



SHAKTIKANTA DAS, IAS
Additional Secretary

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D.O. F. No.4(21)-B(SD)/2011
Ministry of Finance
Department of Economic Affairs
(Budget Division)
North Block
New Delhi – 110 001

New Delhi, the September 30, 2011

Dear Financial Advisor,

The Second batch of Supplementary Demands for Grants for 2011-2012 is to be presented to Parliament in the ensuing Winter Session.

2. The following types of Supplementary Demands may only be considered for inclusion in this batch:

- (i) Cases where advances from the Contingency Fund of India have been granted, which are required to be recouped to the fund;
- (ii) Payments against court decree which cannot be postponed;
- (iii) 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 should be proposed. 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 [Revenue/Capital or *Charged/Voted*], full requirement may be proposed as a technical supplementary. It may be noted that 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; and
- (iv) Cases where Ministry of Finance has specifically advised moving of Supplementary Demand in the Winter Session.

3. All other cases may be held over to the third and final batch of Supplementary Demands for the current year.

4. The Public Accounts Committee has commented adversely on cases where Ministries/Departments obtained supplementary grants in earlier years but the final expenditure was less than/in excess of the approved grant. Budget controlling Authority/FAs of concerned Ministries/Departments may, therefore, ensure that the proposals are made on the basis of thorough objective and realistic assessment of additional requirement of funds in each case that is proposed for inclusion in Second batch of Supplementary Demands for Grants for 2011-2012.

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5. Steps/measures to be taken for better fiscal and expenditure management for 2011-12 as circulated with this Ministry's O.M. No. 4(5)-W&M/2011 dated May 2, 2011, may kindly be followed strictly. As brought out in the O.M., no proposal for cash supplementary be forwarded to this Ministry during the current financial year, except in absolutely unavoidable cases or those proposals which relate to the Budget announcements in 2011-12. Even in such cases, the effort should be to identify matching savings within the Ministry/Department.

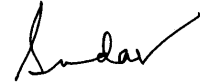
6. The proposals along with the draft statement justifying Supplementary Demands to be included in the ensuing batch and appropriate background notes may be forwarded to Budget Division in the prescribed form by **October 31, 2011 (Monday)**, after which date, proposals may not be entertained. Cases, which are required to be reported to Parliament in terms of the guidelines circulated with this Ministry's O.M. No. F. 1(23)-B(AC)/2005 dated May 25, 2006 may also be furnished to Budget Division in a summarised form by the same date.

7. If there is no proposal for Supplementary Demand in this batch, **a nil report** may kindly be sent.

8. The proposals in complete form (3 copies) may please be furnished by the due date to **Shri V. Prakash, Deputy Director (Budget), Ministry of Finance, Department of Economic Affairs, Room No.237, North Block, New Delhi (Tel No. 011-2309 2916)**.

With regards,

Yours sincerely,



(SHAKTIKANTA DAS)

All Financial Advisors