies, and other institutions in India through the DEA. For this purpose, this Department has, from time to time, highlighted the need on part of the States/Central Ministries and Departments, and other institutions on the one hand, and MDBs, Bilateral Agencies, and IFIs on the other, to observe the established protocol in conduct of business with each other.
- (x) Of late, DEA has come across instances wherein a few States and Central Ministries have sent communications from the ministerial level to the President

or CEO of MDBs/IFIs directly, bypassing DEA, and the MDB/IFI concerned has also not observed the propriety of responding to such references through the DEA. In certain cases, the levels of correspondence between the two sides have been inappropriate. Instances have also come to light where Central Ministries/Departments have reached out to Executive Directors representing India at the MDBs without informing Department of Economic Affairs, in some cases pertaining to project-specific nominations for training; Bilateral Agencies/MDBs etc. have deviated from the established practice.

- (xi) As the nodal Department for dealing with matters pertaining to loans, credits and grants from MDBs, Bilateral Agencies, and I FIs in India, DEA considers it necessary to sensitize the stakeholders and reiterate the importance of adherence to propriety in conduct of business between State Governments, Central Ministries/Departments, and other institutions on the one hand, and MDBs, Bilateral Agencies, and IFIs on the other. To this end, the following instructions are conveyed/ reiterated:
 - (xii) Proposals for External Assistance (loans) from MDBs/Bilateral Agencies/IFIs
 - (xiii) All proposals for loans from MDBs/Bilateral Agencies/IFIs referred to above should be routed through DEA in accordance with the extant instructions and guidelines on the subject. In no case, they should be sent directly to the MDBs/Bilateral Agencies/IFIs. In case a State Government/Central Ministry intends to initiate a preliminary discussion around a concept note with a MDB/Bilateral Agency/IFI before submitting a loan proposal, it must send a prior intimation to DEA. The MDB/Bilateral Agency/IFI concerned must seek mission clearance from DEA for this purpose.
 - (xiv) Proposals for External Assistance (Technical Assistance/Advisory Services/Other Assistance) from MDBs/Bilateral Agencies/IFIs
 - (xv) In a few instances, it has been observed that State Governments/Central Ministries engage with MDBs/Bilateral Agencies/IFIs directly on matters relating to technical assistance or advisory services, finalise the proposal informally without informing DEA, and thus present this Department with a *fait accompli* in such cases. All such proposals should be routed through DEA in accordance with the extant instructions and guidelines on the subject. In no case, they should be sent directly to the Bilateral Agency/MDB. DEA encourages State Governments, Central Ministries, and other institutions to enter into preliminary discussions on broad contours of technical assistance, advisory services or any other assistance. A prior intimation before such discussions must invariably be sent to DEA. Bilateral Agency/MDB/IFI concerned should seek mission clearance, sufficiently in advance, from DEA for this purpose in all cases where it is required in accordance with extant instructions.
 - (xvi) Level and Channel of Communication
 - (xvii) Country Directors/Country Representatives of the MDBs/Bilateral Agencies/IFIs will refrain from addressing their communications to the Chief Minister/Ministers in a State Government, or Ministers in the Central Government. On matters pertaining to ongoing or pipeline projects funded by them, they should correspond with the Chief Secretary/Principal Secretaries in the State Government under intimation to DEA. Similarly, communications with a Central Ministry/Department may be addressed to Secretary/Joint Secretary or Director/Deputy Secretary under intimation to DEA. It would be the

responsibility of the officers concerned to apprise the political functionaries in the concerned Governments in appropriate manner. All proposals for collaborative programmes as well as policy inputs related to the States and Central Ministries should only be routed through this Department.

- (xviii) Project-specific communications may be addressed to the Project Director concerned with a copy endorsed to the Principal Secretary/Secretary in the department concerned, and under intimation to DEA.
- (xix) Central Ministries/Departments, State Governments, and other institutions are not expected to correspond directly with the President, Chief Executive Officer or other Senior Management officials of the MDBs/Bilateral Agencies/IFIs. In case, such a high ranking official is intended to be invited to participate in any function or event organized by the Ministry/Department or the State Government, DEA should be consulted before extending such invitation. In no case, Ministers of the Government of India or the State Governments should write a Demi-official or personal letter to such high ranking personnel.
- (xx) Central Ministries/Departments, State Governments, and other institutions should refrain from directly corresponding with Executive Directors representing India at the MDBs/IFIs, and route the request for any information/clarification/inputs through the DEA, which is the focal point for all communications with the Executive Directors. In case such a correspondence becomes necessary in view of the exceptional nature of work /exigency, DEA should be kept informed.
- (xxi) **Project related Training Programmes/Workshops organized by MDBs/Bilateral Agencies/IFIs**
- (xxii) Country Offices of MDBs/Bilateral Agencies/IFIs should send invitations for project related training programmes/workshops to DEA, which in turn, would invite nominations from
- (xxiii) State Governments/Central Ministries/Other institutions concerned, as the case may be. Only upon receipt of nominations from DEA, MDBs/Bilateral Agencies/IFIs should reach out to the nominated officers for the purpose of completion of travel and other formalities.
- (xxiv) If the training programme/workshop is not related to an ongoing or pipeline project financed by an MDB/Bilateral Agency/IFI and the invitee is not a Government functionary, the MDB/Bilateral Agency/IFI concerned may extend invitations directly in such cases under intimation to DEA.
- (xxv) **Invitation to participate as a Resource Person/Speaker/Panellist in the events organized by MDBs/Bilateral Agencies/IFIs and vice versa**
 - (a) In cases where an MDB/Bilateral Agency/IFI seeks to invite a particular Government official/functionary as a resource person/speaker/panellist for an event organised by them in India or abroad, such invitations may be extended to the individual through DEA, and a copy may be endorsed to the individual for his/her information and to the State Government/Central Ministry/Institutions concerned.
 - (b) In case the proposed resource person/speaker/panellist is not a Government official/functionary, the invitation may be extended directly under intimation to DEA.

- (c) Similarly, Ministries/Departments in Government of India or in the State Governments should invite Country Directors/Representatives of MDBs/Bilateral Agencies/IFIs for conferences/seminars/other events only through DEA.
 - (d) Request for meeting with Chief Ministers/Ministers in the States/Central Government and other meetings
 - (e) All requests from MDBs/Bilateral Agencies/IFIs for meetings with Chief Ministers/Ministers in the States/Central Government, as the case may be, should be routed through DEA. MDBs/Bilateral Agencies/IFIs may appreciate the fact that such requests would be appropriately entertained by DEA based on Government's own established protocol,
 - (f) Requests for a meeting with Secretaries in the Government of India/Chief Secretaries in the State Governments and other Government functionaries should also be routed through DEA.
2. These guidelines may kindly be brought to the notice of all concerned, including subordinate offices/institutions of the Ministries/Departments, for strict compliance.
 3. This issue with the approval of Secretary (EA).



(Rishikesh Singh)

Director (MI)
 Tel No: +91-11-23093542
 e-mail: rishikesh.singh74@nic.in

To

1. CEO, NITI Aayog
2. All Secretaries in Government of India
3. All Chief Secretaries in the States and Administrators in the Union Territories
4. Executive Director (India), World Bank
5. Executive Director (India), IMF
6. Executive Director (India), ADB
7. Country Director (India), World Bank
8. Country Director (SNRM), ADB
9. Office of President, AfDB
10. Office of President, AIIB
11. Office of President, NDB
12. Country Representative (India), IFAD
13. Country Representative (India), IFC
14. Country Representatives of all Bilateral Agencies concerned
15. All Joint Secretaries in Department of Economic Affairs
16. All Directors/Deputy Secretaries in MI Division of DEA

GENERIC STRUCTURE OF DPR

- i. Context / background** : This section should provide a brief description of the sector / sub-sector, the national priority, strategy and policy framework as well as a brief description of the existing situation.
- ii. Problems to be address** : This section should elaborate the problems to be addressed through the project / scheme at the local / regional / national level, as the case may be. Evidence regarding the nature and magnitude of the problems should be presented, supported by baseline data / surveys / reports. Clear evidence should be available regarding the nature and magnitude of the problems to be addressed.
- iii. Project Objectives** : This section should indicate the Development Objectives proposed to be achieved, ranked in order of importance. The deliverables / output for each Development Objective should be spelt out clearly. This section should also provide a general description of the project.
- iv. Target Beneficiaries** : There should be clear identification of target beneficiaries. Stakeholder analysis should be undertaken, including consultation with stakeholders at the time of project formulation. Options regarding cost sharing and beneficiary participation should be explored and incorporated in the project. Impact of the project on weaker section of society, positive or negative, should be assessed and remedial steps suggested in case of adverse impact.
- v. Project Strategy** : This section should present an analysis of alternative strategies available to achieve the Development Objectives. Reasons for selecting the proposed should be brought out. Involvement of NGOs should be considered. Basis for prioritisation of locations should be indicated (where relevant). Options and opportunities for leveraging government funds through public-private partnership must be given priority and explored in depth.
- vi. Legal Framework** : This section should present the legal framework within which the project will be implemented and strength and weakness of the legal framework in so far as it impacts on achievement of project objectives.
- vii. Environmental Impact assessment** : Environmental impact assessment should be undertaken, wherever required and measures identified to mitigate adverse impact, if any. Issues relating to land acquisition diversion of forest land, rehabilitation and resettlement should be addressed in this section.
- viii. On-going Initiatives** : This section should provide a description of on-going initiatives and the manner in which duplication will be avoided and synergy created through the proposed.
- ix. Technology issues** : This section should elaborate on technology choices, if any, evaluation of options, as well as the basis for choice of technology for the proposed project.
- x. Management arrangements** : Responsibilities of different agencies for project management and implementation should be elaborated. The organisation

structure at various levels as well as monitoring and coordination arrangements should be spelt out.

- xi. Means of Finance and Project Budget:** This section should focus on means of finance, evaluation of options, project budget, cost estimates and phasing of expenditure. Options for cost sharing and cost recovery (user charges) should be considered and build into the total project cost. Infrastructure projects may be assessed on the basis of the cost of debt finance and the tenor of debt. Options for raising funds through private sector participation should also be considered and built into the project cost.
- xii. Time frame:** This section should indicate the proposed 'Zero' date for commencement and also provide a PERT/CPM chart, wherever relevant.
- xiii. Risk analysis:** This section should focus on identification and assessment of project risks and how these are proposed to be mitigated. Risk analysis could indicate legal/contractual risks, environmental risks, revenue risks, project management risks, regulatory risks, etc.
- xiv. Evaluation:** This section should focus on lessons from evaluation of similar projects implemented in the past. Evaluation arrangements for the project, whether concurrent and mid-term or post-project should be spelt out. It may be noted that, continuation of projects/schemes from one Plan period to another will not be permissible without an independent, in depth evaluation being undertaken.
- xv. Success criteria:** Success criteria to assess whether the Development Objectives have been achieved should be spelt out in measurable terms. Base-line data should be available against which success of the project will be assessed at the end of the project (Impact assessment). In this regard, it is essential that the base-line surveys be undertaken in case of large, beneficiary-oriented projects.

Success criteria for each Deliverable / Output of the project should also be specified in measurable terms to assess achievement against proximate goals.

- xvi. Financial and economic analysis:** Financial and economic analysis of the project may be undertaken where the financial returns are quantifiable. This analysis would generally be required for investment and infrastructure projects, but may not be feasible for social sector projects where the benefits cannot be easily quantified.
- xvii. Sustainability:** Issues relating to sustainability, including stakeholder commitment, operation and maintenance of assets after project completion, and other related issues should be addressed in this section.

Note : Requirement of the EFC/PIB format may also be kept in view while preparing the DPR.

***Appendix-4 of Handbook on System and Process of Bilateral Development Assistance issued by Government of India, Department of Economic Affairs has been adopted as Appendix-26 in the revised OGFR.**

DESTRUCTION OF OFFICE RECORDS CONNECTED WITH ACCOUNTS

The destruction of records (including correspondence) connected with accounts is governed by the following rules and such other subsidiary rules consistent therewith as may be prescribed by Government in this behalf with the concurrence of the Accountant-General:-

1. The following shall on no account be destroyed:-
 - (i) Records connected with expenditure which is within the period of limitation fixed by law.
 - (ii) Records connected with expenditure on projects, schemes or works not completed, although beyond the period of limitation.
 - (iii) Records connected with claims to Service and personal matters affecting persons in the service except as indicated in the Annexure.
 - (iv) Orders and sanctions of permanent character, until revised.

2. The following shall be preserved for not less than the period specified against them.

Description of Records	Period of preservation expressed in complete year.
(i) Expenditure sanctions not covered by paragraph 1 above (including sanctions relating to grants-in-aid).	5 after the sanctions ceased to be current.
(ii) Cash books maintained by the Drawing and Disbursing Officers under S.R. 37 of Orissa Treasury Code, Volume I.	10
(iii) Contingent Bills and register of contingent expenditure.	5
(iv) Detailed budget estimates of an office	3
(v) Traveling allowance bills and acquaintance rolls relating thereto.	3
(vi) (a) Service Books of Government servant who has resigned.	5 years from the date of registration.
(b) Service Books of Government servant who has been retrenched/ removed/ dismissed.	(i) 5 years, if no case is pending in any court, and (ii) 3 years after final judgment under the normal course of law, that is, the last judgment of the highest court, as established by law; where the court has upheld the Government's decision to retrench/ remove dismiss the Government servant.

Description of Records	Period of preservation expressed in complete year.
(c) Service Books of Government servant who retires from services/ dies while in service.	25 years from the date of retirement/ death. Note- Before actual destruction it should be ensure that pension / Provident Fund cases of the persons to whom the Service Books relate have been finalized
(vii) Leave accounts of non-Gazetted Government servants.	10 years after death or 5 years after retirement.
(viii) Statement of monthly progressive expenditure and correspondence relating to the discrepancy in the figures.	(a) In respect of statement received from subordinate authorities' upto the end of the financial year to which they relate. (b) In the case of the statement concerning the expenditure of the Department-till the appropriation Accounts for the relevant years have been finalized (This would normally be within 3 years).
(ix) Nomination relating to family pension and Death-cum-retirement gratuity received under Liberalized Pension Rules. If the gratuity and / or Family Pension are paid-	30
(i) to minor	30
(ii) to other than minors not in accordance with the order in which nominations have been made.	6 years after the payment of death-cum-retirement gratuity of the last instalment of the family pension has been paid.
(iii) to other than minors in accordance with the order in which nomination has been made.	
(x) Provident Fund Nomination	Same as in the case of clause (ix) above.
(xi) Pay Bills and Acquaintance Rolls where these are maintained separately of all Government servants.	35
(xii) Mortality returns of pensioners.	5
(xiii) Muster Rolls	Such period as may be prescribed in this behalf in the departmental regulations subject to a minimum of three financial years excluding the financial year of payment.
(xiv) Bill Register maintained in Orissa Treasury Code Form 28-A	5
(xv) Paid cheques returned by the Bank to the Audit Office.	5

Note- (1) Before pay bills are destroyed, the service of the Government Servants concerned should be verified in accordance with Rules 69 and 70 of Odisha Service Code.

However, in the case of officers retiring from Government service before the 1st march, 1961, the Head of Office shall also give necessary particulars of temporary and officiating service with reference to articles 370 and 371 of the Civil Service Regulations with a view to enable the Audit Officer to decide later on by reference merely to such particulars whether the temporary or officiating service will qualify for pension or not. For example, in case of officiating service the nature of the vacancy in which the officer officiated and in case of temporary service whether the temporary post was subsequently made permanent, should be stated.

Note- (2) The periods of preservation of account records in Public Works Officers are prescribed separately by Government.

3. Where a minimum period after which any record may be destroyed has been prescribed the Head of Department, or any other authority empowered by him to do so, may order in writing the destruction of such record in their own and subordinate offices on the expiry of that period counting from the last day of the latest financial year covered by the record.

4. Heads of Department shall be competent to sanction the destruction of such other records in their own and subordinate offices as may be considered useless, but a list of such records as properly appertain to the accounts audited by the Indian Audit and Accounts Department shall be forwarded to the Accountant-General for his concurrence in their destruction before the destruction is ordered by the Head of Department.

5. Full details shall be maintained permanently, in each office of all records destroyed from time to time.

ANNEXURE TO APPENDIX-XV

Destruction of records

Sl. No	Destruction of records	Period of preservation expressed in complete financial years.
1	Creation of posts (extension/ Examination of the term of temporary posts into permanent ones).	10 Years
2	Establishment Register of sanction register	5 Years (Wherever possible two separate registers one for permanent posts and one for temporary posts should be maintained. If for want of space, or any other reasons it becomes necessary to rewrite the register relating to temporary posts, the particulars of the latest sanctions only should be written done in the new register).
3	History of Services, Civil Lists, Gradation Lists, etc.	5 years after it has ceased to be current (in the case of Departments issuing them) Other Departments need keep the latest copy only.
4	Arbitration and Litigation cases.	3 years after the final judgment under the normal course of law.
5.	Notices under Section 80 of Civil Procedure Code.	(a) If not followed up by a civil suit (1 year). (b) If followed up by a Civil Suit 3 years after the final judgment under the normal course of law.
6.	Change in date of birth	These papers should be placed on the personal files.
7.	Collateral evidence in respect of Service matters.	
8.	Verification of service	5 years subject to a suitable record being kept some where, e.g., in the service book or history sheet.
9.	Condonation or break in service.	Condonation or break in service should as far as possible be dealt with on personal files. Alternatively an authenticated copy of order may be kept in personal file for possible reference at the pension stage.
10.	Arrear claims	3 years (The fact of adjustment of arrear claims can always be verified from office copies of the pay bills which are proposed to be retained for 35 years).
11.	Advances- (a) Festival advance (b) Advance of pay on 3 Transfer. (c) Grant on advance of Traveling Allowance. (d) Conveyance advance	3 years 3 years 3 years 3 years after final recovery 3 years after final recovery

Sl. No	Destruction of records	Period of preservation expressed in complete financial years.
	(e) House building advance (f) General Provident Fund advance (g) Miscellaneous advances	3 years after final recovery 3 years after final recovery
12.	General Provident Fund (a) Admission to1 year (b) Adjustment of missing2 years (c) Financing of Insurance Policies (d) Final withdrawal, e.g., for house building, higher technical education of children, etc.	A complete list of subsidiaries should be maintained in each disbursing office in accordance with the instructions contained in Rule 183. As financing of Insurance Policies is not permissible under the revised rules, no fresh case of this type will henceforth arise. The old case, however, should be treated as follows:- (i) Original papers, i.e., the request and the sanction should be kept on the personal files; and (ii) bills may be retained as long as bills relating to other claims are retained, i.e., 35 years. 3 years after final payment of Provident Fund.
13.	Retirement benefits:- (a) Pre-verification of pension cases (b) Invalidation Pension (c) Family pension	3 years 25 years/10 years after death 25 years from date of death of Government servant.
	(d) other pensions (e) Gratuity (f) Commutation of pension (g) No demand certificate	5 years after retirement 5 years after award 15 years Normally, this certificate will be part of the pension file the question of prescribing separate retention period does not arise

Note-(1) The retention period should always be reckoned from the year in which the file is recorded after all action has been completed thereon. For example, if a file relating to a missing credit in a General Provident Fund account for any period, opened during 1958, is closed in 1962, after the missing credit is located and accounts rectified the prescribed retention period of two years will count from the year 1962 and not 1958.

Note-(2) The principle to be adopted in respect of files having financial implications and hence liable to be called by audit for inspection is that such files should be retained for a period of five years after they have been recorded. If, at any time during the period

of five years, an audit objection having reference to the transaction dealt with in that file arises, is received, the file will not be destroyed until after the audit objection has been settled to the satisfaction of the audit. Also, if local audit does not take place within the period of five years, the head of the office should ascertain from the audit authorities whether they have any objection to the files relating to the earlier years, due for weeding out by the application of the five year formula, being destroyed or retained for a further period for scrutiny by the audit party and, if so, for what period.

While records may be reviewed and weeded out at periodical intervals in the light of the retention periods prescribed to avoid their build up, the attempt should be to make a continuous and conscious effort through out the year to weed out necessary records. In other words, the working rule should be 'weed as you go'.

(F.D.O.M. No. Codes 103/69- 31236-F., dated the 30th August 1969)

RULES RELATING TO SUPPLY OF FURNITURE IN THE RESIDENCE OF HIGH OFFICIALS

(A)

Rules for the administration of the furniture grant of the residences of the Governor of Orissa

(1) Regulation made by the Governor of Orissa in exercise of the powers conferred by paragraph 13(2) of the Government of India (Audit and Accounts) Order, 1936, for the conduct of the audit of furniture in his official residences:-

“The administration of the furniture grant of the official residences of the Governor Orissa, including the upkeep of a stock list and the purchase, repair and maintenance of furniture shall be conducted by the Secretary to the Governor. He should furnish the Accountant-general, Orissa, with an annual certificate to verification in the form given below. During the second and fourth years of the incumbency of the governor, and at least once in every three years, the certificate of verification should be countersigned by a gazetted officer of the Public Works Department in token of his joint responsibility for the actual verification.”

FORM OF CERTIFICATE OF VERIFICATION

Certificated that the furniture in Raj Bhawan at _____ has been inspected and checked with the stock lists maintained. I am satisfied (i) that all new supplies up to date have been correctly brought on to the stock lists, (ii) that the stock lists are correct in all respects, (iii) that the articles in stock agree with the stock lists, (iv) that the sale proceeds have been properly accounted for and (v) that sanction of competent authority exists for writing off all articles struck off the stock lists.

(Also vide Para 176, O.P.W.D. Code)

(2) Extract from the Governor’s(Allowances and Privileges) Rules, 1987 vide Government of India, Ministry of Home Affairs Notification No. GSR 343 (E)dated the30th March, 1987 read with amendment made vide GSR 288(E) dated 31.3.2011.

