

GOVERNMENT OF ODISHA
FINANCE DEPARTMENT

No. 31086 /F.,
FIN-BUD1-BT-0007-2025

Date: 11 / 11 / 2025

From

Sanjeeb Kumar Mishra, I.A.S.
Principal Secretary to Government

To

All Additional Chief Secretaries/
Principal Secretaries/
Commissioner-Cum-Secretaries/
Secretaries to Government.

Sub: Preparation of Revised Estimates for 2025-26 and Budget Estimates for 2026-27- regarding

Madam/Sir,

The Annual Budget 2026-27 will be presented in the Odisha Legislative Assembly in the month of February, 2026. So, the process of formulation of Revised Estimates for 2025-26 and Budget Estimates for 2026-27 is required to be completed expeditiously for enabling Finance Department to present the Budget in the Odisha Legislative Assembly in due time. In addition to the general instructions contained in Chapter- III of Odisha Budget Manual, following supplementary instructions are to be followed while framing the Revised Estimates for the current year 2025-26 and Budget Estimates for the financial year 2026-27.

2. Government's strategic priorities: Odisha aims to become a USD 500 billion economy by 2036, and to grow into a USD 1.5 trillion economy by 2047 – fifteen times its current economic size. These economic ambitions are anchored in inclusive development: creating over a crore of new jobs, ensuring quality education and healthcare, and leading the nation in green energy, tourism, manufacturing, and technology.

3. Economic and Fiscal outlook: India's current economic and fiscal outlook remains robust. Domestic economic activity continues to be resilient. Steady progress in south-west monsoon and higher cumulative kharif sowing, augur well for agricultural production. Manufacturing activity continues to gain ground on the back of improving domestic demand. Household consumption is supported by a turnaround in rural demand and steady discretionary spending in urban areas. India will continue to be a bright spot in World Economy scenario during 2026-27. As per the latest IMF projection, global growth is projected at 3.2 per cent in both FY 2025-26 and FY 2026-27. RBI has projected India's economy to grow around 7.2% during this fiscal and will have a growth of 7% during 2026-27. However, weak external demand, geo-economic fragmentation, and protracted geopolitical tensions, pose risks to the growth outlook. The State economy is poised to grow at 8% in real terms in 2026-27 by harnessing human, natural, and financial resources



and strengthening the productive base of the economy and the same momentum is expected to continue in 2026-27.

4. Resource Outlook: Considering the revenue receipt trend in recent time, total revenue receipt of the State is expected to grow by about 10% in FY 2026-27 over the current year's Revised Estimates. Major shocks to the revenue receipt may arise due to fluctuation of the mineral prices at international level. There could be positive revenue shocks from GST due to recent GST reforms.

5. FRBM compliance: The Odisha FRBM Act, 2005 mandates to maintain revenue balance and contain the fiscal deficit within 3% of GSDP. Additional annual borrowing space of 0.5% of GSDP is available till 2026-27 as per recommendation of 15th Finance Commission subject to fulfilment of sectoral reforms prescribed by Government of India. Provision for carrying forward of unused borrowing space to successive financial years would also be available till FY 2026-27. The requirement of higher Capital Expenditure is contingent upon generation of higher revenue surplus by rationalization and prioritization of revenue expenditure. Thus, the State Government would try to adhere to FRBM mandates for Revised Estimates, 2025-26 and Budget Estimates, 2026-27 which are given below:

Indicators	2025-26 (BE)	2025-26 (RE)	2026-27 (BE)
Revenue Surplus (+)/ Deficit (-) (% of GSDP)	(+) 2.99%	Revenue Surplus	Revenue Surplus
Fiscal Deficit (% of GSDP)	(-) 3.21%	(-) 3.50%	(-) 3.50%

6. Preparation of Annual Budget for FY 2026-27

The preparation of Budget for FY 2026-27 will be based on the principles adopted for Annual Budget, 2025-26 which *inter-alia* include advanced Budget Calendar, macro-fiscal forecasting and advanced indication of Departmental ceilings (both for Administrative and Programme Expenditure). The Departments will be required to undertake thorough scrutiny and prioritization of the Budget proposals within the ceiling communicated. All Departments will also be communicated with a **multi-year ceiling for next three years**, i.e. Budget Year (Y), Y+1 and Y+2, so that Departments would have predictability in fund flow for multi-year project planning. Following Budget process will be adopted for FY 2026-27 and sufficient time will be allocated for submission of expenditure estimates by **20th December, 2025**.

