

MOST IMMEDIATE
Supplementary Demands

F. No. 4(25)-B(SD)/2023
Government of India
Ministry of Finance
Department of Economic Affairs
(Budget Division)

North Block, New Delhi
Dated 29th December, 2023

OFFICE MEMORANDUM

Subject: Proposals for Second and Final batch of Supplementary Demands for Grants, 2023-2024.

The second batch of Supplementary Demands for Grants for 2023-2024 is proposed to be placed before the Parliament in the ensuing Budget Session. Proposals from Ministries/Departments are invited for inclusion in the second Batch of Supplementary Demands for Grants 2023-24.

2. Ministries/Departments are advised to propose only following types of cases:

- a. Cases where advance from the Contingency Fund have been granted;
- b. Payments against Court decrees which cannot be postponed;
- c. Additional funds immediately required which can be met by re-appropriation of savings in the grant but require prior approval of Parliament under the New Service/New Instrument of Service Rules. In all cases where the savings are available within the same section (Revenue/Capital and Charged/Voted) of the grant, only token supplementary would be required. In cases where the savings are available in the Revenue/Capital section or charged/voted section and the expenditure is to be incurred in another section, full requirement would be proposed as a technical supplementary and the savings, against which the full amount is proposed in a different section, will be committed for surrender and will not be available for re-appropriation;
- d. Cases where Ministry of Finance has specifically advised to propose Supplementary Demand in the Budget Session; and
- e. Cases where excess expenditure has been allowed as per Appendix – 10 below Rule No.61 and 69 of GFRs, 2017.

3. The proposal for Supplementary Demand for Grants may be projected after a thorough and objective assessment of additional requirement of funds. While processing proposals for Supplementary Grants, the Grant controlling authority must invariably identify savings available within the Grant so that the infructuous or inflated Supplementary Demands are weeded out and the eventuality of surrender after obtaining Supplementary Grant is avoided. In cases where re-appropriations can be made without the requirement of Supplementary as per the extant provisions, no Supplementary proposal, including for a token amount, should be proposed. Such requirement may be met by re-appropriation of savings after obtaining approval of competent authority.


4. Attention is drawn to the Department of Expenditure's O.M. No. 12/21/E.Coord/ 2015 dated 17th July, 2015 regarding Excess Expenditure over Voted Grants, wherein, displeasure

expressed by the Public Accounts Committee (PAC) over the tepid approach of the Ministries/Departments, particularly concerning bad planning, lack of foresight and ineffective monitoring on the part of budget controlling authorities while preparing both budget estimates as well as Supplementary Demands for Grants, was brought to the notice of all Ministries/Departments. The Committee, therefore, reiterated the need for scrupulous scrutiny of the budget proposal both at the time of preparation of Demands for Grants and Supplementary Demands for Grants, rigorous monitoring of the pace of expenditure and strict compliance of General Financial Rules to eliminate the possibility of excess expenditure, under spending, wrongful appropriation, etc. In the 88th Report of 16th Lok Sabha, the PAC (2017-18) on Excess expenditure (2015-16), has further observed that the Ministries/Departments have been obtaining Supplementary Grants without conducting a proper scrutiny of the expenditure incurred or likely to be incurred by them during the financial year. The Committee has further recommended that the Ministries /Departments should find effective ways and means to make the mechanism of estimating Supplementary Grants more realistic and fix responsibility on the Budget Controlling Officers and Financial Advisers. The Committee has further recommended to restrict the use of Supplementary Grant only to rare and emergent cases. In the light of the observations of PAC, it is reiterated that all the Ministries/Departments may avoid pitfalls in expenditure, take all requisite measures, including use of electronic systems, to ensure proper planning and monitoring of expenditure *vis-à-vis* voted grants.

5. The Ministries/Departments are advised to fill data and notes related to their Supplementary Demands in the Supplementary Module in Union Budget Information System (UBIS). Proposals in hard copies will not be accepted unless data entry has been completed in UBIS.

6. Cases, which are required to be reported to Parliament in terms of the guidelines circulated vide this Ministry's O. M. No.F.1(23)-B(AC)/2005 dated 25th May 2006 may also be furnished to Budget Division, which are attached to the Supplementary Demand Booklet as Annexure. If there is no proposal for Supplementary Demands for Grants in this batch, a **Nil Supplementary option** in UBIS may be opted/ entered.

7. Accordingly, proposals in complete form (one hard copy only) may be furnished by **08.01.2024 (Monday) to Under Secretary (Budget) [Shri S.R. Raja], Ministry of Finance, Department of Economic Affairs, Budget Division, Room No. 221-A, North Block, New Delhi.** The proposals must be forwarded in Union Budget Information System (UBIS) using the Supplementary Module (including Hindi translation). After the due date, the UBIS link shall stand disabled. Proposals not entered in UBIS shall not be considered and will be treated as 'NIL' proposal.


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To

Financial Advisers of All Ministries/Departments.

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1. NIC, DEA for uploading the circular on website of DEA.