Rule 2(b):-“Official residence” in relation to a governor of a particular State means the corresponding residence(s) specified in column (2) of Schedule I to these rules

Rule 3. RENEWAL OF FURNISHINGS OF OFFICIAL RESIDENCES:

(1) There shall be paid, from time to time, to each Governor an allowance equal to the actual expenses in renewing the furnishings of his official residence(s) subject to the maximum amount specified in column (3) of **Schedule-I.**

Provided that if, when the Governor assumes office, the period which has elapsed since his predecessor assumed office (persons appointed to discharge the functions of the Governor being disregarded) falls short of five years, the maximum amount so specified shall be decreased by such amount as the President may by order determine;

Provided further that in the case of Governors holding office immediately before the commencement of these rules, the amount admissible to them during their entire terms shall be such as the President may by order determine.

(2) The provisions of this rule shall not apply to persons appointed to discharge the functions of the Governor under article 160 of the Constitution of India.

Rule 6. ALLOWANCES OF THE GOVERNORS:

(1) In order that the Governor may be able to discharge conveniently and with dignity the duties of his office, the Governor shall be paid annually the following allowances or grants, namely:-

(e) grant for maintenance and repairs of furnishings – to be utilised for maintenance and repairs of furnishings of the official residence (s) and / or for the purchase of new items of furniture provided that maximum amount does not exceed the amount specified under this subhead;

(2) The amount admissible under different sub-heads under sub-rule (1) shall be as specified in **Schedule-II**.

(*)(Provided that the Governor may, without exceeding the maximum amount specified in column (8) of the said Schedule, re-appropriate whenever necessary, from one subhead to another sub-head thereof. (Inserted by GSR (E) dated 1st February, 1989)

(4) The amount specified under sub-heads relating to office expenses, maintenance and repairs of furnishings, contract allowance and tour expenses of Schedule II may, in any year, be increased by the amount not expended in previous years under the same sub-heads.

Rule 7. ALLOWANCES FOR MAINTENANCE OF OFFICIAL RESIDENCE(S):

The Governor shall also be paid such allowances, each year, for the maintenance of Governor's official residence(s) under various sub-heads as specified in Schedule III;

Provided that the Governor may, without exceeding the maximum amount specified in column 7 of the said schedule, re-appropriate whenever necessary, from one sub-head to another sub-head thereof;

Provided further that the maximum amount specified in column 7 of the said Schedule may, in any year be increased by the amount not expended in the previous years.

***Schedule - I**

[See rule 3(1)]

Official residence(s) of the Governors and maximum amount admissible for renewal of their furnishings (in Rupees)

Sl. No.	Name of the State	Official residence (s)	Maximum allowance to Governor for renewal of furnishings
19	Odisha	The Governor House at Bhubaneswar	700000

** substituted by GSR 288€ dated 31.3.2011.*

*** Schedule - II**

[See rule 6(2)]

(Allowances of Governors in respect of certain matters) (in Rupees)

Sl. No	Name of the State	Hospitality Expenses	Entertainment Expenses	Office Expenses	Maintenance and repairs of furnishings of official residence	Contract Allowances	Tour Expenses	Total (maximum amount)
	1	2	3	4	5	6	7	8
19	Odisha	150000	75000	400000	250000	600000	1100000	2575000

** substituted by GSR 288€ dated 31.3.2011.*

***Schedule - III**

(See rule 7)

(Allowances for the maintenance of Official Residence) (in Rupees)

Sl. No.	Name of the State	Repairs	Gardens	Electricity	Water	Improvement	Total (maximum amount)
	1	2	3	4	5	6	7
19	Odisha	390000	250000	400000	100000	100000	1240000

** substituted by GSR 288€ dated 31.3.2011.*

(B)

**Rules relating to the supply of furniture in the residence of Ministers,
Deputy Ministers, Speaker and Deputy Speaker**

1. Furniture shall be supplied to the residences of Ministers, Deputy Ministers, Speaker and Deputy Speaker at Government cost on the scale fixed by Government by General or special order. Except when otherwise ordered, the cost of such furniture and the cost of its maintenance shall be met from the grant under the Works Department who shall be responsible for furnishing the residences of Ministers, Deputy Ministers, Speaker and Deputy Speaker including the visitors waiting room, office room and the staff at the residences according to the scale laid down in the annexure and shall also maintain the furniture supplied. The personal Assistants of Ministers, Deputy Ministers, Speaker and Deputy Speaker shall maintain a list of all the furniture's supplied in a register in the form prescribed for stock accounts. The furniture shall be verified once a year by the Personal Assistant and the Sub-divisional Officer of the works department jointly and a certificate of verification as prescribed below recorded in the register and shall be submitted to Audit by the Works department duly signed by the Personal Assistant and countersigned by the Sub-divisional Officer. The furniture should also be verified when there is a change of incumbency of the persons using the furniture. On change of Personal Assistant the relieving Personal Assistant shall take over the charge of the furniture along with the register from the relieved personal Assistant as an item of charge. Any loss or breakage noticed at the time of verification shall be brought to the notice of Government in the Works Department. The Minister, Deputy Ministers, Speaker and Deputy Speaker will generally be responsible for loss or breakage other than that caused by far wear and tear.
2. The Minister, Deputy Ministers, Speaker and Deputy Speaker may send their requisitions for furniture to the Works Department who shall arrange to supply the furniture.
3. Any other article, e.g., durry, etc., supplied at the residence of the Minister, Deputy Ministers, Speaker and Deputy Speaker at Government cost shall also be entered in the Stock Register showing the date of purchase and supply of each article and its actual cost.
4. The new supplies will only be made after the estimate is administratively approved and provision is made in the Budget. In regard to repairs and replacement of furniture, the cost will be met from the "Repairs" grant of the buildings, and when the cost of replacement exceeds Rs.5,000, the Assembly should be apprised of the details at a later stage and the expenditure be incurred after obtaining the approval of the Finance Department. The cost of new supply furniture will be debited to "50-Civil Works-Furniture" and state of repairs and replacement to "50-Civil Works-Furniture-Repairs." No item should however be replaced unless a survey report is prepared and approved by the competent authority.

5. When any article supplied is sold or condemned under orders of competent authority the fact should be noted in the register and in the case of transfer from the residence of a Minister, Deputy Ministers, Speaker and Deputy Speaker, the article will be written off the list of the former and entered as a fresh item in the list of the latter. A permanent transfer of furniture, etc., which has the effect of verifying the scale of supply for each Minister or Deputy Ministers or Speaker and Deputy Speaker should be with the approval of the Department in charge of the Ministers, Establishments. Condemnation and transfer of furniture should be made with the approval of the Department in charge of the Minister's Establishments but the condemnation certificate should be given by the Works Department in respect of the furniture supplied in the residence of the Ministry, Deputy Ministers, Speaker and Deputy Speaker.

6. The care of all these articles provided at Government expense in the residences of the Ministers, Deputy Ministers, Speaker and Deputy Speaker and the responsibility for their repair and renewal will rest with the Works Department. Any old and unserviceable article may be sold by public auction being duly condemned by a competent authority and the sale-proceeds credited to the Treasury.

7. The price of furniture will be at the prevailing market rate.

FORM OF CERTIFICATE OF VERIFICATION

Certified that the furniture in the residence of the Minister/ Deputy Minister/ Speaker/ Deputy Speaker_____ at _____ has been inspected and checked with the stock lists maintained. I am satisfied (i) that all new supplies up to date have been correctly brought on to the stock lists, (ii) that stock lists are correct in all respects, (iii) that the articles in stock agree with the stock that sanction of competent authority exists for writing off all articles struck off the stock lists.

SCHEDULE
SCALE OF FURNITURE FOR THE MINISTER, DEPUTY MINISTERS,
SPEAKER AND DEPUTY SPEAKER

1. FOR RESIDENTIAL USE

(A) Bed room equipment			
		Nos.	Size
1	Bombay Pattern Cot	2	6'-6" x 3'-6"
2	Newar Cot	2	6'-6" x 3'-0"
3	Matters	4	6'-6" x 3'-0" (to fit beds)
4	Mosquito curtain	4	6'-6" x 3'-0" (to fit beds)
5	Chair of the type provided with sofa sets	2	Standard size
6	Alna	2	10' x 20"
7	Bed side table with table cloth	4	Standard size
8	Chair	2	Standard size
9	Braket	2	Standard size
10	Carpet	2	(to fit bed room)
(B) Guest room equipment			
1	Bombay Pattern Cot	1	6'-6" x 3'-6"
2	Matters	1	To fit bed
3	Bed side table with table cloth	1	Standard size
4	Chair of the type provided with sofa set	1	Standard size
5	Mosquito curtain	1	(to fit beds)
6	Carpet	1	(to fit guest room)
(C) Drawing room equipments			
1	Carpet	1	To fit the room
2	Sofa set	1	Standard size
3	Low circular table	1	2'-6" dial and 2'-0" height
4	Side table	4	Standard size
5	Cushion chair	1	Standard size
(D) Dressing room equipments			
1	Dressing table with chair	1	2'-2" x 1'-6" with frameless mirror 20" x 16"
2	Small rack	1	2'-6" x 3'-6" x 1
3	Alna	1	Fitted to item 1
(E) Dining room equipments			
1	Dining table	1	6" x 3'-6"
2	Armless chairs	8	Standard size
3	Tea Poy	2	12" square or circular
4	Surai stand	1	Standard size
5	Meat safe	1	3'-0" height and 24" x 24" with open racks room
6	Durry	1	To fit the room

(F) Other general equipments			
1	Door mat	4	24" x 12"
2	Pardas	..	For all doors and windows of the office room, bed room, drawing room and dining room.
3	Bath tub	..	One for Big size each bath room
4	Bath stool	..	One for 16" x 13" x 15" height each bath room.

1. FOR RESIDENTIAL OFFICE ROOM

1	Secretariat table	1	Writing table with a set of drawers on one side (5'-0" x 3'-0" x 2'-6")
2	Revolving chair	1	Standard size
3	Small table with table cloth	1	2'-6" x 1'-8" x 2'-3"
4	Book shelf	1	4' x 3" x 1'
5	Chairs	7	Four cushion and three ordinary standard size
6	Whatnot	3	2'-6" x 3'-6" x 1'-2"
7	Paper cabinet	1	Standard size
8	Tray	2	12' x 16" x 5'
9	Flag stand	1	Standard size
10	Steel almirah	1	6' x 3" x 1'-3"
11	Durry	1	To fit the room
12	Clock	1	..
13	Door mal	2	24" x 15"
14	Foot rest	1	Standard size
15	Waste paper basket	2	Standard size
16	Glass table with table pap	1	Standard size

3. VISITORS, WAITING ROOM AT THE RESIDENCE

1	Big table with table cloth	1	4' x 2'-6" x 2'-6"
2	Chairs	4	Standard size
3	Bench	1	6' x 1'-2" x 1'-6"

4. FOR PERSONAL STAFF

(A) Personal Assistant			
1	Steno table	1	3' x 2' x 2'-3" with set of drawer on one side.
2	Chair	2	Standard size
3	Table	1	3'-6" x 3' x 2'-6"
4	Almirah (big)	1	5' x 2'-6" x 1'-6"
5	File rack	2	Standard size
6	Distribution, rack	1	3'-6" x 1'-2" x 2'

(B) Assistant, Diarists, etc.

For each Assistant or Diarist furniture at the scale admissible to Secretariat Assistant & Diarist.

(E) For Peons			
1	Stool	2	15" x 15"
2	Back bench	1	6' x 1' x 1'-6"

5. FOR SECRETARIAT OFFICE ROOM

As prescribed for residential office room and in addition one easy chair of standard size.

6. GENERAL AND TOURING EQUIPMENTS

1	Petromax light	1	
2	Hurricane light	2	
3	Trunk	2	

Note- Home Department are responsible for supply of furniture for the office rooms of Ministers, Deputy Ministers and their personal staff in the Secretariat and also the touring equipments as provided in the scale, in items 5 and 6. The cost on this account is met from the Ministers, contingencies.

ANNEXURES

INDICATIVE LIST OF CONTROLLING OFFICERS FOR RECEIPT RECONCILIATION

Major Head of Receipts		Controlling officers
(1)		(2)
0006	Odisha Goods & Services Taxes	Commissioner of Commercial Taxes & GST Odisha
0028	Other Taxes on income and expenditure-Tax on Professions	Commissioner of Commercial Taxes & GST Odisha
0029	Land Revenue	Secretary, Board of Revenue
0030	Stamps & Registration	Inspector General, Registration (IGR)
0039	State Excise	State Excise Commissioner
0040	Taxes on Sales, Trade etc	Commissioner of Commercial Taxes & GST Odisha
0041	Taxes on Vehicles	Transport Commissioner
0042	Taxes on Goods & Passengers – Entry Tax	Commissioner of Commercial Taxes & GST Odisha
0043	Taxes and Duties on electricity	Principal Chief Electrical Inspector
0045	Other taxes and Duties on commodity and services	Commissioner of Commercial Taxes & GST Odisha /Principal Chief Conservator of Forests
0047	Other Fiscal services	Director, Small Savings/Deputy Examiner-cum-Deputy Secretary (LFA)
0049	Interest receipts	Co-operation/Industries Deptt. and other Departments in which loans & Advances have been sanctioned
0050	Dividends & Profits	Administrative Departments under which PSUs, Statutory Corporation & Cooperatives
0051	Public Service Commission	OPSC, OSSC, Sub-ordinate Staff Selection Commission
0055	Police	Director General of Police
0056	Jails	Inspector General of Prisons
0058	Stationery & Print	Director, Printing, stationery and Publication, Odisha, Cuttack
0059	Public Works	Works, H&UD, Rural Development Department & Heads of Departments of these Department
0070	Other Administrative services	Administrative Tribunal / Chairman, Administrative Tribunal
0071	Contribution and recovery towards Pension/Leave Salary	Finance Department
0075	Miscellaneous General Services	PCCF /Administrative Departments/ Finance Department
0202	Education, Sports, Arts and Culture	Director, Mass education/ Elementary Education/ Secondary Education/ Higher Education/ Vocational Education/ Technical Education and training/ Sports & Youth services/ Culture
0210	Medical and Public Health	Director, Health Services/Director, Medical Education & Training/Director, Employees State Insurance
0211	Family welfare	Director, Family Welfare/Director, Employees State Insurance
0215	Water Supply and Sanitation	Chief Engineer, Rural Water Supply & Sanitation (RWSS) / Chief Engineer, Public Health
0216	Housing	Chief Engineer, Rural Works, Roads & Building, Public Health / Director, Housing / Rent Officer, General Administration Department

Major Head of Receipts		Controlling officers
(1)		(2)
0217	Urban Development	Director, Municipal Administration
0220	Information and Publicity	Director, Information & Public Relation
0230	Labour and Employment	Labour Commissioner / Director Factories & Boilers
0235	Social Security and Welfare	Women & Child Welfare Department/SSEPD Department
0250	Other Social Services	Women & Child Welfare Department / SSEPD Department
0401	Crop Husb	Director of Agriculture & Food Production/ Director, Horticulture/Director of Soil Conservation
0403	Animal Husbandry	Director, AH & VS, Odisha
0404	Dairy Development	Director, AH & VS, Odisha
0405	Fisheries	Director, Fisheries, Odisha
0406	Forestry & Wild Life	Principal Chief Conservator of Forests (PCCF), Odisha / PCCF (KL) / (WL)
0408	Food Storage and Warehousing	Director, Agricultural Marketing / F.S. & C.W Department
0415	Agricultural Research and Education	Agriculture Department
0425	Co - operation	Co-operation Department / Registrar of Co-operative Societies, Odisha
0435	Other Agricultural Programmes	Agriculture Department
0506	Land Reforms	Revenue & Disaster Management Department / Board of Revenue / RDCs
0515	Other Rural Development Programmes	Panchayati Raj & Drinking Watre Department
0700	Major Irrigation	a) Industrial Water Rate - E.I.C. , Water Resources and Chief Engineer of WR Deptt. b) Irrigation Water Rate - Board of Revenue and RDCs
0701	Medium Irrigation	
0702	Minor Irrigation	
0801	Power	Energy Department / P.C.E.I & E.I.C., Electricity
0810	Non Con. Energy	Science and Technology Department
0851	Village and Small Industries	Industries Department / MSME Department
0852	Industries	Director, Industries
0853	Mining Revenue	Director of Mines
1051	Ports and Light Houses	Director, Inland Water Transport
1053	Civil Aviation	Director, Civil Aviation, Odisha
1054	Roads and Bridges	Works Department / H & U.D Department / R.D. Deptt. & Chief Engineers of Heads of Deptt.
1055	Road Transport	Transport Department
1056	Inland Water Transport	Director Ports & Inland Water Transport
1425	Other Scientific	Science and Technology Department
1452	Tourism	Tourism Department
1456	Civil Supplies	Food Supply & Consumer Welfare Department
1475	Other General Economic Services	Food Supply & Consumer Welfare Department

The sample is for illustrative purpose only and procuring entity may change the format suiting to their requirement. If felt necessary, procuring entity may also get the MOU document vetted from the Law Department.

Memorandum of Understanding

between

[Name of Procuring Entity]

and

[Name of Project Management Consultant /PSU]

for

Construction of [Name of Work(s)] at [Name of Location(s) of Work]

This, Memorandum of Understanding (hereinafter called “MoU”) signed between [Name of Procuring Entity] (hereinafter called “Procuring Entity”) represented by the Administrative Department on one part,

And

[Name of Project Management Consultant /PSU] (hereinafter called “Project Management Consultant”) represented by its Chief Engineer on other part.

‘Procuring Entity’ and ‘Project Management Consultant’ are also referred to individually as ‘Party’ and collectively as ‘Parties’ wherever the context so requires.

Whereas ‘Project Management Consultant’ have agreed to undertake the work of Construction of abovementioned Work(s) at abovementioned location(s) for ‘Procuring Entity’ on Project Management Consultant (PMC) basis.

Now, therefore it is agreed between the Parties that :

A) Assigning of Work by ‘Procuring Entity’ to ‘Project Management Consultant’

1. *In case of MoU of collection of works or of framework nature ‘Procuring Entity’ will assign a work to the ‘Project Management Consultant’ through a letter after due approval of the competent authority. A work specific MoU would be signed along with approval of Preliminary Estimates.. ‘Procuring Entity’ will provide all relevant available documents related to Land, Site Details, functional space requirement (or Various Facilities, Special Requirements/ Features and Broad Specifications for specialised Equipments and Plants), Layout Plans etc for facilitating Project Execution by ‘Project Management Consultant’ along with A & E Consultants.*

2. ‘Project Management Consultant’ shall appoint, if any, competent Architectural and Engineering (A & E) Consultant commensurate with size and nature of the work after following due process.

B Approval of Preliminary Project Report (PPR) & Detailed Project Report (DPR)/ Preliminary Estimate (PE)

1. Preliminary Project Report (PPR) shall be prepared by 'Project Management Consultant' based on functional & space requirements as intimated by 'Procuring Entity' and submitted to 'Procuring Entity' for its approval. {It would be a joint endeavour on part of both 'Procuring Entity' and 'Project Management Consultant' in consultation with consultants & experts to develop Standard Plans & Specifications for Works & Services including Furniture, Equipment, Plants etc. pertaining to various categories of Works etc.}

2. Based on approved PPR, 'Project Management Consultant' shall prepare Detailed Project Report (DPR)/ Preliminary Estimate (PE) consistent with their norms & standards, containing Milestones and commensurate activities to be accomplished against each Milestone & Baseline Programme in the form of CPM Network depicting clearly dates of Start and Completion of the work {along with Work specific draft MoU} and submit it to 'Procuring Entity' along with all relevant input information, documents and Drawings etc. for approval of 'Procuring Entity', within 8 (eight) weeks of receipt of approval for PPR. 'Project Management Consultant' shall use O.P.W.D. Analysis of Rates for current Schedule of Rates (SOR) for framing the DPR/ PE. Non – SOR Items shall be incorporated in the Detailed Estimates only when these are not either readily available in SOR. Detailed reasons and justifications for including Non-SOR Items shall have to be furnished by 'Project Management Consultant'. 'Procuring Entity' shall accord approval to DPR/ PE {and Work specific Draft MOU} containing Milestones and commensurate activities to be accomplished against each Milestone & Baseline Programme in the form of CPM Network and issue Administrative Approval (A/A) & Expenditure Sanction (E/S) in about 8 (eight) weeks of its submission by 'Project Management Consultant'.

3. On receipt of the A/A and E/S, the 'Project Management Consultant' shall prepare and accord Technical Sanction (TS) to detailed and coordinated design of all the Architectural, Civil, Electrical, Mechanical, Horticulture and any other services included in the scope of the sanction and of the Detailed Cost Estimates containing the detailed specifications and quantities of various items prepared on the basis of the current Schedule of Rates maintained by OPWD Code.

C. Release of Funds, Payment of Bills

1. Supervision Charge of 8% (of actual expenditure) shall be allowed for the awarded work and additional incentive of 2% of actual expenditure shall be allowed for timely completion of awarded work.
2. The procedure of payment to Project Management Consultant shall be governed by Works Department Resolution No. 9133/W dated 6.9.2012, 6120/W dated 29.5.2015, 6398/W dated 23.5.2016 and amendment to be made from time to time.

D. Execution of Work

1. The 'Project Management Consultant' shall obtain necessary Statutory Approvals/Permission/ Clearances/ Certificates from the concerned Local Bodies & Statutory Authorities like District Authorities, Municipal Corporation, Panchayati Raj Institutions, Town Planning Board, Electricity Board/ Fire Department, State/ Central Pollution Control Boards, Stale/ Central Environmental Authorities, Forrest and Wild-life authorities etc (for e.g. removal of trees, re-locating utilities; conversion of railway level crossings, laying of railway sidings needed by the work; rehabilitation and resettlement of persons affected by the work; traffic control; mining of earth and stone; interfering protected monuments; blasting permission, environmental/forest/ wild-life clearances; and shifting of religious shrines etc) to start the work have been obtained. The 'Procuring Entity' shall be responsible for providing all assistance to 'Project Management Consultant' in this process.

