

PROCEEDINGS OF THE GOVERNMENT OF KARNATAKA

Subject: Austerity Measures in Government Expenditure

Read : 1. G.O.No. FD 3 BEM 2001, Dated: 17-10-2001

2. G.O.No. FD 2 BEM 2003, Dated: 29-9-2003.

#

PREAMBLE:

A Comprehensive economy order was issued in the Government Order Dated: 17-10-2001 in order to conserve resources and exercise economy in non-plan expenditure to make available more funds for plan.

In Government Order No. FD 2 BEM 2003, dated: 29-9-2003 several austerity measures were introduced in addition to the measures prescribed in Government Order dated: 17-10-2001. These austerity measures were introduced for the financial year 2003-04 to make more funds available for farmers package due to widespread drought in Karnataka for the successive years, which caused severe and unprecedented distress and hardship to farmers.

Now, clarifications are being sought as to the applicability/continuation of these measures for the financial year 2004-05. Government has examined the drought related austerity measures and is pleased to issue orders as follows:

GOVERNMENT ORDER No. FD 02 BEM 2003,
BANGALORE, DATED: 5-7-2004

- (a) Procurement of stores / stocks and furniture can be made provided sufficient provision exists in the Budget.
- (b) The operation of object head "125-Modernization" is de-frozen. Department can incur expenditure on modernization subject to budget provision.
- (c) Travel expenses can be incurred strictly within the provision made in the budget.
- (d) The ban on journey by air is withdrawn, subject to application of existing rules and norms.
- (e) The expenditure on petrol, oil lubricants, telephones and stationery articles can be incurred subject to provision in the budget.

(f) The total ban on purchase of new vehicles continues to be in force.

(g) The ban on creation and filling up of posts both under plan and non-plan through direct recruitment continues. All promotions, recruitment and post creation of any kind would require prior concurrence of Finance Department. Proposals for creation of posts, recruitment, and promotions will not be considered unless the proportion of vacant posts as indicated in D.P.A.R's U.O Note No. ಸಿಆಸುಇ 02 ಈಕಾಲ 2004, ದಿನಾಂಕ: 1-3-2004 is abolished.

(h) The ban on recruitment / creation and filling up of posts also covers all Grant-in-Aid Institutions.

(i) All the existing vacant posts or those falling vacant under Grant-in-Aid Institutions should remain vacant without exception until further orders.

The above measures apply Mutatis-Mutandis to Zilla Panchayats, Aided Institutions, Urban Local Bodies, Public Sector Undertakings, State Autonomous Bodies and Corporations.

Finance Department is in the process of building up a database on operational expenditure to evaluate the impact of austerity measures. All concerned departments should respond to the questionnaire promptly and accurately.

By Order and in the name of the
Governor of Karnataka,
Sd/-

(T. P. NARASINGA RAO)

Under Secretary to Government,
Finance Department (F.R & C.C)

To,

1. The Accountant General (1&2) Karnataka, Bangalore
2. All the Principal Secretaries/Secretaries to Government
3. All the Heads of Departments,
4. All the Deputy Commissioner/Chief Executive Officers of Zilla Panchayats.
5. Chairman and Managing Directors off all State Public Sectors Undertaking.
6. The Compiler, Karnataka Gazette - To publish in the ensuing Gazette.