

**GOVERNMENT OF MANIPUR  
DIRECTORATE OF EDUCATION (S)**

No. 40/1-9/2018-ED(S/V)Pt-III

Imphal, the 21 November, 2024

To

All the ZEOS/DDOs/Nodal Officers/Head of Institutions/SPD, Samagra Shiksha Abhiyan, Education (S) and Joint Director, SCERT, Manipur

Subject:- Submission of Revised Estimates 2024-2025 and Budget Estimates, 2025-2026.

Sir/Madam,

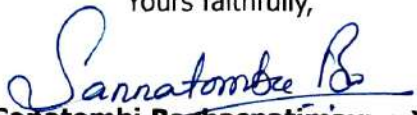
In reference to the Finance Department, Government of Manipur letter No. FBUD-1/1/2024-e-FD dated 18/11/2024 (copy enclosed), I am to request all the concerned to submit Revised Estimates 2024-2025 and Budget Estimates 2025-2026 in the given prescribed formats (**Annexure**) both in hardcopy(s) as well as softcopy(s) in Excel format should be submitted to Room No. 47 on or before 6<sup>th</sup> December, 2024. The duly signed scanned copy by concerned DDO in **pdf format along with soft copy in Excel format** can also be submitted through whatsapp No. mentioned below of the following officials of Finance Section of Directorate of Education(S), Lamphel.

Further, it is also requested to all the DDOs to furnish the CTR 22-A (Revised inner) of CMIS for preparation of Budget to the following officials of Finance Section of Directorate of Education(S), Lamphel:

1. Peterson Thounaojam- 7005827576
2. Heisnam Pulinkanta Singh- 8416000697
3. P. Naobi Khuman- 9856164514

Enclosures: As stated above.

Yours faithfully,

  
(Sanatombi Bachaspatimayum)

Chief Finance Officer  
Directorate of Education (S)

Manipur,  
H. Pulinkanta

Copy to:

1. The Director, Education(S), Manipur.
2. The Chief Finance Officer, SCERT, Manipur.
3. The Officials concerned, Education(S), Manipur.
4. Web Admin. [He is requested to upload the letter in the Official website]
5. Guard File.

STATEMENT OF PROPOSAL FOR PAY & ALLOWANCES FOR THE REVISED ESTIMATES 2024-2025 & BUDGET ESTIMATES 2025-2026

Name of Office:  
 Head of Account:  
 DDO Code:

Sl.No.	EIN	Name of Employee	Sex	Designation	Date of Birth	Date of Joining	Level	Basic	DA	HRA	SCA	TA	Total allowances(10+11+12+13)	Gross Amt.(9+14)	No. of Months.	Total Amount per annum(15x16)	MR(if any))	Backlog salary/arrear(if any)		Total 19+20 (0)	Total fund Required(17+18+21)	Remarks
																		Basic	Allowance(DA+TA+HRA+SCA)			
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23
Grand Total																						

H. Rajkumar

Signature of DDO

Contact No.

GOVERNMENT OF MANIPUR  
SECRETARIAT: EDUCATION(S) DEPARTMENT

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**ACCTN-1/3/2023-EDN(S)-EDN (S)** Imphal, the 20<sup>th</sup> November ,2024

To

- 1. Director of Education(S), Manipur**
- 2. Director of Language Planning & Implementation, Manipur.**

Subject: - Revised Estimates, 2024-2025 and Budget Estimates, 2025-2026.

Sir,

I am directed to send herewith a letter No. FBUD-1/1/2024-e-FD dated 18/11/2024 along with its enclosures received from Special Secretary (Finance), Government of Manipur on the above subject and to request you to kindly furnish the requisite information to this Department for onward submission to Finance Department, Government of Manipur

Further, it is requested to designate an officer of your respective Department to liaise with Finance Department for the purpose and to share the name, telephone/mobile number, e-mail ID of the nominated officer to [fdbudget.manipur@gmail.com](mailto:fdbudget.manipur@gmail.com).

Encl: As stated above.

Yours faithfully,

Digitally signed by

Khumukcham Renuka

Date: 20-11-2024 11:28:28

**(Khumukcham Renuka)**

Under Secretary (Education-S)

Government of Manipur

**BUDGET CIRCULAR**  
**MOST IMMEDIATE**

**No. FBUD-1/1/2024-e-FD**  
**GOVERNMENT OF MANIPUR**  
**SECRETARIAT: FINANCE DEPARTMENT**  
**(Budget Section)**

Imphal, the 18 November, 2024

To

1. The Secretary to the Governor, Manipur Raj Bhavan, Imphal
2. The Chief Secretary, Government of Manipur
3. The Addl. Chief Secretary/Principal Secretaries/Commissioners/Secretaries, Government of Manipur
4. The Accountant General (A&E), Manipur, Imphal
5. The Secretary, Legislative Assembly, Manipur, Imphal
6. The Secretary, Manipur Public Service Commission, Imphal
7. The Registrar, High Court of Manipur, Imphal

**Subject: - Revised Estimates, 2024-2025 and Budget Estimates, 2025-2026**

Sir/Madam,

The Finance Department has commenced the exercise for preparation of Budget Estimates for 2025-2026 and Revised Estimates 2024-2025. You are therefore requested to submit proposals in respect of the Demands for Grants under your Administrative purview to the Finance Department at the earliest **but not later than 20<sup>th</sup> December 2024.**

2. The procedure and guidelines (enclosed as Appendix-I) contained in the Budget Manual 2024 are to be strictly adhered to. The proposals are to be submitted in the FORMs and ANNEXUREs (enclosed with this circular as Appendix-II) appended at Budget Manual, 2024. The Budget Manual, 2024 is available on the following websites:

- [www.finance.mn.gov.in](http://www.finance.mn.gov.in)
- E-office portal
- [www.manipur.gov.in](http://www.manipur.gov.in)
- [www.ebudgetmanipur.mn.gov.in](http://www.ebudgetmanipur.mn.gov.in)

3. It is emphasised that the budget estimates and other relevant documents should be submitted **only through Administrative Departments. It will be presumed that Administrative Approval for the departmental estimates have been obtained once the same is submitted to FD.**

*(Handwritten Signature)*

4. The above information should be furnished in hard copy as well as in soft form to **fdbudget.manipur@gmail.com**. The signed copy should be properly scanned in pdf format and sent by email. In addition, an Excel file (.xlsx format) of the Department's 'Abstract of Estimates' may be sent by email with Times New Roman font and size 11, with proper borders and formulas applied.

5. To facilitate better coordination, a responsible officer may be designated to liaise with the Budget Section in the Finance Department. **The name as well as telephone/mobile Nos./e-mail ID of the nominated officer may please be intimated to the email address mentioned above.**

6. The time and date for discussion with the representatives of the Departments will be notified separately.

Yours Sincerely,



**(Neilenthang Telien)**  
Special Secretary (Finance)  
Government of Manipur

**Copy to: -**

1. Secretary to Chief Minister, Manipur
2. Staff Officer to Chief Secretary, Government of Manipur
3. All Heads of Department, Manipur
4. Joint Secretaries/Deputy Secretaries/Under Secretaries (FX/FR/FC), Finance Department, Government of Manipur.

## APPENDIX – I

General Procedure and Guidelines to be followed by the Departments in framing the Revised Estimates 2024-2025 and Budget Estimates 2025-2026

### 1. Estimates of Expenditure

The basis/ underlying presumptions for preparation of the estimates shall be as follows:

(a) Salaries, Allowances & Wages: Salaries & Wages should be estimated based on level of government employment as on 31.10.2024. The additional expenditure to be incurred, if any, should be factored in.

(b) Non-Salary Expenditure: Total RE 2024-25 proposed by a department should not exceed the BE 2024-25. The BE proposed for 2025-26 should not exceed the RE proposed for 2024-25, in view of the resource constraints. However, internal adjustments between various heads of account can be made. Actual RE/ BE will, however, be decided by the Finance Department after considering the overall resource position.

(c) Central Schemes: Regarding grants under Centrally Sponsored Schemes, RE/ BE may be proposed based on expected receipts from Government of India (GoI), so that there is no difficulty in releasing funds.

### 2. Re-appropriation and Diversion of funds

The following measures should continue to be followed:

(a) Departments should propose for re-appropriation of funds from other Heads subject to the following:

- i. Re-appropriation of funds from Revenue to Capital (including Loans and Other) and vice-versa is not permitted.
- ii. Re-appropriation from savings available under salaries for meeting any other expenditure is not permitted; and

(b) No diversion of funds from the State share is permitted.

### 3. Revenue Receipts

The estimates of revenue receipts should be realistic and framed after critical scrutiny of the trends of past and current actuals, policy decisions and other relevant developments (FORM – III is meant for Revenue Receipts).

### 4. Variation in estimates

Precise and cogent explanations for major variations in estimates both between the Budget Estimates 2024-2025 and Revised Estimates 2024-2025, and between the Revised Estimates 2024-2025 and Budget Estimates 2025-2026 are to be provided.

## **5. Use of appropriate Object Heads**

For proposals under the Object Head 49 - Other Charges which are to be furnished as per ANNEXURE – I, Departments should first ensure that there is no other Object Head code existing for the purposes which are proposed for expenditure. The allocation under 49- Other charges should be proposed at the minimum possible and only for those items (to be clearly specified) for which no separate object codes exist. Sanction will not be agreed by the Finance department for a proposal of Object code 49- Other charges for a purpose for which a separate object code exists.

## **6. Civil Works estimates**

The estimates for civil works should be sent to the Chief Engineer of PWD for inclusion in the Department's Demands for Grants. The estimates for "New Works" which have received administrative approval should be arranged in order of priority. The Department concerned, while formulating Budget Estimates for their departmental building programme, should allocate sufficient amounts from the Developmental Expenditure. The Departments should also take into account the works which have already been taken up and are in progress. The ongoing works should be given "Priority".

## **7. Pension and other Retirement Benefits**

The Demands for Grant relating to "Pension and other Retirement Benefits" will be prepared and compiled by the Director (Treasuries and Accounts) in consultation with the Office of the Accountant General, Manipur and forwarded to the Finance Department.

## **8. The Grants-in-aid/ contribution/ subsidies**

The Grants-in-aid/ contribution/ subsidies estimates should be shown distinctly (as there are separate object heads of expenditure for grant-in-aid contribution and subsidies). In the case of subsidies, the nature of subsidy, that is, whether it is for concessional rate of interest or price differential for meeting economic loss etc. should be clearly indicated. The detailed information regarding the subsidies may be furnished by the Department in the format in ANNEXURE – IV as a separate schedule to be attached in the budget as a part of Medium-Term Fiscal Policy. The detailed information regarding grant-in-aid contribution may be furnished in the format placed as ANNEXURE –II.

## **9. Interest Payments, Internal Debt of the State Government, loans and advances from Central Government**

The estimates for Interest Payments, Internal Debt of the State Government, loans and advances from Central Government to be provided under Appropriation No. 2 – Interest Payment and Debt Services are to be prepared by the Resource Section and furnished to the Budget Section.

