



GOVERNMENT OF ODISHA

**ODISHA FISCAL RESPONSIBILITY AND
BUDGET MANAGEMENT ACT, 2005**

AND

**ODISHA FISCAL RESPONSIBILITY AND
BUDGET MANAGEMENT RULES, 2005**

(Revised upto 14th September, 2017)

FINANCE DEPARTMENT

TABLE OF CONTENTS

<u>Sl. No.</u>	<u>Contents</u>	<u>Page No.</u>
I. OFRBM Act, 2005	-	1 - 10
1. Short title, extent and commencement	-	1
2. Definitions	-	1
3. Medium Term Fiscal Plan to be laid before the Legislature	-	2
4. Fiscal Management Principles	-	3
5. Fiscal Management Targets	-	4
6. Measures for fiscal transparency	-	6
7. Acknowledgement of liabilities in Annual Budget	-	7
8. Measures to enforce compliance	-	8
9. Power to make rules	-	9
10. Rules to be laid	-	9
11. Protection of action taken in good faith	-	10
12. Application of other laws not barred	-	10
13. Power to remove difficulties	-	10
II. OFRBM Rules, 2005	-	11-19
1. Short title and commencement	-	11
2. Definitions	-	11
3. Fiscal Indicator	-	12
4. Medium Term Fiscal Plan and Fiscal Policy Strategy	-	12
5. Statement showing steps taken for restructuring of State Finances as recommended by the latest Finance Commission	-	12
6. Disclosure in a statement	-	12
7. Special Statements relating to employees	-	12
8. Statement showing deferred liabilities	-	12
9. Action Plan for Contingent liabilities	-	12
III. Appendix	-	21-47
1. FRBM Act, 2005 (Appendix-I)	-	21
2. FRBM (Amendment) Act, 2006 (Appendix-II)	-	33
3. FRBM (Amendment) Act, 2011 (Appendix-III)	-	35
4. Notification on limit of Debt-GSDP ratio for the period 2010-2015 (Appendix-IV)	-	41
5. FRBM (Amendment) Act, 2016 (Appendix-V)	-	43
6. Notification on limit of Debt-GSDP ratio for the period 2015-2020 (Appendix- VI)	-	47

*** THE ORISSA FISCAL RESPONSIBILITY AND BUDGET
MANAGEMENT ACT, 2005**

AN ACT TO PROVIDE FOR THE RESPONSIBILITY OF THE STATE
GOVERNMENT TO ENSURE PRUDENCE IN FISCAL MANAGEMENT AND
FISCAL STABILITY BY PROGRESSIVE ELIMINATION OF REVENUE DEFICIT
AND SUSTAINABLE DEBT MANAGEMENT CONSISTENT WITH
FISCAL STABILITY, GREATER TRANSPARENCY IN FISCAL
OPERATIONS OF THE GOVERNMENT AND CONDUCT OF
FISCAL POLICY IN A MEDIUM TERM FISCAL FRAMEWORK
AND FOR MATTERS CONNECTED THEREWITH OR
INCIDENTAL THERETO.

Be it enacted by the Legislature of the State of Orissa in the Fifty- sixth Year of the Republic of India as follows:-

1. Short title, Extent and commencement - (1) This Act may be called the Orissa Fiscal Responsibility and Budget Management Act, 2005.

(2) It extends to the whole of the State of Orissa.

(3) It shall come into force on such date as the State Government may, by notification, in the official Gazette, appoint in this behalf.

2. Definitions – In this Act, unless the context otherwise requires,-

(a) “Budget” means the annual financial statement laid before the State Legislature under article 202 of the Constitution;

(b) “Current year” means the financial year for which Budget and Medium Term Fiscal Plan (MTFP) is being presented;

¹[(b-1) “Finance Commission” means the Commission constituted under Article 280 of the Constitution of India;]

(c) “financial year” means the year beginning from 1st day of April and ending on 31st day of March following;

(d) “fiscal deficit” means the excess of ---

(i) total disbursements from the Consolidated Fund of the State(excluding repayment of debt) over total receipts into the Fund excluding the debt receipts during a financial year; or

(ii) total expenditure from Consolidated Fund of the State (including loans but excluding repayment of debt) over own tax and non-tax revenue receipts, devolution and other grants from Government of India to the State, and non-debt capital receipts during a financial year which represents the borrowing

*Published vide Orissa Gazette Extraordinary No.802/16.05.2005 – Orissa Act 6 of 2005

¹ Inserted vide Section.2 of the Odisha Fiscal Responsibility and Budget Management (Amendment) Act, 2011 published vide Odisha Gezzette Extraordinary No.170/01.02.2012 Odisha Act 1 of 2012.

requirements, net of repayment of debt, of the State Government during the financial year;

- (e) “fiscal indicators” means the measures such as numerical ceilings and proportions to gross state domestic product, as may be prescribed, for evaluation of the fiscal position of the State Government;
- (f) “non-interest Committed Revenue Expenditure” means the sum total of salary expenditure and pension expenditure of the State in the revenue account of the Consolidated Fund of the State;
- (g) “off Budget Borrowings” means borrowings by the State Government or its Agencies which are not reflected in the Budget;
- (h) “prescribed” means prescribed by rules made under this Act;
- (i) “previous year” means the year preceding the current year;
- (j) “primary deficit/surplus” means the non-interest Fiscal Deficit/Surplus;
- (k) “Reserve Bank” means the Reserve Bank of India constituted under the Reserve Bank of India Act, 1934;
- (l) “revenue deficit” means the difference between revenue expenditure and revenue receipts which indicates increase in liabilities of the State Government without corresponding increase in assets of the State Government; and
- (m) “total liabilities” means the liabilities under the Consolidated Fund and the Public Accounts of the State of Orissa.

3. Medium Term Fiscal Plan to be laid before the Legislature - (1) The State Government shall lay in each financial year before Legislative Assembly a Medium Term Fiscal Plan along with the Annual Budget.

- (2) The Medium Term Fiscal Plan shall set forth a three-year rolling target for prescribed fiscal indicators with specification of underlying assumptions.
- (3) In particular and without prejudice to the provisions contained in sub-section (2), the Medium Term Fiscal Plan shall include an assessment of sustainability relating to-
 - (i) the balance between revenue receipts and revenue expenditures;
 - (ii) the use of capital receipts including market borrowings for generating productive assets;
 - (iii) the medium term fiscal objectives of the State Government;

- (iv) the evaluation of performance of the prescribed fiscal indicators in the previous year vis-a-vis the targets set out earlier and the likely performance in the current financial year as per the revised estimates;
- (v) the strategic priorities of the State Government in the fiscal area for the current financial year in form of a Fiscal Policy Strategy; and
- (vi) the policies of the State Government for the current financial year relating to expenditure, borrowings and other liabilities, lending and investments and description of other activities, such as guarantees and activities of Public Sector Undertakings which have potential budgetary implications.

(4) The Medium Term Fiscal Plan shall be in such Form as may be prescribed.