2. Works shall not be awarded by 'Project Management Consultant' to contractors till all statutory approvals/ certificates/ permissions required for taking up the work, are in place.
3. 'Procuring Entity' shall make the work site available free from encumbrances to 'Project Management Consultant'. 'Procuring Entity' shall also ensure availability of auxiliary services - like roads, power, water, solid & liquid waste disposal system, street lighting and other civic services. 'Project Management Consultant' shall provide necessary support in this process.
4. 'Project Management Consultant' shall permit 'Procuring Entity' to inspect or monitor the works, either itself or through Third party as and when it desires for assessing actual progress and quality of construction and any other aspects.
5. 'Procuring Entity' shall provide security clearance and ensure free access for 'Project Management Consultant' staff/ Employees and their workers working at Work site in case these are required. 'Project Management Consultant' shall provide necessary support in this process.
6. 'Project Management Consultant' shall ensure adequate availability of men & material by their contractors.
7. 'Project Management Consultant' shall ensure that it's Contractor(s) implement required Health, Safety & Environmental (HSE) practices at the Construction Sites and they also comply with all statutory obligations related to workmen deployed at the Construction Site. 'Project Management Consultant' will act as Principal Employer in respect of all Statutory Obligations related to workmen deployed at the site in execution of the work.
8. 'Procuring Entity' shall permit and facilitate to the 'Project Management consultant' all utilities required for construction e.g. drawl of Ground Water, obtaining electricity connection, putting up Labour Camps/ Huts inside the available space for facilitating construction by contractors engaged by 'Project Management Consultant'. 'Project Management Consultant' shall provide necessary support in obtaining permission, if any, of Local Bodies in this regard. The cost in this regard borne by 'Procuring Entity', if any, should not be duplicated as reimbursement by the 'Project Management Consultant'.
9. As soon as the work is allocated, 'Project Management Consultant' shall prepare and submit to 'Procuring Entity' an Integrated Programme Chart for the execution of work showing clearly all activities from the start of work to completion with details of manpower and other input information required for the fulfilment of the timelines given therein. 'Project Management Consultant' will intimate 'Procuring Entity', Project Team, both on - site and off-site, starting from Chief Engineer to Junior Engineer associated with execution of the work. The Programme Chart should inter-alia include descriptive note explaining sequence of the various activities, CPM Network Milestones etc. This will form Base Line Programme and the subsequent progress of the work shall be reviewed with reference to this during periodic Progress Review Meeting preferably monthly. Any increase in time period from the Base Line Value shall be construed as Time Overrun
10. 'Project Management Consultant' shall be responsible for providing Physical Progress Reports to 'Procuring Entity' in the form of CPM (Critical Path Method) Network on monthly basis for reviewing of the progress of the work vis - a vis Base Line Programme and taking all necessary remedial actions, after taking into account 'Procuring Entity's observations made in respect of quality and progress of the work during the monthly/ periodic Project Review Meetings. To ensure timely completion of work as per mutually agreed time-schedule/ milestones and within agreed Cost.

11. 'Project Management Consultant' shall also be responsible for providing to 'Procuring Entity' Financial Progress Reports of the project and up to date Expenditure incurred on the work on monthly basis along with Certificate of Utilization of Fund against Fund earlier released to 'Project Management Consultant' by 'Procuring Entity'.

12. 'Project Management Consultant' shall be responsible for total Project Management including day-to-day supervision of works, maintenance of all project records and executing the works as per prescribed guidelines, their own Works Manual, Codes, Books of Specifications etc. and also in accordance with relevant and extant provisions of Odisha General Financial Rules (OGFR), 2020.

E. Project Management, Cost and Time Control

1. 'Project Management Consultant' shall implement a system of 'Project Team Concept' with dedicated group of Engineers under single and unified command for implementation of projects from concept to completion and call composite tenders to reduce the number of packages for better management. 'Project Management Consultant' shall be obliged to adopt all the above said measures to successful completion of the works within Approved Cost and agreed Time period.

2. 'Project Management Consultant' shall be responsible for managing the Project from concept to commissioning effectively and efficiently to ensure desired/ proportionate pace of progress and completion of work is achieved progressively vis-à-vis approved plans & specifications and in Terms and Conditions of the MOUs and mutually agreed milestones and timelines and approved cost, taking with due diligence all required pro-active remedial measures including provision of stringent and elaborate enforceable Clauses to this effect and also making time as the essence of contract in the Bid and Contract Documents. 'Project Management Consultant' shall provide for clauses in the contract and established procedure to recover liquidated damages from their contractors/ agencies. The liquidated damages recovered from the contractors for delay, if any, shall be credited to 'Procuring Entity' in the project accounts.

3. The approved Initial Project Cost & Timeline should not exceed during execution of the Project except for reasons like increase in cost index during construction period, revised specifications or extra work over approved estimate carried out at the request of 'Procuring Entity' etc. In case of either increase in earlier approved cost or timeline, detailed reasons and justifications, based on verifiable facts and figures, shall have to be provided by 'Project Management Consultant' along with comprehensive proposals for revision in earlier approved Project Cost & Timeline, which shall be intensively examined by 'Procuring Entity' in consultation with 'Project Management Consultant' before approval is accorded to their proposals. No additional expenditure over and above the earlier approved Project Cost shall be incurred by 'Project Management Consultant' without prior approval of 'Procuring Entity'.

4. At any time, it appears to 'Procuring Entity' that the actual progress of the work does not conform to the approved programme referred above and intimated to 'Project Management Consultant' by 'Procuring Entity', detailed reasons and justifications for such delays shall have to be provided by 'Project Management Consultant', which shall be examined by 'Procuring Entity' to re-Schedule the Programme, if any. Progress Review Meetings preferably monthly shall be held between 'Project Management Consultant' and 'Procuring Entity' for reviewing the progress of works based on Baseline Programme/ Milestones etc. and also for resolving co-ordination issues, if any including fixing priority of some works, facilities and services for their early completion and handing over to 'Procuring Entity' for putting item to use for intended purpose..

F. Disputes, Enquiries and Queries

1. 'Project Management Consultant' shall be responsible for observing due diligence and adopting all possible measures at various stages of work execution so as to avoid Arbitration/ Litigation and other hindrances and the work is completed within optimum cost and time in hassle free environment.
2. 'Project Management Consultant' shall be responsible for defending all Arbitration and Court Cases arising out of execution till the works end examining the Arbitration Award/ Decree of Court or Law/ liability by appropriate authority in 'Project Management Consultant' and forwarding the same along with a comprehensive report on the circumstance leading to the Arbitration/ Court Cases and the reasons and justification as to why an appeal against such awards/ decree was not considered necessary briefing out inter-alia details of the award and clear cut recommendations. The decision of the competent authority in 'Project Management Consultant' to accept the award or challenge the same in a Court of Law will be binding on the 'Procuring Entity'.
3. 'Procuring Entity' shall settle and pay the final claims which may be decreed by a Court of Law, Tribunal or by award of an Arbitration in relation-to the-deposit work, based on recommendations of 'Project Management Consultant'.
4. 'Project Management Consultant' shall be responsible for redressing and complying with the observations of CTE/ CVC, Auditors, Statutory Authorities, Local Bodies, Municipal Corporation etc. pertaining to the work under intimation to 'Procuring Entity'. Providing all work related information promptly to 'Procuring Entity' for replying to Parliament Questions, queries from various Constitutional & Statutory Authorities.

G. Completion and Handing-over of Completed Work and Facilities

1. 'Project Management Consultant' shall obtain work completion/ occupancy certificates & clearances for completed Work and Facilities before handing over the same to 'Procuring Entity' for putting them to functional use. 'Procuring Entity' shall provide all assistance in this process.
2. 'Project Management Consultant' shall hand over to 'Procuring Entity' or its Authorized Representative completed Work including all services and facilities constructed in accordance with the Approved Plans, Specifications fulfilling all techno-functional requirements agreed with 'Procuring Entity' along with Inventory, As built - Drawings, Maintenance Manual/ Standard Operating Procedure (SOP) for Equipments and Plants, all clearances /Certificates from Statutory Authorities, Local Bodies etc.
3. On completion of the work, a Project Completion Report (PCR) shall be submitted by 'Project Management Consultant' duly bringing out the Final Project Completion Cost, Total Time period taken to complete the work and also completed Project Components as against the approved Cost, Time and Project Components. The PCR shall be submitted along with Final Project Accounts including return of unspent balance amount to 'Procuring Entity' within one month of settlement of final bills of the contractors/ other agencies deployed on the work by 'Project Management Consultant'.

H. Termination of MoU

1. If 'Procuring Entity' decides to terminate this MOU or decides to drop/ abandon the work after substantial preliminary work has been done by 'Project Management Consultant' on the work, both 'Project Management Consultant' and 'Procuring Entity' shall mutually decide the loss incurred by 'Project Management Consultant' for payment by the latter to the former. In case of abandonment of project/ work by 'Procuring Entity' during construction stage, 'Procuring Entity' shall pay to 'Project Management Consultant', after determining the value of the works, goods and contractors documents and any other sums due to them for work executed in accordance with the MOU, to help liquidate only such liabilities as were squarely needed towards construction/ consultant agencies engaged on the work, in a fair and reasonable manner.

I. Miscellaneous

1. Disputes between 'Procuring Entity' and 'Project Management Consultants': As dispute resolution mechanism for implementation of the provisions of this MoU, at the first instance the issues involved shall be brought before Chief Engineer of 'Procuring Entity' and concerned Chief Engineer of 'Project Management Consultant' for their resolution. In case, however, disputes/ differences between the parties do not get resolved, the matter shall be escalated to higher level in 'Procuring Entity', and 'Project Management Consultant', who shall be above the level of CE in the respective organizations. They shall submit a comprehensive report and recommendation to 'Procuring Entity' and 'Project Management Consultant' for facilitating final decision in the matter.

2. Individual and joint responsibilities of the Parties shall be as per clauses mentioned above.

3. No amendment in Terms & Conditions of the MoU shall be valid and effective unless it is in writing and duly signed by authorised representatives of 'Procuring Entity' and 'Project Management Consultant'. Each party shall give due consideration to any proposal for amendment/ modification made by other party with proper justifications thereof.

4. Provisions, if any, made in respect of deposit works in 'Project Management Consultant's Works Manual or Codes shall stand modified to the extent of the stipulations made in this MoU for execution of 'Procuring Entity' works by 'Project Management Consultant'.

Signatures and Witnesses

Date:

Place:

Model Bank Guarantee Format for furnishing EMD

Whereas (hereinafter called the “tenderer”) has submitted their offer dated..... for the supply of (hereinafter called the “tender”) against the purchaser’s tender enquiry No.....

KNOW ALL MEN by these presents that WE..... of having our registered office at..... are bound unto (hereinafter called the “Purchaser”) in the sum of for which payment will and truly to be made to the said Purchaser, the Bank binds itself, its successors and assigns by these presents.

Sealed with the Common Seal of the said Bank this..... day of20.....

THE CONDITIONS OF THIS OBLIGATION ARE:

- (1) If the tenderer withdraws or amends, impairs or derogates from the tender in any respect within the period of validity of this tender.
- (2) If the tenderer having been notified of the acceptance of his tender by the Purchaser during the period of its validity:-
 - a) If the tenderer fails to furnish the Performance Security for the due performance of the contract.
 - b) Fails or refuses to accept/execute the contract.

WE undertake to pay the Purchaser up to the above amount upon receipt of its first written demand, without the Purchaser having to substantiate its demand, provided that in its demand the Purchaser will note that the amount claimed by it is due to it owing to the occurrence of one or both the two conditions, specifying the occurred condition or conditions.

This guarantee will remain in force upto and including 45 days after the period of tender validity and any demand in respect thereof should reach the Bank not later than the above date.

Our..... branch at.....* (Name & Address of the* branch) is liable to pay the guaranteed amount depending on the filing of claim and any part thereof under this Bank Guarantee only and only if you serve upon us at our* branch a written claim or demand and received by us at our* branch on or before Dt.....otherwise bank shall be discharged of all liabilities under this guarantee thereafter.

.....
(Signature of the authorized officer of the Bank)

.....
.....
Name and designation of the officer
.....

Seal, name & address of the Bank and address of the Branch

** Preferably at the headquarters of the authority competent to sanction the expenditure for purchase of goods or at the concerned district headquarters or the State head quarters.*

Model Bank Guarantee Format for Performance Security

To

The Governor of Odisha.

WHEREAS..... (name and address of the supplier) (hereinafter called “the supplier”) has undertaken, in pursuance of contract no..... dated to supply (description of goods and services) (herein after called “the contract”).

AND WHEREAS it has been stipulated by you in the said contract that the supplier shall furnish you with a bank guarantee by a scheduled commercial bank recognized by you for the sum specified therein as security for compliance with its obligations in accordance with the contract;

AND WHEREAS we have agreed to give the supplier such a bank guarantee;

NOW THEREFORE we hereby affirm that we are guarantors and responsible to you, on behalf of the supplier, up to a total of (amount of the guarantee in words and figures), and we undertake to pay you, upon your first written demand declaring the supplier to be in default under the contract and without cavil or argument, any sum or sums within the limits of (amount of guarantee) as aforesaid, without your needing to prove or to show grounds or reasons for your demand or the sum specified therein.

We hereby waive the necessity of your demanding the said debt from the supplier before presenting us with the demand.

We further agree that no change or addition to or other modification of the terms of the contract to be performed thereunder or of any of the contract documents which may be made between you and the supplier shall in any way release us from any liability under this guarantee and we hereby waive notice of any such change, addition or modification.

This guarantee shall be valid until the day of, 20.....

Our..... branch at* (Name & Address of the* branch) is liable to pay the guaranteed amount depending on the filing of claim and any part thereof under this Bank Guarantee only and only if you serve upon us at our* branch a written claim or demand and received by us at our* branch on or before Dt.....otherwise bank shall be discharged of all liabilities under this guarantee thereafter.

.....
(Signature of the authorized officer of the Bank)

.....
Name and designation of the officer

.....
Seal, name & address of the Bank and address of the Branch

** Preferably at the headquarters of the authority competent to sanction the expenditure for purchase of goods or at the concerned district headquarters or the State headquarters.*

Model Agreement for Supply of Goods

THIS AGREEMENT made this..... day of..... 20..... **BETWEEN** M/s..... & Co Ltd having registered office at in the State of..... (hereinafter called the 'Supplier' which expression shall, unless excluded in the subject or context, include the heirs, successors, legal representatives, and permitted assigns) of the one Part.

AND

the Governor of Odisha (hereinafter called the 'the Governor' which expression shall, unless excluded in the subject or context, include the heirs, successors, legal representatives, and permitted assigns) of the other Part.

WHEREAS the Governor wants to purchase the goods mentioned in the schedule.

NOW THESE PRESENT WITNESS AND IT IS HEREBY AGREED AS FOLLOWS :

1. That the time shall be the essence of the contract and the supplier shall supply the goods in the schedule completely so as to make delivery..... (place) on or before the date failure to do which will entitle the Governor to rescind the contract immediately.
2. That the goods shall be of the specifications and price mentioned against each. Any variation on inspection will entitle the Governor to refuse the consignments either in whole or in part, as the case may be, the whole, if the part renders it useless.
3. That the goods shall be inspected at..... (place) in the presence of the officers of both parties duly authorized in that behalf on a day fixed in a notice by either of the parties, provided such day is not postponed for more than a period of two months after the date given in the notice. Default by the Supplier shall disentitle him to raise any objection subsequently to the result of inspection made by the Governor in his absence and claim any compensation on that account.
4. That the Supplier shall guarantee durability of the goods for a period of..... from the date of completion of supplies and installation in the case of machineries and any damage, done to the goods in the usual course of use or any deficiency, detected in them subsequent to such completion and installation and during the period aforesaid shall be made good to render due service at the cost of the Supplier within a period of two months from the date of receipt of the notice in that behalf and no decision shall be taken by the Supplier or any person on his behalf as to the defects or deficiency without notice to the Governor failure to do so shall be deemed that the Supplier has no intention to discharge the obligation and thereupon the amount of security, deposited separately or withhold from his bill, shall stand forfeited to the Governor. The Supply of goods other than machineries shall be deemed to be complete only after final approval by the officer duly authorised on inspection whose decision shall be final and in case of machineries exactly in the same manner and installation which would include test working for 7 (seven) days.
5. The Goods shall be duly packed and insured by the Supplier for transit and be despatched at the risk of the carriers and the Governor shall not be responsible for any loss or damage during the transit or at any time prior to inspection and approval.

6. That the price of goods shall be paid in advance or on the completion of supplies and installation as the case may be in agreed instalments on bills submitted(as indicated in the Payment Schedule) provided the Governor may withhold payment of..... per cent of the total amount payable as security for the period of guarantee if no amount equal thereto has already been deposited as such.

7. That any damage or deficiency if not removed during the stipulated period by the Supplier may be removed by the Governor at his cost to be reimbursed by the Supplier. Any amount payable to the Governor hereunder shall be recovered as public demand under the Odisha Public Demand Recovery Act, 1963 and shall bear 6% interest per annum till certificate for recovery is filed.

8. That the supplier shall deposit ₹..... towards earnest money at the time of acceptance of tender for due performance of the covenants hereof and such money shall be forfeited to the Governor in case of breach of all or any of the covenants.

9. That any dispute arising hereunder shall be resolved in the following manner:

.....

10. That Sri..... is duly authorised in the order No....., dated.....by the Governor and Sri..... on behalf of the company to execute the deed.

11. The cause of action hereunder shall always be deemed to arise at.....

12. That the stamp duty shall be borne by.....

SCHEDULE OF GOODS

Name of the Goods	Specification with number and make etc.	Price agreed

SCHEDULE OF PAYMENT

Mode of payment	% of price	Condition precedent for payment	Remarks
Advance Payment			
Payment against Supply/ Installation			

IN WITNESS WHEREOF the parties hereto have signed this deed this day..... of..... mentioned against the signature of each in the presence of.....

Witness

Model Bank Guarantee Format for Advance Payment

THIS DEED OF GUARANTEE made on day of..... 20..... **BETWEEN** Bank a Banking Company incorporated under the Banking Companies Act, 19.... And having its registered office at In the State of (hereinafter called the ‘**Guarantor**’) of the **ONE PART AND** the Governor of Odisha (hereinafter called the ‘**Government**’) of the **OTHER PART**.

WITNESS AS FOLLOWS :-

In consideration of the Governor of Odisha (hereinafter called the ‘**Government**’) having agreed to advance a sum of Rs..... (.....) to (name and address of the supplier) (hereinafter called “the supplier”) against supplies of articles concerned by and under the terms and conditions upon agreement dated made between supplier and the Governor of Odisha on the production of a bank guarantee for Rs..... (.....) we hereby guarantee the payment of sums of money that may be due to the Government on account of any breach of the terms and conditions contained in the aforesaid contract on demand with interest at 15% per annum till payment.

2. We hereby further agree that we are aware of all the terms and conditions of the said contract and shall abide by the decision of the Secretary to Government of Odisha,..... Department as to whether there has been any breach of the terms and conditions of the said contract and as to whether the supplier is liable to pay any sum as so determined.

3. Any demand made us for payment of any sum in discharge of this guarantee shall be conclusive proof of the fact that there has been a breach of said contract by the suppliers which warrants the enforcement of this guarantee and is binding on the Bank without prejudice to the claims and counter claims of the parties in the proper court of law.

4. This guarantee shall continue to be enforceable till all dues of the Government under or virtue of the said contract have been fully and paid and its claims are satisfied or discharged or till the..... Department or the Government certifies the terms and conditions of the said contract have been fully and properly carried out by the said suppliers and accordingly discharges the guarantee subject however that the Government has no right under this bond after the expiry of From the date of its execution, unless the said Government choose to further extend the said period or extended period of guarantee by giving reasonable notice in writing to the bank on account of any special circumstances of which the Government shall be the sole judge.

This guarantee shall be valid until the day of, 20.....

Our..... branch at* (Name & Address of the* branch) is liable to pay the guaranteed amount depending on the filing of claim and any part thereof under this Bank Guarantee only and only if you serve upon us at our* branch a written claim or demand and received by us at our* branch on or before Dt.....otherwise bank shall be discharged of all liabilities under this guarantee thereafter.

.....
(Signature of the authorized officer of the Bank)

.....
Name and designation of the officer

.....
Seal, name & address of the Bank and address of the Branch

* *Preferably at the headquarters of the authority competent to sanction the expenditure for purchase of goods or at the concerned district headquarters or the State headquarters.*

ANNEXURE-G

(Rule-342 (i))

(RATE OF GUARANTEE COMMISSION TO BE CHARGED ON VARIOUS BORROWERS)

Sl. No.	Types of Institutions	Form of Credit	Rate of guarantee commission/fees per annum
(1)	(2)	(3)	(4)
1.	Apex Co-operative Credit institutions like State Co-operative Bank, State Co-operative Land Development Bank and other credit Co-operatives etc.	Bonds / Debentures	0.02% only once at the time of issue.
		Other forms of credit	0.01% payable on or before 15 th April each year on the maximum amount guaranteed
2.	Co-operatives other than Apex Co-operatives credit institution & Credit Co-operatives.	All forms of credit	0.25% payable on or before 15 th April each year on the maximum amount guaranteed
3.	Local Bodies including Improvement trusts, Housing Board	Bonds / Debentures	0.25% only once at the time of issue
		Other forms of credit including adhoc borrow-ings	0.25% payable on or before 15 th April each year on the maximum amount guaranteed
4.	Public Sector undertakings and enterprises including Statutory bodies like GRID Corporation, OHPC, OPGC, Orissa State Financial Corporation, Odisha State Warehousing Corporation etc.	Bonds	1% only once at the time of issue
		Other forms of credit including adhoc Borrow-ings	0.50% payable on or before 15 th April each year on the maximum amount guaranteed
5.	All other Institutions (not included in item 1 to 4 above)	All forms of credit	1% payable on or before 15 th April each year on the maximum amount guaranteed

Note (A) - The following are exempted from levy of guarantee Commission.