## **10. Addition of New Items**

Estimates for new items should be prepared in FORM–II. In regard to the new schemes/proposals under Committed Expenditure for which provision is included in the

budget estimates for the first time, necessary information including basis together with the stage of the schemes, i.e., whether the schemes/proposals have been approved by the competent authority and number and date of reference sanctioning the schemes/proposals should be indicated. In the case of continuing schemes information regarding Developmental Expenditure ceiling, expenditure already incurred, the stage of the scheme and the reasons for delay in progress, if any, should invariably be mentioned in the budget proposals.

### **11. Centrally Sponsored Schemes and Externally Aided Projects**

While compiling the Developmental Estimates, special attention should be paid to the following aspects:-

- a) There should be separate statements for (i) Centrally Sponsored Schemes and (ii) Externally Aided Projects

The Departments may furnish the details of Centrally Sponsored Schemes (CSS) and Externally Aided Projects (EAP), with amounts sanctioned by the respective Ministries of Government of India during the current year. The amounts so far authorised by the Finance Department against Government of India Sanction should be clearly indicated in their Revised Estimates 2024-2025. Amounts likely to be sanctioned by Gol/funding agency during the course of the year but not yet received may also be furnished to the Finance Department (FD). If figures of CSS/ EAP are to be enhanced based on new information received from Gol, the matter may be communicated to FD by the 15th January, 2025. The amounts so proposed may be based on the Department's proposal already submitted to Gol/funding agency or on the previous year's sanction in case of continuing Schemes.

- b) The matching share to be met from Developmental Expenditure, if any, should clearly indicate the head of account where the state share is to be provided within the approved outlay. There should be a separate State Share HoA for each CSS, as per the guidelines laid down by Gol.

- c) It should be ensured that for Centrally Sponsored Schemes, the supporting documents i.e., the sanction order/approval of the concerned Ministry of the Government of India should invariably be enclosed. Care should be taken not to miss the new heads of accounts opened during the year in respect of post budget developments. Departments should ensure that there are separate HoA for General, SCSP and TSP allocation for both Central and State Shares, as per the guidelines issued by the concerned Ministry of Gol, from time to time.

- d) In respect of Developmental Expenditure, the number of Schemes should be identifiable under respective sub-heads corresponding to the Scheme or activity of the Department below the Minor Head concerned represented by the Programme undertaken to achieve the objectives of the function represented by the Major Head.

### **12. Local Bodies**

It is a mandatory requirement to indicate flow of funds to the local bodies in a separate ANNEXURE to the Budget documents. Accordingly, departments of RD & PR,



MAHUD and TA & Hills will submit the details of flow of funds to local bodies in ANNEXURE-V.

### **13. Gender Budgeting:**

Gender Budgeting is a process of identifying gender specific barriers across all sectors of development. The process of budget planning and preparation provides a critical opportunity to identify, prioritise and address gender concerns in all Departments. Addressing gender issues may require formulation of a specific scheme/ programme for women and girls. However, Departments may make existing schemes/ programmes more gender responsive. Each and every sector and Department has an impact on the lives of women and girls, and so each scheme/ programme should have a gender component. All Departments shall, therefore, prepare and submit a Gender Budget Statement in the prescribed format (ANNEXURE-VI). The Gender Budget Statement is to be prepared in two parts-

Part A: reflecting schemes that are 100% targeted towards women and girls and all beneficiaries are women and girls.

Part B: pro women and girl allocations- reflecting at least 30% allocations, including schemes in which 30 to 99% allocations are towards women and girls. A format for sex-disaggregated data under Gender Responsive Budgeting is enclosed to be filled up by departments as per the relevant schemes and projects implemented by them.

### **14. TSP and SCSP components**

The allocation by Departments under TSP and SCSP must be indicated in the prescribed format in ANNEXURE-VII. This should clearly indicate the funds earmarked in the Department's Demand for the Tribals and Scheduled Castes in the State. Detailed break-up should be provided.

To give a clearer picture on the flow of development funds, the allocation for Tribal Sub-Plan as followed in GoI, will be adopted. For developmental funds - including Departmental Work Programs etc., the funds will have separate HoA for Tribal Sub-plan allocation.

### **15. Allocation for Welfare of Children**

The Government is committed to the welfare and development of children under the age of 18 years. A statement reflecting the budgetary provisions of schemes that are substantially meant for the welfare of children is being introduced in the upcoming budget. The provisions in this statement indicate educational outlays, provisions for the girl child, health and provisions for child protection etc. The Departments shall submit the requisite information in the prescribed format (ANNEXURE-VIII).

**APPENDIX – II**  
**LIST OF FORMS AND ANNEXURES**

<b>Sl. No.</b>	<b>Subject</b>	<b>Form/ Annexure</b>
1	Abstract of Revised Estimates 2024-2025 and Budget Estimates 2025-2026.	FORM – I
2	New Services not included in the Budget Estimates 2024-25	FORM – II
3	Budget Estimates 2025-26 and Revised Estimates 2024-25 in respect of Revenue Receipt	FORM – III
4	Details of provision under "Other Charges"	ANNEXURE - I
5	Details of Provision in BE 2025-26 for payment of Grants-in-Aid to Private Institution/Organisation/Bodies	ANNEXURE – II
6	Statement showing guarantees given by the Government and outstanding as on 31st March 2025	ANNEXURE – III
7	Subsidies under Committed Expenditure	ANNEXURE – IV
8	Departmental Commercial Undertakings	
9	Investment in Public Enterprises from Developmental Expenditure	
10	Resources Contribution from Public Enterprises	
11	Statement showing the details of flow of funds to Local Bodies	ANNEXURE – V
12	Gender Budget Statement	ANNEXURE – VI
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**GOVERNMENT OF MANIPUR**

**BUDGET MANUAL**

**September, 2024**

**Budget Section**  
**Finance Department**

# **BUDGET MANUAL**

GOVERNMENT OF MANIPUR  
FINANCE DEPARTMENT  
BUDGET SECTION  
SEPTEMBER, 2024

## **BUDGET MANUAL**

### Preface

Budgeting is a fundamental exercise which act as a tool that sets up a framework for efficient use of the public money. In order that the Government achieves economic stability and growth, a well-organized and properly deliberated budget is essential. In view of this, it has become a necessity to publish and issue a Budget manual so as to act as a guidance for those State Government Officers of various departments who are involved in Budgeting exercise. This is the 1<sup>st</sup> Edition of the Budget Manual which is published by the Budget Section of the Finance Department, Government of Manipur.

Budget Manual is a compendium of general provisions and procedures relating to Budget making to be followed by all offices in the State Government who are involved in the budgeting exercise and dealing with matters relating to Budget as well as management and control of expenditure. The purpose of this Budget Manual is to provide a guidance material for the managerial and supervisory staff and above all to the employees dealing with the Budget and Budget related issues. Efforts have been made to keep the manual simple, easy to comprehend and to comprehensively outline the procedures and practices of Budget making.

The chapters in this manual have been organized to reflect various stages involved in the budget cycle. Chapter 1 provides a brief introduction of State Budget and related documents. Chapter 2 outlines the roles and responsibilities of various stakeholders in the budget process. Chapter 3 deals with the entire budget preparation process right from the issue of Budget Circular. It also details the process of estimation of receipts and expenditure. Chapter 4 deals with process of budget finalization including tentative timelines of various activities. Chapter 5 deals with execution of the budget. It covers the steps required to be undertaken by different stakeholders for control of expenditure within a financial year. Chapter 6 contains structure of Government Accounts, as budgeting and accounting classification follow a common pattern.

Suggestions for further improvement are welcome.

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### GLOSSARY OF IMPORTANT BUDGET RELATED TERMS

Unless there is something averse in the subject or context, the terms defined in this section are used in this Manual in the sense as explained hereunder:

1. **'Actuals' of a year.** – are the amounts of receipts and disbursements for the financial year beginning on April 1st and ending on March 31st, as finally recorded in the accounting authority's books (as audited by C&AG). Provisional Accounts refers to the unaudited accounts compiled by CGA.
2. **'Administrative approval'** of a scheme, proposal or work. - is the formal acceptance thereof by the competent authority for the purpose of incurring expenditure.
3. **'Annual Financial Statement'** – Also referred to as the Budget means the statement of estimated receipts and expenditure of the State Government for the financial year.
4. **'Appropriation'** - means the amount authorized by State Legislature for expenditure.
5. **"Appropriation Act"** - means the law made under provisions of Article 204 or Article 205 or Article 206 of the Constitution authorising the appropriation of moneys out of the Consolidated Fund of the State.
6. **'Appropriation Accounts'** - are the accounts prepared by the Controller General of Accounts for each grant or appropriation which indicates the amount of the grant/appropriation sanctioned and the amount spent under the grant/appropriation as a whole. Important variations in expenditure and allotments, whether voted or charged, are briefly explained therein. Under Article 151(2) of the Constitution, the Comptroller and Auditor-General of India submits the Appropriation Accounts, Finance Accounts and the Audit Reports of the State to the Governor to be laid before the Assembly.
7. **'Assembly'**- means the Manipur Legislative Assembly.
8. **'Budget'** – It is the statement of estimated receipts and expenditure of the State Government as per its fiscal policy.
9. **'Budget Section'**- means Budget Section in Finance Department, Government of Manipur.
10. **'Budget Estimates'** - are the detailed estimates of receipts and expenditure of a financial year.
11. **'Charged Expenditure' or 'Charged Appropriation'** - means such expenditure as is not to be submitted for the vote of the State Legislative Assembly under the provisions of the Constitution.
12. **'Comptroller & Auditor General'(C&AG)** - means the Comptroller & Auditor General of India.
13. **'Competent Authority'**- means, in respect of the power to be exercised under any of these provisions, the Governor or such other authority to which

the power is delegated by or under the General Financial Rules, 2017, Delegation of Financial Powers Rules, 1995 or any other general or special orders issued by the Government of Manipur.

14. **'Consolidated Fund of State'**- Under Article 266 (1) of the Constitution, all revenues of the State Government, loans raised by it and all moneys received in repayment of loans form one consolidated fund called the Consolidated Fund of State. No moneys out of this Fund can be appropriated except in accordance with the law and for the purposes and in the manner provided in the Constitution.
15. **'Contingency Fund of State'** - means the Contingency Fund of the State established under the Manipur Contingency Fund Act, 2024, in terms of Article 267 (1) of the Constitution. Contingency Fund is in the nature of an imprest, the corpus of which is Rs. 500 Crore at present. The Contingency Fund is intended to provide advances to the executive/ Government to meet unforeseen expenditure arising in the course of a year pending its authorisation by the Assembly. The amounts drawn from the Contingency Fund are recouped after the Assembly approves it through the Supplementary Demands.
16. **'Constitution'** - means the Constitution of India.
17. **'Controlling Officer (Budget)'** – means an officer entrusted by a Department of the State Government with the responsibility of controlling the incurring of expenditure and/or the collection of revenue. The term includes the Heads of Department and also the Administrators.
18. **'Department of the State Government'** - means a Department of the State Government as notified from time to time.
19. **'Drawing and Disbursing Officer' (DDO)** – means a Head of Office and also any other Officer so designated by the Finance Department of the State Government, to draw bills and make payments on behalf of the State Government. The term shall also include a Head of Department where he himself discharges such function.
20. **"Detailed Estimates"** - means the consolidated estimates prepared by the Finance Department and included in Budget Estimates on the basis of departmental estimates of expenditure and receipts, combined with the schedules of new expenditure.
21. **"Demand for Grant"** - means a proposal made on the recommendation of the Governor presented before the Assembly by a Minister for the appropriation of State revenues and other moneys out of the Consolidated Fund of the State to a particular purpose.
22. **"Departmental Estimates"** - means estimates of receipts and expenditure of a Department submitted to the Finance Department as the material for preparation of the Detailed Estimates.
23. **"Estimating Officer"** - means the departmental officer made responsible under this Manual for preparing any part of a Departmental Estimate.

