GOVERNMENT OF KERALA

Finance (Budget Wing - D) Department.

CIRCULAR

No.101 /2009/Fin. **Dated, Thiruvananthapuram, 17.12.2009**

Sub:-Budget Estimates-2009 -2010–Final Batch of Supplementary Demands for Grants 2009-2010 - Proposals – Instructions issued.

The Final batch of Supplementary Demands for Grants for the financial year 2009-2010 has to be moved during the forthcoming session of the Legislative Assembly for the following items:-

(i) For recouping outstanding advances sanctioned from the Contingency Fund of the State.

(ii) Schemes sanctioned for implementation during 2009-2010 which constitute 'New Service' and for which the approval of the Council of Ministers or the Chief Minister, pending ratification by the Council, has been obtained as per item 29 of the second schedule to the Rules of Business. In this context attention is also invited to circular No.32/2009/Fin dated 23.4.2009 (ANNEXURE V).

(iii) Items for regularisation of additional expenditure authorised under para 95(3) of the Kerala Budget Manual where the total expenditure is likely to exceed the Voted Grant/Charged Appropriation and when sufficient savings are not available within the grant to regularize the additional expenditure through re-appropriation.

(iv) Items, which have been specifically, agreed to/suggested by the Finance Department for inclusion in the Supplementary Demands for Grants.

(v) Items, expenditure of which is fully met by Government of India and for which enhancement of allocation for the year is agreed to by the Government of India including central assistance released to the State but yet to be released by the State Government to the implementing agency.

(vi) Expenditure on those Plan schemes, for which Additional Central Assistance (ACA) has been received and for which no budget provision is available.

While proposing Supplementary Grants for regularisation of additional expenditure authorised the Chief Controlling Officers should specifically record that no savings are/will be available at the end of the financial year for its regularisation.

2. The following time schedule is fixed for the receipt of proposals for the Final batch of Supplementary Demands for Grants, 2009-2010 by the Administrative Department/Finance Department.

(i) Last date of receipt of proposals from the Heads of Department by the Administrative Department of the Secretariat **02.01.2010**

(ii) Last date for the receipt of proposals from the Administrative Department by the Finance Department **08.01.2010**

3. The Heads of Departments should invariably furnish the following details along with the proposals for Supplementary Demands for Grants:

(a) Why the need for additional expenditure has arisen?

(b) Why the same was not foreseen at the time of the preparation of the budget estimates for 2009-2010?

(c) Why the expenditure cannot be postponed?

(d) Whether the expenditure is covered by proper sanction?

(e) Whether it constitutes 'New Service'?

(f) Whether it comes under Plan or Non – Plan?

(g) Whether it is not possible to find the required amount or at least a part of it, by re-appropriation from the savings anticipated under the Grant?

(h) Full details of classification by Major, Sub Major, Minor, Sub and Detailed Heads of Account under which the Supplementary Grant/Appropriation is required.

(i) Whether the expenditure for which the Supplementary Grant/Appropriation applied for has already been incurred or is in the process of being incurred? The reasons for incurring the expenditure in anticipation of provision of funds may also be explained.

(j) Details of expenditure.

(i) Object of the Scheme;

(ii) Ultimate cost (in the case of staff and other recurring charges the average annual cost);

(iii) Cost in 2009-2010 (recurring and non-recurring);

(iv) Savings, if any, anticipated under the Demand to cover the expenditure or part of it and assistance if any, from the Government of India or outside bodies for the scheme for which Supplementary Grant is sought;

(v) Estimated amount of 'recoveries' and ' deductions' to be adjusted in the accounts in reduction of expenditure in respect of the scheme during 2009-2010;

(vi) Estimated amount of receipts, if any, during 2009-2010 in respect of the amount of Supplementary Grant proposed;

(vii) In respect of decretal claims, details such as number of the suit, name of the Court, amount decreed, amount of interest to be paid, circumstances leading to the suit, the date of judgement, date of satisfaction of the decree etc., should be fully explained as

instructed in para 3(i) of Circular No.76/90/Fin. dated 6-11-1990 (Annexure III). In this connection, attention is also invited to the Circular No.62/93/Fin. dated 4-9-1993 (Annexure IV);

(viii) In regard to decrees relating to Land Acquisition, following details should also be furnished;

Sl. No	Land acquisition case No.	Date of Decree	Extent of land involved Acre/cents	Survey No	Village	Taluk	Date of acquisition	Rate of land value awarded by the Court	Rate of enhanced land value awarded by the Court	Details of Contingency Fund Advances sanctioned for the satisfaction of the decree.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)

4. Supplementary Demands for Grants have necessarily to be obtained in the next session of the Legislative Assembly to recoup all outstanding advances from the Contingency Fund. A list of advances so far sanctioned from the Contingency Fund, for which Supplementary Grant/Appropriation is to be obtained, is given in Annexure II. A note explaining the scheme / purpose for which advance from Contingency Fund was obtained may be furnished for incorporation in the schedule for Supplementary Demands for Grants. Where savings are available for resuming the advance from the Contingency Fund in full or in part, only a token provision of Rs. 1000/- or the balance amount required, as the case may be, need be proposed.

