Dear

The First batch of Supplementary Demands for Grants for 2015-16 is to be presented to Parliament in the ensuing Monsoon Session.

2. The following types of Supplementary Demands may only be considered for inclusion in this batch:
   
   (a) Cases where advances from the Contingency Fund of India have been granted, which are required to be recouped to the fund;

   (b) Payments against court decree which cannot be postponed;

   (c) 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

   (d) Cases where Ministry of Finance has specifically advised moving of Supplementary Demand in the Monsoon Session.

3. All other cases may be held over to the next batch of Supplementary Demands for the current financial year.

4. The Public Accounts Committee has observed 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/FA 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 the First batch of Supplementary Demands for Grants for 2015-16.
5. Steps/measures to be taken for better fiscal and expenditure management for 2014-15 as circulated by the Department of Expenditure’s O. M. No. 7(1)E. Coord/2014 dated 29th Oct. 2014 may kindly be followed strictly. Further, instructions on incidence of unauthorized re-appropriation of budget issued by this Ministry vide O.M. No.F.7 (7)-B (SD)/2013 vide 7th January 2014, may be rigidly followed. The PAC also expects the Financial Advisers of the Ministries/Departments to ensure that there is no violation in implementation of the said revised norms for re-appropriation of funds, and any slackness in complying with the said norms is strictly dealt with.

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 format by **30th June, 2015 (Tuesday)**, after which date, proposals may not be entertained. Cases which are required to be reported to Parliament in terms of the guidelines circulated with the Ministry’s O. M. No.F.1(23)-B(AC)/2005 dated 25th May 2006 may also be furnished to Budget Division in a summarized form by the same date.

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

8. The proposals complete in all respect (3 copies) may please be furnished by the due date to Deputy Director (Budget) (Shri K. Vasudevan), Ministry of Finance, Department of Economic Affairs, Room No. 237, North Block, New Delhi (Tel No. 011 – 2309 5085).

   With regards,

   Yours sincerely,

   (Dr. Rajat Bhargava)

   **All Financial Advisers**