- (i) R.B.I concessional finance for short-term and medium term loans for agricultural purpose secured by the State Co-operative Bank.
- (ii) Loans from the Rural Electrification Corporation secured by the GRID Corporation of Odisha Ltd. for Rural Electrification Schemes.
- (iii) All projects refinanced by the NABARD.
- (iv) Guarantee for payment of dividend to IDBI on the Share Capital investment in Odisha State Financial Corporation.

Note (B) - The guarantee commission is to be charged from the date of the guarantee sanctioned on the maximum amount guaranteed irrespective of the amount availed or outstanding on 1st April each year till liquidation of the loan. Any fraction period for sanction of guarantee and liquidation of loan shall be treated as one year for calculation of guarantee commission.

PROJECT PREPAREDNESS CHECKLIST FOR POSING THE PROJECT

Sl. No.	Milestones	Action points/ Points to check	Agency responsible for compliance
1	Before sending a project proposal to DEA		
	Checklist for conception stage	i. The concept note identifies clearly defined components of the project, activities, cost estimates and implementing agency (ies), coordinating mechanism in case of multiple implementing agencies	Project submitting agency.
		ii. Lessons learnt from the previous projects implemented in the sector have been incorporated	Project submitting agency.
		iii. The project preparation milestones, in months, taking the date of posing as the zero date, have been identified.	Project submitting agency.
2	Before posing the project to Multilateral Financial Institutions (MFIs)		
		i. Project has been cleared by DEA.	DEA
		ii. The approvals of NITI AAYOG, Line Ministry and Department of Expenditure, Budget Division, as required in the specific case, have been obtained.	Project submitting agency.
3	Before Appraisal		
	PMU/PIU	i. Institutional structure for project implementation and funds flow arrangement defined and agreed with DEA and WB	Project implementing Agency (PIA)
		ii. Designation of PMU/PIUs staff and core staff for the project assigned. Key project staff (project director, procurement, Finance Manager (FM), safeguard) should be identified early in the project cycle.	PIA
		iii. Tenure of key staff should be, to the extent possible, for three years or more.	PIA
	Procurement plan and actions	iv. Procurement plan for the project detailing contract packages, modes of procurement, pre-requisites for awarding the contracts, approval flow chart, decision making structure and schedules for each contract be in place.	PIA
		v. Terms of reference (TOR) for all consultancy contracts including project Management consultants, shortlist of consultants/consulting firms and documents for prequalification of contractors are prepared and approved/reviewed by WB.	PIA
		vi. RFP for major / critical consultancies issued	PIA
		vii. Bidding documents for all contracts, to be awarded during first 18 months of project implementation should be prepared, approved and issued.	PIA
		viii. Budgeting for at least 30% of land acquisition & resettlement requirements has been made, Land acquisition/pre-construction activities, including utility	PIA

Sl. No.	Milestones	Action points/ Points to check	Agency responsible for compliance
	R&R	shifting and tree cutting, where relevant, have started.	
		ix. Land acquisition and resettlement plans are ready, where relevant.	PIA
		x. Relief & Resettlement Plan, where relevant, for the first two years of the project implementation should be finalized and confirmation that R&R activities are aligned with the Procurement Plan, be conveyed.	PIA
		xi. Environmental Management Plan (EMP) for the first two years of project implementation has been finalized. Complete Initial Environmental Examination (IEE) / Environmental Impact Assessment (EIA) and secure approval of MFI.	PIA
4	Before loan negotiation		
	Institutional arrangement and HR	i. Necessary budget/ counterpart fund provision has been made	PIA
		ii. Key policy and institutional reforms, if critical to the successful completion of the project, should be implemented prior to negotiations.	PIA
		iii. Project implementation Plan/ Administration Manual/ Memorandum covering scope, organization and its TOR, procurement, budgeting, disbursement, reporting and auditing arrangement has been finalized.	
		iv. Project Management consultant, if critical to be successful implementation of the project, should be in place by negotiation.	
	Implementation readiness	v. At least 50% of land acquisition (if required) to be completed.	
		vi. All Statutory clearances like environmental/ forest clearances to be in place.	
		vii. Administrative clearances for temporary use of land i.e. right of way taken.	
		viii. Administrative approval for shifting of utilities taken.	
		ix. Bids for contract worth at least 30% of the project cost (or the first phase) are received and award finalized prior to negotiations.	
		x. Establish (a) Financial Management System, (b) auditing arrangement and (c) system of oversight.	
5	Before loan signing		
	Ready to go	i. Award of contracts for consultancy services to be completed and at least 30% Contracts for civil works, if applicable, to be awarded before signing of the loan.	PIA
		ii. Entire PMU/ PIU is in place	
6	Before loan effectiveness		
		i. Legal opinions taken	DEA

Sample Format of sanction order for adjustment of direct payment by the external agency to the contractors/suppliers/consultant/implementing agencies etc.

**GOVERNMENT OF ODISHA
DEPARTMENT**

No. _____ dated the _____

From

To

Sub: *Sanction for adjustment of cost of materials supplied to the State Government under _____ Programme during the year _____.*

Sir,

I am directed to convey the sanction of Governor to an expenditure of ₹ _____ (Rupees _____) only towards adjustment of cost of materials i.e. _____ supplied to the State Government during the year _____.

2. The above amount may be initially booked under the Major Head * _____.

3. As the materials have been issued by Government of India for utilization, the cost of the amount maybe contra-credited to the Demand No. ** _____.

4. The date of receipt of material and equipment along with District-wise distribution may be indicated to Government of India with a copy to this Department.

5. The details of stock received and store therefore by the _____ covering the amount sanctioned may be reported to Government.

6. I am, therefore, to request you kindly to take steps for the above adjustment in consultation with the Accountant general (A &E)/Audit Odisha, Bhubaneswar at the time of verification and recommendation of the amounts for the year _____.

7. The Accountant general (A &E)/Audit Odisha, Bhubaneswar is being informed.

Yours faithfully,

For Example :

*1601-Grants -in-aid from Central Government-03-Grants for Central Plan Scheme-104-Grants under provision to Article 275(1) of the Constitution-0052-Grants and assistance from Central Government -04045-Family Welfare-138-Other Services and Supplies.

**Demand No.12-2211-Family Welfare-Central Plan – State Sector-200-Other Services and Supplies-1131-Purchase of contraceptives MCH Extension Supplies – Education Kits-32004-Equipment – Voted- in the Budget Estimate for the period _____.

**GOVERNMENT OF ODISHA
FINANCE DEPARTMENT**

STATEMENT OF SUMMARY

(Rs in Lakh)

Project No	Name of the Project	RIDF Tranche	Total expenditure upto	Expenditure claimed earlier	Amount of loan for which present claim is submitted
(1)	(2)	(3)	(4)	(5)	(6)

CERTIFIED THAT :

- i) Administrative approval of the Competent Authority for the revised cost of the projects as sanctioned by NABARD has been obtained.
- ii) Items of the work have been executed as per the financial rules of the Government of Odisha after observing the prescribed tender formalities.
- iii) Expenditure reported has actually been incurred & recorded in the books of accounts of the concerned divisions. Separate accounts of expenditure (Project Wise) are being maintained.
- iv) The amount of the present claims had not been claimed earlier from NABARD under RIDF or any other scheme of finance.
- v) The physical progress made is as per CPM/PERT chart and is satisfactory (in case of unsatisfactory physical progress/ reasons are given hereunder)
- vi) The cost of works indicated in Col-6 has been incurred.

Executive Engineer

Superintending Engineer

Chief Engineer

**Authorised Signatory
Finance Department
(Seal)
Date :**

**GOVERNMENT OF ODISHA
FINANCE DEPARTMENT**

SUMMARY OF THE PROJECT DETAILS

- 1- Project No :
- 2- Name of the Project :
- 3- RIDF Tranche :
- 4- Village/Block /District :
- 5- Date of Sanction and Letter No :
- 6- Total Cost :
- 7- Balance Cost :
- 8- RIDF Loan :
- 9- Date of commencement :

Executive Engineer

Superintending Engineer

Chief Engineer

**Authorised Signatory
Finance Department
(Seal)
Date :**

**GOVERNMENT OF ODISHA
FINANCE DEPARTMENT**

PHYSICAL STATEMENT

Project No : _____

Name of the Project : _____

RIDF Tranche : _____

Sl. No.	Items of work	Units	As per appraisal	Quantity executed
(1)	(2)	(3)	(4)	(5)
TOTAL				

CERTIFIED THAT :

- i) Administrative approval of the Competent Authority for the revised cost of the projects as sanctioned by NABARD has been obtained.
- ii) Items of the work have been executed as per the financial rules of the Government of Odisha after observing the prescribed tender formalities.
- iii) Expenditure reported has actually been incurred & recorded in the books of accounts of the concerned divisions. Separate accounts of expenditure (Project Wise) are being maintained.
- iv) The amount of the present claims had not been claimed earlier from NABARD under RIDF or any other scheme of finance.
- v) The physical progress made is as per CPM/PERT chart and is satisfactory (in case of unsatisfactory physical progress/ reasons are given hereunder)
- vi) The cost of works indicated in Col-6 (statement of summary ... Annexure-14) has been incurred.

Executive Engineer**Superintending Engineer****Chief Engineer****Authorised Signatory****Finance Department****(Seal)**

Date :

**GOVERNMENT OF ODISHA
FINANCE DEPARTMENT**

STATEMENT OF EXPENDITURE

Project No : _____

Name of the Project : _____

RIDF Tranche : _____

Sl. No.	Items of work	Total Expenditure Claimed upto	Expenditure Claimed earlier	Amount of Loan for which the present claim is submitted
(1)	(2)	(3)	(4)	(5)
TOTAL				

CERTIFIED THAT :

- i) Administrative approval of the Competent Authority for the revised cost of the projects as sanctioned by NABARD has been obtained.
- ii) Items of the work have been executed as per the financial rules of the Government of Odisha after observing the prescribed tender formalities.
- iii) Expenditure reported has actually been incurred & recorded in the books of accounts of the concerned divisions. Separate accounts of expenditure (Project Wise) are being maintained.
- iv) The amount of the present claims had not been claimed earlier from NABARD under RIDF or any other scheme of finance.
- v) The physical progress made is as per CPM/PERT chart and is satisfactory (in case of unsatisfactory physical progress/ reasons are given hereunder)
- vi) The cost of works indicated in Col-6 (statement of summary Annexure-14) has been incurred.

Executive Engineer

Superintending Engineer

Chief Engineer

Authorised Signatory

Finance Department

(Seal)

Date :

ANNEXURE-N

[See Rule 383(ii)]

Submission of monthly, quarterly/annual report of the central assistance received through State Government Account and utilised separately CP/ CSP/ SP/NP schemes etc.

1. Name of the Department : _____
2. Name of the Month/Quarter/Year : _____
3. Name of the Schemes : _____
(CP/CSP/SP/NP etc. to be mentioned separately)
4. Name of the Implementing Agency/Agencies : _____

Sl. No	Name of the Scheme under CP/CSP/SP/NP	U.C. Pending at the beginning of the Month/Quarter/Year	C.A. received during the Month/Quarter/Year	U.C. furnished during the Month/Quarter/Year			Balance U.C. to be furnished out of Col.3 (3-5)	Balance U.C. to be furnished Out of Col.4 (4-6)	Total U.C. pending Col. (8+9)	Reason for pendency of U.C., with special reference to the C.A. received during the previous year(s)	Remarks (indicate whether the Guide line stipulates submission of U.C. as well as Audited Statement of Expenditure or simple Statement of Expenditure etc. (to be amplified)
				Out of Col.3	Out of Col.4	Total (5+6)					
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
1	Total of CP										
I)											
II)											
III)											
2.	Total of CSP										
I)											
II)											
III)											
3.	Total of SP										
I)											
II)											
III)											
4.	Total of NP										
I)											
II)											
III)											
5.	Total of others if any (to be specified)										
6.	Grand Total (1+2+3+4+5)										

ANNEXURE-O

[See Rule 383(ii)]

Submission of monthly, quarterly/annual report of the Central Assistance received directly by the implementing Agency & utilised under CP/CSP/SP/NP schemes etc. (to be furnished separately)

- 1. Name of the Department : _____
- 2. Name of the Month/Quarter/Year : _____
- 3. Name of the Schemes : _____
(CP/CSP/SP/NP etc. to be mentioned separately)
- 4. Name of the Implementing Agency/Agencies : _____

Sl. No	Name of the Scheme under CP/CSP/SP/NP	U.C. Pending beginning of the Month/Quarter/Year	C.A. received during the Month/Quarter/Year	U.C. furnished during the Month/Quarter/Year			Balance U.C. to be furnished out of Col.2 (3-5)	Balance U.C. to be furnished Out of Col.3 (4-6)	Total U.C. pending Col. (8+9)	Reason for pendency of U.C., with special reference to the C.A. received during the previous year(s)	Remarks (indicate whether the Guide line stipulates submission of U.C. as well as Audited Statement of Expenditure or simple Statement of Expenditure etc. (to be amplified)
				Out of Col .3	Out of Col .4	Total (5+6)					
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
1	Total of CP										
I)											
II)											
III)											
2.	Total of CSP										
I)											
II)											
III)											
3.	Total of SP										
I)											
II)											
III)											
4.	Total of NP										
I)											
II)											
III)											
5.	Total of others if any (to be specified)										
6.	Grand Total (1+2+3+4+5)										

ANNEXURE-P

[See Rule 383(ii)]

Summary of the submission of monthly, quarterly/annual report of the central assistance received through State Account as well as directly by the implementing Agency and utilised under CP/CSP/SP/NP schemes etc.

1. Name of the Department :- _____

2. Name of the Month/Quarter/Year :- _____

Sl. No.	Name of the Scheme	Mode of C.A. received (a) Through State Account (b) Directly by the Implementing Agency (c) Total	U.C. Pending beginning of the Month/Quarter/Year	C.A. received during the Month/Quarter/Year	U.C. furnished during the Month/Quarter/Year			Balance U.C. to be furnished out of Col.2 (4-6)	Balance U.C. to be furnished Out of Col.3 (5-7)	Total U.C. pending Col. (9+10)	Reason for pendency of U.C., with special reference to the C.A. received during the previous year(s)	Remarks (indicate whether the Guide line stipulates submission of U.C. as well as Audited Statement of Expenditure or simple Statement of Expenditure etc. (to be amplified)
					Out of Col.4	Out of Col.5	Total (6+7)					
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
1.	C.P.	(a)										
		(b)										
		(c)										
2.	C.S.P.	(a)										
		(b)										
		(c)										
3.	S.P. (i+ii+iii.....)											
	i.KBK	(a)										
		(b)										
		(c)										
	ii.AIBP	(a)										
		(b)										
		(c)										
	iii.FC Grant received under SP	(a)										
		(b)										
		(c)										
	iv. Others under SP (to be specified)	(a)										
		(b)										
		(c)										

Sl. No.	Name of the Scheme	Mode of C.A. received (a) Through State Account (b) Directly by the Implementing Agency (c) Total	U.C. Pending beginning of the Month/Quarter/Year	C.A. received during the Month/Quarter/Year	U.C. furnished during the Month/Quarter/Year			Balance U.C. to be furnished out of Col.2 (4-6)	Balance U.C. to be furnished Out of Col.3 (5-7)	Total U.C. pending Col. (9+10)	Reason for pendency of U.C., with special reference to the C.A. received during the previous year(s)	Remarks (indicate whether the Guide line stipulates submission of U.C. as well as Audited Statement of Expenditure or simple Statement of Expenditure etc. (to be amplified)
					Out of Col.4	Out of Col.5	Total (6+7)					
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
4.	Non-Plan (i+ii+iii....)											
	i.CRF	(a)										
		(b)										
		(c)										
	ii.NCCF	(a)										
		(b)										
		(c)										
	iii.FC Grant released under NP	(a)										
		(b)										
		(c)										
	iv.Others under NP (to be specified)	(a)										
		(b)										
		(c)										
5.	Others not covered under CP/CSP/SP/NP	(a)										
		(b)										
		(c)										
6.	Grand Total (1+2+3+4+5)	(a)										
		(b)										
		(c)										

FORMS

FORM OGFR-1

[See Rule 75 (ii) (a)]

DDO'S SCHEME WISE EXPENDITURE REGISTER

DDO Code :
Demand No. :
Major Head :
Sub-Major Head :
Minor Head :
Sub-Head :
Detailed Head :
Object Head :
Allotment :

Sl. No.	Treasury Voucher No.	Date	Gross Amount	Recoveries	Net Amount of the Bill
1					
2					
3					
4					
5					
6					

FORM OGFR-2

[See Rule 75 (ii) (b)]

Scheme wise monthly expenditure reported by Disbursing Officers to Controlling Officer

Disbursing Officer :

DDO Code :

District/State :

Month to which this report relates :

Name of the Controlling Officer :

Controlling Officer Code :

Scheme Code :

Sl. No.	Scheme Code	Scheme Name	Expenditure during the month
1			
2			
3			
4			
5			
6			

Unit-wise expenditure under separate scheme is in Form **OGFR-3 & OGFR-4**.

Memo No. _____/Try, Dt. _____

Forwarded with all connected Forms to the _____ for favour of information and necessary action.

Drawing & Disbursing Officer
(Seal)

FORM OGFR-3

[See Rule 75 (ii) (b)]

Progressive Scheme Wise Expenditure Statement for the month of _____
under Demand No. _____ (scheme-wise)

Units	Allotment for the year	Expenditure up to the end of the previous month	Expenditure during the month under report	Progressive Expenditure at the end of the month	Balance Allotment available	% of Expenditure
1	2	3	4	5=3+4	6= (2-5)	7
136-Pay						
147-Dearness Pay						
156-Dearness Allowance						
403-House Rent Allowance						
516-Reimbursement of cost of Medicine						
523-Other Allowances						
855-Arrear Pay						
01004-Salaries for Consolidated Pay Posts						
06001-Travel Expenses						
07001-Leave Travel Concession						
08001-Office Expenses						
074-Electricity Dues						
149-Water Charges						
154-Telephone Charges						
506-Other Contingencies						
09001-Rent,Rates & Taxes						
78012-Computer Consumables						
33011-Spare and Services						
78118-Upgradation of Computer Facilities						
Grand Total						

FORM OGFR-4

[See Rule 75 (ii) (b)]

Expenditure under different units for the month of _____ under Demand No. _____ Major Head _____
(upto Scheme level)
Financial Year _____

Bill No	T.V.No	Unit of Expenditure																		Gross Total	Deduction	Net	
		Date	136-Pay	147-D.P.	156-D.A.	403-HRA	516-RCM	523-OA	855-Arrear Pay	01004-Salaries for Consolidated Pay Posts	06001-T.E.	07001-LTC	074-ED	149-WC	154-TC	506-OC	09001-RRT	33011-Spare and Services	78012-Comp. Consumables				78118-Upgradation of Computer Facilities
76	4	01.10.2010	48580		17003																65583		
77	2	01.10.2010	122710		42951	20362		66													186089		
78	3	01.10.2010	109060		38174	15388		1280													163902		
79	1	01.10.2010	14640		5124	1420															21184		
82	7	12.10.2010													1540						1540		
83	5	12.10.2010					2245														2245		
84	6	12.10.2010					15796														15796		
85	8	12.10.2010																32984			32984		
86	13	20.10.2010			6510																6510		
87	10	20.10.2010	11360		12108																23468		
88	9	20.10.2010			73750																73750		
89	11	20.10.2010										7416									7416		
90	12	20.10.2010													1000						1000		
		Total	306350		195620	37170	18041	1346				7416			2540		32984				601467		

FORM OGFR-5

[See Rule 75 (iii) (a)]

Register for watching receipts of returns from Disbursing Officer to be maintained by Controlling Officer

Office of _____

Major Head _____

Minor Head _____

Sub-Head _____

Sl. No.	Disbursing Officer	District	Date of receipts of account					
			April	May	March
1	2	3	4	5	6	7	8	9

FORM OGFR-6

[See Rule 75 (iv)]

Compilation Sheet

Financial Year

Controlling Officer Name :

Controlling Officer Code:

Major Head

Sub-Major Head

Minor Head

Sub-Head

DDO Code	Expenditure incurred during the month	<i>Add</i> Adjustment communicated by Accountant General (A&E) and not reckoned by DDOs	Total expenditure during the month (4=2+3)	Expenditure up to the previous month	Progressive expenditure up to the month (6=4+5)
1	2	3	4	5	6

FORM OGFR-7

[See Rule 75 (vi)]

Name of the Department.....

Major Head

Sub-Major Head

Minor Head

Sub-Head

Financial Year

SUB-HEAD WISE CONSOLIDATED ACCOUNTS

Grants / Appropriation sanctioned against the scheme as per	Net Grants/Appropriation available	Grants/Appropriation distributed	Actual expenditure April	Proportion of expenditure to net provision
Original budget.....				
Supplementary budget				
Re-appropriation (+)				
Re-appropriation (-)				
1	2	3	4	5
	Charged Voted	Charged Voted	Charged Voted	Charged Voted

Grants / Appropriation sanction against the scheme as per original budget.....	May	Progressive expenditure up to end of May	Proportion of expenditure to net provision	June	Progressive Expenditure up to end of June	Proportion of expenditure to net provision	July	Progressive Expenditure up to end of July	Proportion of expenditure to net provision
Supplementary budget									
Re-appropriation (+)									
Re-appropriation (-)									
6	7	8	9	10	11	12	13	14	15
	Charged Voted	Charged Voted	Charged Voted	Charged Voted	Charged Voted	Charged Voted	Charged Voted	Charged Voted	Charged Voted

NOTE 1 - Subsequent changes, if any, under Column 2 are to be made in red ink.

