

MOST IMMEDIATE

F.No. 4(1)-B(SD)/2018
Government of India
Ministry of Finance
Department of Economic Affairs
(Budget Division)

North Block, New Delhi
Dated 19th January, 2018

OFFICE MEMORANDUM

Subject: Proposals for fourth and final batch of Supplementary Demands for Grants, 2017-18.

The fourth and final batch of Supplementary Demands for Grants for 2017-2018 is proposed to be placed before Parliament in the forthcoming Budget Session. The Supplementary Demands proposed to be included in this batch may be decided taking into account the provisions for expenditure in the relevant Grant.

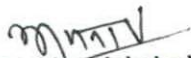
2. As intimated in the past, it is emphasized that under no circumstances should the RE ceilings be breached and, therefore, it has to be ensured that the expenditure for 2017-2018 is contained within the RE level. Also, instructions relating to 33% and 15% expenditure ceilings in the last quarter and last month, respectively of the financial year may be scrupulously adhered to.

3. The Supplementary Demands may be proposed in the following cases:

- (a) For authorisation of the expenditure on account of advances sanctioned from the Contingency Fund of India, which have not been recouped.
- (b) In cases where the approved Revised Estimates would result in excess over the sanctioned provision in the Grant (excess is to be assessed separately for Revenue, Capital, Voted and *Charged* portion). Thus, the Supplementary Demands will be required in cases where the additional provision is required over and above the original budget provision plus the additional provisions granted in the Supplementary Grants.
- (c) In cases where savings are available within the Grant to meet any excess requirement but the savings cannot be re-appropriated under the existing rules, e.g. from the Revenue Section to the Capital Section and *vice versa* or from 'Voted expenditure' to '*Charged* expenditure' and *vice versa*.
- (d) In cases where the expenditure is to be incurred on a New Service or New Instrument of Service and hence prior approval of Parliament is necessary ~~even though the expenditure can be met from the savings available within the Grant.~~ In such cases, a Supplementary Demand of a token amount will be required.
- (e) In cases where payment is to be made in satisfaction of court decrees or upon invocation of a Government guarantee etc., which are not covered under category (a) above.
- (f) In cases where this Ministry has specifically agreed to inclusion of the item in the final batch of Supplementary Demands.
- (g) Cases where excess expenditure has been allowed as per Appendix – 10 below Rule No.61 and 69 of GFRs, 2017.

[with respect to clauses (a) and (g), it is mandatory to submit requisite supplementary demand proposal.]

4. 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. The proposal for Supplementary Demand for Grants may be projected after a thorough and objective assessment of additional requirement of funds. The Supplementary Demand should be sought for the minimum necessary amount after a thorough review of savings within the Grant. 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.
5. 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 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.
6. The Ministries/Departments may fill data and notes 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.
7. Cases, which are required to be reported to Parliament in terms of the guidelines circulated with the 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.
8. Accordingly, proposals in complete form (one hard copy only) may be furnished by 5th February, 2018 (positively) to **Under Secretary (Budget) [Shri Manoj Kumar Jangir], 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 shall be treated as NIL.


(Anjana Vashishtha)

Deputy Secretary to Government of India

To

Financial Advisers of All Ministries/Departments.

[As per List]