

## CHAPTER XV: SUPPLEMENTARY PROVISIONING WITHOUT REQUIREMENT

Details of Supplementary grants (Civil) obtained during 1998-99 was as under:-

*(Rupees in crore)*

| Section                      | Obtained in December 1998 |
|------------------------------|---------------------------|
| <b>Voted</b>                 |                           |
| Revenue                      | 3329.45                   |
| Capital                      | 43.15                     |
| Loans & Advances             | 952.41                    |
| <b>Charged</b>               |                           |
| Revenue                      | 31.96                     |
| Capital                      | 22.43                     |
| Public Debt                  | -                         |
| Loans & Advances             | 10068.36                  |
| <b>Total</b>                 | <b>14447.76</b>           |
| No of grants/ appropriations | 45                        |

|  |                    |
|--|--------------------|
| <b>Supplementary provision obtained but not utilised</b> |                    |
| <b>5 grants</b>  | <b>Rs 17 crore</b> |

### 15.1 Estimation of supplementary grant/appropriation

If the amount provided for in the sanctioned budget for any service in a financial year is found to be insufficient for the purpose in that year or when a need has arisen during that year for supplementary or additional disbursements upon some 'New Service' not contemplated in the original budget for that year, Government is to obtain supplementary grants or appropriations in accordance with the provisions of Article 115 (1) of the Constitution.

While obtaining the supplementary grant, Ministry has to keep in view the resources available or likely to be available during the year and exercise due caution while forecasting its additional budgetary requirement of funds and seeking supplementary provision. Resort to supplementary demands should only be in exceptional and urgent cases.

Public Accounts Committee of 10th Lok Sabha in its 88th Report in Para 1.39 has also commented on obtaining the supplementary grant or appropriation in an ill conceived manner without conducting a proper and close scrutiny of expenditure incurred or likely to be incurred by them during the financial year.

**15.1.1 Unnecessary supplementary grant**

**Net unspent provision exceeding supplementary grant in 5 grants.**

In 5 cases relating to 5 grants as detailed below although the supplementary provisions were obtained in December 1998 in anticipation of higher expenditure, the final expenditure was less than even the original grants. Thus, the entire amount of supplementary provision aggregating to Rs 17 crore proved to be unnecessary.

**Table 15.1.1: Unspent provision more than supplementary grant/appropriation**

| Sl. No.                | Grant/Appropriation   | Amount (Rs in crore)                             | Reasons for obtaining supplementary grants  |
|------------------------|---|--|---|
| <b>Revenue - Voted</b> |   |  |   |
| 1.                     | 50 - Department of Culture (Ministry of Human Resource Development) | O. 301.20<br>S. 6.41<br>AE. 297.49<br>U.P. 10.12 | For disbursements on Khalsa Tricentenary celebration, providing grant assistance to museum and library and Agra Heritage Fund through the State Government. |
| 2.                     | 63-Ministry of Mines  | O. 292.03<br>S. 6.48<br>AE. 279.17<br>U.P. 19.34 | For providing grant assistance for implementation of Voluntary Retirement Scheme.   |
| 3.                     | 82-Ministry of Textiles   | O. 427.37<br>S. 0.73<br>AE. 407.21<br>U.P. 20.89 | For implementation of Voluntary Retirement Scheme in Handloom and Handicrafts Export Corporation  |
| 4.                     | 85-Public Works (Ministry of Urban Affairs & Employment)            | O. 618.25<br>S. 1.60<br>AE. 537.89<br>U.P. 81.96 | For meeting the disbursements for removal of encroachment on Plot No. EP-30, Chanakyapuri for Saudi Arabian Embassy   |
| 5.                     | 87-Ministry of Water Resources                                      | O. 547.28<br>S. 1.77<br>AE. 492.79<br>U.P. 56.26 | For providing additional grant assistance to National Project Construction Corporation Ltd. for implementing the Voluntary Retirement Scheme.               |

O = Original Provision : S = Supplementary Provision : AE = Actual Disbursements : U.P. = Unspent Provision

As the disbursements under these grants was less than the original provision, the Ministries/Departments were required to obtain token/technical supplementary for re-appropriating the unspent provisions within the grant instead of obtaining large amounts of supplementary provisions and as such the supplementary grants proved to be unnecessary.

