



**Circular No – 17 of 2015**

To

All Pr IFAs/IFAs

**Subject:-** Instructions/cautions for preparation of Revised/Budget estimates on realistic basis to avoid savings or excess w.r.t. total allocations/grant under each sub/detailed head

-----XXXX-----

MoD (Fin) ID No – 1 (8-ATN)/Fin (MO)/2014-15/583 dt 24.07.15 on the above mentioned subject, is circulated herewith for information and compliance.

  
(Chitra Ramanuja)  
Accounts Officer

Copy to:-

EDP Section  
*local*

----

*kindly upload*  
For uploading the circular on IFA Home Page.

  
(Chitra Ramanuja)  
Accounts Officer

MINISTRY OF DEFENCE (FINANCE)  
(Main Office)

Subject: - Instructions Cautions for preparation of Revised/Budget estimates on realistic basis to avoid savings or excess w. r. t. total allocations/grant under each sub/detailed head.

\*\*\*\*\*

It has been noticed that despite pointing out repeatedly by this Division & Audit, excess has occurred under Major Heads -2052, 2055 & 2408 in Revenue Section and under MH-4047 in Capital Section and savings have occurred under the MH-2075 & 2852 in Revenue section & overall under Capital Section, which indicates systemic weakness in Budgetary control. Besides, same type of explanations/reasons are given for the savings/excess occurred year after year without even addressing the basic issues involved for such recurrences which shows that no sincere efforts have been made to arrest the savings to an optimum level.

2- Persistent Savings being reported under various heads repeatedly would therefore require responsibility being fixed for such recurrences after obtaining the justifications/clarifications from all the defaulter budget controlling authorities and concrete remedial action must be taken immediately to arrest the savings/excess to an optimum level.

3- It is, therefore, stressed that utmost caution and accuracy be ensured while estimating requirement of funds for RE 2015-16 BE 2016-17 after taking in to account all the instructions issued by Ministry of Finance from time to time and adherence to the expenditure control during the current/ensuing financial year as well. In order to ensure that the budgetary projections are made after an accurate and realistic assessment of the requirements and visualization of the actual / anticipated expenditures, detailed reasons by giving the numerical impact in respect of each components of the respective detailed/sub-head should invariably be recorded where the estimations are increased or decreased **by 10% or more** w. r. t. the actual expenditure during the last financial year (i.e.2014-15), etc. Moreover, the OM No. 7(10/E. Coord/2012 dated 31.05.2012 regarding "Expenditure Management- Economy Measures and Rationalization of Expenditure" issued from Ministry of Finance, Department of Expenditure & circulated by this Division vide MoD (Fin) ID No. 1(1)/MO/2012/287 dated 6.06.2012 among all the user departments under Grant no. 20, should be kept in view while projecting the estimates regard RE 2014-15 & BE 2015-16.

4- These instructions may please be circulated to all concerned for avoiding savings or excess over the approved grant. Remedial measures / corrective action taken in this regard may kindly be intimated to this Division for apprising the position to DGA,DS.



(Rajnish Kumar)  
JS & Addl. FA (RK)  
Tel. Ph- 2301 2915

- |   |                                   |
|---|-----------------------------------|
| 1- JS (E)/DS (Genl.)  | - in r/o DOD, DPS, DR&D, DESW     |
| 2- Principal Registrar  | - in r/o AFT                      |
| 3- DFA (E/Genl.)  | - in r/o Finance Division         |
| 4- Director, IDSA / PO (Def)  | - in r/o IDSA                     |
| ✓ 5- Jt. CGDA (AN), / OSD (DAD/Coord)   | - in r/o DAD                      |
| 6- Addl. DG (Admn), New Delhi / Addl. FA (K)  | - in r/o DEO                      |
| 7- G.M. CSD, "ADELPHI," 119, Maharshi Karve Road, Mumbai, 400020/<br>BOCCS, "L" Block, N/Delhi / Addl. FA(RS) | - in r/o CSD                      |
| 8- Director (Plans), Coast Guard HQ/ DFA (CG)   | - in r/o Coast Guard Organization |
| 9. Director (FP)/DDGFP-A  | - in r/o JAK LI                   |
| 10- CDP, Kirshi Bhawan  | - in r/o APO                      |
| 11- Dir. (PSUs)   | - in r/o Defence PSUs.            |

MOD (Fin) ID No- 1(8-ATN)/Fin (MO)/2014-2015/583 dated: 24 July, 2015