24. **'Excess Grant'** – Excess grant means the expenditure incurred over and above the appropriation authorised through the original/supplementary grant, that requires regularization by obtaining excess grant from the Assembly under Article 115 of the Constitution.
25. **'Finance Accounts'** – means an audited presentation of the general accounts of the State Government to the Assembly. It comprises of the accounts of the State Government as a whole.
26. **'Head of Department'** - means an officer declared as such by Government. (A list of Heads of Departments is given in the Delegation of Financial Powers Rules under Schedule-IV).
27. **'New Service'** – As appearing in Article 115(1)(a) of the Constitution, means expenditure arising out of a new policy decision, not brought to the notice of Assembly earlier, including a new activity or a new form of investment.
28. **'New Instrument of Service'**- means relatively large expenditure arising out of important expansion of an existing activity.
29. **'Primary unit of appropriation'** – means a primary unit of appropriation referred to in Rule 8 of the Delegation of Financial Powers Rules, 1978. It is the lowest unit of classification denoting the objects of expenditure.
30. **'Public Account'**- means the Public Account of State referred to in Article 266(2) of the Constitution. Disbursements from the Public Account are not subject to vote by the Assembly, as they are not moneys issued out of the Consolidated Fund of State.
31. **'Public Accounts Committee'** - is a Committee constituted by the Assembly for the examination of the reports of the Comptroller and Auditor General of India relating to the appropriation accounts of the State Government, the Finance accounts of the State Government or such other accounts or financial matters as are laid before it or which the Committee deems necessary to scrutinise.
32. **"Re-Appropriation"** - means the transfer, by a competent authority, of savings/funds from one unit of appropriation to another unit of appropriation within the same Grant to meet the excess expenditure anticipated under the latter unit within the same Grant or Charged Appropriation.
33. **"Revised Estimate"** - means an estimate of the probable receipts or expenditure for a financial year prepared in the course of that year with reference to the transactions already recorded for a part of the year and anticipated expenditure for the remainder of the year.
34. **Supplementary Demands for Grants'**- means supplementary demands laid before the Assembly, showing the estimated amount of further expenditure necessary in a financial year over and above the appropriation authorized. The supplementary demands may be token, technical or cash.
35. **'Voted Expenditure'** - means expenditure which is subject to the vote of the Assembly, under Article 203(2) of the Constitution. It is to be distinguished from 'Charged' Expenditure, which is not subject to voting, even though can be discussed in the Assembly.

36. **'Vote on Account'** - means a Grant made in advance by the Assembly before the commencement of the ensuing financial year, in pursuance of Article 206(1) (a) of the Constitution in respect of the estimated expenditure for a part of new financial year, pending the completion of the procedure relating to the voting of the Demands for Grants and the passing of the Appropriation Act.

## **IMPORTANT CONSTITUTIONAL PROVISIONS RELATED TO BUDGET**

During the initial phases of the preparation of the Annual Budget, the Finance Department undertakes a preliminary assessment of the financial resources that are likely to be available with the State in the ensuing financial year based on past trends with due consideration of policy announcements by the Union and State Government and any recent developments that may significantly impact resource availability. Financial business in the Assembly consists of the Budget comprising of General Budget, Demands for Grant, Vote on Account, Supplementary Demands for Grant, Appropriation Bill and **the Finance Bill**. The Constitutional provisions that shape and guide the budgeting system and process are outlined in brief as under-

### **Article 202- Annual Financial Statement**

It provides that in respect of every financial year the Governor shall cause to be laid before both the State Legislative Assembly a statement of the estimated receipts and expenditure of the State Government for that year, referred to as the "annual financial statement". The estimates of expenditure shall show separately expenditure charged upon the Consolidated Fund of State; and other expenditure (voted) proposed to be made from the Consolidated Fund of State. The statement shall also distinguish expenditure on revenue account from other (capital) expenditure.

### **Article 203- Procedure in Legislature with respect to estimates**

It provides that estimates relating to expenditure charged upon the Consolidated Fund of State shall not be submitted to the vote of Assembly, even though these can be discussed in the Assembly. The estimates relating to the 'voted' portion shall be submitted in the form of demands for grants, and the Assembly shall have power to assent, refuse or reduce the amount specified therein. No demand for a grant shall be made except on the recommendation of the Governor.

### **Article 204- Appropriation Bills**

After the passing of the demands under Article 203, Appropriation Bill is introduced in the Assembly to provide for appropriation out of the Consolidated Fund of State to meet the requirements relating to (a) the grants so made by the State Assembly; and (b) the expenditure charged on the Consolidated Fund of State but not exceeding in any case the amount shown in the statement previously laid before Assembly. Further, subject to the provisions of articles 205 and 206, no money shall be withdrawn from the Consolidated Fund of State except under appropriation made by law passed in accordance with the provisions of this article.

**Article 205- Supplementary, additional or excess grants.**

If the amount authorized through appropriation for a particular service is found to be insufficient for the purposes in that year or when a need has arisen during the financial year for supplementary or additional expenditure upon some new service not contemplated in the annual financial statement for that year, a supplementary demand for grants proposal shall be made before the Assembly. However, if any money has been spent on any service during a financial year in excess of the amount granted for that service and for that year, demand for such excess, as the case may be, is to be laid before Assembly for authorizing expenditure incurred in excess as the case may be.

**Article 206- Votes on Account, Votes of Credit and exceptional grants.**

The State Assembly shall have power relating to-

- (a) Vote on Account- to make any grant in advance in respect of the estimated expenditure for a part of any financial year pending completion of the Assembly procedure.
- (b) Vote of Credit- to make a grant for meeting an unexpected demand upon the resources of State when on account of the magnitude or the indefinite character of the service the demand cannot be stated with the details ordinarily given in an annual financial statement;
- (c) Exceptional Grant- to make provision for an exceptional grant that does not form part of the current service of any financial year;

Assembly shall have power to authorize by law withdrawal of moneys from the Consolidated Fund of State for the above purposes.

**Article 207- Special provisions as to Finance Bill**

A Bill or amendment making provision for any of the matters specified in sub-clauses (a) to (f) of clause (1) of article 199 shall not be introduced or moved except on the recommendation of the Governor.

**Article 265- Taxes not to be imposed save by authority of law.**

No tax shall be levied or collected except by authority of law.

**Article 266- Consolidated Funds and Public Accounts of India and of the States.**

Subject to the provisions of article 267 and the provisions of this Chapter with respect to the assignment of the whole or part of the net proceeds of certain taxes and duties to States, all revenues received by the Government, all loans raised and all moneys received by that Government in repayment of loans shall form one consolidated fund to be entitled "the Consolidated Fund of State".

All other public moneys received by or on behalf of the Government of State shall be credited to the Public Account of State.

No moneys out of the Consolidated Fund of State shall be appropriated except in accordance with law and for the purposes and in the manner provided in the Constitution.

### **Article 267(2) - Contingency Fund**

Assembly may by law establish a Contingency Fund in the nature of an imprest to be entitled "the Contingency Fund of State" into which shall be paid from time to time such sums as may be determined by such law, and the said Fund shall be placed at the disposal of the Governor to enable advances to be made by him out of such Fund for the purposes of meeting unforeseen expenditure pending authorization of such expenditure by Assembly by law under article 205 or article 206.

### **Article 275- Grants from the Union to certain States.**

Such sums as Parliament may by law provide shall be charged on the Consolidated Fund of India in each year as grants-in-aid of the revenues of such States as Assembly may determine to be in need of assistance, and different sums may be fixed for different States. Provided, that after a Finance Commission has been constituted no order shall be made under this clause by the President except after considering the recommendations of the Finance Commission.

### **Article 280- Finance Commission**

The President shall, within two years from the commencement of Constitution and thereafter at the expiration of every fifth year or at such earlier time as the President considers necessary, by order constitute a Finance Commission. It shall be the duty of the Commission to make recommendations to the President relating to-

- (a) the distribution between the Union and the States of the net proceeds of taxes which are to be, or may be, divided between them under this Chapter and the allocation between the States of the respective shares of such proceeds;
- (b) the principles which should govern the grants-in-aid of the revenues of the States out of the Consolidated Fund of India;
  - (bb) the measures needed to augment the Consolidated Fund of a State to supplement the resources of the Panchayats in the State on the basis of the recommendations made by the Finance Commission of the State;
- (c) the measures needed to augment the Consolidated Fund of a State to supplement the resources of the Municipalities in the State on the basis

- of the recommendations made by the Finance Commission of the State;
- (d) any other matter referred to the Commission by the President in the interests of sound finance.

The Commission shall determine their procedure and shall have such powers in the performance of their functions as Assembly may by law confer on them.

**Article 283(2)- Custody, etc., of Consolidated Funds, Contingency Funds and moneys credited to the public accounts.**

The custody of the Consolidated Fund of a State and the Contingency Fund of a State, the payment of moneys into such Funds, the withdrawal of moneys there from, the custody of public moneys other than those credited to such Funds received by or on behalf of the Government of the State, their payment into the public account of the State and the withdrawal of moneys from such account and all other matters connected with or ancillary to matters aforesaid shall be regulated by law made by the Legislature of the State, and, until provision in that behalf is so made, shall be regulated by rules made by the Governor of the State.

**Article 150- Form of accounts of the Union and of the States.**

The accounts of the Union and of the States shall be kept in such form as the President may, on the advice of the Comptroller and Auditor- General of India, prescribe.

**Article 151(2)- Audit reports**

The reports of the Comptroller and Auditor General of India relating to the accounts of a State shall be submitted to the Governor of the State, who shall cause them to be laid before the Legislature of the State.

**Article 199- Definition of "Money Bills"**

1. A Bill shall be deemed to be a Money Bill if it contains only provisions dealing with all or any of the following matters, (a) the imposition, abolition, remission, alteration or regulation of any tax; (b) the regulation of the borrowing of money or the giving of any guarantee by the State, or the amendment of the law with respect to any financial obligations undertaken or to be undertaken by the State; (c) the custody of the Consolidated Fund or the Contingency Fund of the State, the payment of moneys into or the withdrawal of moneys from any such Fund; (d) the appropriation of moneys out of the Consolidated Fund of the State; (e) the declaring of any



expenditure to be expenditure charged on the Consolidated Fund of the State or the increasing of the amount of any such expenditure; (f) the receipt of money on account of the Consolidated Fund of the State or the public account of the State or the custody or issue of such money or (g) any matter incidental to any of the matters specified in sub-clauses (a) to (f).

2. A Bill shall not be deemed to be a Money Bill by reason only that it provides for the imposition of fines or other pecuniary penalties, or for the demand or payment of fees for licences or fees for services rendered, or by reason that it provides for the imposition, abolition, remission, alteration or regulation of any tax by any local authority or body for local purposes.
3. If any question arises whether a Bill introduced in the Legislature of a State is a Money Bill or not, the decision of the Speaker of the Legislative Assembly of such State thereon shall be final.

