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Dear

The Second and final batch of Supplementary Demands for Grants for 2012-2013 (excluding Railways) is proposed to be presented to Parliament in the forthcoming Budget Session. The Supplementary Demands proposed to be included in this batch may be decided strictly within the RE ceilings for 2012-2013, taking into account the provisions for both Plan and Non-Plan expenditure in the relevant Grant.

2. The Supplementary Demands may be proposed in the following cases:

- (a) For authorization of the expenditure out of the advances sanctioned from the Contingency Fund of India, which have not yet been recouped.
- (b) In cases where the approved Revised Estimates would result in excess over the sanctioned provision in the grant. The excess must be separately assessed for Revenue expenditure, Capital expenditure, Voted expenditure and *Charged* expenditure included in the grant. Thus, the Supplementary Demands will be required in cases where the additional provision is required over and above the original budget provision plus the additional provisions granted in the first batch of Supplementary Grants plus the advances sanctioned from the Contingency Fund of India, if any;
- (c) In cases where savings are available within the Grant to meet any excess requirement but the savings cannot be re-appropriated under the existing rules, e.g. from the Revenue Section to the Capital Section and *vice versa* or from 'Voted expenditure' to '*Charged* expenditure' and *vice versa*. The items already included as per (a) above need not be included again;
- (d) In cases where the expenditure is to be incurred on New Service or New Instrument of Service and hence prior approval of Parliament is necessary even though the expenditure can be met from the savings available within the Grant. In such cases, a Supplementary Demand of a token amount will be required. The items already included as per (a) above need not be included again.
- (e) In cases where payment is to be made in compliance of court decrees or upon invocation of a Government guarantee etc., which are not covered under category (a) above and, which, if let uncovered, may result in '*Charged*' provision in the Grant, if any, being exceeded.
- (f) In cases where this Ministry has specifically agreed to the inclusion of the item in the final batch of Supplementary Demands for Grants.

3. In cases where re-appropriations can be made without the requirement of Supplementary as per the extant provisions, no Supplementary proposal should be proposed (even for a token amount). This may be met by re-appropriation of savings after obtaining approval of the competent authority.

4. Ministry of Finance has issued several instructions since May'2012 as mentioned below. These instructions should be scrupulously followed, while proposing the proposal for inclusion in the Second and Final Batch of Supplementary Demands for Grants, 2012-2013.