4. Fiscal Management Principles - The State Government shall take appropriate measures to eliminate the revenue deficit and to contain the fiscal deficit at sustainable level and build up adequate revenue surplus through appropriate measures such as,-

- (a) maintaining Government debt at prudent levels;
- (b) managing guarantees and other contingent liabilities prudently, with particular reference to level of risk of such liabilities;
- (c) taking policy decisions of the Government with due regard to their financial implications on future generations;
- (d) borrowings for productive purposes and creation of capital assets, and are not applied to finance current expenditure;
- (e) maintaining a reasonable degree of stability and predictability in the level of the tax burden;
- (f) maintaining the integrity and stability of the tax system by avoiding special incentives, concessions and exemptions;
- (g) pursuing tax policies with due regard to economic efficiency and compliance costs;
- (h) pursuing non-tax revenue policies with due regard to cost recovery and equity;
- (i) pursuing expenditure policies that would provide impetus for economic growth and poverty reduction;
- (j) building up a revenue surplus for use in capital formation and productive expenditure;
- (k) maintaining physical assets of the Government properly;

- (l) disclosing sufficient information to allow the public to scrutinize the conduct of fiscal policy and the state of public finances;
- (m) using Government resources in ways that give best value for money; and also public assets are put to best possible use;
- (n) minimizing fiscal risks associated with running of public sector undertakings and utilities providing public goods and services;
- (o) managing expenditure consistent with the level of revenue generated;
- (p) formulating budget in a realistic and objective manner with due regard to the general economic outlook and realistic revenue prospects and minimize deviations during the course of the year; and
- (q) taking appropriate measures in its cash management practices so as to avoid frequent recourse to overdraft from Reserve Bank and to gradually reduce the closing cash balance with Reserve Bank of India on a year to year basis so as to keep the closing balance within the Ways and Means limit.

5. Fiscal Management Targets –In particular and without prejudice to the generality of the foregoing provisions, the State Government shall –

- (a) reduce revenue deficit to nil within a period of five financial years beginning from the initial financial year on the 1st day of April, 2004 and ending on the 31st day of March, 2009; ¹[the annual reduction of revenue deficit on the average being rupees two hundred and eighty-five crores] and ²[after commencement of Odisha Fiscal Responsibility and Budget Management (Amendment) Act, 2011, the revenue deficit shall be maintained at zero for the financial year, 2011-12 and for subsequent financial years].
- (b) reduce fiscal deficit to not more than three percent of the estimated gross domestic product within a period of five financial years beginning from the initial financial year on the 1st day of April, 2004 and ending of the 31st day of March, 2009 ³[and from financial year, 2011-12 and onwards shall contain fiscal deficit within three percent of the estimated Gross State Domestic Product (GSDP)].
- (c) omitted.
- (d) omitted.

¹ Inserted vide Section.2 of the Orissa Fiscal Responsibility and Budget Management (Amendment) Act, 2006 published vide Orissa Gazette Extraordinary No.669/20.05.2006 Orissa Act 6 of 2006.

² Inserted vide Section.3(i) of the Odisha Fiscal Responsibility and Budget Management (Amendment) Act, 2011 published vide Odisha Gazette Extraordinary No.170/01.02.2012 Odisha Act 1 of 2012.

³ Inserted vide Section.3(ii) of the Odisha Fiscal Responsibility and Budget Management (Amendment) Act, 2011 published vide Odisha Gazette Extraordinary No.170/01.02.2012 Odisha Act 1 of 2012

(e) Other important monitorable fiscal targets would be-

(i) the ratio of salary to State's own revenue is to be reduced to eighty percent by the year ending 31st day of March, 2008;

(ii) the ratio of non- interest committed revenue expenditure to State's own and Mandated Revenue is to be reduced to fifty-five percent by the year ending 31st day of March, 2008: and

(iii) omitted.

(f) In order to bring the debt stock to a sustainable level, interest payment as a percentage of revenue receipt is to be limited to ¹[fifteen percent.]

(g) the total debt stock shall be limited to three hundred percent of the total revenue receipt of the State by the year ending 2007-08.

²[(h) notify the debt GSDP ratio limit fixed by the Finance Commission and guidelines, if any, issued by the Government of India from time to time, and ensure that the debt GSDP ratio are maintained in accordance with the said limit]; and

³[Provided that the revenue deficit and the fiscal deficit may exceed the limits specified under this section on ground of shortfall in the central tax devolutions in relation to the budgetary estimates of the Union of India or unforeseen demands on the finances of the State Government arising out of natural calamity or such other exceptional ground as the State Government may, by order, specify:

Provided further that a statement in respect of the ground on which the deviation has been made under the first proviso shall be placed before the State Legislature].

⁴[Provided also that for any given financial year for which the borrowing limits are to be fixed if the debt-GSDP ratio is less than or equal to 25 per cent in the preceding financial year, the fiscal deficit may go up further by

¹ Inserted vide Section.3(vi) of the Odisha Fiscal Responsibility and Budget Management (Amendment) Act, 2011 published vide Odisha Gezzette Extraordinary No.170/01.02.2012 Odisha Act 1 of 2012.

² Inserted vide Section.3(vii) of the Odisha Fiscal Responsibility and Budget Management (Amendment) Act, 2011 published vide Odisha Gezzette Extraordinary No.170/01.02.2012 Odisha Act 1 of 2012.

³ Inserted vide Section.3(viii) of the Odisha Fiscal Responsibility and Budget Management (Amendment) Act, 2011 published vide Odisha Gezzette Extraordinary No.170/01.02.2012 Odisha Act 1 of 2012.

⁴ Inserted vide Section.2 of the Odisha Fiscal Responsibility and Budget Management (Amendment) Act, 2016 published vide Odisha Gezzette Extraordinary No.1994/07.11.2016 Odisha Act 12 of 2016.

0.25 per cent on the GSDP, when there is no revenue deficit in the said year and the immediate preceding financial year

Provided also that for a given financial year for which the borrowing limits are to be fixed if the interest payments are less than or equal to 10 per cent of the revenue receipts in the preceding financial year, the fiscal deficit may go up further by 0.25 per cent on the GSDP, when there is no revenue deficit in the said year and the immediate preceding financial year:

Provided also that if the Central Government requires the State Government to take over the debt of any State Public Sector Undertaking or Utility in a particular financial year, the fiscal deficit limit as fixed in this section may go up by the amount of debt taken over by the State Government in that financial year].

6. Measures for fiscal Transparency – (1) The State Government shall take suitable measure to ensure greater transparency in its fiscal operations in public interest and minimize secrecy as far as practicable in the preparation of the Annual Budget :

Provided that the State Government shall have the power to reserve any such information which would adversely affect the interest of the State Exchequer.

- (2) The State Government shall at the time of presentation of the Annual Budget disclose in a statement the significant changes in the accounting standards, policies and practices affecting or likely to affect the computation of prescribed fiscal indicators.
- (3) The consolidated position in respect of all Demands shall be brought out in the Budget at a glance.
- (4) The estimated yearly pension liability shall be worked out on realistic basis for the next ten years.
- (5) New policies being introduced in the Annual Budget shall be clearly described.
- (6) Budget information shall be presented in a way that facilitates policy analysis and promotes accountability.
- (7) Details regarding arrear of Revenues (both tax and non-tax revenues) shall be given in a separate statement to be appended with the Receipt Budget.