The detailed original text of the above and other Budget related Constitutional provisions may be referred to the Constitution of India.

**CHAPTER 1**

**INTRODUCTION TO THE BUDGET**

**1.1 BUDGET**

- 1.1.1 Although the Constitution does not mention the term 'Budget', Article 202 says that the Governor shall, in respect of every financial year, cause to be laid before the Assembly, a statement of the estimated receipts and expenditure of the Government for that year. This statement is known as the 'Annual Financial Statement'.
- 1.1.2 The financial year for the Union and the State Governments in India is from 1st April to 31st March. Each financial year is, therefore, spread over two calendar years. The period of financial year as 1st April to 31st March was introduced in India from 1867. Prior to that, the financial year in India used to commence on 1st May and ended on 30th April (L.K. Jha Committee's Report of the Committee on Change in Financial Year).
- 1.1.3 Presently, the State Budget of Manipur is presented each year on any suitable date by the Finance Minister to the Assembly after the Union Budget is presented usually on the 1<sup>st</sup> of February of the year.

**1.2 FEATURES OF BUDGET**

- 1.2.1 Budget preparation in the State is an iterative process between Finance Department and line Departments.
- 1.2.2 The Budget cycle normally starts towards the first week of October of the current year and lasts till March of the next year.
- 1.2.3 The process commences with the Budget Section in the Finance Department issuing the 'Budget Circular' detailing instructions for preparing estimates. The Budget Circular is issued with the purpose of providing guidance to the Departments in framing their Revised Estimates for the current year and the Budget Estimates for the ensuing financial year, for further submission to the Finance (Budget) Department.
- 1.2.4 Some of the salient features of State Budget are as follows:
- a. Budget is prepared on Cash Basis:**

Whatever is expected to be actually received or paid under proper sanction during a financial year (including arrears of the past years) should be budgeted in that year.
  - b. Rule of Lapse:**

All appropriations granted by the Assembly expire at the end of financial year. Unspent budgets are not available for meeting the demands in the next financial year. Thus, all unutilized funds within the year 'lapse' at the end of the financial year.

**c. Realistic Estimation:**

It is essential that each Demand has realistic estimates which are required for expenditure in that year.

**d. Budget to be on Gross Basis:**

Budget is prepared on gross basis. Departments are normally not permitted to utilize the receipts or deduct expenditure in their budget proposals.

**e. Estimates to be on Departmental Basis.**

Every Department prepares estimates for receipts and expenditure separately. Generally, one Demand or Grant is allocated in respect of each Department.

### **1.3 SCOPE OF BUDGET.**

1.3.1 Budget is presented to the Assembly in such form as the Finance Department may decide. Broadly, the Budget documents depict information relating to receipts and expenditure for two years. They are:

- i. Budget Estimates (BE) of receipts and expenditure in respect of current and ensuing financial years;
- ii. For the current year through Revised Estimates (RE); and
- iii. In addition, Actuals of the year preceding the current year is also reflected.

1.3.2 Budget thus sets forth the receipts and the expenditure of the Government for three consecutive years.

1.3.3 The Annual Financial Statement shows the receipts and expenditure of Government in three separate parts under which Government accounts are maintained viz. (i) Consolidated Fund of State (ii) Contingency Fund of State and the (iii) Public Account. As per Constitutional provisions (Article 202) the Annual Financial Statement has to distinguish expenditure on revenue account from other expenditure. It, therefore, includes (i) Revenue account and (ii) Capital account.

1.3.4 The expenditure of certain categories, charged on the Consolidated Fund of State and not subject to the Vote of Assembly, are also indicated separately in the Budget. The Demands for Grants show separately the revenue and capital, and the charged and voted expenditure.

1.3.5 Estimates of receipts are classified into tax receipts, non-tax receipts, capital receipts (both Debt and Non-Debt) and also those which are on revenue account and others which are on capital account.

## 1.4 BUDGET DOCUMENTS

1.4.1 The State Budget is currently presented through various documents, some of which are Constitutionally/statutorily mandated, while others are explanatory documents. List of Budget documents presented to the Assembly, besides the Finance Minister's Budget Speech, is given below:

- A. Annual Financial Statement (AFS)
- B. Demands for Grants (DG)
- C. Budget at a Glance (BG)
- D. Revised Estimate and Demands for Supplementary Grants
- E. Appropriation Bills
- F. Statements mandated under FRBM Act.
- G. Gender Budget

The Budget documents are described in brief as follows:

### **A. ANNUAL FINANCIAL STATEMENT (AFS)**

The Annual Financial Statement (AFS), the document as provided under Article 202, shows the estimated receipts and disbursements of the State Government in three parts in which Government Accounts are kept viz., (i) The Consolidated Fund of the State, (ii) The Contingency Fund of the State and (iii) The Public Account. It distinguishes the expenditure on revenue account from the expenditure on other accounts, as is mandated in the Constitution of India. The Revenue and the Capital sections together, make the State Budget. The estimates of receipts and expenditure included in the Annual Financial Statement are for expenditure net of refunds and recoveries.

### **B. DEMANDS FOR GRANTS**

Article 203(2) of the Constitution mandates that the estimates of expenditure from the Consolidated Fund of State included in the Annual Financial Statement and required to be voted by the Assembly, be submitted in the form of Demands for Grants. The Demands for Grants are presented to the Assembly along with the Annual Financial Statement. Generally, one Demand for Grant is presented in respect of each Department. However, more than one Demand may be presented for a Department depending on the nature of expenditure.

The serial number of Demands for Grants and their coverage are decided by the Budget Section. The estimates in the Demands for Grants are shown by Major Heads, and the break-up under each Major Head shows the estimates under 'charged' and 'voted', 'Revenue' and 'Capital'. Each demand normally includes the total provisions required for a service, i.e. provisions on account of revenue expenditure, capital expenditure, grants and also loans and advances relating to that service. Estimates of expenditure included in the

Demands for Grants are for gross amounts. The receipts and recoveries taken in reduction of expenditure are shown by way of below the line entries.

The estimates of expenditure in the Demands for Grants contain those amounts for which the vote of Assembly is required separately, and is called 'voted' expenditure. The estimate for 'charged' expenditure under any head for which vote of the Assembly is not required, are also indicated in the Demands for Grants. When there is no estimate for expenditure under any head requiring vote of Assembly, then it is not called a Demand, but it is called 'Appropriation' and included as such in the list of Demands.

### **C. BUDGET AT A GLANCE**

This document shows in brief, receipts and disbursements along with broad details of tax/ non-tax revenues and other receipts and outlays. This document also shows the revenue deficit, the gross primary deficit and the gross fiscal deficit of the State Government.

### **D. DEMANDS FOR SUPPLEMENTARY GRANTS**

Supplementary or Additional Grant or Appropriation over the provision made by the Appropriation Act for the year can be made during the current financial year but not after the expiry of the current financial year as is necessary to meet- (i) Expenditure on Schemes of New Expenditure to be taken up within the current financial year (ii) Inadequacy of provision (iii) Fresh expenditure but not technically "Schemes of New Expenditure and (iv) Omissions of provision. It is to be noted here that No expenditure under a particular Head (Major, Minor or Sub Head) against which no provision exists in the Budget as passed by the Assembly can be incurred and the provision under a Grant can never be exceeded. No expenditure can, therefore, be incurred in anticipation of a Supplementary or Additional Grant or Appropriation and no expenditure under a Head (Minor or Sub Head) against which no provision exists, can be incurred prior to provision of funds by Re-Appropriation, where it is admissible and possible, sanctioned by a competent authority.

### **E. APPROPRIATION BILL**

After the Demands for Grants are voted and passed by Assembly, an Appropriation Bill is introduced in the Assembly by the Finance Minister seeking to "authorise payment and appropriation of the sums so voted, as well as those required for meeting the charged expenditure from and out of the Consolidated Fund of the State for the services during the financial year". Thereafter, the Bill is considered and passed by the Assembly. Appropriation Bill for withdrawal from the Consolidated Fund of the State is introduced in the Assembly with the prior approval of the Governor.

**F. STATEMENTS MANDATED UNDER FRBM ACT.**

The Finance Budget Section place the statements mandated under the FRBM Act before the Assembly, namely, the Medium Term Fiscal Policy Statement, the Fiscal Policy Strategy Statement and the Macroeconomic Framework Statement and Disclosures. These statements set out rolling targets for certain specific fiscal indicators in relation to GDP at market prices, namely, (i) Fiscal Deficit, (ii) Revenue Deficit, (iii) Tax Revenue (iv) Non-tax Revenue, (v) State Government Debt, etc. The Statement includes the underlying assumptions, an assessment of the balance between revenue receipts and revenue expenditure and the use of capital receipts including market borrowings for the creation of productive assets. It also contains an assessment of the growth prospects of the economy along with the statement of specific underlying assumptions.

**G. GENDER BUDGET**

Gender Budget is placed in the Assembly in the form of a statement as a part of the gender responsive budgeting. Departments are required to employ a gender lens in the formation of legislations, policies, plans, programmes and schemes, allocation of resources, implementation, monitoring and impact assessment of the existing programmes and schemes. The Departments are to report the earmarked funds for women and children in their existing schemes and allocate funds under new schemes and programmes.

**CHAPTER 2  
ROLES AND RESPONSIBILITIES**

**2.1 ROLES AND RESPONSIBILITIES OF THE MANIPUR LEGISLATIVE ASSEMBLY**

2.1.1 Through the approval of the Annual Budget, the Legislative control over public finances becomes operative. While the Government is responsible for planning how public money should be spent, the Assembly's duty is to observe and scrutinise the Government's proposals and policies. The Assembly not only approves the State Budget prepared by the Government and but also enforces the accountability of the Executive.

2.1.2 Articles 202, 265, and 266 of the Indian Constitution outline the mechanism for Legislative control over public purse. It provides that "no tax shall be levied or collected except by authority of law, no expenditure can be incurred except with the authorization of the Legislature; and the Governor shall, in respect of every financial year, cause to be laid before the Assembly, "Annual Financial Statement".

**2.2 GOVERNOR'S APPROVAL**

2.2.1 The Annual Financial Statement or the Budget is presented to the Assembly on such date as the Governor may direct. There shall be no discussion of the Budget on the day on which it is presented to the Assembly.

2.2.2 Under Article 203(1) of the Constitution, No demand for grant shall be made except on the recommendation of the Governor.

2.2.3 In the year when General Elections to Lok Sabha or the State Legislative Assembly are held, the Budget may be presented twice, first to secure a Vote on Account for a few months and later, for the full financial year.

2.2.4 The approval of the Governor is obtained after the Government takes a decision for referring the Budget to the Governor for its introduction and passing in the Assembly.

2.2.5 After the approval of the Governor is obtained, the time and date of the Budget presentation is informed to all the Members by the Assembly.

**2.3 SUMMARY FOR THE CABINET**

2.3.1 Prior to the presentation of the Budget in Assembly, the Finance Minister briefs the Cabinet on the Budget proposals.

2.3.2 The Budget Section prepares a 'Summary for the Cabinet' outlining in brief the Revised Estimates proposals, the Budget proposals for the ensuing year,

the estimated receipts, including the tax proposals, miscellaneous financial provisions, the appropriation bills and the brief on the compliance with the relevant provisions of the FRBM Act and Rules.