NOTE 2 - Wherever variations between actual expenditure and proportion grant are large, suitable explanations should be given in a "Remarks" column.

FORM OGFR-8

[See Rule 81]

LIABILITY STATEMENT TO BE FURNISHED BY DDO TO CONTROLLING OFFICER

Financial Year _____

Office of _____

Grant No. _____

Part-I**Statement of Liability incurred during the month of Report**

Sl. No.	Nature of Liability	No & date of indent or connected letter	Agency on which indent is placed or demand is made	Estimated cost	Permissible excess over the estimated cost, if any.	Total Liability (Col.5+Col.6)	Probable month in which the expenditure will be accounted for in the Departmental Expenditure Statement		Remarks
							Month	Expenditure likely to be incurred	
1	2	3	4	5	6	7	8	9	10

Part-II

Payments made against liabilities and liabilities cancelled or finally paid off.

Month in which liability was reported	Serial No.	Record Payment		Balance Commitment		Remarks
		(a)	(b)	(a)	(b)*	
		Month & Year	Amount	Amount	Years(s) in which the balance of commitment is likely to be discharged	
1	2	3	4	5	6	7

Note - 1 In Col.2, the number to be entered will be serial number of the liability in the liability statement in which it was first reported.

Note - 2 In the Remarks Col., the following information should also be given; -

- (i) If the payment against the liability is likely to be made, not in the month originally indicated, but in some other month, the latter should be indicated. If change in the month of payment is the only information to be given in respect of a liability, the Cols to be used will be 1, 2 & 5.
- (ii) Similarly, if the whole or part of liability has been cancelled or otherwise extinguished, the fact may be mentioned and brief reasons given.

*** If the balance commitment is to be discharged during more than one financial year, the year-wise breakup of the amount should be indicated.**

Part-III
Progressive amount of Outstanding Commitments.

Month in which liability was reported	Serial No.	Balance Commitment	
		(a)	(b)*
		Amount	Years(s) in which the balance of commitment is likely to be discharged
1	2	3	4
Total :			

Note - 1 This is a list of liabilities which are pending, i.e., those which have not been paid off or otherwise extinguished or cancelled.

Note - 2 In Col.2, the number to be entered will be serial number of the liability in the liability statement in which it was first reported.

*** If the balance commitment is to be discharged during more than one financial year, the year-wise breakup of the amount should be indicated.**

FORM OGFR-9

[See Rule 81]

LIABILITY REGISTER TO BE MAINTAINED BY CONTROLLING OFFICER

Month of _____

Office of _____

Grant No. _____

Sl. No.	Designation of Disbursing Officer	Month of Report	Serial number in Liability Statement	Nature of Liability	No. & date of indent or connected letter	Agency on which indent is placed	Estimated Cost	Permissible excess over the estimated cost, if any	Total Liability (Col.8+9)
1	2	3	4	5	6	7	8	9	10

Probable month and year in which the expenditure will be accounted for in the Departmental expenditure statement		Initials of the Branch Officer	Record of Payment		Balance commitments [Col.10 – Col.14(b)]		Initials of the Branch Officer	Remarks
Month & Year	Amount of expenditure		(a)	(b)	(a)	(b)*		
			Month & Year	Amount	Amount	Years(s) in which it is likely to be discharge		
11	12	13	14	15	16	17	18	19

Note – Cols 2, 3 & 4 will be operated upon only in the Register of Liabilities maintained by the Controlling Officers in respect of the case reported by their Disbursing Officers.

- If the balance of commitment is to be discharged during more than one financial year, the year-wise break-up of the amount should be indicated.

FORM OGFR-10

[See Rule 273 (ii) (a)]

REGISTER OF FIXED ASSETS

Name and description of the Fixed Assets _____

Date	Particulars of Asset	Quantity	Particulars of Supplier		Cost of the Asset	Location of the Asset	Remark
			Name and address	Bill No. and date			
1	2		3	4	5	6	7

NOTE : The item of similar nature but having significant distinctive features (e.g. study table, office table, computer table, etc.) should be accounted for separately in stock.

FORM OGFR-11

[See Rule 273 (ii) (b)]

**STOCK REGISTER OF CONSUMABLES SUCH AS STATIONERY,
CHEMICALS, SPARE PARTS ETC.**

Name of Article _____ Unit of Accounts _____

Date	Particulars	Quantity	Unit price	Suppliers Invoice No. and date	Issue Voucher No.	Issue (quantity)	Balance
1	2	3	4	5	6	7	8

NOTE : User's indent in original shall be treated as issue voucher. Issue voucher number shall be in consecutive order, financial year wise and it should be noted on each indent.

FORM OGFR-12

[See Rule 273 (ii) (c)]

ACCESSION REGISTER

Date	Accession Number	Author	Title	Vol.	Place and Publisher	Year of Publication	Pates	Source	Class No.	Book No.	Cost	Bill No. and date	With-drawn date	Remarks
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)

FORM OGFR-13

[See Rule 273 (ii) (d)]

REGISTER OF ASSETS OF HISTORICAL / ARTISTIC VALUE

Name of Asset _____

Date of acquisition	Source of acquisition	Cost price, if any	Particulars which make it an asset of historic/artistic	Particulars of the custodian of the asset	Location of the asset	Remarks
(1)	(2)	(3)	(4)	(5)	(6)	(7)

NOTE 1 : The custodian shall take appropriate measures for preservation of the assets.**NOTE 2 :** the present value of the asset should be ascertained by obtaining appropriate valuation from an expert agency and the same is to be indicated in Column 3, every five year.

FORM OGFR-14

[See Rule 280 (i) (d)]

REPORT OF SURPLUS, OBSOLETE AND UNSERVICEABLE STORES FOR DISPOSAL

Name of Asset _____

Item No.	Particulars of stores	Quantity / Weight	Book Value / Original Purchase Price	Condition and Year of Purchase	Mode of disposal (Sale, Public Auction or Otherwise)	Remarks
(1)	(2)	(3)	(4)	(5)	(6)	(7)

Signature

Designation

Date

FORM OGFR-15

[See Rule 285]

SALE ACCOUNT

Item No.	Particulars of Stores	Quantity / Weight	Name and full address of purchaser	Highest bid accepted	Highest bid rejected	Earnest money realized on the spot	Date on which the complete amount is realized ad credited into treasury	Whether the articles were actually handed over on the spot. If not, the actual date of handing over of the articles with quantities	Auctioneer's Commission and acknowledgement for its payment
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)

Signature

Designation

Date

FORM OGFR-16

[See Rule 298 (iii)]

APPLICATION FOR GRANTS-IN-AID

1. Name of the Organisation / Institution :
2. Category (ULB/PRI/PSU/NGO/ Autonomous bodies / Co-operative Society / Co-operative Institution / Statutory Bodies & Others) :
3. Address / Location :
4. Recognition No. / Registration No. / Date :
5. Objectives of the Organisation / Institution :
(Types of activities involved) Copies of Articles By Laws of the Organisation to be furnished.
6. Whether similar activities are also being undertaken by other organisation :
7. Sources and pattern of income and expenditure. (Audited statement of Accounts of the organisation are to be furnished) :
8. Amount of grant required :
9. Whether recurring / non-recurring :
10. Purpose of the Grant :
11. Whether grants have been received earlier for the same purpose :
12. Whether U.C. in respect of previous grant have been submitted :
13. Whether the Organisation / Institution is agreeable to the terms & condition of the present grant (Undertaking to be furnished) :
14. Any other special claim for the grant :

Signature of the Head of the Organisation/Institution with seal

FORM OGFR-17

[See Rule 299 (xii)]

FORM OF GRANT-IN-AID SANCTION ORDER

1. Sanction Order No.-----Date---- (with File No.)
2. Sl. Of GIA Register maintained by the Sanctioning Authority / Counter Signing Authority

GOVERNMENT OF ODISHA

_____ DEPARTMENT

To

**The Accountant General (A&E), Odisha,
Bhubaneswar.**

Sub: **Sanction / release of Grants-in-aid during the year _____ for the
1st/2nd half-year or _____ Quarter.**

Sir / Madam,

I am directed to convey the sanction / release of Grants-in-aid of
Rs. _____ (Rupees _____) in favour of
_____ for the _____ half-year / for _____ Quarter
ending _____.

Sanctioning Authority

**(To be elaborated by the Sanctioning Authority in the usual manner of sanction of
GIA. The essential particulars have been summarised in the Annexure attached to
this sanction order.)**

ANNEXURE TO FORM OGFR-17
(Check Sheet for Grant-in-Aid sanction Order)

1.Sanction Order No.-----Date---- (with File No.)
2. Sl. Of GIA Register maintained by the
Sanctioning Authority / Counter Signing
Authority _____

1. Name of the Grantee : _____

2. Category of Grantee : -

- a. Aided Educational Institutions (Specify)
- b. Autonomous Bodies (Specify)
- c. Statutory Bodies (Specify)
- d. Development Authority (Specify)
- e. Non-Government Organisation (NGO) (Specify)
- f. Public Sector Undertakings (PSU) (Specify)
- g. Urban Local Bodies (ULB) (Specify)
- h. Panchayati Raj Institutions (PRI) (Specify)
- i. Co-operative Societies and Co-operative Institutions (Specify)
- j. Others (Specify)

3. Purpose of the Grant _____

4. Whether conditional/unconditional. If conditional specify conditions:-

5. Amount sanctioned in cash: -

6. Amount sanctioned in kind (Specify in value and in quantitative terms): -

7. Whether Recurring / Non-Recurring : -

8. Break-up of the Grants-in-aid (drawl is to be made separately for Salary, Non –salary (others) and creation of Capital Asset.

Salary	Non-Salary (Others)	For creation of Capital Asset	Total

9. Time limit is----- for utilization of GIA now sanctioned.

10. Whether Grant-in-aid Register maintained by the Countersigning Officer /Drawing & Disbursing Officer: _____

If Yes, indicate Sl. No. and Page in which this sanction order has been entered at the top of the sanction order.

(To be filled up by the Countersigning Officer /DDO)

11. Designation of the Countersigning Officer :

12. Designation of the Drawing & Disbursing Officer: -

13. Name of the Treasury/Special Treasury/ Sub-Treasury in which GIA bill is to be presented for drawal:-

14. Detailed Head of Accounts under which Expenditure is to be booked.

Grants No.	Major Head	Sub-Major Head	Minor Head	Sub Head	Detailed Head	Sub Detailed Head	NP/ SP/ CP/ CSP	(Sector) State / District / None	Charged / Voted	Normal / TASP / SCSP
1	2	3	4	5	6	7	8	9	10	11

Note: - One sanction order sanctioning fund under one chart of account only

15. Cumulative amount of Grants-in-aid available with the Grantee Institutions for expenditure during the Year:

i) Opening unspent balance as on 1st day of April of the Year:

ii) Fund sanctioned / released during the year:

iii) Fund now sanctioned in this order:

iv) Total Fund available with the Grantee during the current financial year (i + ii + iii)

16. Expenditure incurred so far during the year:

17. Balance available for expenditure during the year _____ [15(iv)-16]

18. Whether U.C. is required to be furnished, if yes, due date for submission of Utilization Certificate furnish details in 19 & 20. If No, the sl.19 & 20 may be mentioned as 'Not applicable'

19. Utilisation Certificate furnished so far during the year under Report (i+ii+iii)

- i) For the year (t-2)
- ii) For the year (t-1)
- iii) For the year t, if any, (year under report or current financial year)

20. Balance U.C. pending: -

- a) As on 1st April of the Year t (year under report or current financial year) _____
- b) Balance U.C. pending so far as on date of sanction [20(a)-19] _____

21. Whether audited statement of expenditure is required to be furnished, if so indicate the details.

22. Other conditions & Stipulation, if any, to be further specified by the GIA Sanctioning Authority.

- (i) Whether the Grant-in-aid is subject to audit/test check by the Accountant General (A&E).
- (ii) Assets created should not, without prior sanction of Government be disposed of encumbered or utilized for the purpose other than for which Grant-in-aid are sanctioned.
- (iii) The achievement cum performance report should be furnished in the **Form OGFR 24** along with the Utilisation Certificates.
- (iv) The grantee institution and the Sanctioning Authority should maintain Asset Register in the format **Form OGFR 21** and **Form OGFR 22** respectively.

(Name)
(Designation of the Sanctioning Authority)

FORM OGFR-18

[See Rule 299 (xii)]

Register of Grants-in-aid.

(To be maintained by the Countersigning Officer where the bill is drawn by the Grantee)

1. Sl No. :
2. Name & Category of Grantee -
 - a) Aided Educational Institutions (Specify)
 - b) Autonomous Bodies (Specify)
 - ©Statutory Bodies (Specify)
 - (d)Development Authority (Specify)
 - e) Non-Government Organisation (NGO) (Specify)
 - f) Public Sector Undertakings (PSU) (Specify)
 - g) Urban Local Bodies (ULB) (Specify)
 - h) Panchayati Raj Institutions (PRI) (Specify)
 - i)Co-operative Societies and Co-operative Institutions (Specify)
 - j) Others (Specify)
3. No and date of sanction order :
4. Purpose of grant :
5. Condition if any, attached to the grant :
6. Amount sanctioned in cash :
7. Whether Non-Plan or Plan :

Items	Programme Expenditure			Administrative Expenditure
	State Sector Scheme	Central Sector Scheme	Centrally Sponsored scheme	
Normal				
SCP				
TASP				
Total :				

8. Amount of GIA sanctioned in kind in terms of value and in quantitative terms :

In terms of value (in Rupees)	In quantitative terms (in Numbers, Weight, volume etc.)

9. Fund allocated for creation of Capital Asset :

Out of GIA Released in Cash	Out of GIA Released in Kind

10. Detail Head of Account under which expenditure is to be booked :
11. Date of receipt of the bill from the grantee and its amount :

12. Whether conditions attached to the grants have been accepted by the Grantee without reservation :
13. Dated initials of the countersigning authority :
14. Date of payment to the grantee :
15. Date by which statements of accounts along with utilization certificate, etc., are required to be furnished by the grantee to the Countersigning Officer. :
16. Date by which the statements of accounts, Utilization Certificates etc., have been received by the Countersigning Officer. :
17. Date by which utilization certificates if any is required to be furnished by Countersigning Officer /Sanctioning authority to the A.G. :
18. Actual date of submission of U.C. by the Countersigning Officer/Sanctioning authority to the A.G. :
19. Date of submission of audited statement of expenditure by the grantee to the countersigning officer, if required. :
20. Unspent balance, if any, also indicating whether the unspent balance has been surrendered by the grantee Institution/Organization. :

INSTRUCTIONS

1. The register should be maintained by the sanctioning authority, if the bill is to be countersigned by the same authority. If, however, the powers of countersignature have been vested with an authority other than the sanctioning authority under S.R. 351 of the Odisha Treasury Code, Volume-I, the register should be maintained by the counter signing authority and not by the sanctioning authority.
2. Columns (1) to (9) of the Register should be filled in simultaneously with the issue of the order sanctioning each grant, if the register is being maintained by the sanctioning authority. Where it is maintained by the countersigning authority, the columns should be filled in by that authority on receipt of his copy of sanction from the sanctioning authority. These columns should be attested by the departmental officer in the case of departments of Government and any gazetted officer nominated for the purpose by the countersigning authority in the case of other offices.
3. The serial No. should be recorded on the body of the sanction order at the time the item is entered in the register as under :

“Noted at serial No. _____ in the register of grants”
4. Columns (11) and (12) should be filled in and attested by the departmental officer or other gazette officer concerned as soon as the bill has been received from the grantee. The bill should then be submitted to the countersigning authority with the register for countersigning the bill and for giving his dated initials in Column 13.

FORM OGFR-19

[See Rule 299 (xii)]

Register of grants-in-aid

(To be maintained by the Drawing Officer where the grant is drawn by a Departmental authority and then disbursed to the Grantee)

1. Sl No. :
2. Name & Category of Grantee -
 - a) Aided Educational Institutions (Specify)
 - b) Autonomous Bodies (Specify)
 - ©Statutory Bodies (Specify)
 - (d)Development Authority (Specify)
 - e) Non-Government Organisation (NGO) (Specify)
 - f) Public Sector Undertakings (PSU) (Specify)
 - g) Urban Local Bodies (ULB) (Specify)
 - h) Panchayati Raj Institutions (PRI) (Specify)
 - i)Co-operative Societies and Co-operative Institutions (Specify)
 - j) Others (Specify)
3. No and date of sanction order :
4. Purpose of grant :
5. Condition if any, attached to the grant :
6. Amount sanctioned in cash :
7. Whether Non-Plan or Plan :

Items	Programme Expenditure			Administrative Expenditure
	State Sector Scheme	Central Sector Scheme	Centrally Sponsored scheme	
Normal				
SCP				
TASP				
Total :				

8.Amount of GIA sanctioned in kind in terms of value and in quantitative terms :

In terms of value (in Rupees)	In quantitative terms (in Numbers, Weight, volume etc.)

9.Fund allocated for creation of Capital Asset :

Out of GIA Released in Cash	Out of GIA Released in Kind

10. Detail Head of Account under which expenditure is to be booked :

11. Whether conditions attached to the grantee have been accepted by the Grantee without reservation :

12. Date of drawal of Bills along with dated initials of the Drawing Officer. :

13. Date of payment to the grantee along with dated initial of the Disbursing Officer. :

14. Date by which statements of accounts along with utilization certificate, etc., are required to be furnished by the grantee to the Drawing Officer. :

15. Date by which the statements of accounts, Utilization Certificates etc., have been received by the Drawing Officer. :

16. Date by which utilization certificates if any is required to be furnished by Drawing Officer /Sanctioning authority to the A.G. :

17. Actual date of submission of U.C. by the Drawing Officer/Sanctioning authority to the A.G. :

18. Date of submission of audited statement of expenditure by the grantee to the Drawing officer/sanctioning authority, if required. :

19. Unspent balance, if any, also indicating whether the unspent balance has been surrendered by the grantee Institution / Organization. :

INSTRUCTIONS

1. The register should be maintained by the sanctioning authority, if the bill is to be drawn by the same authority. If, however, the bill is to be drawn by an authority other than the sanctioning authority, the register should be maintained by the officer authorized to draw the bill.

2. Columns (1) to (10) of the Register should be filled in simultaneously with the issue of the order sanctioning each grant, if the register is being maintained by the sanctioning authority. Where it is maintained by the drawing officer, the columns should be filled in by that officer on receipt of the copy of sanction from the sanctioning authority. These columns should be attested by the departmental officer in the case of departments of Government and any gazetted officer nominated for the purpose by the sanctioning authority in the case of other offices.

3. The serial No. should be recorded on the body of the sanction order at the time the item is entered in the register as under :

“Noted at serial No. _____ in the register of grants”

FORM OGFR-20

[See Rule 304 (iii) (a)]

Register of Assets acquired wholly or substantially of the Government Grants*(to be maintained by the Grantee-Institutions)*

Name of the Sanctioning Authority: _____

Sl. No.	Name of the Grantee-Institutions			Whether any condition regarding the right of ownership of Govt. in the property or other assets acquired out of the grant was incorporated in the Grant-in-aid sanction	Particulars of assets actually created or acquired	Value of the assets as on	Purpose for which utilised at present	Encumbered or not	Reasons, if encumbered	Disposed of or not	Reason and authority, if any for disposal	Amount realised on disposal	Remarks
	No. & Date of sanction	Amount of the sanctioned grant	Brief purpose of the grant										
1	2	3	4	5	6	7	8	9	10	11	12	13	14

Note - (1) A separate pro forma should be maintained in respect of each Sanctioning Authority.

(2) A copy of this pro forma should be submitted annually to the Sanctioning Authority.

FORM OGFR-21

[See Rule 304 (iii) (b)]

Block Account of assets acquired wholly or substantially out of Government Grants*(to be maintained by the Sanctioning Authority)*

Name of the Sanctioning Authority _____

Sl. No.	Name of the Grantee - Institutions	No. and date of the sanction	Amount of the Sanctioned Grant	Brief purpose of the grant	Whether any condition regarding the right of ownership of Govt. in the property or other assets acquired out of the grant was incorporated in the Grant-in-aid sanction	Particulars of assets actually created or acquired	Value of the assets as on	Purpose for which utilised at present	Encumbered or not	Reasons, if encumbered	Disposed of or not	Reason and authority, if any for disposal	Amount realised on disposal	Remarks
1	2	3	4	5	6	7	8	9	10	11	12	13	14	

FORM OGFR-22

[See Rule 305 (iv)]

PART-1

**Statement containing details of total Funds released during the year _____
as Grant-in-aid and funds allocated for Creation of Assets *.**

(Rs in lakhs)

Name / Category of the Grantee Institutions	Total Funds released as Grants-in-aid			Funds allocated for Creation of Capital Assets out of Total Funds Released under Col.2		
	Programme Expenditure (SSS, CS, CSS)	Administrative Expenditure	Total	Programme Expenditure (SSS, CS, CSS)	Administrative Expenditure	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1. Panchayati Raj Institutions						
i) Zilla Parishads						
ii) Panchayat Samities						
iii) Gram Panchayats						
iv) Others, if any.						
TOTAL – (1)						
2. Urban Local Bodies						
i) Municipal Corporations						
ii) Municipalities						
iii) Notified Area Councils						
iv) Others, if any.						
TOTAL – (2)						
3. Public Sector Undertakings						
i) Government Companies						
ii) Statutory Corporations						
iii) Others						
TOTAL – (3)						
4. Autonomous Bodies						
i) Universities						
ii) Development Authorities						
iii) Cooperative Institutions						
iv) Others						
TOTAL-(4)						
5. Non-Governmental Organisations (NGOs)						
TOTAL – (5)						

PART-II

Statement containing details of Total Value of Grants-in-aid in kind and value of Grants-in-aid in kind being Capital Asset in Nature *.