- i. Ceiling will be communicated through BETA system on broad category of expenditure with flexibility to the Departments to prioritize the expenditure within the broad ceiling.
- ii. Each Administrative Department will receive their Departmental ceiling disaggregated by Administrative Expenditure (salaries, operation & maintenance and others), Programme Expenditure (State Sector Schemes, Centrally Sponsored Schemes, and Central Sector Schemes), Transfers from State (Central Finance Commission, State Finance Commission and Other Transfers) and Disaster Risk Management Funds (SDRMF and NDRMF).

- iii. Previously established norms and practices should be adopted for preparation of estimates by Departments within the ceilings communicated. To this end, the guidelines for determining Administrative Expenditure are given in tabular form at **Annexure –I**.
- iv. Finance Department in consultation with the Planning & Convergence Department will bring out a “**Fiscal Strategy Paper**” indicating the assumptions for revenue and expenditure projections in the medium term and the outlook for the State economy and finances.
- v. The Annexures in which various Budget related information are being collected have been rationalized and steps are being taken to collect more information from the available database. Other disclosure documents would be prepared mostly by using the information from Budget database.

7. Preparing Budget Estimates, 2026-27 for Programme Expenditure

- a. Sectoral priorities are to be identified in line with State priorities. Allocation under State Sector Schemes shall be subject to systematic scheme appraisal by EFC or SFC, as the case may be.
- b. Allocation for Centrally Sponsored Schemes and Central Sector Schemes should be proposed considering the likely level of Central Assistance to be received for the schemes for the Budget Year within the overall ceiling communicated for the sectors.
- c. Government of India has notified to implement the Just-in-Time system called the SNA-SPARSH Model in respect of several CSS schemes. This requires expenditure under the functional unit of expenditure. Accordingly, provisions in respect of CSS schemes are required to be proposed.
- d. Earmarking of allocation for different Schemes under the Programme Expenditure for Tribal Sub-Component and Scheduled Caste Sub-Component is to be done as per the norm.
- e. Break-up of allocation under Programme Expenditure for District Sector and State Sector is to be made as per the current practice.
- f. Convergence of extra-budgetary resources to budgetary resources and between budgetary resources is to be made a part of the budgetary exercise to ensure productive output.

8. Completion of Annexures

Some information along-with the budget proposals are collected for budget scrutiny. The three annexures broadly seek information on man-power position & salary requirement, grant-in-aid salary requirement and vehicle position. Even the manpower and salary related annexures would be made available to the DDO with pre-populated data from HRMS, which are only to be verified and modifications to be made, if required. The relevant annexures to be completed are as below:

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- i. **Annexure-II:** Sanctioned Strength, Vacancies and Men-in-position and salary requirement
- ii. **Annexure-III:** Estimate of Grant-in-aid Salary
- iii. **Annexure-IV:** Position of vehicles and related expenditure

9. Process for Submission of Budget Proposal

There will be no change in budget making process in the IFMS system for the DDOs and the Controlling Officers for processing the Budget proposal for the FY 2026-27. However, ceilings will be communicated in the BETA system at the broad expenditure category as mentioned in para-6(ii) above. Departments are required to map the Budget proposals to the broad ceilings. **Proposals beyond the ceiling will not be processed in BETA system.**

10. Budget calendar and timelines for completing the Budget Estimates

A lot of information is to be collected and compiled before the Budget is placed before Odisha Legislative Assembly. Hence, Budget documents are to be prepared in a tight time schedule. Therefore, all Departments and Controlling Officers are required to adhere to the timeline mentioned in the following table.

Date	Activity	Responsibility
20 th December 2025	Submission of proposals for Budget Estimates, 2026-27	Administrative Departments
21 st December 2025 - 5 th January 2026	Pre-Budget Consultation meetings	Finance Department P&C Department
3 rd February 2026	Revision of estimates after Pre-Budget Consultation and Union Budget, 2026-27	Finance Department P&C Department
6 th February 2026	Meeting with Secretaries of major spending Departments by Chief Secretary/ DC-cum-ACS	Finance Department P&C Department
7 th -10 th February 2026	Approval of Annual Budget, 2026-27 by the Council of Ministers	Finance Department
2 nd week of February 2026	Drafting of budget documents	Finance Department
3 rd week of February, 2026	Budget presentation by Hon'ble Chief Minister	Finance Department
End March, 2026	Presentation of Appropriation Bill, 2026	Finance Department

Enclosures: List along with proforma.