- 2.3.4 Before presentation of the Budget in the Assembly, the State Cabinet sends the Budget proposal to the Governor for obtaining recommendation for introduction and consideration in the Assembly.

## **2.4 BUDGET PRESENTATION**

- 2.4.1 While presenting the Budget in the Assembly, the Finance Minister makes a speech providing details of the proposals for the new financial year regarding taxation, borrowings and expenditure plans of the Government.
- 2.4.2 The Budget Speech is largely a policy document which highlights the policies and programmes of the Government. The main purpose however is to focus attention on the policies and programmes of the Government and how far they had been already implemented and are proposed to be implemented during the forthcoming budget year.
- 2.4.3 No discussion takes place on the day the Budget is presented. Sets of Budget papers are supplied to Members after the Budget has been presented through digital mode.
- 2.4.4 The Revised Estimate of the Current Financial Year and the Budget Estimate of the next Financial Year is uploaded on [ebudgetmanipur.mn.gov.in](http://ebudgetmanipur.mn.gov.in) as soon as the Finance Minister concludes the Budget speech.

## **2.5 GENERAL DISCUSSION AND VOTING ON DEMANDS FOR GRANTS.**

- 2.5.1 The Budget is dealt with by the Assembly in two stages-
- (i) A general Discussion
  - (ii) The voting on Demands for Grants.
- 2.5.2 The Speaker fixes the dates and allots time for General Discussions on the Budget, subsequent to the day of presentation of the Budget. The House is at liberty to discuss the budget as a whole or any question of principle involved therein, but no motion can be moved at the time of General Discussion nor the Budget is submitted to the vote of the House after the General Discussion.
- 2.5.3 The Finance Minister has a right to reply at the end of the discussions. The scope of discussion at this stage is confined to general examination of the Budget, policy on taxation as expressed in the Budget Speech of the Finance Minister and general schemes and structures etc. Specific points or issues can be discussed on the floor of the House when relevant Demands for Grants is taken up.
- 2.5.4 The Speaker may, if he thinks fit, prescribe a time limit for speeches.



2.5.5 The Voting on Demands for Grants take place on such days, not exceeding 24 days as the Speaker allots in consultation with the Leader of the House. The Demands for Grants is presented in such order and discussion continue as the Leader of the House determine in consultation with the Leader of the Opposition. Motions may be moved at this stage to reduce or omit any grant but not to increase or alter the destination of a grant.

## **2.6 CUT MOTIONS**

2.6.1 After the General Discussion, the Demands for Grants of individual Departments are taken up in Assembly for discussion according to a time table decided at the meeting of Business Advisory Committee of the House and voted upon.

2.6.2 A motion can be moved by any member of the House seeking reduction in the amount of the demand under discussion by moving any of the following types of Cut Motions, a notice for which should have been given by him/her earlier:

**(a) Disapproval of Policy Cut:** by moving "that the amount of the demand be reduced to "Rs. 1", thus representing disapproval of the policy underlying the demand. The Member giving notice of 'Disapproval of Policy Cut' indicates in precise terms the particulars of the policy which he/she proposes to discuss. The discussion is confined to specific points mentioned in the notice and is open to the member to advocate an alternative policy.

**(b) Economy Cut:** by moving "that the amount of the demand be reduced by a specified amount" representing the economy that can be effected. The Member giving notice of 'Economy Cut' may indicate either a lump sum reduction in the Demand or omission or reduction of an item. She/he, briefly and precisely indicates the particular matter on which discussion is sought to be raised and her/his speech has to be confined to that matter as to how economy can be effected; and

**(c) Token Cut:** by moving "that the amount of the demand be reduced by "Rs. 100" to ventilate a specific grievance, which is in the sphere of responsibility of the Government of Manipur. The discussion is limited to a particular grievance specified in the motion.

2.6.3 Advance copies of Cut Motions relating to Finance are sent to the Finance Department for preparation of briefs thereon for the Finance Minister's use.

2.6.4 Cut motions are generally replied by the Administrative Minister concerned.

## **2.7 GUILLOTINE**

2.7.1 On the last day of discussion on Demands for Grants, the Speaker puts all the outstanding Demands for Grants to the vote of the House. This process is known as 'Guillotine' and is a device for bringing the debate on financial

proposals to an end within a specified time with the result that several Demands have to be voted by the House without discussions.

- 2.7.2 When time for applying the guillotine is reached, the Member or the Minister who is in attendance of the House is asked by the Speaker to resume his/her seat. Cut Motions which have been moved are immediately put to vote and disposed (negated). Ministers concerned with the Departments whose Demands for Grants are guillotined are present in the House so that they are available to provide material/answer on points which may be raised by Members.

## **2.8 APPROPRIATION BILL**

- 2.8.1 Voting of Grants by the Assembly does not by itself authorise the issue of money out of the Consolidated Fund of the State. The Constitution under Article 204 states "no money shall be withdrawn from the Consolidated Fund of State except under Appropriation made by law". Therefore, after the Demands for Grants are voted and passed by Assembly, an Appropriation Bill is introduced in the Assembly seeking to "authorize payment and appropriation of the sums so voted, as well as those required for meeting the charged expenditure from and out of the Consolidated Fund of State for the services during the financial year".
- 2.8.2 Appropriation Bill for withdrawal from the Consolidated Fund of State is introduced in the Assembly with the prior approval of the Governor. For its introduction, consideration and passing on the same day, a special permission has to be sought from the Speaker.
- 2.8.3 The scope of debate on an Appropriation Bill relating to Demands for Grants for the financial year after remaining demands have been guillotined is restricted to important matters or administrative policy implied in the grants covered by the Bill which have not already been raised while relevant Demands for Grants were discussed in the House.

## **2.9 FINANCE BILL**

- 2.9.1 In Union Government, all new taxation proposals are given effect to by introduction and passing of the Finance Bill which contains amendments to existing provisions in different Taxation Acts.
- 2.9.2 In Manipur, generally there is no consolidated Finance Bill and new taxation proposals are given effect to by introducing separate amendment bills to the different Taxation Acts or by introducing a new Taxation Bill.

## **2.10 VOTE ON ACCOUNT**

- 2.10.1 A provision has been made in the Constitution which empowers Assembly to make any grant in advance in respect of the estimated expenditure for a part of the financial year pending completion of procedure for the voting of the

Demands. The purpose of 'Vote on Account' is to keep Government functioning, pending voting of final budget.

2.10.2 As a convention, Vote on Account is treated as a formal affair and passed by Assembly without any discussion.

2.10.3 Generally, Vote on Account is taken up when the regular Budget is not presented e.g. prior to Elections to the Assembly etc.

## **2.11 ROLE OF THE EXECUTIVE IN THE BUDGET PROCESS.**

2.11.1 The executive authority of the State Government is vested in the Governor of Manipur who exercises this authority either directly or through officers in accordance with Constitutional provisions. However, the Governor has been placed under a firm Constitutional obligation to act in accordance with the advice tendered by the Council of Ministers headed by the Chief Minister, which is collectively responsible to the Assembly.

2.11.2 Each Minister holding a portfolio for formulating departmental policies is individually responsible (as part of collective responsibility) to oversee the implementation and ensure the efficient working of the administrative machinery under his/ her charge.

## **2.12 ROLE OF FINANCE DEPARTMENT.**

2.12.1 The Finances of the Government have traditionally been controlled by the Finance Department. With the phenomenal growth and the complexity of the Government activities, several powers have been delegated to Administrative Departments, but the Finance Department continues to have the overall responsibility of co-ordination and control.

2.12.2 The Finance (Budget) Department is responsible for issuing all instructions and guidelines for the preparation of Budget Estimates and for monitoring the timely receipt of the same from all the Departments concerned.

## **2.13 ROLE OF FINANCE (BUDGET) DEPARTMENT.**

2.13.1 The Finance (Budget) Department has the prime responsibility for the preparation and submission of Annual Budget to the Assembly, as well as the Supplementary Demands for Grants and the Demands for Excess Grants.

2.13.2 The functions of the Finance (Budget) Department, inter alia, includes:-

- (i) Preparation of State Budget including Supplementary/ Excess Grants.
- (ii) Contingency Fund of the State and administration of the Contingency Fund.
- (iii) Monitoring of budgetary position of the State Government.
- (iv) Regulation of Expenditure.

(v) Laying of Audit Reports before the Assembly.

### 2.13.3 Budget related functions:

- (i) The Budget Section is headed by Administrative Secretary (Finance).
- (ii) The primary responsibility of Budget Section relates to 'Scrutiny of Receipt and Expenditure Estimates' in the process of preparation of Budget Estimates for the ensuing fiscal, Revised Estimates of current fiscal, and related Statements/Annexures of various Budget documents.
- (iii) Although the Detailed Estimates of receipts and expenditure are prepared by the Administrative Departments in the prescribed forms and furnished to the Finance(Budget) Department, the actual preparation of the budget and the estimates is the responsibility of Finance (Budget) Department.
- (iii) On receipt of the departmental estimates, Budget Section examines the estimates item by item with due regard to the explanations furnished by the estimating officers. The recommendations, if any, of the administrative departments and the trends of actual expenditure/receipt during the current year are examined by the Budget Section.
- (iv) In respect of the estimates of expenditure, the Department does a close scrutiny of the items with due regards to the justification submitted. Budget Section of Finance Department shall not allow any increase that is not adequately explained or justified.
- (v) Budget Section also does a detailed scrutiny and making such corrections as are necessary in the classification of receipts and expenditure under the various Major Heads, Voted/ Charged, Revenue/ Capital.
- (vi) After the scrutiny of each departmental estimate, the Budget Section adopts figures for each item included in the estimates and cause the estimates so adopted to be compiled in the form it appears in various Budget documents.
- (vii) Simultaneously, Budget Section communicates to the Department, the figures adopted in the Budget. After all the Department's estimates are settled and the detailed estimates are completed in all respects, the Budget Section examines the estimates as a whole in order to assess the overall/consolidated position and to carry out such changes as may be found necessary, with the approval of competent authorities.
- (viii) At any stage before the Budget is presented to the Assembly, Finance Department may make such modifications in the estimates as may be necessitated by the emergence of factors affecting the estimates so far framed. Such action is required in order to fulfil its responsibility to present the estimates as correctly as possible.

## **2.14 ADMINISTRATIVE DEPARTMENTS**

2.14.1 The basic responsibility for the administration of each Department's activities is entrusted to the Head of the Department concerned, who is guided and controlled by the Administrative Department.

2.14.2 In financial matters, each Head of the Department is thus responsible for the collection of revenue and control of expenditure pertaining to his Department, the receipt and disbursement of which are usually effected at various places and through various persons/ authorities.

## **2.15 ROLE OF INTERNAL FINANCE DIVISION (IFD)**

2.15.1 The Internal Finance Division is headed by the senior most Manipur Finance Service Officer posted in the Department reporting to the concerned Head of Department only.

2.15.2 The Division looks into all budget related matters, watching and reviewing progress of expenditure against sanction grants, watching and reviewing of revenue receipts against budgetary targets, etc.

