

No.G.20013/2/2015-16/F1(B)
GOVERNMENT OF PUDUCHERRY
FINANCE DEPARTMENT

Puducherry, dated: 28.03.2016.

CIRCULAR

It has been observed that very often many departments are submitting proposals for authorization of funds as a matter of routine. Issue of authorization for meeting the expenditure over and above the allocation made in the grants is not an approved form/method provided in the GFRs.

2. In this regard, attention of the controlling officers/Heads of departments is hereby drawn to the provisions/instructions made/issued in Rule 42 to 64 on the Budget Formulation and Implementation under Chapter 3 of GFRs, the relevant portion from which is extracted hereunder for ready reference.

Rule 52(3):

"No expenditure shall be incurred which may have the effect of exceeding the total grant or appropriation authorized by Parliament/Legislative Assembly by law for a financial year, except after obtaining a supplementary grant or appropriation or an advance from the Contingency Fund. Since voted and charged portions as also the revenue and capital sections of a Grant/Appropriation are distinct and re-appropriation *inter se* is not permissible, an excess in any one portion or section is treated as an excess in the Grant/Appropriation"

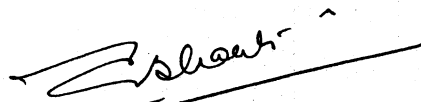
3. The Controlling Officers/Heads of Departments should follow the procedure given in Appendix 6 of the GFRs in connection with the

Demands for Supplementary Grants when an excess over the sanctioned grant or Appropriation arise owing to either:-

- a. An unforeseen emergency or
- b. Under estimated or insufficient allocation are the factors leading to the growth or expenditure.

4. When a need arises to incur unforeseen expenditure in excess of the sanctioned grant or appropriation or on a 'New Service' not provided in the budget and there is not sufficient time for the voting of the supplementary Demand and the passing of the connected appropriation bill before close of the financial year an advance from the contingency fund set up under Article 267(1) of the constitution shall be obtained before incurring the expenditure as per Rule 61 of the GFRs.

5. In view of the above, the Heads of Departments/Controlling Officers are advised to follow the instructions contained in GFRs while sending the proposals to the Finance Department for provision of additional fund and not to resort to the method of issue of authorization which is not an approved form or method under GFRs.



(CHANDRAKER BHARTI)
SECRETARY TO GOVERNMENT (FINANCE).

To:

The Heads of Departments as per mailing list.

Copy to:

1. The Commissioner-cum-Secretaries/Secretaries/Special Secretaries to Government, Puducherry.
2. The Under Secretary 1 (Finance), Chief Secretariat, Puducherry.
(with a request to host in Finance Portal)
3. The Under Secretary 2 (Finance), Chief Secretariat, Puducherry.
4. The Director of Accounts and Treasuries, Puducherry.
5. The Dy. Director of Accounts and Treasuries,
Puducherry/Karaikal/Mahe/Yanam.
6. All the SAOs/JAOs, Puducherry/Karaikal/Mahe/Yanam.
7. The Superintendent (F2, F3, F4, F5), Chief Secretariat, Puducherry.