

F.No. 7(3)-B(AC)/2023  
Ministry of Finance  
Department of Economic Affairs  
(Budget Division)

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Room No. 68-B, North Block  
New Delhi  
30<sup>th</sup> May, 2024

**OFFICE MEMORANDUM**

**Subject:** Observations/Recommendations of the PAC contained in its 137<sup>th</sup> Report (2023-24) (17<sup>th</sup> Lok Sabha) on Action Taken by the Government on the Observations/Recommendations contained in 66<sup>th</sup> Report (17<sup>th</sup> Lok Sabha) on 'Excess Over Voted Grants and Charged appropriations (2020-21)'.

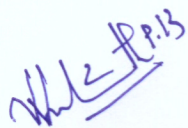
This is with reference to the recommendations contained in Para 6 of the 137<sup>th</sup> Report of PAC (2023-24) of 17<sup>th</sup> Lok Sabha on Excess over Voted Grant and Charged Appropriations. The Committee, while commenting on the excess expenditure being incurred by certain Ministries/Departments even after obtaining large amount of Supplementary Grants has observed that:

- (i) The Committee have repeatedly cautioned the Ministries/Departments in the past against incurring excess expenditure despite obtaining Supplementary Grants, this trend continues unabated;
- (ii) The Committee are inclined to conclude that not only the Budget Estimates are made inadequately, but even at Supplementary demand stage, the requirements projected are not realistic.
- (iii) The Committee are of the view that when the Ministries/Departments have opportunities to obtain Supplementary Demand for Grants during three sessions of parliament in a year, there is no reason for incurring excess expenditure being inevitable.

2. The attention is also invited to the Department of Expenditure's OM No. 01(14)/2022-E.II(A) dated 1.11.2023 and 17.01.2023 whereby the Ministries/Departments were enjoined upon to adhere to this Ministries guidelines and to ensure that there is no excess expenditure over the appropriation granted by the Parliament especially when the Supplementary Grant has been obtained by the Ministries/Departments.

3. It is re-iterated that Ministries/Departments may ensure that the budget proposals are prepared on realistic basis taking into consideration all the related aspects such as commitments, trend of expenditure and anticipated expenditure and take concrete remedial action to arrest savings/excess to an optimum level.

4. This has the approval of the competent authority.

  
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Director (Budget)  
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To

1. All Secretaries to the Government of India
2. All Financial Advisers