2.15.3 Budget related checks to be done by IFD.

(i) To ensure that the schedule for preparation of budget is adhered to by the Department and the Budget is drawn up according to the instructions issued by Finance Department from time to time.

(ii) To scrutinize budget proposals thoroughly before sending them to Finance Department.

(iii) To screen the proposals for Supplementary Demands for Grants.

(iv) To keep himself/ herself closely associated with the formulation of schemes and important expenditure proposals from their initial stages.

(v) To evaluate progress/ performance in the case of projects and other continuing schemes and to see that the results of such evaluation studies are taken into account in the budget formulation.

## **2.16 RESERVE BANK OF INDIA**

2.16.1 RBI acts as a Banker to both the Union and State Government. All receipts and expenditure of the State Government are done through Agency Banks as approved by RBI. As per instructions of the State Government, RBI does the Public Debt Management and investment of surplus funds on behalf of the

State Government. RBI also gives Ways and Means advance and overdraft facilities to the State Government.

## **2.17 ROLE OF COMPTROLLER AND AUDITOR GENERAL OF INDIA**

2.17.1 Comptroller and Auditor General of India (C&AG) plays a crucial role in financial control of the State. The audited Appropriation and Finance Accounts are submitted along with the audit reports of the C&AG to the Governor of State. These accounts and reports are then caused to be laid before the Assembly.

2.17.2 Accountant General, Manipur acts as the representative of C&AG at the State level.

2.17.3 The primary function of the C&AG audit is to verify the accounts to ascertain-

(i) Whether the moneys shown in the accounts as having been disbursed were legally available for and applicable to the service or purpose to which they have been applied or charged and whether the expenditure conforms to the authority which governs it, and

(ii) Whether the assessment, collection and allocation of revenue have been properly done.

2.17.4 The C&AG also examines the accounts relating to grants and loans given by the Government to other bodies.

## **2.18 ROLE OF STANDING COMMITTEES OF THE ASSEMBLY.**

2.18.1 Legislative Control over public expenditure is not limited to the voting of moneys required by Government for carrying on the administration of the state but also extends to ensuring prudent expenditure.

2.18.2 Having voted large sums of money, Assembly expects a detailed account of how the money has been spent, to satisfy itself that the money so voted were directed to intended purpose and were spend prudently and economically. In order to exercise effective control over public expenditure, it has set up three financial Committees viz. Public Accounts Committee, Estimates Committee and Committee on Public Undertakings. The roles and functions of these Committees are described in brief in the following paragraphs.

### **2.18.3 ESTIMATES COMMITTEE**

(i) As per Rule 274 of the Manipur Legislative Assembly, there shall be a Committee on Estimates for the examination of such of the estimates as may seem fit to the Committee or are specifically referred to it by the House. The functions of the Committee shall be:

(a) To report what economies, improvements in organizational efficiency or administrative reform, consistent with the policy underlying the estimates may be effected.

(b) To suggest alternative policies in order to bring about efficiency and economy in administration.

(c) To examine whether the money is well laid out with the limits of the policy implied in the estimates; and

(d) To suggest the form in which the estimates shall be presented to Assembly.

(ii) The Committee may continue its examination of the estimates from time to time throughout the financial year and report to the House as its examination proceeds.

#### **2.18.4 PUBLIC ACCOUNTS COMMITTEE**

(i) As per Rule 272 of the Assembly, there shall be a Committee on Public Accounts for the examination of the Reports of the Comptroller and Auditor General of India relating to the Appropriation Accounts of the state, the Annual Finance Accounts of the State or such other accounts or financial matters as are laid before it or referred to it or which the Committee deems necessary to scrutinize.

(ii) In scrutinizing the Appropriation Accounts of the State and the report of the Comptroller & Auditor General thereon, it shall be the duty of the Committee to satisfy itself:

(a) That the moneys shown in the accounts as having been disbursed were legally available for, and applicable to, the service or purpose to which they have been applied or charged.

(b) That the expenditure conforms to the authority which governs it; and

(c) That every re-appropriation has been made in accordance with the provisions made in this behalf under rules framed by competent authority.

(iii) It shall also be the duty of the Committee:

(a) To examine the Statement of Accounts showing the income and expenditure of State Corporations, trading and manufacturing schemes, concerns and projects together with the balance sheets and statements of profit and loss accounts which the Governor may have required to be prepared or are prepared under the provisions of the statutory rules regulating the financing of a particular corporation, trading or manufacturing scheme or concern or project and the report of the C&AG thereon;

(b) To examine the Statement of Accounts showing the income and expenditure of autonomous and semi-autonomous bodies, the audit of which may be conducted by the Comptroller & Auditor General of India either under the directions of the Governor or by a statute; and

(c) To consider the Report of the C&AG in cases where Governor may have required him to conduct an audit of any receipts or to examine the accounts of stores and stocks.

#### **2.18.5 COMMITTEE ON PUBLIC UNDERTAKINGS**

(i) Rule 276 of the Manipur Legislative Assembly deals with the Committee on Public Undertakings.

(ii) The functions of the Committee shall be:

(a) To examine the reports and accounts of the public undertakings as specified by the Government from time to time and of such other public undertakings as may be referred by the Speaker for examination.

(b) To examine the reports, if any, of the Comptroller and Auditor General on the public undertakings.

(c) To examine, in the context of the autonomy and efficiency of the public undertakings, whether the affairs of the public undertakings are being managed in accordance with sound business principles and prudent commercial practices; and

(d) To exercise such other functions vested in the Committee on Public Account and the Committee on Estimates in relation to the public undertakings mentioned above as are not covered by clauses (a), (b) and (c) above and as may be allotted to the Committee by the Speaker from time to time.

(iii) The Committee shall not examine and investigate any of the followings: -

(a) Matters of the major Government Policy as distinct from business of commercial functions of the public undertakings.

(b) Matters of day-to-day administration; and

(c) Matters for the consideration of which machinery is established by any special status under which a particular public undertaking is established.



**CHAPTER 3**  
**BUDGET PROCESS**

- 3.1 Though State Budget is presented in the month of February-March or any other suitable date as decided by the Government, the process of Budget preparation commences in the first week of October of previous year and continues till the end of March. On the presumption that Budget shall be presented on the month of February or any other date as decided by the Government, the Budget Section prepares a comprehensive Schedule for carrying out the Budget preparation activities.
- 3.2 In the year in which General Elections to the Lok Sabha or the General Elections to the State Legislative Assembly are held, the Vote on Account Budget is presented to Assembly. After the General Elections are over and assumption of office by the new Government, the Main Budget is presented to Assembly on a date as decided by the new Government.
- 3.3 Budget for a year is prepared by the Budget Section in the Finance Department broadly on the basis of detailed estimates of expenditure and receipts received from various Departments and its own subordinate estimating authorities. The detailed estimates of expenditure are prepared by Departments according to their assessment of requirements for the ensuing year, keeping in view the actual requirements in the past, current year's trends of expenditure, the decisions taken by the Government which will have financial implications etc.
- 3.4 **BUDGET CIRCULAR**
- 3.4.1 Commencement of Budget process takes place with issue of the Budget Circular, normally in the month of October each year.
- 3.4.2 Budget Circular is issued with the purpose of providing guidance to Departments in framing their Revised Estimates for the current year and the Budget Estimates for the ensuing financial year. This Circular gives detailed instructions on the preparation of estimates of various types of receipts and expenditure, including the formats and statements in which the estimates are required to be furnished.
- 3.4.3 The Budget Circular also outlines the processes that are to be followed with reference to various estimating requirements and the scheduled dates by which the information in the prescribed formats is required to be made available to the Finance (Budget) Department.

### **3.5 BUDGET HEADS OF ACCOUNT**

- 3.5.1 The Major and Minor Heads of Accounts as prescribed in the List of Major and Minor Heads of Accounts of Union and States issued by the Ministry of Finance, Department of Expenditure, Controller General of Accounts are adhered to as far as practicable in selecting the Demand, Heads and Sub Heads of Demands and no important departure in this respect is made.
- 3.5.2 The Sub Head and Detailed Heads are introduced entirely for convenience in budgeting and accounting. From this, it follows that in the matter of accounting and for control of expenditure, the nomenclature of the budget heads should be strictly followed.
- 3.5.3 The DDOs and the IFDs are responsible for estimating the receipts and expenditure for all the Detailed Heads of Accounts under the Minor Heads operated by them. They submit their estimates to the Heads of the Departments to consolidate the estimates for the Major Heads operated by them. Heads of the Departments submit their estimates to the Controlling Officers in the Administrative Departments. The Administrative Departments, in turn, examine the estimates and after necessary revision etc., forward these estimates to the Finance Department for incorporation in the State Budget.

### **3.6 FORMS FOR PREPARATION OF BUDGET ESTIMATES**

- 3.6.1 By 1st week of October every year, the Finance Department arranges to supply to Controlling Officers for distribution to the Estimating Officers, blank forms detailing the items for which the latter are required to furnish statements for preparing Budget Estimates. These forms relate to "Budget Estimates (Receipt) and Budget Estimates (Expenditure)". These will contain columns for preparation of Budget Estimates to show—
- (a) Actuals of the previous year
  - (b) Original sanctioned estimate of the current financial year
  - (c) Actuals of first 6 months of the current year
  - (d) Revised Estimates for the current financial year
  - (e) Proposed estimates for the coming financial year
  - (d) Explanatory remarks

### **3.7 GENERAL GUIDELINES FOR PREPARATION OF ESTIMATES OF EXPENDITURE**

- 3.7.1 Estimates of expenditure are required to be furnished to Budget Section for pre-Budget discussions. These discussions are normally scheduled to commence around mid-November to decide the net budgetary provisions of each Department and are chaired by Administrative Secretary (Finance).

- 3.7.2 While formulating expenditure estimates, Departments should review the existing Expenditure Budget in the first instance, to prioritize the activities and schemes, and identify those activities and schemes, which can be eliminated or reduced in size or merged with any other scheme. The estimates should be prepared with due care. These should be neither overestimated nor underestimated but should be prepared, keeping in view, the expenditure and receipts which Estimating Officer expects to disburse payments or realise receipts during the financial year.
- 3.7.3 Estimating Officer will also furnish suitable explanations in the space under "Explanatory remarks", for any increase or decrease in the proposed estimates as compared with the original sanctioned Budget Estimates or the Revised Estimates of the current financial year.
- 3.7.4 While framing estimates, due note may also be taken of the past performance, the stages of formulation/implementation of the various schemes, the institutional capacity of the implementing agencies to implement the scheme as scheduled, constraints on spending by the spending agencies, and most importantly, the quantum of Government assistance lying with the recipients unutilized etc. with a view to minimize the scope for surrenders at a later stage.
- 3.7.5 Salaries & Wages should be estimated based on level of government employment as on 31<sup>st</sup> October of the current Financial Year. The additional expenditure to be incurred, if any, should be factored in.
- 3.7.6 Regarding grants under Centrally Sponsored Schemes, RE/ BE maybe proposed based on expected receipts from Government of India (GoI), so that there is no difficulty in releasing funds.
- 3.7.7 The estimates for civil works should be sent to the Chief Engineer of PWD for inclusion in the Department's Demands for Grants. The estimates for "New Works" which have received administrative approval should be arranged in order of priority. The Department concerned, while formulating Budget Estimates for their departmental building programme, should allocate sufficient amounts from the Developmental Expenditure. The Departments should also take into account the works which have already been taken up and are in progress. The ongoing works should be given "Priority".
- 3.7.8 The Grants-in-aid/ contribution/ subsidies estimates should be shown distinctly (as there are separate object heads of expenditure for grant-in-aid contribution and subsidies). In the case of subsidies, the nature of subsidy, that is, whether it is for concessional rate of interest or price differential for meeting economic loss etc. should be clearly indicated.
- 3.7.9 In regard to the new schemes/proposals under Committed Expenditure for which provision is included in the budget estimates for the first time, necessary information including basis together with the stage of the schemes,

i.e., whether the schemes/proposals have been approved by the competent authority and number and date of reference sanctioning the schemes/proposals should be indicated. In the case of continuing schemes information regarding Developmental Expenditure ceiling, expenditure already incurred, the stage of the scheme and the reasons for delay in progress, if any, should invariably be mentioned in the budget proposals.