- (8) Prioritising the allocation of the funds shall be done in a manner that would endure completion of on- going projects as per the time schedule. The State Government shall furnish a list of such projects based on zero base investment review and targeted date of completion and reason of deviation, if any, in the previous years.
- (9) The statement indicating the institution wise State Government guarantees given, default by these organizations in discharging debt servicing liabilities and contingent liability created in the State Government account, on account of default of these organisations shall be placed before the State Legislature. The statement will also indicate the working of the Escrow Account opened by the Public Undertakings, Co-operatives and Urban Local Bodies.
- (10) Special Statements along with the budget giving in detail the number of employees in government, public sector and aided institutions and related salaries shall be brought out.
- (11) The Budget document shall contain a statement showing tax concession and exemptions given in financial year.
- (12) The State Government shall publish full information on the level of its debt and financial assets. The information on debt shall disclose maturity profile and interest rate.
- (13) A report on execution of the budget and achievement against fiscal targets/indicator shall be presented before the State Legislature.
- ¹[(14) Annual statement along with the Budget shall be brought out giving prospects of the State's economy and related fiscal strategy].

7. Acknowledgement of liabilities in Annual Budget –While presenting the Annual Budget for the current year, the State Government shall furnish a statement showing the deferred liabilities on the following accounts,-

- (i) States matching share under central sponsored plan schemes not provided for in the previous years and the deficit of such State share in the current financial year;
- (ii) bills presented in the treasury but not encashed at the close of the previous financial year;
- (iii) Central assistance received but not utilized at the end of a particular financial year; and

¹ Inserted vide Section.3 of the Orissa Fiscal Responsibility and Budget Management (Amendment) Act, 2006 published vide Orissa Gezzette Extraordinary No.669/20.05.2006 Orissa Act 6 of 2006.

(iv) undisbursed amount lying in the civil deposits.

8. Measures to enforce Compliance – (1) The Annual Budget and policies announced at the time of the Budget shall be consistent with objectives and targets specified in the Medium Term Fiscal Plan for coming years.

¹[(1-a) The State Government shall issue appropriate guidelines from time to time, for timely spending of budgetary grants];

(2) the Minister –in-charge of Finance Department shall review the trends in receipts and expenditure in relation to the budget and remedial measures to be taken to achieve the budget targets.

²[(2-a) For the purpose of ensuring compliance of the provisions of this Act, the State Government shall entrust an agency independent of the State Government interference, who shall periodically make review of such compliance and submit a report to that effect to that Government who shall cause every such report to be laid, as soon as may be after it is received, before the State Legislature]; and

(3) Whenever there is either short fall in revenue or excess of expenditure over pre-specified levels during any period in a financial year, on account of any new policy decision of the State Government that affects the State Government, the State Government prior to taking such policy decision, shall take measures to fully offset the fiscal impact for the current and future years by curtailing the sums authorised to be paid and applied from and out of the Consolidated Fund of the State under any Act to provide for the appropriation of such sums, or by taking interim measures for revenue augmentation or by taking up a combination of both:

Provided that nothing in this sub-section shall apply to expenditure charged on the Consolidated Fund of the State under clause (3) of article 202 of the Constitution.

(4) In case the revenue deficit and fiscal deficit exceed in the case of unforeseen demands on the finances of the State Government, the Government shall identify the net fiscal cost of the calamity and such cost would provide ceiling for extent of non-compliance to the specified limits.

¹ Inserted vide Section.4(i) of the Odisha Fiscal Responsibility and Budget Management (Amendment) Act, 2011 published vide Odisha Gazette Extraordinary No.170/01.02.2012 Odisha Act 1 of 2012.

² Inserted vide Section.4(ii) of the Odisha Fiscal Responsibility and Budget Management (Amendment) Act, 2011 published vide Odisha Gazette Extraordinary No.170/01.02.2012 Odisha Act 1 of 2012.

- (5) Not more than one Supplementary Statement of expenditure shall be presented in a financial year. Whenever such Supplementary estimates are presented before the State Legislature, the State Government shall also present an accompanying statement indicating the corresponding curtailment of expenditure to fully offset the fiscal impact of the Supplementary estimates in relation to the budget targets of the current year and the Medium Term Fiscal Plan objectives.

¹[Provided that where expenditure has been made by taking advance from the Orissa Contingency Fund, special supplementary statements of expenditure shall be presented in course of the year exclusively for the purpose of recoupment of such advance].

- (6) No liability shall be created outside the budget provision in a financial year without the approval of Government in Finance Department. Creation of any such unauthorized liability shall be treated as gross negligence and the officer(s) responsible for creation of such liability shall be personally liable for such additional liability created.

9. Power to make rules – (1) The State Government may, by notification in the official Gazette, make rules for carrying out the provisions of this Act.

- (2) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:-

- (a) the fiscal indicators to be prescribed for the purpose of sub-section(2) of section 3;
- (b) the Forms of the Medium Term Fiscal Policy Plan under sub-section(1) of section 3 and Fiscal Policy Strategy statement under clause(v) of sub-section(3) of section 3;
- (c) the Form of statement under sub-section(2) of section 6; and
- (d) any other matter which is required to be and not inconsistent with the provisions of the Act .

10. Rules to be laid – Every rule made under this act shall, as soon as may be after it is made, be laid before the State Legislature for a total period of fourteen days which may be comprised in one or more sessions and it during the said period the State Legislature makes modifications, if any, therein, the rule shall thereafter, have effect only in such modified form so, however, that such modification shall be without prejudice to the validity of anything previously done under that rule.

¹ Inserted vide Section. 4(iii) of the Odisha Fiscal Responsibility and Budget Management (Amendment) Act, 2011 published vide Odisha Gazette Extraordinary No.170/01.02.2012 Odisha Act 1 of 2012.

11. Protection of action taken in good faith—No suit, prosecution or other legal proceedings shall lie against the State Government or any officer of the State Government for anything which is in good faith done or intended to be done under this Act or the rules made there under.

12. Application of other laws not barred – The provisions of this Act shall be in addition to and not in derogation of, the provisions of any other law for the time being in force.

13. Power to remove difficulties (1) If any difficulty arises in giving effect to the provisions of this Act, the State Government may, by order, published in the official Gazette, make such provisions not inconsistent with the provisions of this Act as may appear be necessary for removing the difficulty:

Provided that no order shall be made under this section after the expiry of two years from the commencement of this Act.

(2) Every order made under this section shall be laid, as soon as may be after it is made, before the Legislative Assembly.

By order of the Governor

Sd/

A.P.SAHOO

Additional Secretary to Government.

The Orissa Gazette



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FINANCE DEPARTMENT

NOTIFICATION

The 11th August, 2005

S.R.O. No. **360/2005**- In exercise of the powers conferred by section 9 of the Orissa Fiscal Responsibility and Budget Management Act, 2005 (Orissa Act 6 of 2005), the State Government do hereby make the following rules, namely:-

1. Short Title and Commencement. – (1) These rules may be called the Orissa Fiscal Responsibility and Budget Management Rules, 2005.

