OFFICE MEMORANDUM


The undersigned is directed to refer to Ministry of Finance’s Office Memorandum No. 4(38)-B(SD)/2020 dated 24th December, 2020 (copy enclosed) and to state that the Second Batch of Supplementary Demands for Grants for the year 2020-21 is to be presented to Parliament in the ensuing Budget Session.

2. The types of cases to be considered by Ministry of Finance for inclusion in this batch are as under:
   (a) Cases where advance from the Contingency Fund have been granted;
   (b) Payments against court decree 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;
   (d) Cases where Ministry of Finance has specifically advised to propose Supplementary Demand in the Winter Session; and
   (e) Cases where excess expenditure has been allowed as per Appendix - 10 below Rule No.61 and 69 of GFRs, 2017.

3. All Budget Controlling Authorities in the Ministry are, therefore, requested to furnish the proposals along with the detailed justifications and details of savings, if any, latest by forenoon of 29th December, 2020. The soft copy of the same should also be furnished by returned mail (sobud1-mha@gov.in) for expedite action.

4. If no proposal is received within the due date, it will be presumed that there are no additional requirements of funds and the Supplementary projections would be finalized accordingly.

Encl: As above

(M. Vasudevan)
Under Secretary to the Govt. of India
Tele: 2307-2237

To (through E-mail)
1. Secretary & RG &CC of India
2. All Additional Secretaries in the Ministry
3. All Joint Secretaries in the Ministry
4. Shri Surajit Dutta, Under Secretary, Prime Minister’s Office, South Block, New Delhi
5. Shri K. J. Sibichan, Under Secretary (Ad.I), Cabinet Secretariat, Rashtrapati Bhawan, ND
6. Shri Ashish Kumar Panda, Under Secretary, O/o Principal Scientific Adviser to the Govt. of India, 310-A, Vigyan Bhawan Annex, New Delhi
7. Shri R.K. Jain, Under Secretary, National Security Council Secretariat, 3rd Floor, Sardar Patel Bhawan, Parl Street, New Delhi-01

Copy for information to:-
1. AS&FA (H) / Pr. CCA (H) / CCA (H)
2. SO (IT) Cell with a request for uploading on Ministry’s website & e-office.
OFFICE MEMORANDUM


The Second and final batch of Supplementary Demands for Grants for 2020-2021 is proposed to be placed before the Parliament in the ensuing Session. Proposals from Ministries/Deptts are invited for inclusion in the Second & Final Batch of Supplementary Demands for Grants 2020-21. Ministries/Deptts 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. 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.

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
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 88th report on Excess expenditure, the PAC 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. All the Ministries/Departments have been requested to contain the expenditure within the approved RE ceilings.

8. Accordingly, proposals in complete form (one hard copy only) may be furnished by 31.12.2020 (positively) 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 shall be treated as ‘NIL’.

Deputy Secretary to Government of India

To
Financial Advisers of All Ministries/Departments.

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