(Rs in lakhs)

Name / Category of the Grantee Institutions	Total Value of Grants-in-aid in kind	Value of Grants-in-aid in kind being Capital Asset in Nature
1	2	3
1. Panchayati Raj Institutions		
i) Zilla Parishads		
ii) Panchayat Samities		
iii) Gram Panchayats		
iv) Others		
TOTAL-(1)		
2. Urban Local Bodies		
i) Municipal Corporations		
ii) Municipalities		

Name / Category of the Grantee Institutions	Total Value of Grants-in-aid in kind	Value of Grants-in-aid in kind being Capital Asset in Nature
iii) Notified Area Councils		
iv) Others		
TOTAL-(2)		
3. Public Sector Undertakings		
i) Government Companies		
ii) Statutory Corporations		
iii) Others		
TOTAL-(3)		
4. Autonomous Bodies		
i) Universities		
ii) Development Authorities		
iii) Cooperative Institutions		
iv) Others		
TOTAL-(4)		
5. Non-Governmental Organisations (NGOs)		
TOTAL-(5)		

OR

Name / Category of the Grantee Institutions	Disclosure of Grants-in-aid in kind in quantitative terms*
1	2
1. Panchayati Raj Institutions	
i) Zilla Parishads	
ii) Panchayat Samities	
iii) Gram Panchayats	
iv) Others	
TOTAL -(1)	
2. Urban Local Bodies	
i) Municipal Corporations	
ii) Municipalities	
iii) Notified Area Councils	
iv) Others	
TOTAL-(2)	
3. Public Sector Undertakings	
i) Government Companies	
ii) Statutory Corporations	
iii) Others	
TOTAL-(3)	
4. Autonomous Bodies	
i) Universities	
ii) Development Authorities	
iii) Cooperative Institutions	
iv) Others	
TOTAL-(4)	
5. Non-Governmental Organisations (NGOs)	
TOTAL-(5)	

* Details of information required will be collected and compiled by respective departments of Government.

FORM OGFR-23

[See Rule 306 (iii) (a)]

Form of Utilization Certificate

Name of Department _____

1. Certified that a sum of Rs. _____ (UC Amount) (Rupees _____) has been utilized under the scheme _____ (Scheme Name _____) by (grantee) _____ out of Grain-in-aid/Loan of Rs. _____ (Rupees _____) sanctioned by _____ Department during the financial year _____ as indicated below in Table-1.

2. Out of Rs. _____ (Rupees _____) remaining unspent balance of the previous years, a sum of Rs. _____ (Rupees _____) has been utilized as indicated below in Table-2.

3. The utilization has been made for the purpose it was sanctioned and that a balance of Rs. _____ (Rupees _____) remaining unutilized at the end of the year has been surrendered to the Government (vide Challan No. _____ date _____) / will be carried over to the next year _____ / will be adjusted towards the Grant-in-aid/ Loan payable in the next year _____.

Table-1
(Details of Current Year)

Sl. No.	Sanction No & Date	Sanctioned Amount	Amount adjusted towards GIA / Loan payable	Amount utilized during the year	Amount deposited back by Treasury Challan	Balance	Remarks
1	2	3	4	5	6	7= (3-(5+6))	8
Total							

Table-2
(Details of Previous Years *)

Sl. No.	Sanction No & Date	Sanctioned Amount	Unspent balance at the close of previous year	Amount utilized during the year	Amount deposited back by Treasury Challan	Amount adjusted towards GIA / Loan payable	Balance	Remarks
1	2	3	4	5	6	7	8= 4-(5+6+7)	9
Total								

*(The details of the previous are now being given in the current year)

4. Certified that I have satisfied myself that the conditions on which the grants-in-aid/loan was sanctioned have been duly fulfilled and that I have exercised the following checks to see that the money was actually utilized for the purpose for which it was sanctioned.

Kinds of checks exercised

- 1.
- 2.
- 3.
- 4.

Signature -
Designation -
Date - .

FORM OGFR-24

[See Rule 306 (iii) (b)]

Proforma for reporting Physical Target / Achievement made as per Utilization Certificate against the Grants-in-Aid received.

Name of the Grantee Organisation	Name of the Scheme and the Sector	Financial Target fixed	Amount of Grant-in-Aid received (Year wise)	Physical Target fixed	Amount utilized (Year wise)	The amount for which U.C. furnished previously	Physical Target achieved against the U.C. already furnished	Physical Target achieved as per present U.C.	Remarks
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)

**Reasons for Non-Utilisation of the Grant-in-aid and shortfall in achieving the target in proportion to the grant utilized shall also be explained in the column.*

N.B. : Separate forms shall be used for furnishing the information in respect of each scheme and shall be attached to the utilization certificate.

FORM OGFR-25

[See Rule 314 (i)]

LOAN SANCTION ORDER

GOVERNMENT OF ODISHA
_____ DEPARTMENT

1. Sanction Order No.-----Date--
-- (with File No.)
2. Sl. Of GIA Register
maintained by the Sanctioning
Authority / Counter Signing
Authority _____

From

(Sanctioning Authority Name, Designation & Address)

To

(Loanee Name & Address)

Sub: **Sanction of Loan to** _____

Sir,

I am directed to convey the sanction of the Governor for the disbursement of loan amounting to Rs_____ (Rupees_____) in favour of _____.

2. The essential details are given in Annexure (Part-A, B, C & D) to this letter.
3. (Conditions on fulfilment of which loan is to be sanctioned are given in OGFR and various instructions issued by Finance Department to be inserted, if necessary.) Loan should always be sanctioned against adequate security provided that competent authority may accept security of less value for adequate reasons to be recorded.
4. This sanction has been accorded in accordance with the prior consent of the Finance Department and the rate of interest on the loan and period of repayment thereof has been fixed in accordance with the existing instructions issued by Finance Department.
5. The sanctioning authority shall not draw the loan until a Bond in **Form OGFR-26** or **Form OGFR-27** as the case may be, is received from the loanee.
6. The Departments of Government/Sanctioning authority shall maintain the Loan Register. (The format of Loan Register is in **Form OGFR-28**).
7. The Quarterly / Annual Return on Loans and Advances are to be furnished to the Administrative Department, Sanctioning Authority and Accountant General (A&E) in forms **OGFR-29, OGFR-30 & OGFR-31** as the case may be, and the reconciliation of the statement of loans and advances received from the Accountant General is also to be carried out as per the time schedule given below.

Quarterly/Annual Statement of Loans and Advances given by the State Government	Due date by which Accountant General (A&E) is to submit the statement to the Finance Department/ Administrative Department/ Controlling Officer.	Due date by which the Administrative Department/ Controlling Officer are to reconcile the statement received from AG (A&E) with the records maintained at their end.
(1)	(2)	(3)
First quarter ending 30 th June	By 10 th of August	By end of August
Second quarter ending 30 th September	By 10 th of November	By end of November
Third quarter ending 31 st December	By 10 th of February	By end of February
Fourth quarter ending 31 st March and Annual	By 10 th of May of the next financial year	By end of May of next financial year

Yours faithfully,

(Sanctioning Authority)

Memo No. _____/F.,

Date _____

Copy with a copy of the Annexure-I (Part-A, B, C & D) forwarded to the Accountant General, Odisha / Finance (C&I) Department / Director, Treasuries & Inspection, Odisha / District Treasury / Special Treasury / Sub-Treasury, _____ for information and necessary action.

(Sanctioning Authority)

ANNEXURE TO FORM OGFR-25

FORMAT FOR LOAN SANCTION ORDER

PART-A

- 1 Name of the Borrower :
 - 2 Amount Sanctioned (in words and figure) :
: Rupees
 - 3 Sanction valid upto :
 - 4 Purpose of the Loan :
 - 5 Payable in Cash or by adjustment :
 - 6 Plan / Non Plan :
(in the case of Plan, Category of Plan - SP, CP & CSP)
 - 7 Loanee Group / Sector :
 - 8 Grant, Major, Sub-Major, Minor and Sub-Head etc. under :
which amount sanctioned is debitable
 - 9 Progressive amount of outstanding loan against the :
borrower to date including this sanction
 - 10 Progressive amount of loan sanctioned during the :
financial year
 - 11 Period of Loan :
 - 12 Moratorium towards repayment, if any, :
 - 13 Date and Year from which repayment to commence :
 - 14 Mode of repayment :
 - 15 Rate of interest :
- I) For loan to public sector enterprises**
- a) Normal Rate :
 - b) Penal rate of interest in event of default in repayment / :
interest payment
 - c) Mode of repayment of interest :
- II) For parties other than Public Sector Undertakings**
- a) Normal Rate :
 - b) Penal rate of interest in event of default in repayment :
/ interest payment
 - c) Mode of repayment of interest :

Signature

Seal of the Sanctioning Authority

PART-B
(Group/ Sector)

Summary of The Loans and Advances Loanee Group-Wise / Sector-Wise Separately

1	Loanee Group / Sector	:
2	Balance on the 1st of April of the current year	:
3	(a) Sanction/disbursement made during the year so far	:
	(b) Present sanction/ disbursement proposed	:
	(c) Total sanctioned/disbursed during the year (a+b)	:
4	Repayment during the year up to the period (till the date of sanction)	:
5	Write-off of the irrecoverable loans and advances during the year so far	:
6	Balance on the date of the sanction (2+3c) - (4+5)	:
7	Net increase/decrease during the year so far (2-6)	:
8	Interest payment in arrears	:
9	Remarks	:

Signature

(Seal of the Sanctioning Authority)

PART-C
(Summary of repayment in arrears from loanee entities)

1	Loanee Entity	:
2	Amount of arrears as on March 31	:
	(a) Principal	:
	(b) Interest	:
	(c) Total	:
3	Earliest period to which arrears relate	:
4	Total loan outstanding against the entity on March-31	:

Signature

(Seal of the Sanctioning Authority)

PART-D

**Fresh loans and advances during the year to the loanee entities from whom repayment of
earlier loans are in arrears**

1	Name of the loanee entity	:
2	Loans disbursed during the current year	:
	(a) Rate of interest	:
	(b) Principal	:
3	Amount of arrears as on March 31	:
	(a) Principal	:
	(b) Interest	:
	(c) Total	:
4	Earliest period to which arrears relate	:
5	Reason for disbursement during the current year	:

Signature

(Seal of the Sanctioning Authority)

FORM OGFR-26

[See Rule 314 (iii)]

Form of written Undertaking

Form of written undertaking to be executed by an Undertaking / Corporation owned wholly by the Government of Odisha at the time of sanctioning of a loan.

Memorandum of written undertaking given on the _____ day of _____ two thousand and _____. By a Company incorporated under the Indian Companies, Act, 1913 or the Companies Act 1956 or Companies Act, 2013, as the case may be, having its registered office _____ a body corporate/ incorporated under the same name and style by and under _____ (Act No _____ of _____) having it's a society registered under the Societies Registration Act, 1960 (21 of 1960) having its office at _____ (here-in-after called the Company/ Corporation, which expression shall include its successors and assigns) to the Governor of Odisha (here-in-after called 'the Governor' which expression shall include his successors and assigns).

WHEREAS the said Company/ Corporation etc. applied to the Governor for a loan of Rs. _____ (Rupees _____ only).

AND WHEREAS THE Governor has agreed to lend an amount of Rs. _____ (Rupees _____ only) to the said. Company/ Corporation, etc., on the terms and conditions prescribed in the Government of Odisha _____ Department letter/ Office memorandum No _____ dated _____ (annexed).

NOW IT IS HEREBY AGREED BY the said Company/ Corporation, etc. that, in consideration of the sum of Rs. _____ (Rupees _____ only) lend by the Governor to it, the Company/ Corporation, etc., hereby agrees in accordance with the said terms and conditions:-

- (i) To repay the loan in _____ Annual equal instalments the first instalment repayable from the _____ anniversary of the date of drawal;
- (ii) To pay interest at the rate of _____ % per annum on the principal payable on each anniversary; and
- (iii) In case of default in the payment of the instalment of the loan in accordance with (i) above, and/ or of interest in accordance with (ii) above, pay interest at penal rate of _____ % per annum on such overdue payments.

IT IS HEREBY FURTHER AGREED AND DECLARED that the said Company/ Corporation, etc., shall not without the written consent of the Governor encumber or alienate, create and mortgage lien or charge by way of hypothecation, pledge otherwise, or create other encumbrances of any kind whatsoever on any part of its land or buildings or/ other structures and/ or plant and machinery or any other fixed assets owned by them.

AND IT IS HEREBY AGREED that the said principal amount lend by the Governor as aforesaid shall be used by the said Company/ Corporation, etc., only for the purpose or purposes for which the aforesaid amount was sanctioned and for no other purpose whatsoever.

IT WITNESS WHERE OF these presents have been executed by the said Company/ Corporation the day and year first above written.

Signed for and on behalf of _____

Company/ Corporation, etc., by Shri _____

(Name and Designation) in the presence of.

**Seal of the
Company/ Corporation.**

1 _____

2 _____

FORM OGFR-27

[See Rule 314 (iv)]

Form of Loan agreement / Bond to be executed by the Parties other than wholly owned Government Companies /Corporations before drawal of a loan.

THIS Bond is made on this _____ **BETWEEN THE** Governor of Odisha (herein after called the Government) of the one part AND _____ registered under the _____ having its business in the State of Odisha (herein after called the "Loanee" which expression shall unless excluded by the context shall include its successors and assigns) of the other part.

WHEREAS

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

(2) Government has agreed to advance the said loan of _____ only to the loanee in one instalment on the terms and condition laid down in the sanction order No. _____ dated _____ (Annexed) of the Government of Odisha which is deemed to be a part of this bond.

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

2. (i) For consideration of aforesaid, the laonee hereby covenant with the Government to repayment the said sum of _____ only or as per the sanction order together with interest at the rate of _____ per annum on the principal amount.

(ii) In case of default in the repayment of principal and interest as aforesaid, the loanee shall be liable to pay interest @ _____ per annum. The loanee hereby agrees that in the loan advanced hereby shall be used by him only for the purpose for which the aforesaid amount has been lent and for no other purpose whatsoever.

3. The loanee further agrees to afford all reasonable facilities to the Government or their authorised officers for undertaking inspection of initial accounts, stocks and stores etc. and/or calling for any information from the loanee for their satisfaction which the loanee shall be bound to furnish.

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

5. If the loanee fails to pay the principal sum hereby secured with interest when the same shall become payable under the terms of this bond, State Government shall have the power without intervention of a court to take possession of the said mortgaged property and to sell or concur with any other person in selling the same or any part thereof either together or in lots

and either by the public auction or by private contract subject to such conditions commencing the title or evidence of title or any other matters as the Government thinks fit with power to vary any contract for sale and to buy in or at any auction or to rescind contract for sale and to resell without being liable for any loss occasioned thereby and to realise the amount due to the Government from such sale proceeds after defraying necessary expenses properly incurred as incidental to the sale or any attempted sale and after discharging any prior encumbrance to which the sale is not made subject. Such power of sale shall not be exercised unless and until notice in writing requiring payment of money in arrears has been served to the loanee and default has been made in payment for one month after such service.

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

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

8. If the loanee fails to repay the loan in accordance with the terms hereof or commits any breach of the terms and conditions of the bond, Government shall be at liberty to recover the outstanding dues forthwith by way of adjustment of any assistance to be sanctioned by the State Government to the borrower in shape of subsidy, loan or share capital, as the case may be.

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

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

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

Schedule of properties herein referred to

Signature of the Secretary to Government of Odisha

_____ Department for and on behalf of the Governor of Odisha in presence of:

1. _____

2. _____

Signed and sealed and delivered by _____ (Loanee)

Above named to Resolution No _____ Dated _____ in the presence of

1. _____

2. _____

FORM OGFR-28

[See Rule 329 (i)]

LOAN REGISTER

(Separate Folio for each Undertaking /Loanee entity/other Loanee)

Name of the Department:

Name of the Undertaking/Institutions:

Date of incorporation:

Loanee Group/Sector:

Major Head in which expenditure incurred:

Sl No	Opening balance at the beginning of the year		G.O No, Date & Date of drawal	Amount of loan sanctioned	Progressive amount of loan sanctioned including this sanction (2+5)	Moratorium period	Period of loan / period of repayment	Rate of interest (Normal / Penal)	Due date of Repayment		Date of payment	
	Principal	Interest							Principal	Interest	Principal	Interest
1	2	3	4	5	6	7	8	9	10	11	12	13

Progressive amount of Principal due	Progressive amount of Principal repaid	No of days for which interest to be calculated during the current year	Amount of interest accrued during the current year	Amount of interest paid during the current year	Write off of irrecoverable Loans & Advances		Progressive outstanding position as on 31 st March		Net increase / decrease during the year so far		Progressive amount of arrear/overdue as on 31 st March			Earlier period to which amount overdue relates	Remarks, if any
					Principal	Interest	Principal (6-(15+19))	Interest ((3+17)+(18+20))	Principal (21-2)	Interest (22-3)	Principal (14-15)	Interest (3+17)-(18+20)	Total (25+26)		
14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29

FORM OGFR-29

[See Rule 329 (iii)]

Loanee Group-wise Quarterly /Annual return on other loans sanctioned to Public & Quasi Public bodies for the Quarter / Year _____

PART-I

- 1 Loanee Group (Statutory Corporation, Govt. Company etc.) :
- 2 Department of Government :
- 3 Major Head - Minor Head
(Detailed Head of Account to be mentioned) :
- 4 Loan Sanctioning Authority :
- 5 Opening Balance
(Amount outstanding as on 31st March) :
- 6 Total amount of Loan disbursed during the financial year
under report :
- 7 **Total - (5+6)** :
- 8 Total amount recovered in the financial year under report :
- 9 Write-off of irrecoverable loans and advances, if any :
- 10 **Balance outstanding [7-(8+9)]** :
- 11 Net increase / decrease during the year (5-10) :
- a) Amount :
- b) Percentage :
- 12 Interest payment in arrears :

Signature of the Sanctioning Authority

Loanee Group - It consists of a group of Loanee entities of similar nature and characteristics such as statutory Corporation, Govt. Companies, Universities / Academic Institutions, Municipalities, Co-operative Societies / Co-operative Banks / Panchayati Raj Institutions etc.

PART-II

- 13 Total amount of advances, if any which should have been :
adjusted by the end of the financial year, but has not been
done.
- 14 The main causes of default and the steps taken to effect :
adjustment.
- 15 General remarks as to whether the terms and conditions :
attached to repayment or adjustment of the advances have
been fulfilled.
- 16 Analysis of outstanding balances (i.e. 10 of Part-I) showing :
the year of advances

Date _____

Place _____

Signature of Controlling Officer

FORM OGFR-30

[See Rule 329(iii)]

Sector-wise Quarterly /Annual return on other loans sanctioned to individuals for the Quarter / Year _____

- | | | |
|----|-----------------------------------------------------------------------|---|
| 1 | Loanee Sector-wise (Economic/Social/General etc.) | : |
| 2 | Department of Government | : |
| 3 | Major Head - Minor Head
(Detailed Head of Account to be mentioned) | : |
| 4 | Loan Sanctioning Authority | : |
| 5 | Opening Balance
(Amount outstanding as on 31st March) | : |
| 6 | Total amount of Loan disbursed during the financial year under report | : |
| 7 | Total - (5+6) | : |
| 8 | Total amount recovered in the financial year under report | : |
| 9 | Write-off of irrecoverable loans and advances, if any | : |
| 10 | Balance outstanding [7-(8+9)] | : |
| 11 | Net increase / decrease during the year (5-10) | : |
| | a) Amount | : |
| | b) Percentage | : |
| 12 | Interest payment in arrears | : |

Signature of the Sanctioning Authority

Sector - It consists of a grouping of specific functions or services as per the list of Major and Minor Heads of Account of Union and States e.g. – General Services, Social Services, Economic Services, Loans for Government servants.

FORM OGFR-31

[See Rule 330]

(Rs in crore)

STATEMENT OF LOANS AND ADVANCES GIVEN BY THE GOVERNMENT						
Sector / Loanee Groups	Balance on 1st April of the Financial Year	Disbursements during the year	Repayments during the year	Loans and Advances written off	Balance on 31st March, of the Financial Year	% increase / decrease during the year
1	2	3	4	5	6	7
General Services						
Statutory Corporation Government Company						
Total General Services						
Social Services						
University / Academic Institution Municipalities/ Municipal Council/ Municipal Corporation Urban Development Authority.....						
Total Social Services						
Economic Services						
PRIs Statutory Corporation Government Company.....						
Total Economic Services						
Government Servant						
Total Govt. Servant						
Loans for Misc. Purpose						
Total Loans & Advances						

FORM OGFR-32

[See Rule 330]

DETAILED STATEMENT ON LOANS AND ADVANCES MADE BY GOVERNMENT

Section 1 : Major and Minor Heads with summary of Loans and Advances

	Heads of Account	Balance as on 1 st April of the Financial Year	Advance during the year	Total 5=(3+4)	Repaid during the year	Write off of irrecoverable loans and advances	Balance as on 31 st March of the Financial Year	Net increase (+) decrease (-) during the year (8-3)		Interest received and credited to Revenue
								Amount	Percent	
1	2	3	4	5	6	7	8	9	10	11
	F-Loans & Advances									
	(i) Loans for General Services									
									
									
	Total (i) Loans for General Services									
	(ii) Social Services									
									
									
	Total (ii) Social Services									
	(iii) Loans for Economic Services									
									
									
	Total (iii) Loans for Economic Services									
	(iv) Loans to Govt. Servant									
									
									
	Total (iv) Loans to Govt. Servant									
	(v) Misc. General Services									
									
									
	Total (v) Misc. General Services									
	Total F-Loans & Advances									

FORM OGFR-33

[See Rule 332 (ii) (i)]

**STATEMENT OF AUDITED FIGURE OF EXPENDITURE
FOR THE YEAR _____**

Sl. No.	Name of the Controlling Officer	Demand No. & Head of Account	Expenditure reported by Project Authority	Annual Accounts Figure of AG (A&E)	Audited figure of expenditure (Gross)	Amount with-held	Expenditure certified by Audit (Net)	Remarks
1	2	3	4	5	6	7	8	9

AUDIT CERTIFICATE

1. Certified that the figures of expenditure exhibited in Col.(6) above have duly been audited and the figures exhibited in Col.(8) have been admitted in audit after excluding the amount held under objection in Col.(7).