(2) They shall come into force on the date of their publication in the Orissa Gazette.

2. Definitions. --- (1) In these rules, unless the context otherwise requires, -

- (a) “Act” means the Orissa Fiscal Responsibility and Budget Management Act, 2005;
- (b) “Budget at a glance” means the Budget at a glance containing consolidated information on state’s receipt and expenditure and other related information as placed before the Legislature along with the Budget;
- (c) “Form” means a Form appended to these rules;
- (d) “GSDP” means the Gross State Domestic Product at Current Prices;
- (e) “Mandated Revenue” means the sum total of state’s share in central taxes and the non plan revenue deficit grant received from Government of India; and
- (f) “Section” means a section of the Act.

(2) The words and expressions used but not defined in these rules and defined in the Act shall have the same meanings as respectively assigned to them in the Act.

3. Fiscal Indicator. – The fiscal indicators required to be prescribed for the purposes of the Act shall be as follows :-

- (a) revenue deficit as a percentage of Gross State Domestic Product;
- (b) fiscal deficit as a percentage of Gross State Domestic Product;
- (c) Primary deficit/ surplus as a percentage of Gross State Domestic Product; and
- (d) total debt stock as a percentage of Gross State Domestic Product.

4. Medium Term Fiscal Plan and Fiscal Policy Strategy.– (1) The strategic priorities of the state government in the fiscal area shall be prescribed in Form I.

(2) The Medium Term Fiscal Plan shall be prepared by the State Government in Form II.

5. Statement showing steps taken for restructuring of State Finances as recommended by the latest Finance Commission. – The State Government shall, while presenting the Fiscal Policy Strategy, include therein details of the steps taken for restructuring the State Finances as recommended by the latest Finance Commission.

6. Disclosure in a statement. - The State Government shall, at the time of presentation of the Annual Budget, make disclosure in a statement in Form III indicating any significant changes in the accounting standards, policies and practices affecting or likely to affect the computation of prescribed fiscal indicators.

7. Special Statements relating to employees. - The State Government shall, at the time of presentation of Annual Budget, furnish a statement in Form IV giving in detail the number of employees and related salaries as specified in sub-section (10) of section 6.

8. Statement showing deferred liabilities. – The State Government shall, while presenting the Annual Budget for the current year, furnish a statement in Form V showing the deferred liabilities as specified in section 7.

9. Action Plan for Contingent liabilities.– The state government shall transfer a certain amount from revenue account to a “Sinking Fund”, and the Insurance and Pension Fund to meet huge future repayment of borrowings and rising expenditure liabilities on account of pension etc. The fund so transferred shall be maintained outside the Consolidated Fund of the State and Public Account so that the corpus of the Sinking Fund and the Insurance and Pension Fund can be utilized to meet the future contingent liabilities on account of huge repayment of loans, rising expenditure on pension.

FORM –I
(See rule 4(1))
FISCAL POLICY STRATEGY STATEMENT

- A. **Fiscal Policy overview:** [this paragraph will present an overview of the present fiscal policy of the Government].
- B. **Fiscal Policy for the Current Year :** [This paragraph shall have the following sub-paragraphs dealing with –
- (1) **TAX Policy** – In this sub-paragraph on tax policy, major changes proposed to be introduced in taxes in the current financial year will be presented. It shall contain details of tax exemptions, concessions and introduction of new taxes and user charges etc. It shall also contain details of tax reforms aimed at building up non-discretionary and revenue elastic system of taxation with tax rates that are low, limited in number of rate categories and stable. It shall also describe various non tax revenues reforms where user charges, as a short term objective, ensure recoveries of current costs, and aim at full recovery of costs measured at acceptable efficiency levels in the longer run, in case of services where there is no clear cut case for subsidisation and ensure rates of return on investment.
 - (2) **Expenditure Policy** – Under this sub-paragraph, major priorities in the allocation of expenditure shall be elaborated. It may also contain an assessment of principles regarding the benefits and target group of beneficiaries. It should describe the steps taken towards expenditure restructuring relating to both in size and sectoral allocations aimed at removing inefficiencies arising from misallocations, design and implementation of schemes, delivery of services.
 - (3) **Government Borrowings, Lendings and Investments** - In this sub-paragraph, the policy relating to Government internal borrowings, lendings and recovery of loans and advances etc. shall be indicated.
 - (4) **Other liabilities** – This sub-paragraph shall include information relating to guarantees and off-budget borrowings of Government having potential budgetary implications. It would also include details relating to one-time settlement of such liabilities, measures of limit the guarantees etc.]
- C. **Strategic Priorities for the Current Year –**
- [(1) Resource mobilisation for the current financial year through tax, non-tax and other receipts shall be spell out.
 - (2) The board principles underlying the expenditure management through prioritisation of different schemes shall be spelt out.
 - (3) Priorities relating to incomplete projects and new projects shall be detailed including and assessment of the on-going projects in the State.]
- D. **Policy Evaluation** –[This paragraph shall contain an evaluation of the changes proposed in the fiscal policy for the ensuing year with reference to fiscal deficit reduction and objectives set out in the Medium Term Fiscal Plan.]

E. Restructuring the State Finances as recommended by latest Finance Commission

– [This paragraph shall contain, in details, the various steps taken by the State Government towards restructuring state finances in order to achieve the following objectives :

- (a) Bringing down the ratio of interest payments to total revenue receipt
- (b) Bringing down the ratio of total salary bill relative to revenue expenditure net of interest and pension
- (c) Containing the ever increasing pension liability by following the initiative taken by the Central Government for pension reforms
- (d) Rationalising subsidies by reducing their overall volume, increasing their transparency by making them explicit and improving their targeting. This should include collection of user charges and recoveries of cost of maintenance of irrigation work, urban water supply etc.
- (e) Bringing down the debt – GSDP ratio.]

FORM – II
[See rule 4 (2)]
MEDIUM TERM FISCAL PLAN

A. Fiscal Indicators – Rolling Targets

Description	Last available Actuals	Last Year Revised Estimates	Current Year Target Budget Estimates	Targets for next two years	
			Y	Y + 1	Y + 2
Revenue Deficit as percentage of GSDP					
Fiscal Deficit as percentage of GSDP					
Primary Deficit as percentage of GSDP					
Total Debt Stock as percentage of GSDP					

B. Assumptions underlying the Fiscal Indicators -

1. Revenue receipts

- (a) Tax Revenue – Tax wise growth rates
- (b) Non Tax Revenue – policies and approaches
- (c) Devolution to States – Plan Receipts from Government of India

2. Capital receipts –

- (a) Recovery of Loans & Advances – Principles and measures adopted by State Government to enhance recovery of loans and advances
- (b) Other Receipts – New dis-investment/ sale decisions taken by State Government
- (c) Borrowings – Plan Borrowings and other internal borrowings including proposals for debt swap

3. Total Expenditure – Policy Stance

(a) Revenue Account -

- (i) Salary & pension – measures to control
- (ii) Subsidies – Policies and new proposals
- (iii) Maintenance Expenditure – Norms and Finance Commission recommendations
- (iv) Calamity Relief –
- (v) Others

(b) Capital Account -

- (i) Loans & Advances –
- (ii) Capital Outlay – measures taken by the State Government to enhance provision for developmental expenditure

(c) Assessment of sustainability relating to -

- (i) The balance between revenue receipts and revenue expenditures. The MTFP may specify the tax-GSDP ratio for the current years and the subsequent two years. It may discuss the non tax revenue and the policies concerning the same. Expenditure on revenue account, both plan and non plan may also be made with particular emphasis on the measures proposed to meet the medium term fiscal objectives.
- (ii) The use of capital receipts including market borrowings for generating productive assets. The Fiscal Policy Strategy statement may specify the proposed use of capital receipts for generating productive assets in different categories. It may spell out proposed changes among these categories and discuss it in terms of overall policy of the Government.