**15.2 Unrealistic estimation of supplementary demands**

**15.2.1** Under the following grants, the Ministries/Departments sought for second supplementary grants during March 1999 which could not be treated as passed by Parliament due to technical reasons but the disbursements under these grants were far less than even the provision after first supplementary provision.

*(Rupees in crore)*

| Sl. No.                | Grant No.                                |          | Original + 1st Supplementary (Dec.1998) | Actual disbursements | Amount demanded in IInd supplementary (March 99) |
|------------------------|--|----------|---|----------------------|--|
| <b>Revenue-Voted</b>   |  |          |   |                      |  |
|                        | 9-Department of Consumer Affairs         | O.<br>S. | 19.29<br><u>9.00</u><br>28.29           | 28.25                | 4.79   |
|                        | 50-Department of Culture                 | O.<br>S. | 301.20<br><u>6.41</u><br>307.61         | 297.49               | 43.90  |
|                        | 67-Ministry of Petroleum and Natural Gas | O.<br>S. | 5.44<br><u>0.34</u><br>5.78             | 5.76                 | 1.44   |
|                        | 82-Ministry of Textiles                  | O.<br>S. | 427.37<br><u>0.73</u><br>428.10         | 407.21               | 5.03   |
|                        | 89-Atomic Energy                         | O.<br>S. | 1088.82<br><u>12.22</u><br>1101.04      | 1096.03              | 17.75  |
| <b>Capital - Voted</b> |  |          |   |                      |  |
|                        | 82-Ministry of Textiles                  | O.<br>S. | 567.69<br><u>20.00</u><br>587.69        | 587.52               | 16.71  |
|                        | 99-Andaman and Nicobar Islands           | O.<br>S. | 208.16<br><u>13.83</u><br>221.99        | 221.62               | 0.34   |

O=Original provision: S=Supplementary provision

**15.2.2** In the following cases large amount of supplementary grant was sought through second batch of supplementary demands for grants of March 1999 the additional disbursements which was to be met out of such supplementary grant, was far less than the supplementary sought, which indicated that the supplementary demands were sought in an unrealistic manner.

(Rupees in lakh)

| Sl.No.                   | Grant/Appropriation                   | Amount of supplementary demanded in 2nd batch of supply. Demands (March 1999) | Amount of additional/ excess expenditure actually incurred | Percentage of supplementary demanded actually utilised |
|--------------------------|---------------------------------------|---|--|--|
| <b>Revenue - Voted</b>   |                                       |   |  |  |
| 1.                       | 13 - Department of Commerce           | 4734.00   | 2770.73  | 59   |
| 2.                       | 37 - Direct Taxes                     | 9460.00   | 4738.25  | 50   |
| 3.                       | 38 - Indirect Taxes                   | 4075.00   | 2617.33  | 64   |
| 4.                       | 43 - Ministry of Home Affairs         | 2037.00   | 1277.54  | 63   |
| 5.                       | 56 - Information, Films and Publicity | 440.00  | 87.64  | 20   |
| 6.                       | 80 - Roads                            | 4130.00   | 57.92  | 1.4  |
| 7.                       | 95 - Rajya Sabha                      | 414.00  | 242.57   | 59   |
| 8.                       | 96 - Lok Sabha                        | 1798.00   | 1108.69  | 62   |
| <b>Revenue - Charged</b> |                                       |   |  |  |
| 9.                       | 83 - Urban Development                | 244.00  | 41.59  | 17   |
| 10.                      | 95 - Rajya Sabha                      | 4.00  | 1.88   | 47   |
| <b>Capital - Voted</b>   |                                       |   |  |  |
| 11.                      | 54 - Department of Heavy Industry     | 18000.00  | 6326.33  | 35   |
| 12.                      | 87 - Ministry of Water Resources      | 351.00  | 64.22  | 18   |
| <b>Capital - Charged</b> |                                       |   |  |  |
| 13.                      | 57 - Broadcasting Services            | 85.00   | 19.81  | 23   |

From the above it would be seen that had the demands for the second batch of supplementary grants materialised, the large portion of the amount of supplementary demanded would have been unnecessary which indicated the weakness in the management information system in respect of control of expenditure on the part of Ministries/Departments.