

**GOVERNMENT OF ODISHA  
FINANCE DEPARTMENT**

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No. 07 /F  
FIN-BUD1-MISC-0003-2020

Date: 01-01-2021

**From**

**Shri Ashok Meena, IAS  
Principal Secretary to Government**

**To**

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

**Sub: Relaxation in expenditure rationalization measures adopted in the wake of economic downturn due to the pandemic Covid19.**

**Ref: Finance Department Letter No. 15275/F dated 15/05/2020, 20042/F dated 07/07/2020 and 31785/F dated 01/12/2020.**

**Sir/ Madam,**

I am directed to invite reference to FD Letter No. 20042/F dt.07.07.2020 read with Letter No.31785/F dt.01.12.2020 and to say that Government had adopted some expenditure rationalization measures in the wake of economic downturn due to the pandemic Covid-19. As a result of some innovative resource mobilization measures, constant monitoring and partial recovery of the State economy, the resources of the State are now looking up. Now, in order to augment spending in priority sectors, it has become necessary to bring in some more relaxation in the expenditure rationalization.

2. The Cash Management System involving 20 spending Departments was put on hold for the financial year 2020-21 till further orders vide FD Letter No.15275/F dated 15/05/2020 in view of the uncertainty associated with the revenue realization during the year. Public expenditure being the major source of generation of livelihood and augmenting the buying capacity of the individuals, there is a need to expedite the pace of programme expenditure by the 20 spending departments covered under Cash Management System.

3. It has been stipulated in the Para -6 of FD Letter No15275/F dated 15/05/2020 that the 20 major spending departments covered under Cash Management System can sanction Programme Expenditure up to Rs.30 crore at a time. Keeping in view the ensuing working season in the state, Government has been pleased to enhance the sanctioning power of the 20 spending Departments erstwhile covered under Cash Management System (as per list at Annexure-I) **from Rs.30.00 crore to Rs.100 crore at a time under programme expenditure for State Sector Schemes**. Regarding expenditure from the allocation made in BE & Supplementary Budget, 2020-21 under Central Sector Schemes and Centrally Sponsored Schemes, all the Departments can sanction expenditure upto the extent central share available along with the admissible state share under such scheme. The other provisions prescribed in the FD Letter No15275/F dated 15/05/2020 will remain unaltered.

4. Further to facilitate higher public spending in priority sectors, Government has pleased to relax some expenditure rationalization measures adopted vide Finance Department Letter No 20042/F dated 07/07/2020 read with 31785/F dated 01/12/2020 as detailed below:

Para No	Expenditure Rationalization Measures as per Letter No 20042/F dated 07/07/2020 and further relaxed vide F.D letter No 31785/F dated 01/12/2020	Relaxation as per this Letter
4.g	Expenditure out of the provision 'Other Contingencies' to be kept at the minimum level. Only expenditure relating to COVID management and other essential expenditure like purchase of office stationeries etc may be incurred. There shall be no expenditure on purchase of office furniture/ fixtures and furnishing. Expenditure out of the provision 'Other Contingencies' will be capped at 60% of the Budget Provision for the whole year. The same was further relaxed to 75%. Vide F.D letter No 31785/F dated 01/12/2020.	Expenditure out of the provision 'Other Contingencies' will be within the Budget Provision for the whole year
6.c	Operation and Maintenance expenditure can be incurred only after approval of Annual Maintenance Plan (AMP) by Finance Department. Engineering Departments to prepare their AMP for the year 2020-21 limiting it to a level of 60 % of the Budget provision, in consultation with Finance Department initially and on availability of resources balance work could start after November-2020. The same was further relaxed to 75% Vide F.D letter No 31785/F dated 01/12/2020.	Expenditure out of the provision 'Operation and Maintenance' will be within the Budget Provision for the whole year only after approval of Annual Maintenance Plan (AMP) by Finance Department.

5. These relaxations, as may be relevant, shall also be applicable to all Aided Institutions/ Co-operatives/ Autonomous Organizations in which the State Government has explicit or implicit financial stake.

I would, therefore, request you to kindly instruct the COs/ DDOs under your control accordingly, so as to enable the State Government to meet the developmental requirement at the time of COVID-19.

Yours faithfully,

*Johok*  
*1/1/2021*

**Principal Secretary to Government**

Memo No. 08 /FDate 01.01.2021

Copy forwarded to Director Treasuries and Inspection for information and necessary action.

  
Joint Secretary to Government

Memo No. 09 /FDate 01.01.2021

Copy forwarded to FAs /AFAs of all Administrative Departments for information and necessary action.

  
Joint Secretary to Government

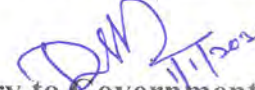
Memo No. 10 /FDate 01.01.2021

Copy forwarded to all Treasury Officers of District Treasuries and Special Treasuries/ Sub-Treasury Offices/Divisional Officers of all Public Works Divisions/ F.A. & C.A.O. of all Irrigation Projects for information and necessary action.

  
Joint Secretary to Government


Memo No. 11 /FDate 01.01.2021

Copy forwarded to Private Secretaries to Principal Secretary/ Special Secretaries/ Additional Secretaries, Finance Department for kind information of Principal Secretary/ Special Secretaries/ Additional Secretaries.

  
Joint Secretary to Government

Memo No. 12 /FDate 01.01.2021

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

  
Joint Secretary to Government


Memo No. 13 /FDate 01.01.2021

Copy forwarded to the Additional Secretary, P& C Department for information and necessary action.

  
Joint Secretary to Government

Memo No. 14 /FDate 01.01.2021

Copy forwarded to the Portal-in-Charge, FID, Finance Department with request to upload the circular in the website of Finance Department at [www.finance.odisha.gov.in/](http://www.finance.odisha.gov.in/).

  
Joint Secretary to Government

**ANNEXURE-I**

<b>Sl. No.</b>	<b>Demand No.</b>	<b>Name of the Department</b>
1	07	Works
2	09	Food Supplies and Consumer Welfare
3	10	School & Mass Education
4	11	ST & SC Development
5	12	Health & Family Welfare
6	13	Housing & Urban Development
7	17	Panchayati Raj & Drinking Water
8	19	Industries
9	20	Water Resources
10	22	Forest & Environment
11	23	Agriculture & Farmers' Empowerment
12	28	Rural Development
13	30	Energy
14	31	Handlooms, Textiles & Handicrafts
15	33	Fisheries & Animal Resources Development
16	36	Women & Child Development and Mission Shakti
17	38	Higher Education
18	39	Skill Development & Technical Education
19	40	Micro, Small and Medium Enterprises
20	41	Department of Social Security & Empowerment of Persons with Disabilities