5. The proposals received through the Administrative Departments of the Secretariat concerned alone will be considered by the Finance Department. No action will be taken on the proposals sent by the Heads of Departments direct to the Finance Department, except in the case of Departments in respect of which the Finance Department is the Administrative Department.

6. While forwarding the proposals for Supplementary Demands for Grants, the Administrative Departments should ensure that all the above instructions are complied with. ***They should also put up connected files and disposals for reference and return*** or, at least submit copies of Government Orders, etc. Proposals received in the Finance Department without compliance of these instructions are liable to be rejected and Finance Department will not be responsible for non-inclusion of such items in the Supplementary Demands for Grants. The Administrative Department should forward to this Department consolidated proposals in triplicate in the form in Annexure I. The note therein should be brief and self-contained.

7. The time limits prescribed in para 2 above should be strictly adhered to. If proposals are not received within the prescribed time limits in the Finance Department, it will be presumed that the Administrative Departments concerned have no proposals for Supplementary Grants. Proposals received after the prescribed date will not be entertained on any account.

8. The Administrative Departments, may, therefore, conduct a detailed scrutiny of the proposals forwarded by the Heads of Departments in the light of instructions given above and ensure that proposals other than those mentioned above are not recommended to the Finance Department. Since the scope of allowing Supplementary Grant is very limited, the Administrative Departments are requested to issue strict instructions to the Heads of Departments to limit the expenditure to the budgeted outlay and that they should not incur excess expenditure on any account without getting additional authorization from the Finance Department on the presumption that Supplementary Grant will be allowed to regularise the excess expenditure as a matter of course.

Dr.P.PRABAKARAN
ADDITIONAL CHIEF SECRETARY (FINANCE)

To

The Accountant General (Audit), Kerala, Thiruvananthapuram.
The Accountant General (A&E), Kerala, Thiruvananthapuram.
All Heads of Departments and Offices.
All Departments and Sections of the Secretariat.
The Secretary, Kerala Public Service Commission, Thiruvananthapuram (with C.L)
The General Manager, Kerala State Road Transport Corporation, Thiruvananthapuram (with C.L)
The Registrar of High Court, Ernakulam (with C.L.)
The Registrars, University of Kerala/Cochin/Calicut/Mahatma Gandhi/Kannur / Sanskrit (with C.L.)
The Registrar, Kerala Lokayukta, Kesavadasapuram, Thiruvananthapuram.
The Registrar, Kerala Agricultural University, Mannuthi.
The Secretary, Ombudsman, Thiruvananthapuram.
The Advocate General, Ernakulam (with C.L)
The Secretary, Kerala, State Electricity Board, Thiruvananthapuram (With C.L)
All Principal Secretaries/Secretaries/Special Secretaries/Additional Seccretaries/ Joint Secretaries/Deputy Secretaries/Under Secretaries to Government.
The Secretary to Governor, Raj Bhavan,Thiruvananthapuram.
The P.S to the Speaker of the Legislative Assembly.
The Additional Secretary to the Chief Secretary
The Nodal Officer, www.finance.kerala.gov.in for publishing on the website.

ANNEXURE I

SUPPLEMENTARY DEMANDS FOR GRANTS 2009-2010

DEMAND No

(H.E. Name of Demand)

(See page……of the Original Demands for Grants for 2009-2010,page ……of the Supplementary Demands for Grants,July 2009).