FORM – III
[See rule 6]

DISCLOSURE STATEMENT

FORM – IV
[See rule 7]

SPECIAL STATEMENT ON NUMBER OF EMPLOYEES AND RELATED SALARIES

PROFORMA –I/ II/ III
(FOR GOVERNMENT EMPLOYEES/ AIDED EDUCATIONAL INSTITUTIONS/PSUS)

NON PLAN/ PLAN
AS ON 31ST MARCH 2003/ 2004/ 2005

DEMAND NO. –

Major Head/ Scales of Pay	EMPLOYEES (IN NUMBER)		EXPENDITURE (RUPEES IN LAKH)			
	Sanctioned Strength	Men in position	Pay including special pay	D.A	Allowances (HRA, RCM, OA)	Total
MAJOR HEAD NO.-						
SCALES OF PAY						

Note: Information relating to employees on Consolidated Pay shall be shown separately indicating the amount of consolidated pay against each employee.

FORM – V
[See rule 8]

STATEMENT OF DEFERRED LIABILITIES

[No. 39247-Bt.I-16/2005-F.]
By order of the Governor

S. KANUNGO
Under Secretary to Government

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LAW DEPARTMENT

NOTIFICATION

The 16th May 2005

No. 7033/Legis.-The following Act of the Orissa legislative Assembly having been assented to by the Governor on the 11th May 2005 is hereby published for general information.

ORISSA ACT 6 OF 2005

THE ORISSA FISCAL RESPONSIBILITY AND BUDGET MANAGEMENT ACT, 2005

AN ACT TO PROVIDE FOR THE RESPONSIBILITY OF THE STATE GOVERNMENT TO ENSURE PRUDENCE IN FISCAL MANAGEMENT AND FISCAL STABILITY BY PROGRESSIVE ELIMINATION OF REVENUE DEFICIT AND SUSTAINABLE DEBT MANAGEMENT CONSISTENT WITH FISCAL STABILITY, GREATER TRANSPARENCY IN FISCAL OPERATIONS OF THE GOVERNMENT AND CONDUCT OF FISCAL POLICY IN A MEDIUM TERM FISCAL FRAMEWORK AND FOR MATTERS CONNECTED THEREWITH OR INCIDENTAL THERETO.

BE it enacted by the Legislature of the State of Orissa in the Fifty-sixth year of the Republic of India as follows: –

Short title,
extent and
commence-
ment.

1. (1) This Act may be called the Orissa Fiscal Responsibility and Budget Management Act, 2005.

(2) It extends to the whole of the State of Orissa.

(3) It shall come into force on such date as the State Government may, by notification, in the official Gazette, appoint in this behalf.

Definitions.

2. In this Act, unless the context otherwise requires, –

(a) “Budget” means the annual financial statement laid before the State legislature under article 202 of the Constitution;

- (b) “current year” means the financial year for which Budget and Medium Term Fiscal Plan (MTFP) is being presented;
- (c) “financial year” means the year beginning from 1st day of April and ending on the 31st day of March following;
- (d) “fiscal deficit” means the excess of –
 - (i) total disbursements from the Consolidated Fund of the State (excluding repayment of debt) over total receipts into the Fund excluding the debt receipts during a financial year; or
 - (ii) total expenditure from Consolidated Fund of the State (including loans but excluding repayment of debt) over own tax and non-tax revenue receipts, devolution and other grants from Government of India to the State, and non-debt capital receipts during a financial year which represents the borrowing requirements, net of repayment of debt, of the State Government during the financial year;
- (e) “fiscal indicators” means the measures such as numerical ceilings and proportions to gross state domestic product, as may be prescribed, for evaluation of the fiscal position of the State Government;
- (f) “non-interest Committed Revenue Expenditure” means the sum total of salary expenditure and pension expenditure of the State in the revenue account of the Consolidated Fund of the State;
- (g) “off Budget Borrowings” means borrowings by the State Government or its Agencies which are not reflected in the Budget;
- (h) “prescribed” means prescribed by rules made under this Act;
- (i) “previous year” means the year preceding the current year;
- (j) “primary deficit/surplus” means the non-interest Fiscal Deficit/ Surplus;
- (k) “Reserve Bank” means the Reserve Bank of India constituted under the Reserve Bank of India Act, 1934;
- (l) “revenue deficit” means the difference between revenue expenditure and revenue receipts which indicates increase in liabilities of the State Government without corresponding increase in assets of the State Government; and
- (m) “total liabilities” means the liabilities under the consolidated Fund and the Public Accounts of the State of Orissa.

2 of 1934.

Medium Term
Fiscal Plan
to be laid
before the
legislature.

3. (1) The State Government shall lay in each financial year before Legislative Assembly a Medium Term Fiscal Plan alongwith the Annual Budget.

(2) The Medium Term Fiscal Plan shall set forth a three-year rolling target for prescribed fiscal indicators with specification of underlying assumptions.

(3) In particular and without prejudice to the provisions contained in sub-section (2), the Medium Term fiscal Plan shall include an assessment of sustainability relating to –

- (i) The balance between revenue receipts and revenue expenditure;
- (ii) the use of capital receipts including market borrowings for generating productive assets;

(iii) the medium term fiscal objectives of the State Government;

(iv) the evaluation of performance of the prescribed fiscal indicators in the previous year vis-à-vis the targets set out earlier and the likely performance in the current financial year as per the revised estimates;

(v) the strategic priorities of the State Government in the fiscal area for the current financial year in form of a Fiscal Policy Strategy; and

(vi) the policies of the State Government for the current financial year relating to expenditure, borrowings and other liabilities, lending and investments and description of other activities, such as guarantees and activities of Public Sector Undertakings which have potential budgetary implications.'

(4) The Medium Term fiscal Plan shall be in such Form as may be prescribed.

Fiscal
Management
Principles.