2. Audit Certificate is issued subject to reports of local audit and Central Audit and also without any prejudice to the rights of the Comptroller & Auditor General of India to include in the audit report any audit comments in regard to utilisation of Central assistance by the State Government noticed as a result of Audit.

Deputy Accountant General

FORM OGFR-34

[See Rule 333 (ii)]

Notice to Borrower about the Due Date for repayment of loan and interest thereon**GOVERNMENT OF ODISHA
DEPARTMENT**

No _____,

Dated _____

From

(Senders Name, Designation & Address)

To

(Borrower Name & Address)**Sub: Repayment of principal and payment of interest thereon.**

Dear Sir,

According to the terms of the loan of Rs. _____ sanctioned to you, vide Department Sanction Letter No. _____, dated _____ the annual / half yearly / quarterly repayment instalment and / or interest thereon, detailed below, will become due on _____.

(a) Principal Rs. _____ (Rupees _____)

(b) Interest Rs. _____ (Rupees _____)

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

3. After deposit of the loan instalment, the following information may kindly be sent to the Department immediately:-

(i) Sanction letter No. & Date with the loan amount : _____

(ii) Amount already paid against the above loan up to the previous quarter ending / half yearly ending / year ending: _____

(a) Principal Rs. _____ (Rupees _____)

(b) Interest Rs. _____ (Rupees _____)

(iii) Now the amount due and paid for the quarter ending/half year ending/year ending _____ (separately for interest and Principal).

(a) Amount now due towards principal _____ Amount paid towards principal _____.

(b) Amount now due towards interest _____ Amount paid towards interest _____.

(iv) Balance amount, if any, due :-

(a) Principal Rs. _____ (Rupees _____)

(b) Interest Rs. _____ (Rupees _____)

Yours faithfully,

**Financial Advisor /
Asst. Financial Advisor**

FORM OGFR-35

[See Rule 333 (ii)]

Regd. With A.D.

Reminder

To
(Borrower Name and Address)

Sub : Repayment of principal and payment of Interest thereon .

Sir,

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

Loan sanction No. and date

i) Principal -

ii) Interest -

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

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

Yours faithfully,

**Financial Advisor /
Asst. Financial**

FORM OGFR-36

[See Rule 341 (ii)]

FORMAT FOR SANCTION OF GOVERNMENT GUARANTEE

GOVERNMENT OF ODISHA

DEPARTMENT

To

The Managing Director / Chairman

Sub: *Sanction of State Government Guarantee in favour of _____
(hereinafter referred to as borrower) as additional security to borrow
Rs _____ from _____ for the
purpose of _____ Project /Scheme.*

Sir,

I am directed to convey the sanction of Guarantee for an amount of Rs. _____
(Rupees _____) only in favour of _____ to
avail a loan of Rs. _____ (Rupees _____) from the
_____ (Bank / Financial Institution) @ _____ % interest per annum which will
be repaid within _____ years for implementation of _____ Project / Scheme on
the following terms & conditions.

2. The _____ Bank / Financial Institution has
assessed the viability and debt serving ability of the Project / Scheme and agreed to sanction a
loan of Rs. _____ to _____ borrowers on furnishing of Government
Guarantee as an additional security for repayment of outstanding principal amount.

3. The borrower has agreed to repay the loan (Principal + Interest) from out of the
Escrow Account operated at _____ Branch and this guarantee is sanctioned as an
additional security for repayment of outstanding principal amount of loan and the Guarantee
Commission @ _____ % will be charged once / every year till final liquidation of the loan.

4. The detailed particulars of the previous loan along with the present loan, Escrow
Account and the mode of repayment etc. of the borrower is enclosed in the proforma annexed
herewith.

The Accountant General (A&E), Odisha and Accountant General (Audit-1), Odisha are
being informed.

This has been concurred in by Finance Department vide their OSWAS File
No _____.

Yours faithfully,

Sanctioning Authority

ANNEXURE TO FORM OGFR-36
PROFORMA FOR SANCTION OF GOVERNMENT GUARANTEE

1. Name of the Borrower :
2. Name of the Creditor (Financing Institution) :
3. Amount of Guarantee Sanctioned (Principal Only) :
4. Purpose of Loan :
5. Period of Loan :
6. Rate of Interest :
7. Mode of Repayment :
8. Other Condition attached to the Loan, if any :
9. Name of the Escrow Bank :
10. Escrow Account No. :
11. Rate of Guarantee fee :
12. Progressive Total Sum guaranteed (including the present one) till date :
13. Total amount of Loan availed against previous guarantee :
14. Amount outstanding against the availed loan shown above. :

	Defaulted instalment amount as on _____	Balance not due as on _____	Total Balance as on _____
1	2	3	4= 2+3
a) Principal			
b) Interest			

15. Action taken to clear the defaulted Principal and Interest :

Sanctioning Authority

FORM OGFR-37

[See Rule 341 (ii)]

FORMAT FOR EXECUTION OF AGREEMENT

THIS AGREEMENT is made on _____ day _____ 20____
BETWEEN _____ having his office at _____ hereinafter referred to as “Principal Debtor” (Which expression shall, unless excluded by or it be repugnant to the context, be deemed to include its successor and assignees) of the one part AND the GOVERNOR OF ODISHA hereinafter referred to as “Government” (Which expression shall unless excluded by or it be repugnant to the context or meaning thereof, be deemed to include his successor in office and assignees) of the other part;

WHEREAS the “Principal Debtor” has approached the _____ Bank/ Financial Institution (hereinafter referred to as the Creditor), for advancing a loan of Rs. _____ to undertake _____ Project / Scheme AND WHEREAS the _____ Creditor have carried out the required appraisal regarding viability and debt servicing liability of this Project / Scheme and agreed to advance a loan of Rs. _____ to the Principal Debtor on furnishing of Government Guarantee as an additional security for repayment of Principal amount of Rs. _____ (Rupees _____ only);

AND WHEREAS the _____ (the Principal Debtor) has opened an Escrow Account bearing No. _____ at _____ Bank to ensure timely payment of dues (Principal + Interest) to the _____ Creditor;

AND WHEREAS the “Principal Debtor” has requested the Government to guarantee due repayment of the loan amount by the Principal Debtor to _____ the Creditor amounting to Rs. _____ (Rupees _____) agreed to be lent and advanced by the Creditor to the Principal Debtor as per the terms and conditions in the Schedule to this agreement which the Government has agreed to do on the terms and conditions hereinafter appearing and sanctioned guarantee of Rs. _____ (Rupees _____) in favour of the Principal Debtor in _____ Department G.O. No. _____ Dated _____ (copy enclosed, hereinafter called the said guarantee).

NOW THIS DEED WITNESSES AND it is hereby agreed by and between the parties hereto as follows: -

1. The Principal Debtor agrees to pay to the Government guarantee fee at the rate of _____ % per annum on the maximum amount of guarantee sanctioned till liquidation of the loan or reduced amount of the loan balance as approved by the Administrative Department in consultation with Finance Department, as the case may be.
2. In case of default in due payment of fees by the Principal Debtor to the Government as aforesaid, without prejudice to any other rights and remedies available to the Government, it shall have the right and be entitled to recover from the Principal

Debtor the amount due and payable by the Principal Debtor as a public demand under the Orissa Public Demands Recovery Act, 1962.

3. In case the Principal Debtor defaults in making repayment of principal and/or payment of interest on due dates out of the accumulations in the Escrow Account and the Government being the guarantor is liable to pay the outstanding principal amount of the loan only to the Creditor under the terms of the guarantee after the creditor has exhausted all efforts in recovering the dues from the Principal Debtor. The amount so paid (Principal) by the Government to the Creditor shall be treated as loan to the Principal Debtor and shall be recoverable from the Principal Debtor carrying interest at a rate not less than that charged by the Creditor. Such interest shall be calculated from the date of sanction made by Government to the Creditor. Other terms like period of repayment will be suitably fixed by Government:

Provided that in case the Principal Debtor does not pay the amount according to terms and conditions stipulated, it shall be opened to the Government to recover the entire amount (Paid by Government to the Creditor on behalf of Principal Debtor) from the Principal Debtor, without prejudice to any other remedies available, as a public demand under the Odisha Public Demands Recovery Act, 1962.

4. Notwithstanding anything contained hereinbefore the liability of the Government under this agreement is restricted to Rs. _____ (Rupees _____) (Principal amount) only. The agreement will remain in full force until _____ year(s) from the date of execution. Unless suit or action to enforce claim or claims under this agreement is made/filed against Government before the said date all the rights under this agreement shall cease and Government shall be discharged from all liabilities thereunder.

5. This agreement is to be returned to Government within fifteen days from the date its ceases to be in force. If the agreement is not received back by the Government within the date above mentioned, it shall be deemed to be automatically cancelled.

6. Within nine months from the end of the financial Year of the Principal Debtor, the Principal Debtor shall send every year during the subsistence of the said guarantee to the Government in Finance Department and to the Accountant-General (A&E), Odisha, return/statement certified to be true by a qualified Auditor approved by Government giving full and complete information of his/its assets and liabilities, profit and loss, etc. If however, the accounts could not be audited within the period aforesaid, the Principal Debtor shall furnish unaudited accounts. As soon as the accounts are audited, the same should be furnished within one month of receipt of such audited accounts.

7. The Principal Debtor shall, at all times hereafter during the subsistence of the guarantee, produce the records, accounts, stores and stocks etc. to Government and Accountant-General (A&E), Odisha for audit and inspection.

8. In consideration of the aforesaid, the Principal Debtor hereby agrees that in order to secure Government in respect of financial obligations undertaken in the deed of guarantee executed by the Government, the Principal Debtor shall furnish to the Government such security as the Government may require including mortgage on its/his entire assets both movable and immovable subject to then existing charge, if any, thereon.

9. If at any time during the subsistence of the said guarantee, Government feel that the activity of the Principal Debtor or the Creditor is detrimental to the interest of the Government, Government shall have the option after giving 30 days notice to the Creditor and the Principal Debtor to revoke the guarantee as to the future transactions covered thereby.

IN WITNESS WHEREOF the Principal Debtor has set his/its hand and affixed his/its common seal in the manner as provided by law and the Secretary to Government _____ Department has for and on behalf of the Governor of Odisha set his hand and affixed the seal of his office thereunto the day and year first above written on the schedule attached herewith.

SCHEDULE

- 1. Amount of Loan : _____
- 2. Term of Loan : _____
- 3. Rate of Interest : _____
- 4. Repayment term : _____
- 5. Securities offered : _____
- 6. Name of the Escrow Bank : _____
- 7. Escrow Account No. : _____

Signed and sealed and delivered by _____ Shri _____
 Managing Director, etc. _____ above named pursuant to
 Resolution No. _____ dated _____ of the Board of
 Directors(General Body) of the _____ in the presence of witnesses.

Name and full address of witnesses

- 1.
- 2.

SECRETARY TO GOVERNMENT OF ODISHA
 **DEPARTMENT**

Signed by the officer acting in the premises for on behalf of the Governor of Odisha in presence of witnesses.

Name and full address of witnesses

- 1.
- 2.

FORM OGFR-38

[See Rule 340 (i)]

Operational Parameters of the Public Sector Undertaking or Entity

1. Name of the Organisation in whose favour :
guarantee is proposed.
2. Status of the organisation (in one :
paragraph)
3. **Share Capital invested so far from
different sources.**
 - i) By Government :
 - ii) Non-Government :
 - iii) Others, if any :
4. (i) Profit/loss of the organisation for the :
Last three years as per the Audit.

(ii) Dividend declared so far :
5. (i) Progressive amount of Government loan :
Sanctioned up to the end of the previous
Financial year.

(ii) Loan repaid up to the end of the :
previous Financial year.

(iii) Balance loan outstanding upto the end
of the previous financial year : -
 - a) Principal :
 - b) Interest :
(iv) Whether the Government loans are :
serviced regularly, if not, the brief reasons
thereof.
6. (i) Progressive amount of guarantee :
sanctioned.

(ii) Guaranteed loan outstanding :-
 - a) Principal :
 - b) Interest :
(iii) Whether guaranteed loans (Principal + :
Interest) are serviced regularly, if not, the
brief reasons thereof.

- (iv) Guarantee fee due as on 1st April of the year. :
- (v) Guarantee fee paid as on date. :
- (vi) Guarantee fee outstanding as on date. :
- (vii) Reasons for default in payment of guarantee fee, if any. :
8. Staff Position : -
- i) Sanctioned Strength :
- ii) Present Strength (in position) :
9. **Amount of present guarantee sought for** :
10. Justification of the proposed Government Guarantee for the public interest including Repayment of proposed guaranteed loan by the borrowing organisation, if allowed, alongwith payment of guarantee fee to be levied by Government. :
11. Details of Escrow Account for timely servicing of guaranteed loans including State Govt. loan etc. :
- (*Name of the Escrow Bank with Escrow Account No.*)

**Signature and Seal of the
Head of the borrowing organisation**

**Counter signature of the
Secretary of the Department**

FORM OGFR-39

[See Rule 342 (v)]

NOTICE OF DEMAND**GOVERNMENT OF ODISHA**
_____ DEPARTMENT

1	Name of the Undertaking/Co-operative Institution/Local Bodies on whose favour guarantee has been sanctioned:	
2	Name of the Administrative Department	
3	Please take a notice that a sum of Rs. _____ (Rupees _____) has been determined as dues payable by you for the Financial Year _____ as guarantee fee on the loan availed by you on the strength of State Government guarantee.	
4	You are required to pay this amount of Rs. _____ (Rupees _____) within 15 days from the date of receipt of this notice and produce the challan in proof of payment in this office, within seven days from the date of payment failing which, the sum will be recovered out of the receivables of the organization from the State Government.	

Dated:**Signature of the Officer-in-Charge****Place**

FORM OGFR-40

[See Rule 344 (ii)]

Notice to Borrower about the Due Date for repayment of loan and interest thereon

GOVERNMENT OF ODISHA DEPARTMENT

No _____,

Dated _____,

From

(Senders Name, Designation & Address)

To

(Borrower Name & Address)

Subject: - Repayment of loan and payment of interest thereon.

Dear Sir,

According to the terms of the loan of Rs. _____ sanctioned to you, vide the Department Sanction Letter No _____, dated _____ the annual / half yearly / quarterly repayment instalment and / or interest thereon, detailed below, will become due on _____.

(i) Principal Rs _____
(In words and figures)

(ii) Interest Rs _____
(In words and figures)

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

3. After deposit of the loan instalment, the following information may kindly be sent to the Department immediately:-

(i) No. and date of Guarantee sanction order
with the loan amount sanctioned : _____

(ii) Actual amount borrowed against
the above guarantee : _____

(iii) Amount already paid against the above loan up to the previous quarter ending / half yearly ending / year ending : _____

(a) Principal Rs. _____ (Rupees _____)

(b) Interest Rs. _____ (Rupees _____)

(iv) Now the amount due and paid for the quarter ending / half year ending / year ending _____ (separately for interest and Principal).

(a) Amount now due towards principal _____ Amount paid towards principal _____

(b) Amount now due towards interest _____ Amount paid towards interest _____

(v) Balance amount, if any, due :-

(a) Principal:-

(b) Interest:-

Yours faithfully,

**Asst. Financial Advisor /
Financial Advisor**

N.B.:- *Separate cheque / draft and challans should be submitted for payment of principal and interest.*

FORM OGFR-41

[See Rule 345 (i)]

Name of the Department :

Name of the Organisation :

PROFORMA FOR GUARANTEE LEDGER TO BE MAINTAINED BY THE ADMINISTRATIVE DEPARTMENTS

Sl. No.	Amount of Guarantee Sanctioned	Sanction order No & Date	Rate of Guarantee Commission	Class of Guarantee **	Period of Guarantee	Amount of loan availed from the Financing Institution on the Strength of Govt. Guarantee	Name of the Financing Institution	Rate of Interest	Outstanding at the beginning of the year		Addition during the year	Invoked during the year		Deletion/repayment during the year		Outstanding loan at the end of the year		Guarantee fee due/receivable	Guarantee fee paid/received	Outstanding Guarantee Fee	Date of liquidation of loan, if any.
									Principal	Interest		Discharged	Not Discharged	Principal	Interest	Principal	Interest				
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)

* Power, Co-operative, Irrigation, Roads Transport, State Financial Corporation, Urban Development and Housing, Other Infrastructure, Any other.

- **
- (i) Guarantees given to the RBI, other banks and industrial and financial institutions for repayment of principal, cash credit facility, financing seasonal agricultural operations and for providing working capital to companies, corporations and cooperative societies and banks;
 - (ii) Guarantees given for payment of share capital, payment of minimum annual dividend and repayment of bonds or loans, debentures issued or raised by the statutory corporations and financial institutions;
 - (iii) Counter guarantees to banks in consideration of the banks having issued letters of credit or authority to foreign suppliers for supplies made or services rendered;
 - (iv) Guarantees given to Railways or State Electricity Companies and other entities for due and punctual Payment of dues by companies or Corporation;
 - (v) Any other.

FORM OGFR-42

[See Rule 345 (ii)]

STATEMENT SHOWING GUARANTEE GIVEN BY THE STATE GOVERNMENT AND OUTSTANDING AS ON _____

Name of the Department:

Name of the Public or other body for whom guarantee has been given	Authority for giving guarantee and sanction order No. with Date	Nature and extent of guarantee (purpose of Loan)	Period of Loan	Rate of Interest	Maximum amount guaranteed	Amount of loan availed	Sums guaranteed outstanding as on 31/03/____	Whether any security are pledged to Govt. accounting guarantee	Whether any guarantee fee is charged and rate thereof	Remarks
1	2	3	4	5	6	7	8	9	10	11

FORM OGFR-43

[See Rule 345 (ii)]

STATEMENT OF GUARANTEES GIVEN BY THE GOVERNMENT

Guarantees given by the State Government for repayment of loans etc. raised by Statutory Corporations, Government Companies, Local Bodies and other institutions during the year and sums guaranteed outstanding as on 31st March _____ in various sectors are shown below :-

(Rs. in Crore)

Sector	Maximum amount guaranteed during the year	Outstanding at the beginning of year	Addition during the year	Deletion (Other than invoked) during the year	Invoked during the year		Outstanding at the end of the year	Guarantee Commission or Fee		Other materials details
	Principal	Principal			Discharged	Not Discharged		Receivable	Received	
1	2	3	4	5	6	7	8	9	10	11

FORM OGFR-44

[See Rule 388 (i)]

To

**The
(Secretary of Administrative Department/
Heads of the Departments of Heads of offices
of the Relieving and Receiving Offices).**

Sir,

In pursuance of Order No. _____ dated _____ I/We have this day _____ in the forenoon/ afternoon relinquished/ made over and taken over charge of the Office of the _____ in the Department/ District.

Yours faithfully,

**Signature
(Relieved Officer)**

Place

Date

**Signature
(Relieving Officer)**

ADDITIONAL INFORMATION TO BE FURNISHED IN RESPECT OF TAKING OVER CHARGE OF GOVERNMENT MONEY.

I, (Relieving Officer) acknowledge to have received Rs. _____ (in words Rupees _____) of permanent advance and Rs. _____ (in words Rupees _____) of other cash and the full amount of such advance / cash is due from and to be accounted for by me.

Place

Date

**Signature
(Relieving Officer)
Designation**

ADDITIONAL INFORMATION TO BE FURNISHED REGARDING LEAVE ETC.

- (i) By Relieved Officer-
1. If proceeding on leave-
 - (a) Address during leave
 - (b) Place at which leave salary is to be drawn.
(If at a Treasury outside the State, a copy of the Last Pay Certificate should be furnished to the Accountant-General.)
 2. If on transfer-
The post and station to which transferred
 3. If not proceeding on leave or transfer, reasons for relinquishment of charge.

Signature _____

(Relieved Officer)

Date _____

- (ii) By Relieving Officer-
1. If returning from leave.
 2. If on transfer form a post- post from which transferred.
 3. If not returning from leave or another post, reasons for taking over charge.

Signature _____

(Relieving Officer)

Date _____

Copy forwarded to reliving Officer.

FORM OGFR-45

[See Rule 392]

Form of Application for leave

1. Name of applicant
2. Leave rules applicable
3. Post held
4. Department/ Office.
5. Pay
6. House-rent allowance, conveyance allowance or other compensatory allowance drawn in the present post.
7. Nature and period of leave applied for and the date from which leave is required.
8. Grounds for leave
9. Date of return from the last leave and period of that leave.

Place _____

Signature of the applicant

Date _____

FOR USE IN OFFICE

1. Statement of leave granted to the applicant prior to this application.

Nature of leave	In the current year	During the previous year	Total
(i) Earned leave.			
(ii) Half-pay leave.			
(iii) Special disability leave/ study leave/ maternity leave.			
(iv) Extraordinary leave			
Total			

2. Certified that Sri _____ (Designation _____) has the following leave at his credit on _____.

Earned leave-
Half-pay leave-

3. Order- Recommendation.
Date _____

Signature of the Head of Office

FORM OGFR-46

[See Rule 429 (iii)]

Form of Security Bond (Fidelity Bond deposited as security)

KNOW ALL MEN BY THESE PRESENTS THAT I, A.B _____ am held and firmly bound unto the Governor of Odisha, his successors and assigns (hereinafter referred to as "Government") in the sum of Rs. _____ (Rupees _____) to be paid to the Government for which payment, well and truly to be made, I bind myself, my heirs, executors, administrators and legal representatives by these presents. Signed and dated this _____ day of _____ two thousand and _____.