### **3.7.10 COMPILATION OF DEVELOPMENTAL ESTIMATES.**

(i) There should be separate statements for (i) Centrally Sponsored Schemes and (ii) Externally Aided Projects

The Departments may furnish the details of Centrally Sponsored Schemes (CSS) and Externally Aided Projects (EAP), with amounts sanctioned by the respective Ministries of Government of India during the current year. The amounts so far authorized by Finance Department against Government of India Sanction should be clearly indicated in their Revised Estimates. Amounts likely to be sanctioned by GoI/funding agency during the course of the year but not yet received may also be furnished to the Finance Department (FD). If figures of CSS/ EAP are to be enhanced based on new information received from Government of India, the matter may be communicated to Finance Department. The amounts so proposed may be based on the Department's proposal already submitted to GoI/funding agency or on the previous year's sanction in case of continuing Schemes.

(ii) The matching share to be met from Developmental Expenditure, if any, should clearly indicate the head of account where the state share is to be provided within the approved outlay. There should be a separate State Share Head of Account for each CSS, as per the guidelines laid down by Government of India.

(iii) It should be ensured that for Centrally Sponsored Schemes, the supporting documents i.e., the sanction order/approval of the concerned Ministry of the Government of India should invariably be enclosed. Care should be taken not to miss the new heads of accounts opened during the year in respect of post budget developments. Departments should ensure that there are separate Head of Account for General, SCSP and TSP allocation for both Central and State Shares, as per the guidelines issued by the concerned Ministry of GoI, from time to time.

(iv) In respect of Developmental Expenditure, the number of Schemes should be identifiable under respective sub-heads corresponding to the Scheme or activity of the Department below the Minor Head concerned represented by the Programme undertaken to achieve the objectives of the function represented by the Major Head.

### **3.7.11 PROVISIONS FOR PENSION AND RETIREMENT BENEFITS IN THE BUDGET**

(i) Provision for Pension payment to the superannuated and retired employees is administered and controlled by the Treasuries and Accounts Administration under Finance Department (Expenditure). Accordingly, the provision for 'Pensions' for the ensuing financial year is prepared and compiled by the Treasuries and Accounts Administration.

(ii) The Accountant General will furnish to Treasuries and Accounts Administration the estimates in respect of pension payments accounted for and in respect of other sub-heads to the extent operated by them. Wherever Pensionary charges are categorized as 'charged' expenditure, they should be reflected accordingly.

(iii) The estimated budgetary provision for the payment of 10% Government Contribution under New Pension System for the ensuing year is incorporated in the Budget by the Budget Section after a detailed discussion with the Treasuries and Account Administration.

3.7.12 On receipt of the estimates, the Controlling Officer will scrutinise and consolidate them together for each Major Head or for the several Minor Heads. He will then forward the estimates with an explanatory memorandum to reach the Administrative Department not later than the date as allowed. At the same time, he will forward a duplicate copy of the estimates and explanatory memorandum to the Finance Department. The later should contain an explanation of the differences between the proposed figure for the coming financial year and the sanctioned estimate of the current financial year. A digital copy of the estimates is also required to be sent to the official e-mail of Finance Budget while sending the physical copy.

### **3.8 RE-APPROPRIATION OF FUND**

3.8.1 Re-appropriation means the transfer, by a competent authority, of savings from one unit of appropriation to meet additional expenditure under another unit within the same section of the grant or charged appropriation.

3.8.2 Departments should propose for re-appropriation of funds from other Heads subject to the following:

i. Re-appropriation of funds from Revenue to Capital (including Loan and Other) and vice-versa is not permitted.

ii. Re-appropriation from savings available under salaries for meeting any other expenditure is not permitted

iii. Re-appropriation of funds from Voted to Charge and vice versa is not permitted; and

iv. No diversion of funds from the State Matching share corresponding to a Central Scheme is permitted.

v. No authority, not even the Assembly, has power to Re-Appropriation from one Grant to another.

vi. Permissible Re-Appropriations within the Grant or Appropriations of a year can be sanctioned at any time within the year but not after the expiry of the year.

vii. Finance Department has power to sanction or to authorize any Budget Controlling Authorities for Re-Appropriation within a Grant, from one Major, Minor or Sub Head to another. All proposals for Re-Appropriations need to be carried out with the approval of the Finance Department for sanction from time to time.

viii. If the Finance Department is unable to provide funds by Re-Appropriation, the Government can decide to approach the Assembly for Supplementary Grant.

### **3.9 ESTIMATES ON REVENUE AND RECEIPT**

3.9.1 The estimates of revenue and receipts should be prepared based on the existing rates of taxes, duties, fees etc. The estimates should show the amount expected to be actually realised within the year including arrears for previous years and advance collections for coming years.

3.9.2 In estimating fixed revenue, the calculations should be based upon the actual demand, including any arrears due for past years and the probabilities of its realisation during the current year. Any difference between the demand and expected realisations should be fully explained.

3.9.3 In the case of fluctuating revenue, the estimate should be based upon a comparison of the last three years' receipts.

3.9.4 The estimates of revenue receipts should be realistic and framed after critical scrutiny of the trends of past and current actuals, policy decisions and other relevant developments. Prescribed form for estimation of revenue receipts shall be enclosed in the Budget circular.

### **3.10 GENDER BUDGET**

3.10.1 All Departments shall prepare and submit a Gender Budget Statement in the prescribed format (Annexed in the Budget Circular). The Gender Budget Statement is to be prepared in two parts- Part A: reflecting schemes that are 100% targeted towards women and girls and all beneficiaries are women and girls. Part B: pro women and girl allocations- reflecting atleast 30% allocations, including schemes in which 30 to 99% allocations are towards

women and girls. A format for sex-disaggregated data under Gender Responsive Budgeting is enclosed in the Budget Circular to be filled up by departments as per the relevant schemes and projects implemented by them.

### **3.11 TSP and SCSP**

3.11.1 The allocation by Departments under TSP and SCSP must be indicated in the prescribed format enclosed in the Budget Circular. This should clearly indicate the funds earmarked in the Department's Demand for the Tribals and Scheduled Castes in the State. Detailed break-up should be provided.

### **3.12 ALLOCATION FOR WELFARE OF CHILDREN**

3.12.1 The Government is committed to the welfare and development of children under the age of 18 years. A statement reflecting the budgetary provisions of schemes that are substantially meant for the welfare of children is to be furnished. The provisions in this statement indicate educational outlays, provisions for the girl child, health and provisions for child protection etc. The Departments shall submit the requisite information in the prescribed format enclosed in the Budget Circular.

### **3.13 PRE-BUDGET DISCUSSIONS & FINALIZATION OF PROVISIONAL ESTIMATES**

3.13.1 The Budget Section arranges a Pre-Budget Discussion with all the departments under a scheduled time-table so as to arrive at a tentative RE and BE provisions of the Budget.

3.13.2 Detailed discussions are held on various items of expenditure on the basis of trends of expenditure, nominal rolls, utilization capacity, Unspent Balance, status of appraisal & approval of the schemes/projects etc.

3.13.3 The requirements of funds for all categories of expenditure including various programmes and schemes, along with receipts of the Departments are discussed during the pre-Budget meetings chaired by Administrative Secretary (Finance).

3.13.4 All Departments are required to submit details of all the autonomous bodies/implementing agencies receiving grants from the Departments. Reasons for their continuance and requirement of grant-in-aid support and why the same should not be wound up should be explained.

3.13.5 Estimates initially submitted by the Departments may undergo some changes as a result of scrutiny in the Budget Division and deliberations in the pre-Budget meetings between the Administrative Secretary (Finance) and the

Administrative Secretary or Internal Finance Division of the Department concerned.

3.13.6 Expenditure estimates are provisionally finalized after Administrative Secretary (Finance) completes discussions with the Administrative Secretaries.

3.13.7 Consequent to pre-Budget meetings, provisional estimates are finalized after the approval of Finance Minister.



**CHAPTER 4**  
**BUDGET FINALIZATION**

**4.1 BUDGET ACTIVITIES AND TIMELINES**

- 4.1.1 In the entire process of Budget preparation commencing with issue of Budget Circular, there is a need for maintaining secrecy, accuracy and timeliness.
- 4.1.2 All statements, information and inputs submitted by the Departments require intensive checking. List of such statements allocated/distributed amongst the staff and officers is circulated internally in the Budget Section for thorough checking, with the approval of the Competent Authority in Finance Department.
- 4.1.3 In addition, concerned Deputy Directors/Under Secretaries in the Budget Division are required to follow up with Departments for the receipt of information regarding different Statements/Annexures of Budget documents for which they are responsible, ensuring that they are received and processed within the given timelines.
- 4.1.4 To avoid delays in communication on budget matters, the Departments are required to designate an officer to liaise with the Budget Section in the Finance Department. The name as well as telephone/mobile Nos./e-mail ID of the nominated officer are to be intimated by email to the email address of Finance Budget. It shall also be ensured that Budget Estimates and other relevant materials are sent directly to the email address.
- 4.1.5 The budget estimates and other relevant documents should be submitted through Administrative Departments only. It will be presumed that Administrative Approval for the departmental estimates have been obtained once the same is submitted to Finance Department.
- 4.1.6 The statements, information and inputs should be furnished in hard copy as well as in soft form. The signed copy should be properly scanned in pdf format and sent by email. In addition, an Excel file (.xlsx format) of the Department's 'Abstract of Estimates' is to be sent by email.
- 4.1.7 Tentative timelines for receiving information/ activity associated with the Budget and preparation/ completion of the budgetary documents/processes have been brought through Budget Activity Schedule and circulated to all concerned. The time and date for discussion with the representatives of the Departments is intimated separately.

- 4.1.8 Preparation and finalization of different Budget documents is currently assigned to different Officials. However, these allocations may be changed as per the requirements with the approval of Administrative Secretary (Finance). Each Director/Deputy Secretary/Under Secretary in charge of the concerned work allocation in the Budget Section is responsible for keeping a close watch and to personally supervise the preparation of these documents.
- 4.1.9 The staff of the Budget Section shall fully acquaint themselves with the current year's document in relation to the assigned responsibilities and preferably have a check-list for each statement of each document, for which they are responsible.
- 4.1.10 A Software, namely, FIBERS (Finance Budget and Expenditure Regulation Software) has been used for processing and finalization of Statement of Budget Estimates and other Budget documents.