Yours faithfully,


Principal Secretary to Government

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Memo No. 31087 /F., Dated 11 / 11 / 2025

Copy forwarded to Private Secretary to Hon'ble Chief Minister/Chief Secretary/ Development Commissioner-Cum-ACS / Principal Secretary to Chief Minister for kind information of Hon'ble Chief Minister/Chief Secretary/Development Commissioner-Cum-ACS/ Principal Secretary to Chief Minister.


11.11.2025

Under Secretary to Government

Memo No. 31088 /F., Dated 11 / 11 / 2025

Copy forwarded to Financial Advisors/Assistant Financial Advisors of all Departments of Government / all Heads of Departments / Accounts Officers of Heads of Departments for information and necessary action.


11.11.2025

Under Secretary to Government

Memo No. 31089 /F., Dated 11 / 11 / 2025

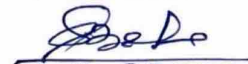
Copy forwarded to all Treasury Officers of District Treasuries/Special Treasuries/Sub-Treasury Officers/FA and CAO of all the Irrigation Projects for information and necessary action.


11.11.2025

Under Secretary to Government

Memo No. 31090 /F., Dated 11 / 11 / 2025

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


11.11.2025

Under Secretary to Government

Memo No. 31091 /F., Dated 11 / 11 / 2025

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


11.11.2025

Under Secretary to Government

Memo No. 31092 /F., Dated 11 / 11 / 2025

Copy forwarded to the Portal-in-Charge, FID with request to upload the circular in the website of Finance Department at <https://finance.odisha.gov.in/>.


11.11.2025

Under Secretary to Government

ANNEXURE-I**Guidelines for preparation of budget proposal for Administrative Expenditure**

Sl. No.	Unit of Expenditure	Percentage growth	Remarks
1	Pay	3% on account of Annual increment	No salary provision against the vacant posts except in cases where Finance Department has explicitly allowed filling up of vacancies
2	Dearness Allowances	64 % of Basic Pay	
3	HRA	As per actual requirement	
4	Requirement on account of MACPS	To be mentioned for assessment of the total salary requirement.	
5	Consolidated pay for contractual appointees.	Should be shown separately	
6	Salary/ wages of work charged/ Job Contract/ NMR/ DLR	As per existing norm	
7	Telephone, TE and OC	Same level of 2025-26 (BE)	
8	Decretal dues and Land Acquisition Cases	As per actual requirement	
9	RCM	@Rs.2000/- per head	
10	MV (PoL)	Same level of 2025-26 (BE)	
11	MV (Hiring charges)	As per approved rate	
12	LTC	As per actual requirement	
13	RRT, Municipal Tax, Water Charges, Electricity charges	As per actual requirement	
14	O&M Expenditure	Same level of 2025-26 (BE)	Subject to preparation of Annual Maintenance Plan
15	Debt servicing cost	As per actual requirement	
16	Loans & Advances	As per actual requirement	

Sanctioned Strength, Vacancies and Man-in-position and salary requirement

D.D.O of	_____ (Name of the Establishment)							
Category	(Administrative EXP/Programme Expenditure/Disaster Management/Transfer from State)							
Sub-category:	E.O.M/ DSE/ SSS/ CS/ CSS/ NDRF/ SDRF/ SFC/ CFC							
Sector	State Sector/ District Sector							
Chart of Account:	Major Head	Sub-Maj Head	Minor Head	Sub-Head			Voted/ Charged	

Abstract of Employee Strength

Sl. No.	Group	Sanctioned Strength	Vacancy as on 01.03.2025	Anticipated vacancy from 01.03.2025 to 28.02.2026	Total Vacancy as on 01.03.2026 (4+5)	Anticipated Men in position as on 01.03.2026 (3-6)	Vacancy likely to be filled up (+)/arise due to retirement etc. (-) during the next Financial Year	Anticipated Men in position for whom budget provision is proposed
1	2	3	4	5	6	7	8	9
1	Group A							
2	Group B							
3	Group C							
4	Group D							