4. The State Government shall take appropriate measures to eliminate the revenue deficit and to contain the fiscal deficit at sustainable level and build up adequate revenue surplus through appropriate measures such as, –

- (a) maintaining government debt at prudent levels;
- (b) managing guarantees and other contingent liabilities prudently, with particular reference to level of risk of such liabilities;
- (c) taking policy decisions of the Government with due regard to their financial implications on future generations;

- (d) borrowings for productive purposes and creation of capital assets, and are not applied to finance current expenditure;
- (e) maintaining a reasonable degree of stability and predictability in the level of the tax burden;
- (f) maintaining the integrity and stability of the tax system by avoiding special incentives, concessions and exemptions;
- (g) pursuing tax policies with due regard to economic efficiency and compliance costs;
- (h) pursuing non-tax revenue policies with due regard to cost recovery and equity;
- (i) pursuing expenditure policies that would provide impetus for economic growth and poverty reduction;
- (j) building up a revenue surplus for use in capital formation and productive expenditure;
- (k) maintaining physical assets of the Government properly;
- (l) disclosing sufficient information to allow the public to scrutinize the conduct of fiscal policy and the state of public finances;
- (m) using government resources in ways that give best value for money; and also public assets are put to best possible use;
- (n) minimizing fiscal risks associated with running of public sector undertakings and utilities providing public goods and services;
- (o) managing expenditure consistent with the level of revenue generated;
- (p) formulating budget in a realistic and objective manner with due regard to the general economic outlook and realistic revenue prospects and minimize deviations during the course of the year; and
- (q) taking appropriate measures in its cash management practices so as to avoid frequent recourse to overdraft from Reserve Bank and to gradually reduce the closing cash balance with Reserve Bank of India on a year to year basis so as to keep the closing balance within the Ways and Means limit.

Fiscal
Manage-
ment
Targets.

5. In particular and without prejudice to the generality of the foregoing provisions, the State Government shall –

- (a) reduce revenue deficit to nil within a period of five financial years beginning from the initial financial year on the 1st day of April, 2004 and ending on the 31st day of March, 2009;
- (b) reduce fiscal deficit to not more than three percent of the estimated gross State domestic product within a period of five financial years beginning from the initial financial year on the 1st day of April, 2004 and ending of the 31st day of March 2009;
- (c) reduce fiscal deficit by 1.5 percentage of Gross State Domestic Product (GSDP) in each of the financial years beginning on the 1st day of April, 2004 in a manner consistent with the goal set in clause (b);
- (d) generate a primary surplus of over two percent of Gross State Domestic Product (GSDP) by the year ending 31st day of March, 2008;
- (e) other important monitorable targets would be –
 - (i) the ratio of salary to State's own revenue is to be reduced to eighty percent by the year ending 31st day of March, 2008;
 - (ii) the ratio of non-interest committed revenue expenditure to State's own and Mandated Revenue is to be reduced to fifty-five percent by the year ending 31st day of March, 2008; and
 - (iii) the ratio of revenue deficit to revenue receipt is to be reduced to zero percent by the year ending 31st day of March, 2009.
- (f) in order to bring the debt stock to a sustainable level, interest payment as a percentage of revenue receipt is to be limited to eighteen to twenty-five percent;
- (g) the total debt stock shall be limited to three hundred percent of the total revenue receipt of the State by the year ending 2007-08:

Provided that while revenue deficit and fiscal deficit exceed the limits specified under this sub-section due to unforeseen demands on the finances of the State Government because of natural calamity, such excess shall not exceed the actual fiscal cost that can be attributed to the natural calamities:

Provided further that the ground or grounds specified in the first proviso shall be placed before the State Legislature, as soon as may be, after it becomes likely that such deficit amount may exceed the aforesaid limits, with an accompanying report stating the likely extent of excess and reasons therefore.

6. (1) The State Government shall take suitable measure to ensure greater transparency in its fiscal operations in public interest and minimize secrecy as far as practicable in the preparation of the Annual Budget:

Provided that the State Government shall have the power to reserve any such information which would adversely affect the interest of the State Exchequer.

(2) The State Government shall at the time of presentation of the Annual Budget disclose in a statement the significant changes in the accounting standards, policies and practices affecting or likely to affect the computation of prescribed fiscal indicators.

(3) The consolidated position in respect of all Demands shall be brought out in the Budget at a glance.

(4) The estimated yearly pension liability shall be worked out on realistic basis for the next ten years.

(5) New policies being introduced in the Annual Budget shall be clearly described.

(6) Budget information shall be presented in a way that facilitates policy analysis and promotes accountability.

(7) Details regarding arrear of Revenues (both tax and non-tax revenues) shall be given in a separate statement to be appended with the Receipt Budget.

(8) Prioritising the allocation of funds shall be done in a manner that would ensure completion of on-going projects as per the time schedule. The State Government shall furnish a list of such projects based on zero base investment review and targeted date of completion and reason of deviation, if any, in the previous years.

(9) The Statement indicating the institution wise State Government guarantees given, default by these organizations in discharging debt servicing liabilities and contingent liability created in the State Government account, on account of default of these organizations shall be placed before the State Legislature. The statement will also indicate the working of the Escrow Account opened by the Public Sector Undertakings, Co-operatives and Urban Local Bodies.

(10) Special statements along with the budget giving in detail the number of employees in government, public sector and aided institutions and related salaries shall be brought out.

(11) The Budget document shall contain a statement showing tax concession and exemptions given in a financial year.

(12) The State Government shall publish full information on the level of its debt and financial assets. The information on debt shall disclose maturity profile and interest rate.

(13) A report on execution of the budget and achievement against fiscal targets / indicator shall be presented before the State legislature.

Acknowledgement of liabilities in Annual Budget.

7. While presenting the Annual Budget for the current year, the State Government shall furnish a statement showing the deferred liabilities on the following accounts, -

(i) State's matching share under central sponsored plan schemes not provided for in the previous years and the deficit of such State share in the current financial year;

(ii) bills presented in the treasury but not encashed at the close of the previous financial year;

(iii) Central assistance received but not utilized at the end of a particular financial year; and

(iv) undisbursed amount lying in the civil deposits.

Measures to enforce compliance.

8.(1) the Annual Budget and policies announced at the time of the Budget, shall be consistent with objectives and targets specified the Medium Term Fiscal Plan for coming years.

(2) the Minister-in-charge of Finance Department shall review the trends in receipts and expenditure in relation to the budget and remedial measures to be taken to achieve the budget targets.

(3) Whenever there is either short fall in revenue or excess of expenditure over pre-specified levels during any period in a financial year, on account of any new policy decision of the State Government that affects the State Government, the State Government prior to taking such policy decision, shall take measures to fully offset the fiscal impact for the current and future years by curtailing the sums authorized to be paid and applied from and out of the consolidated Fund of the State under any Act to provide for the appropriation of such sums, or by taking interim measures for revenue augmentation or by taking up a combination of both:

Provided that nothing in this sub-section shall apply to expenditure charged on the Consolidated Fund of the State under clause (3) of article 202 of the Constitution.

(4) In case the revenue deficit and fiscal deficit exceed in the case of unforeseen demands on the finances of the State Government, the Government shall identify the net fiscal cost of the calamity and such cost would provide ceiling for extent of non-compliance to the specified limits.

(5) Not more than one supplementary statement of expenditure shall be presented in a financial year. Whenever such supplementary estimates are presented before the State Legislature, the State Government shall also present an accompanying statement indicating the corresponding curtailment of expenditure to fully offset the fiscal impact of the supplementary estimates in relation to the budget targets of the current year and the Medium Term Fiscal Plan objectives.