		Revenue	Capital	Total
I	Original Grant :	Rs.	Rs	Rs.
	Voted:			
	Charged:			
SUPPLEMENTARY GRANT/APPROPRIATION obtained:				
	Voted :			
	Charged :			
SUPPLEMENTARY ESTIMATE of the amount now required.				
	Voted :			
	Charged :			
Total (Original *plus* Supplementary)				
	Voted :			
	Charged :			

II. MAJOR, SUB-MAJOR, MINOR, SUB AND DETAILED HEADS under which the Supplementary Grant/Appropriation will be accounted for :

	Plan	Non Plan	Total
	Rs.	Rs.	Rs.
Revenue Section			
Voted:			
Charged:			
Capital Section			
Voted:			
Charged:			
Total (Supplementary)			
Voted:			
Charged :			

Expenditure involved and how it is to be met :

The details regarding ultimate cost, the expenditure during the current year, the reasons for not providing funds in the current year's budget, the position regarding the availability of savings etc. should be indicated here. The relevant article/articles of Constitution of India should be quoted where the expenditure is charged on the Consolidated Fund of the State. e.g.: in the case of expenditure on account of decrees awarded by Courts, the following should be shown as the last paragraph.

" The expenditure is charged on the Consolidated Fund of the State under Article 202(3) (e) of the Constitution".

ANNEXURE II

Sl. No.	Demand No.	G.O. No. and Date	Head of account	Amount of Advance Rs.
1.	XI	G.O.(Rt) No.5976/2009/Fin dated 29.09.2009.	2053-District Administration 094-Other Establishments 58 - Special Staff for acquisition of land for Aligarh University off Campus Centre ,Malappuram	**1,50,00,000**
2	XI	G.O.(Rt) No.6034/2009/Fin Dated 05.09.2009	2053-District Administration 094-Other Establishments 57 - Special Staff for acquisition of land for National Highway Authority of India	**2,75,00,000**
3	XXX	G.O(Rt) No.8350/2009/Fin Dated 11.12.2009	2408-Food,Storage and Warehousing 01-Food 800-Other Expenditure 84 -Additional Transportation charges to AWD/ARD for lifting of ration material from other depots consequent on closure of FCI Depot,Angadippuram,Malappuram (Non Plan Charged)	**3,23,09,000**
			TOTAL	**7,48,09,000**

ANNEXURE III

GOVERNMENT OF KERALA

Finance (Budget Wing-D) Department

CIRCULAR

No.76/90/Fin. Dated, Thiruvananthapuram, 6th November, 1990.

Sub:-Public Accounts committee (1989-91) 63rd Report 1987-89 – Recommendations – Accepted– Instructions – Issued.

In para 10 of the 63rd Report of Public Accounts Committee, the Committee has recommended that regarding decretal claims details such as number of the suit, name of Court, amount decreed, circumstances leading to the suit, the date of judgement, date of satisfaction of the decree, etc., should be fully incorporated in the proposals for Supplementary Demands for Grants by all Departments of Government while submitting them to Finance Department.

2. In para 18 of the 63rd Report, the Public Accounts Committee has recommended that once the pay revision orders are issued all the departments should work out the approximate requirement of additional funds to meet expenses towards that pay revision of employees, consequent on pay revision. The Finance Department was advised to consider the inclusion of the amount thus worked out by the Department in the very next batch of Supplementary Demands for Grants.

3. Government have accepted the above recommendations and order that all Administrative Departments/Heads of Departments/Chief Controlling Officers will adhere to the following instructions strictly:-

(i) In the proposals for Supplementary Demands for Grants for satisfying Court decrees, full details such as number of the suit, name of Court, amount decreed, circumstances leading to the suit, the date of satisfaction of the decree, etc. should be invariably furnished.

(ii) The approximate requirement of additional funds to meet expenses towards the revision of pay scales of employees whenever such revision is ordered by Government should be worked out as soon as the pay revision orders are issued and the same should be included in the proposals for the very next batch of Supplementary Demands for Grants to be furnished to the Finance Department.

M.PRABHAKARAN NAIR
Additional Secretary (Finance)

To

The Accountant General (A&E/Audit), Kerala, Thiruvananthapuram
All Heads of Departments etc.

ANNEXURE IV

GOVERNMENT OF KERALA

Finance (Budget Wing-A) Department

CIRCULAR

No.62/93/Fin. Dated, Thiruvananthapuram, 4th September, 1993.

Sub:- Court Decrees – Finance payment on the basis of Court Decree- Debiting of expenditure – Further Instructions – Issued.

Ref: -1. Circular No.77/90/Fin. dated 8-11-1990.