2. **WHEREAS** the above bounden A.B was on the _____ day of _____ 20 _____ appointed to and now holds the office of _____ in the office of _____ **AND WHEREAS** the said A.B _____ by virtue of holding such office is bound to collect _____ (here describe the nature of Cashier's/ Storekeeper's/ Sub-storekeeper's/ Subordinate's duties) _____ and to keep and render true and faithful accounts of his dealings with all property and money which may come into his hands or possession or under his control, such accounts to be kept in the form and manner that may, from time to time, be prescribed by duly constituted authority, and also to prepare and submit such returns, accounts and other documents as may from time to time be required of him.

3. **AND WHEREAS** the said A.B _____ has, in pursuance of Rule _____ of the Odisha General Financial Rules, 2020 delivered to and deposited with _____ a Fidelity Bond issued by _____ Company for the sum of Rupees _____ (Rupees _____) as Security for the due and faithful performance by the said A.B _____ of the duties of his said office and of any other office requiring security to which he may be appointed at any time and of other duties which may be required of him while holding any such office as aforesaid and for the purpose of securing and indemnifying the Government against all loss, injury, damage, costs or expenses which the Government may, in any way, suffer, sustain or pay, by reason of the misconduct, neglect, oversight or any other act of omission of the said A.B _____ or of any person or persons acting under him for whom he may be responsible.

4. **AND WHEREAS** the said A.B _____ has entered into the above Bond in the sum of _____ conditioned for the due performance by him the said A.B _____ of the duties of the said office and of other duties appertaining thereto or which may lawfully be required of him and to indemnify the Government against loss from or by reason of the acts or defaults of the said A.B _____ and of all and every person or persons aforesaid.

5. **NOW THE CONDITION** of the above written BOND is such that if the said A.B _____ has whilst he has held the said office of _____ as aforesaid, always duly performed and fulfilled the duties of his said office and if he shall whilst he shall hold the said office or any other office requiring Security to which he may be appointed, or in which he may act, always duly perform and fulfil all and every duties thereof respectively and other duties which may from time to time be required of him while holding any such office as aforesaid, and shall duly pay into the Government Treasury at _____ all such moneys and securities for moneys as are payable or deliverable to Government and shall come into his possession or control by reason of the said office and shall duly account for and deliver up all moneys, papers and other property which shall come in to his possession or control by reason of the said office and if the said A.B _____ his heirs, executors, administrators or legal representatives shall pay or cause to be paid unto the Government the amount of any loss and/ or defalcation in the account of the said _____ within 24 hours after the amount of such loss and/or defalcation shall have been demanded from the said A.B _____ by the _____ such demand to be in writing and left at the office or last known place of residence of the said A.B _____ and shall also at all times indemnify and save, and keep harmless the Government from all and every loss, injury, damage, actions, suits, proceedings, costs charges and expenses which has been or shall or may at any time or times hereafter during the service or employment of the said A.B _____ in such office as aforesaid, or any such offices aforesaid, be sustained, incurred, suffered brought, sued or commenced or paid by the Government by reason of any act, embezzlement, defalcation, mismanagement, neglect, failure, misconduct, default, disobedience, omission or insolvency of the said A.B _____ or of any person or persons acting under him or for whom he may be responsible, then the above written Bond shall be void and of no effect, otherwise the same shall be and remain in full force. them this obligation shall be void and of no effect, otherwise, the same shall be and remain in full force.

6. **PROVIDED ALWAYS** and it is hereby declared and agreed by and between the parties hereto that the said Fidelity Bond No _____ delivered and deposited as aforesaid shall be and remain at the disposal of the said officer for the time being or the Government as and for part and additional security over and above the above written Bond to the Government, for the indemnity and other purposes aforesaid with full power to the government or an officer duly authorised in that behalf to obtain and receive payment of the sum or sums of money recoverable or to be received, upon or by virtue of the said Fidelity Bond or a sufficient person thereof and all benefits and advantages thereof and to apply the same in and towards the indemnity as aforesaid of the Government.

7. **AND** it is here by further agreed and declared by and between the parties hereto that the said A.B _____ shall keep the said Fidelity Bond issued by the

said company in full force by payment of the premia and as when they fall due and by otherwise conforming to the rules of the said Company relating thereto.

8. **PROVIDED ALWAYS** that cancellation and lapse at any time of the said Fidelity Bond shall not be deemed to affect or prejudice the right of the Government to take proceedings upon or under this said Bond against the said _____ in case any breach of the condition of this Bond shall be discovered after the cancellation or lapses of the said Fidelity Bond but the responsibility of the A.B. _____ shall at all times continue and but the Government shall be fully indemnified against all such loss or damage as aforesaid at any time.

9. **PROVIDED FURTHER**, that nothing herein contained nor in the Fidelity Bond so deposited shall be deemed to limit the liability of the said A.B. _____ in respect of the matters aforesaid to the forfeiture of the said sum of Rs. _____ (Rupees _____) or any part or parts thereof and that if the said sum be found insufficient to indemnify the Government in full for any loss or damage sustained by them in respect of matters aforesaid or any of them the said A.B. _____ shall pay to the Government on demand such further sum as shall be deemed by _____ to be necessary, in addition to the said Fidelity Bond of Rs. _____ (Rupees _____) to cover the loss or damage as aforesaid and that the Government shall be entitled to recover such further sum payable as aforesaid in any manner open to them.

10. The Stamp Duty, if any, on this Bond shall be borne by the Government.

Signature

(1) Signed and delivered by the above named A.B. _____ in the presence of _____.

(2) Signed for and on behalf of the Governor of Odisha by _____ the _____ being the person directed or authorised by him in that behalf in presence of _____.

FORM OGFR-47

[See Rule 429 (iii)]

GENERAL INSURANCE CORPORATION OF INDIA AND ITS SUBSIDIARIES

Fidelity Guarantee Policy

POLICY No _____

IN CONSIDERATION OF the first premium shown in the First Schedule and subject to the terms and conditions contained herein or endorsed herein which are to be deemed conditions precedent to any liability on the part of the Life Insurance Corporation of India (hereinafter called 'Corporation') so far as they relate to anything to be done and complied with by the Employer, the Corporation agrees and binds itself to make good and reimburse to the Employer all such direct pecuniary loss not exceeding the amount of guarantee, as the Employer shall sustain by any act or acts of dishonesty, default or negligence committed by the employed/ any of the employed (a) during the currency of this insurance and (b) during the uninterrupted continuance of employment of such employed and (c) in connection with his occupation and duties **AND DISCOVERED DURING** the currency of this insurance or within a reasonable time thereafter or within twelve months after determination of such employment which ever event shall first happen.

The proposal for this insurance made by or on behalf of the Employer together with any correspondence relative thereto shall be incorporated herein and be the basis of this contract and of renewal.

THE FIRST SCHEDULE

The Employer: Name **THE GOVERNOR OF ODISHA**
Business
Address

The Employed: through

The amount of Guarantee Rs

Occupation and duties;

The first premium Rs

The renewal date Theday of.....in each year.

The currency of this insurance: The period or periods from the date written against the respective names of the Employed to the then next renewal date and any year thereafter in respect to which the Corporation shall agree to accept and Employer or Employed shall pay the annual premium specified in the Second Schedule.

THE SECOND SCHEDULE

Period of Risk	Name	Occupation and duties	Amount of Guarantee	Annual Premium	Amount of Premium

In witness whereof this Bond has been signed at this day of20

For.....

Prepared by.....

Examined by.....

N.B. - *For your own protection it is incumbent upon you to read your policy and its conditions to ascertain that it is made out in accordance with your intentions.*

CONDITIONS

In this policy expression shall bear the respective meanings attached to them I the First Schedule hereto.

1. The Corporation shall not be liable to make any payment hereunder if the nature of the business of the Employer of the duties or conditions of service shall be changed or the remuneration or any of the Employed reduced without sanction of the Corporation or if the precautions and check for securing accuracy of accounts shall not be duly observed.

2. Notice in writing shall be given to the Corporation’s office as soon as possible after any act or acts of dishonesty, default or negligence on the part of any of the employed or of reasonable cause of suspicion thereof or any improper conduct shall have come to the knowledge of the Employer or of any representatives of the employer to whom is entrusted the duty of superintendence over any of the Employed and no amount shall be payable under this policy in respect of that Employed by reason of any act committed after such knowledge shall have come to the Employer or his said representatives. Within three months after such notice the Employer shall deliver to the Corporation full details of his claim and shall furnish proof of the correctness of such claim. All books of accounts of the Employer or any Accountant’s report thereon shall be open to the inspection of the Corporation and the Employer shall give all information and assistance to enable the Corporation to sue for and obtain reimbursement by any one of the Employed or by his estate of any moneys which the Corporation shall have paid or become liable to pay under this Policy. Provided always that the Corporation shall not be entitled to the disclosure of any record or information in respect of which the Employer is entitled to claim privilege in a Court of Law under Sections 123 and 124 of the Indian Evidence Act, 1872.

3. Any moneys of any one of the Employed in respect of whom a claim is made in the hands of the Employer and any money which but for any act of fraud or dishonesty committed by such one of the Employed would have been due to that Employed from the Employer shall be deducted from the amount otherwise payable under the Policy. Provided that the Employee is entitled under the law to make such deduction. Provided further that in cases in which the loss to the Employer is in excess of the maximum amount payable under the Policy, the moneys aforesaid will be applied in the first place to make good the amount of such excess and the balance, if any, shall be deducted as herein provided. The Employer and the Corporation shall share any other recovery (excluding insurance and reinsurance and any counter security taken by the Corporation) made by either on account of any loss on the proportions that the amount of the loss borne by each bears to the total amount of the loss.

4. Notwithstanding anything herein contained to the contrary it is also agreed that the Corporation guarantees to the Employer that the Employed shall honestly and faithfully account of the Employer for all moneys or valuables or property which they shall receive or be entrusted with on account of the Employer either in their personal or individual capacity or as a member of group working conjointly with other members and that the Corporation will make good and reimburse to the Employer such loss not exceeding the amount of guarantee as the Employer may sustain by any act or acts of default or dishonesty or negligence of the Employed in the capacity and employment aforesaid and that when individual liability cannot be brought home to the Employed the amount to be made good shall be that which falls to the share of Employed calculating from the total number of men forming such group, i.e, the total loss divided by the total number of men employed on the particular work.

5. The Corporation also agrees that during the period in which the guarantee shall be in force the particulars contained in the Second Schedule shall be with the consent of Employer and on previous notice to an on payment to the Corporation of any additional proportionate premium that may become payable in consequence of any change in the employed by reason of promotion or otherwise be varied as circumstances may require and such additional persons as may be taken into the employment of the employer referred to in the Schedule hereof during such period shall with such consent aforesaid and on previous notice to and on payment to the Corporation of a particular proportionate premium at the rate for the time being applicable to be added to and included in the said Schedule and the expression Employed used throughout this policy shall as from the respective date on which the names shall be included in the said schedule be deemed to include all persons whether previously named in the said Schedule or subsequently added thereto as aforesaid.

6. If any question or difference shall arise between the parties hereto or their respective representatives touching these presents of the construction hereof or as to the rights, duties or obligations of any persons hereunder or as to any other matter in

anywise arising out of or connected with the subject matter of these presents, the same shall be referred to a single Arbitrator to be named by the Government of Odisha. The arbitrator so named shall be an officer of Government and shall have all the powers conferred on Arbitration under the **Arbitration and Conciliation Act, 1996 (Act No. 26 of 1996)**. The costs of reference and award shall be in the discretion of the Arbitrator. The making of an award in such reference shall be a condition precedent to any liability of the Corporation or any right of action against the Corporation in respect of such difference. If the Corporation shall disclaim liability of any claim hereunder and such claim shall not within twelve calendar months from the date of such disclaimer have been referred to arbitration under the provision herein contained then the claim shall for all purpose be deemed to have been abandoned and shall not thereafter be recoverable hereunder.

7. The expression "Government of Odisha for the purpose of Clause (6) above shall mean the Secretary to the Government in the Administrative Department under which the Employed is working.

FORM OGFR-48

[See Rule 459 (ii)]

Consolidated list of permanent advance retained by the Drawing and Disbursing Officers as stood on the 31st March _____ (Year)

1. Name of the Department / Heads of Department : -

2. Designation of the Controlling Officer : -

Sl. No.	Designation of Drawing & Disbursing Officer	Amount of Permanent Advance sanctioned	G.O. No. & Date	Opening Balance at the beginning of the financial year	Closing balance at the end of the financial year	Remarks
1	2	3	4	5	6	7

CONCORDANCE TABLE

CONCORDANCE TABLE

Note 1: This table has been compiled solely for the purpose of assisting references and no expression used in it should be considered as in any way interpreting the rules.

Note 2 : The following abbreviations have been used in the Rule.

- OGFR** - Odisha General Financial Rule
- GFR** - General Financial Rule
- GAR** - Government Accounting Rule
- MSO(A&E)** - Manual of Standing Order (Accounts & Entitlement)
- C&AG** - Comptroller and Auditor general of India
- IGAS** - Indian Government Accounting Standard

OGFR-2023	GFR-2017	OGFR-2000	Remarks
<u>CHAPTER 1</u> (Introduction)			
1	1	1	
2	2	2	
3	3		
4	4		
5	5 & 6		
6			New Provision
<u>CHAPTER 2</u> (General System of Financial Management)			
7	7	3 & 4	
8		5	
9	8		
10	9	7	
11	10	25	
12	11	26	
13	12	27	
14	13	28	
15	14	29	
16	15	30	
17	16	31	
18		32	
19		33	
20	17	34	
21	18	35	
22	19	36	
23			New Provision
24	21	9	
25 (i)		6	

OGFR-2023	GFR-2017	OGFR-2000	Remarks
25 (ii)	22	8	
25 (iii)		13	
26 (i)	23	38	
26 (ii)		39	
26 (iii)		40	
27		41	
28	24		
29			New Provision
30	25	49 & 50	
31			New Provision
32	26	10 & 11	
33		14 & 15	
34	29	45	
35		49 & 50	
36		50	
37		47	
38	27	51	
39		52	
40	30	53	
41	31	Note 3 Rule53	
42		54	
43		42	
44		43	
45		12	
46 (i)	32	44 (a)	
46 (ii) & (iii)		44 (b)	
47	33	19 & 20	
48	34		
49	35	21	
50	36	21	
51	37	22	
52	23	23	
53	39	16	
54	40	16	
55	41		

CHAPTER 3			
(Budget Formulation and Implementation)			
OGFR-2023	GFR-2017	OGFR-2000	Remarks
56	42		
57	43	56	
58	44		
59	45		
60	46		
61	47		
62	48		
63	49		
64	50		
65	51		
66	52		
67	53		
68	54		
69	55		
70		55	
71	56		
72 (i)		315	
72 (ii)	57 (1)	316	
72 (iii)		317	
73	57 (2)		
74	57 (3)		
75	57(4)	318	
76	57(5)		
77			New Provision
78		321	
79		319 (vi)	
80		322	
81	58		
82	60	323	
83	62		
84	63	48	
85	64		
86	65		
87	66		
88	67		
89	68		
90	69		
91	70		
92			New Provision
93			New Provision
94			New Provision

CHAPTER 4
(Government Accounts)

OGFR-2023	GFR-2017	OGFR-2000	Remarks
95	72		
96		291	
97	71		
98	73		
99	74		
100	75		
101	76		
102	77		
103	78	292 & 293	
104	79	293	
105	80	294 & 295	
106	81	296	
107	82	Note 1 & 2 of 296	
108	83		
109			New Provision
110	85		
111	84	297	
112			New Provision
113	87		
114 (i)	89		Para 1.5 & 2.5 of MSO (A&E) Vol.-II issued by C&AG and Rule-17 of GAR-1990
114 (ii)	88		Para 1.1 of MSO (A&E) Vol.-II issued by C&AG
114 (iii)			Para 2.1 of MSO (A&E) Vol.-II
115	90	313	
116			Para 1.14 of MSO (A&E) Vol.-II issued by C&AG
117		314	
118	91		
119	92	311	
120	93	311	
121	94	311	
122	95		
123	96		
124	97		
125	98	298	
126	99	299	
127	100	299	
128	101	299	
129	102		
130		300	
131	103		

132	104	301	
133	105	301	
134	106	301	
135	107	302	
136	108	303 (1) & 303 (3)	
137	109	304	
138	110	303 (2)	
139	111	Note of 303 (3)	
140	112	Note of 303 (3)	
141	113		
142	114	305	
143	115	305	
144	116		
145	117	306	
146	118	307	
147	119		
148	120		
149	121	307	
150	123		
151	124		
152	125		
153	126	308 (1)	
154	127	Note-2 of 308	
155	128	309	
156	129	310	

CHAPTER 5			
(Works)			
OGFR-2023	GFR-2017	OGFR-2000	Remarks
157			New provision
158	130		
159		140	
160	131	126	
161			New Provision
162			Para 1.10 of Manual for procurement of Works-2019
163	136 (1)	128 (a)	
164	136 (2)	128 (b)	
165	137	129 (2)	
166	138	130	
167	132	129 (1)	
168			New Provision
169			New Provision
170			New Provision
171			New Provision
172			New Provision

173			New Provision
174		163 A	
175	141		
176	134	135 to 141	
177		136	
178	140		
179	134	137	
180			New Provision
181		135 & 139	
182		132, 134 & 139	
183			New Provision
184		141	
185 (i)		144	
185 (ii)		145	
185 (iii)		147	
186 (i)		149	
186 (ii)		137	
186 (iii)		137	
186 (iv)			
186 (v)		138	
187			New Provision
188			New Provision
189		150	
190 (i)		151	
190 (ii)		152	
191 (i)		153	
191 (ii)		154	
192		155	
193		156	
194		157	
195 (i)		158	
195 (ii)		159	
196		160	
197		161	
198		162	
CHAPTER-6 (PROCUREMENT OF GOODS & SERVICES)			
OGFR-2023	GFR-2017	OGFR-2000	Remarks
199	142	92	
200			New Provision
201			New Provision
202	144		
203	144 (x)		
204	173		
205	174		
206	151		
207	175		

208	153		
209	153 (i)		
210	153 (ii)		
211			New Provision
212	170		
213	171		
214			New Provision
215	149 (viii)		
216	159		
217	143		
218	145		
219	150		
220	154		
221	155		
222	158		
223	161		
224	162		
225	166		
226	164		
227	167		
228	163		
229	165		
230			New Provision
231	168		
232	172		
233	176		
234	169		
235	177		
236	178		
237	180		
238	182		
239	181		
240	183		
241	184		
242	185		
243	186		
244	187		
245	188		
246	189		
247	190		
248	191		
249	192		
250	193		
251	194		
252			New Provision
253	195		
254	196		
255	197		

256	198		
257			New Provision
258	199		
259	200		
260			New Provision
261			New Provision
262	201		
263	202		
264	203		
265	204		
266			New Provision
267	205		

CHAPTER 7			
(Inventory Management)			
OGFR-2023	GFR-2017	OGFR-2000	Remarks
268	207	92,93 & 94	
269		96	
270	208	100	
271	209	101	
272	210	103	
273 (i)	211	104	
273 (ii)	211	107 & 118	
273 (iii)	211	108	
274	212		
275 (i)	213 (1)	111	
275 (ii)	213 (2)		
275 (iii)	215		
275 (iv)			New Provision
276 (i)	213 (3)	113	
276 (ii)		111	
277		119	
278	216	102	
279	214		
280	217	106	
281	218	121	
282	219		
283	220		
284	221		
285	222	106	
286	223	117	
287		124	

CHAPTER 8			
(Contract Management)			
OGFR-2023	GFR-2017	OGFR-2000	Remarks
288	224		
289		17	
290	225	18	
291	226		

CHAPTER 9			
(Grants-in-Aids & Loans)			
OGFR-2023	GFR-2017	OGFR-2000	Remarks
292			Para 1 of IGAS-2
293			Para-2 of IGAS-2
294			Para-3 of IGAS-2
295	228		
296		170	
297			
298	230	170 & 171	
299	230	171	
300	243	174	
301	244		
302			New Provision
303	235		
304	234	171	
305	236	171 & 172	
306	238	173	
307			New Provision
308		200	
309	246	201	
310	247		
311	248		
312	249		
313	250	206	
314	253 (2)		
315			New Provision
316	251	208 & 209	
317		205	
318			New Provision
319		205	
320			New Provision
321			New Provision
322	257		
323	258		New Provision
324			New Provision
325			New Provision
326			New Provision
327	259	311 & 312	

328			New Provision
329	260	213	
330	262	214	IGAS 3
331	256 (1)		
332	256 (2)		
333			New Provision

CHAPTER 10 (Government Guarantee)			
OGFR-2023	GFR-2017	OGFR-2000	Remarks
334			New Provision
335	275		
336			New Provision
337	276		
338	277		
339	277		
340			New Provision
341	280		
342	279		
343			New Provision
344	281		
345	282		
346			New Provision
347	282		
348	283		
349			New Provision
350			New Provision
351			New Provision

CHAPTER 11 (EAP, RIDF & CSS)			
OGFR-2023	GFR-2017	OGFR-2000	Remarks
352			New Provision
353			
354			
355			
356			
357			
358			
359			
360			
361			
362			
363			
364			
365			

366			
367			
368	267 (1)		
369	268 (2)		
370	267 (2)		
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387 (i)	284 (4)		
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388 (i)	286 (1)	63	
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391			New Provision
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393			New Provision
394	288 (1)	69	
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398			Appendix – 11A of Odisha Service Code
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400	288 (3)		
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419			New Provision
420			New Provision
421			New Provision
422			New Provision
423			New Provision
424			New Provision
425			New Provision
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448			New Provision
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