(6) No liability shall be created outside the budget provision in a financial year without the approval of Government in Finance Department. Creation of any such unauthorised liability shall be treated as gross negligence and the officer (s) responsible for creation of such liability shall be personally liable for such additional liability created.

Power to make rules. **9.(1)** The State Government may, by notification in the official Gazette, make rules for carrying out the provisions of this Act.

(2) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely: –

- (a) the fiscal indicators to be prescribed for the purpose of sub-section (2) of section 3;
- (b) the Forms of the Medium Term Fiscal Policy Plan under sub-section (1) of section 3 and Fiscal Policy Strategy statement under clause (v) of sub-section (3) of section 3;
- (c) the Form of statement under sub-section (2) of section 6; and
- (d) any other matter which is required to be and not inconsistent with the provisions of the Act.

Rules to be laid. **10.** Every rule made under this Act shall, as soon as may be after it is made, be laid before the State Legislature for a total period of fourteen days which may be comprised in one or more sessions and if during the said period the State Legislature makes modifications, if any, therein, the rule shall thereafter, have effect only in such modified form so, however, that such modification shall be without prejudice to the validity of anything previously done under that rule.

Protection of action taken in good faith. **11.** No suit, prosecution or other legal proceedings shall lie against the State Government or any officer of the State Government for anything which is in good faith done or intended to be done under this Act or the rules made thereunder.

Application of other laws not barred. **12.** The provisions of this Act shall be in addition to and not in derogation of, the provisions of any other law for the time being in force.

Power to remove difficulties. **13. (1)** If any difficulty arises in giving effect to the provisions of this Act, the State Government may, by order, published in the official Gazette, make such provisions not inconsistent with the provisions of this Act as may appear be necessary for removing the difficulty:

Provided that no order shall be made under this section after the expiry of two years from the commencement of this Act.

(2) Every order made under this section shall be laid, as soon as may be after it is made, before the Legislative Assembly.

By order of the Governor

A.P. SAHOO
Additional Secretary to Government

The Orissa



Gazette

**EXTRAORDINARY
PUBLISHED BY AUTHORITY**

No.945, CUTTACK, MONDAY, JUNE 6, 2005 / JAISTHA 16, 1927

FINANCE DEPARTMENT

NOTIFICATION

The 6th June 2005

No. 27436–Bt.1-16/2005-F.–In exercise of the powers conferred by sub-section (3) of Section 1 of the Orissa Fiscal Responsibility and Budget Management Act, 2005 (Orissa Act 6 of 2005), the State Government do hereby appoint the 14th day of June, 2005 as the date on which the said Act, shall come into force.

By order of the Governor

K. C. BADU

Special Secretary to Government

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Cuttack-10 Ex. Gaz. 422 – 193+500**

The Orissa Gazette

EXTRAORDINARY
PUBLISHED BY AUTHORITY

No.669, CUTTACK, SATURDAY, MAY 20, 2006 / BAISAKHA 30, 1928

LAW DEPARTMENT

NOTIFICATION

The 20th May 2006

No.6866/Legis.—The following Act of the Orissa Legislative Assembly having been assented to by the Governor on the 16th May, 2006 is hereby published for general information.

ORISSA ACT 6 OF 2006

THE ORISSA FISCAL RESPONSIBILITY AND BUDGET MANAGEMENT (AMENDMENT) ACT, 2006

AN ACT TO AMEND THE ORISSA FISCAL RESPONSIBILITY AND BUDGET
MANAGEMENT ACT, 2005.

BE it enacted by the Legislature of the State of Orissa in the Fifty –seventh Year of the Republic of India as follows :-

Short title. 1. This Act may be called the Orissa Fiscal Responsibility and Budget Management (Amendment) Act, 2006.

Amendment of section 5. 2. In section 5 of the Orissa Fiscal Responsibility and Budget Management Act, 2005 (hereinafter referred to as the principal Act), in clause (a), after the words and figures “31st day of March, 2009” occurring at the end, the comma and words, “the annual reduction of revenue deficit on the average being rupees two hundred and eighty-five crores” shall be inserted.

Orissa Act 6
of 2005.

Amendment of section 6. 3. In section 6 of the principal Act, after sub-section (13), the following sub-section shall be inserted, namely :-

“(14) Annual statement along with the Budget shall be brought out giving prospects of the State’s economy and related fiscal strategy”.

By order of the Governor

D.K. SAHU
Principal Secretary to Government

The Odisha Gazette

**EXTRAORDINARY
PUBLISHED BY AUTHORITY**

No. 170, CUTTACK, WEDNESDAY, FEBRUARY 1, 2012 / MAGHA 12, 1933

LAW DEPARTMENT

NOTIFICATION

The 1st February, 2012

No.1165-Legis.-19/11/L.-The following Act of the Odisha Legislative Assembly having been assented to by the Governor on the 31st January, 2012 is hereby published for general information.

ODISHA ACT 1 OF 2012

**THE ODISHA FISCAL RESPONSIBILITY AND BUDGET
MANAGEMENT (AMENDMENT) ACT, 2011**

**AN ACT FURTHER TO AMEND THE ORISSA FISCAL RESPONSIBILITY AND
BUDGET MANAGEMENT ACT, 2005.**

BE it enacted by the Legislature of the State of Odisha in the Sixty-second Year of the Republic of India as follows:-

Short title
and
commence-
ment.

1.(1) This Act may be called the Odisha Fiscal Responsibility and Budget management (Amendment) Act,2011.

(2) It shall come into force on such date as the State Government may, by notification, appoint.

Amendment
of section 2.

2. In the Orissa Fiscal Responsibility and Budget Management Act, 2005(hereinafter referred to as the principal Act), after clause (b) of section 2, the following clause shall be inserted, namely: –

Orissa Act
6 of 2005.

‘(b-1) “Finance Commission” means the Commission constituted under Article 280 of the Constitution of India;’.

Amendment
of section 5.

3. In Section 5 of the principal Act,-

- (i) in clause (a), after the words “rupees two hundred and eighty-five crores” occurring at the end, the words and figures “and after commencement of the Odisha Fiscal Responsibility and Budget Management (Amendment) Act, 2011, the revenue deficit shall be maintained at zero for the financial year, 2011-12 and for subsequent financial years” shall be inserted;
- (ii) in clause (b), after the words and figures “31st day of March, 2009” occurring at the end, the words and figures “and from financial year, 2011-12 and onwards shall contain fiscal deficit within three per cent of the estimated Gross State Domestic Product (GSDP)” shall be inserted;
- (iii) clause (c) shall be omitted;
- (iv) clause (d) shall be omitted;
- (v) sub-clause (iii) of clause (e) shall be omitted;
- (vi) in clause (f), for the words “limited to eighteen to twenty-five per cent”, the words “limited to fifteen per cent” shall be substituted;
- (vii) after clause (g), the following clause shall be inserted, namely;-
 - “(h) notify the debt GSDP ratio limit fixed by the Finance Commission and guidelines, if any, issued by the Government of India from time to time, and ensure that the debt GSDP ratio are maintained in accordance with the said limit.”; and
- (viii) for the first and second provisos, the following provisos shall be substituted, namely:-
 - “Provided that the revenue deficit and fiscal deficit may exceed the limits specified under this section on ground of shortfall in the central tax devolutions in relation to the budgetary estimates of the Union of India or unforeseen demands on the finances of the State Government arising out of natural calamity or such other exceptional ground as the State Government may, by order, specify:
 - Provided further that a statement in respect of the ground on which the deviation has been made under the first proviso shall be placed before the State Legislature.”.