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Annexure-IIA

Detailed calculation of Salary (Regular Employee)

SL No.	Name of the incumbent	Employee ID	Group	Current Basic Pay	Basic Pay (as on 1st March Next year)	Total yearly Requirement under Pay (Col. 5 x 12)	DA	HRA	OA	RCM	Total
1	2	3	4	5	6	7	8	9	10	11	12
1											
2											
3											
Total											
1	Additional Amount due to increment (+)										
2	Exclusions for the incumbents likely to be absent or on deputation (-)										
Total Provision											

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Estimates of Grants-in-aid Salary

(AE, PE separately)

Scale of Pay	Total sanctioned and approved strength	No. of Vacancies as on 01.03.2025	Sharing pattern by State Govt.	RE for 2025-26	Estimate of current salary for 2026-27						Arrears salary if any; give particulars	Additionality on account of RACP/ MACP	Total estimates for 2026-27 (11+12+13)
					Pay	DA	HRA	RCM	OA	Total (6 to 10)			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
(a) Teaching posts													
(b) Non-Teaching posts													
(c) Total (a+b)													
<p>1. For salaries drawn under direct payment system information in respect of Colleges, Secondary Schools and Primary Schools be compiled and furnished in separate statements. The information for Secondary Schools and Primary Schools be furnished in separate statements for each Inspector of Schools and each District Inspector of Schools.</p> <p>2. In regard to grant-in-aid to meet the share up to a particular limit similar information may be furnished separately for Colleges and Schools in separate Statements.</p> <p>3. The H & U.D. Department need furnish similar information in respect each ULBs provided with grants-in-aid upto a specified percentage of pay and Dearness Allowance.</p> <p>4. Panchayati Raj Department shall furnish in respect of the posts for which Govt. provides Grants-in-aid.</p> <p>5. Agriculture Dept./Industry Dept./H & FW Dept. and other Departments providing Grants-in-aid for salary are also to furnish.</p>													

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Annexure-III A

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

(Rs. in Trs.)

No. of schools/ Colleges receiving GIA	No. of employees receiving GIA in respect of those Schools / Colleges	Current requirement in the pre-revised scale per annum.	Arrears in the pre- revised scale, if not paid, & carried over to 2025-26	Total for 2025-26 in the pre- revised scale (3+4)	Differential amount of salary on the revised scale of pay for the year 2025-26 only	Arrear differential pay in the revised scale upto 28.02.2026	Total differential arrear (6+7)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)

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Annexure-IIIB

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

**(For School & Mass Education Department/ Higher Education Department only)
(Separately for Administrative Expr. and Programme Expr.)**

(Rs. in Trs)

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

Vacant posts if any receiving GIA as on 01.03.2025			Vacant posts abolished by 31.10.2025			Men in position as on 01.11.2025			Vacant Posts anticipated to be abolished as on 28.02.2026		
Teaching	Non-teaching	Total (11+12)	Teaching	Non-teaching	Total (14+15)	Teaching	Non-teaching	Total (17+18)	Teaching	Non-Teaching	Total
(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)

Men in position as on 01.03.2026 after abolition of the vacant posts indicated in Col.22			Annual requirement of Grant-in-Aid salary for men in position as in Col.25			Remarks
Teaching	Non-Teaching	Total (23 +24)	Teaching	Non-teaching	Total (26+27)	
(23)	(24)	(25)	(26)	(27)	(28)	(29)

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Annexure-IV

Information on Vehicles

D.D.O of _____ (Name of the Establishment)										
Category (Administrative EXP/Programme Expenditure/Disaster Management/Transfer from State)										
Sub-category: (E.O.M/DSE/SSS/CS/CSS/NDRF/SDRF/SFC/CFC)										
Sector State Sector/District Sector										
Chart of Major Head			Sub-Maj Head		Minor Head		Sub-Head	Detailed Head	Object Head	Voted/ Charged
Account:								Hiring	MV	
<u>Details of Vehicles Deployed</u>										
Category of Vehicles (Government/ Hired)	No. of Vehicles as on 31.03.2024	Additional No. of Vehicles during 01.04.2024 to 31.03.2025	Total Vehicles as on 01.04.2025	Actual Exp during 2024-25	Actual Exp during 2025-26 upto October, 2025	2025-26 (R.E.)	2026-27 (B.E.)			

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