2. Letter No.BK 11/X/16-22/93-94/89/442 dated 22-7-1993 from the Accountant General (A&E), Kerala, Thiruvananthapuram.

In the circular cited, instructions were issued on the procedure for the drawal of amounts under "8674 Security Deposits made by Government" and subsequent adjustments. As per the Circular instructions, in cases where amount are initially deposited in Court by debit to the suspense head "8674 Security Deposits made by Government", the concerned Departments will have to move for Supplementary Grants to adjust the amounts so deposited in courts under the appropriate functional Major Heads, if the Government loses the case. The Accountant General has pointed out that during 1992-93 several departments have moved for Supplementary Grants to adjust amounts under the final heads of account in LAR cases. But the explanation attendant to such provision in the Supplementary Demands for Grants do not give any indication on the following:

(i) Whether the amount proposed to be debited to the final head was originally drawn by debit to the suspense head "8674-101-99 Deposits of decretal amounts in Courts for staying execution of decrees".

(ii) If so, the month/year in which the amount was drawn by debit to the Major Head '8674-101-99'

(iii) The treasury from which the amount was drawn.

(iv) The case number and the designation of the officer who has drawn the amount and deposited it in the Court.

The Accountant General has also pointed out that unless the above mentioned details are available, it is not possible to link the provision made in the Supplementary Demands for Grants with the concerned case and to watch adjustments in cases where the amounts are originally debited to '8674-101-99'.

In the circumstances in future all the Heads of Departments/the Administrative Departments in the Secretariat are instructed to adjust amounts initially drawn by debit to "8674 Security Deposits made by Government 101-Security Deposits made by Government 99-Deposit of decretal amounts in courts for staying execution of decrees" to the final head of account by presenting a 'Nil' bill (by debiting to the final head of account and crediting to "8674" indicating all the details specified in the foregoing para) at the Treasury after obtaining supplementary provision. In the case of 1992-93 accounts, those departments who have failed to do so may furnish necessary details as specified above immediately to the Accountant General so that it could be adjusted in 1992-93 accounts itself and avoid the provision being lapsed.

V.P.REGHU
Additional Secretary (Finance)

To

The Accountant General (A&E), Kerala, Thiruvananthapuram.
The Principal Accountant General (Audit), Kerala, Thiruvananthapuram.
All Heads of Departments/Offices.
All Departments in the Secretariat.
The Stock File.

ANNEXURE V

GOVERNMENT OF KERALA
Finance (Budget Wing. A) Department

CIRCULAR

No.32/2009/Fin. Dated, Thiruvananthapuram, 23rd April 2009

Sub: - Budget – Seeking of Supplementary Grants – Guidelines issued.

Article 205 of the Constitution provides for obtaining Supplementary Grants when the sums sanctioned by the Legislature for a particular service/function are found inadequate for the purpose or to meet some 'new service' not contemplated in the Annual Financial Statement (Budget) for the year.

2. The primary responsibility in respect of supplementary appropriations is that of the Chief Controlling Officer, who should act with utmost caution in submitting proposals for Supplementary Grants. The Supplementary Grants are only an exception. He should therefore, while submitting proposals, explain to the satisfaction of Government as to whether the expenditure could not be foreseen at the time of framing of original estimates and whether the expenditure cannot, in the public interest, be postponed to the next financial year. Hence, the proposals for supplementary grants have to be prepared judiciously with utmost care and caution so as to ensure that such supplementary grants are inevitable for the purpose they are proposed to be obtained. If, after the close of the financial year, it is found that the supplementary grant obtained was fully unnecessary or far in excess of actual requirement, it may attract an adverse comment in the audit report, which will be examined by the Public Accounts Committee.

3. While proposing supplementary grant for a particular service/function, the Chief Controlling Officer should ensure that the proposed expenditure is for a purpose for which a valid sanction exists. When supplementary grant is sought for meeting supplementary or additional expenditure upon some 'new service', not contemplated in the Annual Financial Statement, it should be ensured that such proposals are supported by valid sanctions issued with the approval of the competent authority.

4. Before proposing supplementary grants in pursuance of the announcement made in the Budget Speech etc., the Chief Controlling Officers/Administrative Department concerned should take steps to formulate definite schemes for implementation of the announcement in consultation with Finance/Planning & Economic Affairs Department and issue necessary administrative sanctions etc, well in advance so that such expenditure can be included in the Supplementary Demands for Grants to be moved in the next session of the Legislative Assembly.

5. All Controlling Officers/Administrative Departments are requested to strictly adhere to the above instructions while sending proposals seeking supplementary grants to Finance Department.

L.C.GOYAL,
Principal Secretary (Finance).

To

The Principal Accountant General (Audit), Kerala, Thiruvananthapuram
The Accountant General (A&E) Kerala, Thiruvananthapuram
All Heads of Department.
All Departments/Offices/Sections of Secretariat.
The Director of Public Relations, Thiruvananthapuram.
Stock file/ Office Copy.