4. In section 8 of the principal Act,-

Amendment
of section 8.

(i) after sub-section (1), the following sub-section shall be inserted, namely:-

“(1-a) The State Government shall issue appropriate guidelines from time to time, for timely spending of budgetary grants.”;

(ii) after sub-section (2), the following sub-section shall be inserted, namely:-

“(2-a) For the purpose of ensuring compliance of the provisions of this Act, the State Government shall entrust an agency independent of the State Government interference, who shall periodically make review of such compliance and submit a report to that effect to that Government who shall cause every such report to be laid, as soon as may be after it is received, before the State Legislature.”; and

(iii) to sub-section (5) the following proviso shall be inserted, namely:-

“Provided that where expenditure has been made by taking advance from the Orissa Contingency fund, special supplementary statements of expenditure shall be presented in course of the year exclusively for the purpose of recoupment of such advance.”

By Order of the Governor

D. DASH
Principal Secretary to Government

The Odisha



G a z e t t e

EXTRAORDINARY

PUBLISHED BY AUTHORITY

No. 176, CUTTACK, THURSDAY, FEBRUARY 2, 2012 / MAGHA 13, 1933

FINANCE DEPARTMENT

NOTIFICATION

The 2nd February, 2012

S.R.O. No. 30/12 – In exercise of the powers conferred by sub-section (2) of Section 1 of the Odisha Fiscal Responsibility and Budget Management (Amendment) Act, 2011 (Odisha Act 1 of 2012), the State Government do hereby appoint the 1st day of February, 2012 as the date on which the said Act shall come into force.

[No. 4010-BUD1-FRBM-0002-2012/F.]

By order of the Governor

S.P. RATH

Under Secretary to Government

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The Odisha



G a z e t t e

EXTRAORDINARY

PUBLISHED BY AUTHORITY

 No. 177, CUTTACK, THURSDAY, FEBRUARY 2, 2012 / MAGHA 13, 1933

FINANCE DEPARTMENT

NOTIFICATION

The 2nd February, 2012

S.R.O. No.31/12 - In pursuance of clause (h) of Section 5 of Orissa Fiscal Responsibility and Budget management Act, 2005 (Orissa Act 6 of 2005) and pursuant to the recommendations of the Thirteenth Finance Commission at Annexure-9.1 of their report and the guidelines issued by the Ministry of Finance, Government of India in their O.M. No. F.1 (1)/2010-FRU Dated the 14th January, 2011, the State Government do hereby fix the limit of debt GSDP ratio for the year 2010-11 to 2014-15 as hereunder-

“

Year	2010-11	2011-12	2012-13	2013-14	2014-15
Debt/GSDP Ratio (in %)	31.0	30.6	30.2	29.8	29.5

”

[No.4013-BUD1-FRBM-0002-2012/F.]

By order of the Governor

S.P. RATH

Under Secretary to Government

The Odisha



G a z e t t e

EXTRAORDINARY
PUBLISHED BY AUTHORITY

No. 1994, CUTTACK, MONDAY, NOVEMBER 7, 2016 / KARTIKA 16, 1938

LAW DEPARTMENT

NOTIFICATION

The 5th November, 2016

No. 11097-I-Legis-8/2016/L.--The following Act of the Odisha Legislative Assembly having been assented to by the Governor on the 3rd November, 2016 is hereby published for general information.

ODISHA ACT 12 OF 2016

**THE ODISHA FISCAL RESPONSIBILITY AND BUDGET
MANAGEMENT (AMENDMENT) ACT, 2016**

AN ACT FURTHER TO AMEND THE ODISHA FISCAL RESPONSIBILITY AND
BUDGET MANAGEMENT ACT, 2005.

BE it enacted by the Legislature of the State of Odisha in the
Sixty-seventh Year of the Republic of India as follows:-

Short title
and
commence-
ment.

1. (1) This Act may be called the Odisha Fiscal Responsibility and
Budget Management (Amendment) Act, 2016.

(2) It shall come into force on such date as the State Government
may, by notification, appoint.

Amendment
of section 5.

2. In the Odisha Fiscal Responsibility and Budget Management Act,
2005, after the second proviso to section 5, the following provisos shall be
inserted, namely:-

Odisha Act,
6 of 2005.

"Provided also that for any given financial year for which the
borrowing limits are to be fixed if the debt-GSDP ratio is less than or equal
to 25 per cent in the preceding financial year, the fiscal deficit may go up
further by 0.25 per cent on the GSDP, when there is no revenue deficit in
the said year and the immediate preceding financial year :

Provided also that for a given financial year for which the borrowing limits are to be fixed if the interest payments are less than or equal to 10 per cent of the revenue receipts in the preceding financial year, the fiscal deficit may go up further by 0.25 per cent on the GSDP, when there is no revenue deficit in the said year and the immediate preceding financial year:

Provided also that if the Central Government requires the State Government to take over the debt of any State Public Sector Undertaking or Utility in a particular financial year, the fiscal deficit limit as fixed in this section may go up by the amount of debt taken over by the State Government in that financial year."

By Order of the Governor

B. P. ROUTRAY

Principal Secretary to Government

The Odisha



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EXTRAORDINARY
PUBLISHED BY AUTHORITY

No. 819, CUTTACK, TUESDAY, APRIL 25, 2017 / BAISAKHA 5, 1939

FINANCE DEPARTMENT

NOTIFICATION

The 19th April, 2017

S.R.O. No. 184 / 2017 – In exercise of powers conferred by sub-section (2) of Section 1 of the Odisha Fiscal Responsibility and Budget Management (Amendment) Act, 2016 (Odisha Act 12 of 2016) the State Government do hereby appoint the 5th November, 2016 as the date on which the said Act shall come into force.

[NO. 13309-FIN-BUD1-FRBM-0002/2016/FIN.]

By Order of the Governor

SATYAPRIYA RATH

Deputy Secretary to Government

The Odisha



G a z e t t e

EXTRAORDINARY
PUBLISHED BY AUTHORITY

No. 820, CUTTACK, TUESDAY, APRIL 25, 2017 / BAISAKHA 5, 1939

FINANCE DEPARTMENT

NOTIFICATION

The 19th April, 2017

S.R.O. No. 185 / 2017 -- In pursuance of the clause (h) of section 5 of the Odisha Fiscal Responsibility and Budget Management Act, 2005 (Odisha Act 6 of 2005) and pursuant to the recommendation of the Fourteenth Finance Commission at para-14.64 (i) of their report, the State Government do hereby fix the limit of debt GSDP ratio for the years 2015-16 to 2019-20 as "less than or equal to twenty-five percent".

[NO. 13312-FIN-BUD1-FRBM-0002/2016/FIN.]

By Order of the Governor

SATYAPRIYA RATH

Deputy Secretary to Government