## 4.2 **SCRUTINY AND COMPILATION**

- 4.2.1 On receipt of departmental estimates, Administrative Department is required to inspect these estimates with due regard to requirements and explanations furnished by the concerned departments and these shall be forwarded to the Finance Department.
- 4.2.2 Estimates of receipts are also properly examined and analysed by Finance Department taking into account any special information and circumstances that may affect the estimates of the receipts.
- 4.2.3 Finance Department should make corrections, as necessary, in classification of receipts and disbursements under heads of accounts such as major heads, minor heads and primary units of appropriation, voted and charged, revenue and capital. It should also be ascertained that significant demands have not been made under miscellaneous heads such as under the minor head '800- Other expenditure'.
- 4.2.4 During the compilation and finalization of the estimates, Finance Department may require further explanations or clarifications with respect to certain items of expenditure before finalization. Such enquiries are addressed to the Administrative Department which is expected to furnish the required information after consulting the concerned Heads of Department. However, Finance Department may address their inquiries directly to the concerned Nodal Officer (Budget) of the department with a copy of the enquiry to the concerned administrative department for speeding up the process.

## 4.3 **FINALIZATION OF ESTIMATES**

- 4.3.1 After all the departmental estimates have been settled, Finance Department should re-examine the estimates as a whole and make changes as may be

found to be necessary, keeping the financial position of the State and/or any other financial factor that may impact the estimates in consideration.

- 4.3.2 As the estimates of the Budget are finalized, a high level discussion may be held with the Finance Minister with the officials of the Finance Department to discuss the intended fiscal approach for the ensuing financial year. Economic achievements of the government to be highlighted in Finance Minister's Budget Speech during the budget presentation to the Assembly are also discussed.

#### 4.4 **FINANCE MINISTER'S SPEECH**

- 4.4.1 For the preparation of Budget Speech, various Directorates in the Finance Department and other Departments of the Government are required to provide inputs related to Budget Speech of the Finance Minister. For checking facts and figures in the Finance Minister's speech in so far as they are referred to in other Budget documents, the same is done by the Budget Section.

#### 4.5 **FINAL CHECK INDEMANDS FOR GRANTS**

**(i) Table of Contents-** Page numbers etc. as given in the list of contents must be checked to ensure that these match with those assigned to each Demand for Grant.

**(ii) Note-** Necessary consequential changes are to be carried out in the Note.

**(iii) Summary-** Revenue/Capital and Charged/ Voted expenditure is to be taken from the approved Statement of Budget Estimates while checking the 'Summary' portion.

**(iv) Demands for Grants -** Demands for Grants are to be prepared and approved. It is also the responsibility of the Budget Section to ensure the correctness of the contents therein. However, Budget Section is required to check the Demands for Grants to ensure:

- (a) Correctness of number of Demand for Grant
- (b) Nomenclature of Departments; and
- (c) Nomenclature of Heads of Accounts. Nomenclature is required to be checked from the List of Major and Minor Heads of Accounts (LMMHA).
- (d) Demand for Grant summary is tallying with individual Demand for Grants.

#### 4.6 **SUBMISSION OF THE ESTIMATES TO THE COUNCIL OF MINISTER.**

- 4.6.1 A Cabinet Memorandum prepared by the Finance Department based on figures in the consolidated estimates, together with schedule of new

expenditure and the connected explanatory notes, are placed by Finance Department before the Council of Ministers for its approval.

#### 4.7 **BUDGET IN ASSEMBLY**

4.7.1 Before the legislature session for passing of the budget begins, it is the responsibility of the Finance Department to prepare the Draft Appropriations Bill and to get it vetted by the Law and Legislative Affairs Department.

4.7.2 Budget, like any other Finance Bill, can be presented and discussed in the Assembly only after the assent of the Governor. To obtain the same, Finance Department, after approval of the Appropriations Bill by the Council of Minister, sends the proposal to the Governor through the Chief Minister for assent. The appropriation amount mentioned in the Bill cannot be altered without the assent of the Governor.

4.7.3 The Finance Minister presents the budget to the Assembly on a day fixed for the purpose with a written budget speech explaining the salient features of the budget, the fiscal health of the Government, changes in tax revenues, if any and important projects and schemes to be undertaken during the ensuing financial year.

4.7.4 This is followed by a general discussion on the Budget. During the general discussion, no motion with regard to the Budget can be moved nor can the demands be put to the Vote of the Assembly. The voting of the demands for grants is taken up after discussion is completed and on such dates as the Speaker in consultation with the Leader of the House, may allot for the purpose.

#### 4.7.5 **Motion relating to expenditure**

The Minister-in-charge of the Department concerned is responsible for moving and defending in the Assembly each motion relating to expenditure of his Department.

#### 4.7.6 **Appropriation bill**

(i) After the Grants have been voted by the Assembly, the Finance Department will prepare the Appropriation Bill under Article 204 of the Constitution and complete all the preliminaries required for the introduction of the Bill in the Assembly. The Appropriation Bill is introduced to provide for the appropriation out of the Consolidated Fund of the State of all sums required to meet-

- a. the grants approved by the Assembly, and
- b. the expenditure charged on the Consolidated Fund

(ii) The amount included in the Appropriation Bill will not exceed the amount shown in the financial statement previously laid before the Assembly. After

the Appropriation Bill has been considered and passed by the Assembly, the Governor's assent to the Bill is obtained and the Bill becomes an Act.

#### 4.8 **COMMON TYPE OF BUDGETARY ERRORS**

4.8.1 Some of the budgetary errors and irregularities observed are as follows:

(i) Defective or inaccurate budgeting, necessitating large surrenders or excess expenditure;

(ii) Misclassification of expenditure; and

(iii) Defective control of expenditure resulting in –

a. Unnecessary or excessive Supplementary Grants,

b. Unnecessary or excessive Re-Appropriations,

c. Injudicious Re-Appropriations and surrenders causing excess over allotments,

d. Unspent amount and surrendered Appropriations,

#### 4.8.2 **REMEDIAL SUGGESTIONS ON THE COMMON BUDGETARY ERRORS:**

(i) **Defective or inaccurate budgeting-** It is true that foresight may not always be possible; but where the omission or inaccuracy is the result of lack of forethought, neglect of the obvious estimating, this can be remedied with proper analysis of the needs and expenditure trends of the department. The check of the Administrative or Finance Department, over the Departmental Estimates cannot be as close or as that of the Estimating Officers and, therefore, accuracy in budgeting must start upwards from the lowest stage of estimating.

(ii) **Misclassification of expenditure-** Misclassification refers to an expenditure classified under a wrong Head of Account. It is sometimes noticed that while submitting the expenditure estimates by the Estimating Officer, the type of expenditure supposed to be under the Capital Head of Account is proposed under the Revenue Head of Account and vice-versa. Moreover, sometimes, it is observed that the departments are not preparing the estimates as per the prescribed standardization of Object Heads or primary units of appropriations. Therefore, care should be taken by the Estimating Officer so that expenditures are classified under the right Head of Account and under the appropriate Object Head Code.

(iii) **Defective control over expenditure-** The statements for Supplementary Demands, surrenders and Re-Appropriations are generally based on mid-year Revised Estimates, or even later i.e., at a stage when the figures of actuals of expenditure for a major part of the year are available and it only remains for the Controlling Officers to estimate the expenditure during

the remaining portion of the year and allow for adjustments towards or at the end of the year. Thus, the scope for the occurrence of any abnormal features is considerably reduced and consequently if the estimates are prepared with the required care, attention and foresight, the chances of excesses or savings should be very small.

The best remedy for avoiding these irregularities, therefore, is to devote considerable attention to the accuracy of the Revised Estimates. This cannot be done unless the Heads of Departments are fully conversant with the month to month progress of expenditure. For this purpose, it is essential that they should insist on their staff following strictly the procedure laid down for the reconciliation of departmental accounts.

Re-Appropriation is generally necessitated either due to excess requirements on items provided in the budget or by additional expenditure not contemplated in the budget. In either case, a Re-Appropriation should not follow as a matter of course but after a careful estimate of the likely actual expenditure.

**CHAPTER 5**  
**BUDGET EXECUTION**

**5.1 COMMUNICATION OF GRANTS**

- 5.1.1 As soon as the demands for grants included in the Annual Financial Statement have been voted by the Legislative Assembly and the payment from and the appropriation out of the Consolidated Fund of the State of the sums voted by the Assembly and the sums charged on that Fund have also been authorised by means of an Appropriation Act, the Finance Department will intimate the same to all the administrative departments.
- 5.1.2 The administrative departments will be responsible for taking necessary action immediately for communication of budget allotments to various Heads of Departments and other controlling officers under them. The allotments placed at the disposal of each such officer for expenditure, whether voted or charged, will be intimated by the administrative departments to the Accountant General also.

**5.2 DISTRIBUTION OF GRANTS**

- 5.2.1 Administrative Department on whose behalf a Grant or Appropriation is authorised by Legislative Assembly shall distribute, where necessary, among the controlling and disbursing officers subordinate to it.
- 5.2.2 All Budget Controlling Officers/Drawing and Disbursing Officers will ensure that expenditure incurred is within the sanctioned amount.

**5.3 CONTROL OF EXPENDITURE AGAINST BUDGET**

- 5.3.1 Administrative Departments are responsible for the control of expenditure against the sanctioned grants and appropriations placed at their disposal. The control shall be exercised through the Heads of Departments and other Controlling Officers, if any, and Disbursing Officers subordinate to them.
- 5.3.2 It has to be ensured that
- (i) expenditure is incurred for the approved purpose,
  - (ii) it is within the sums allotted,
  - (iii) it has been incurred under the authority competent to sanction it, and
  - (iv) due prudence has been followed in its incurrence. As departments have delegated their powers to lower functionaries, the basic responsibility is shifted to the particular functionary concerned, but overall responsibility remains with the administrative departments.

- 5.3.3 A Grant or Appropriation can be utilised only to cover the charges (including liabilities, if any, of the past year) which are to be paid during the financial year of the Grant or Appropriation and adjusted in the accounts of the year. No charges against a Grant or Appropriation can be authorized after the expiry of the financial year.
- 5.3.4 No expenditure shall be incurred which may have the effect of exceeding the total grant or appropriation authorized by Assembly by law for a financial year, except after obtaining a supplementary grant or appropriation or an advance from the Contingency Fund.
- 5.3.5 It has to be ensured that no public authority can incur any expenditure or enter into any liability involving expenditure or transfer of moneys for investment or deposit from Government account unless such expenditure or transfer, as the case may be has been sanctioned by general or special orders of the Government or by any authority to which power has been delegated in this regard.
- 5.3.6 Government authorities have to comply with rules prescribed in the General Financial Rules and the Delegation of Financial Power Rules in all financial matters.
- 5.3.7 Designated controlling authorities have to ensure not only that the total expenditure is kept within the limits of the authorised grants but also that the funds allotted to spending units are expended in the public interest and on objects for which the money was provided. In order to maintain proper control, the controlling officer obtains information on not only what has actually been spent from the grants but also what commitments and liabilities have been and will be incurred against them.

#### **5.4 CASH MANAGEMENT AND EXCHEQUER CONTROL**

- 5.4.1 Finance Department introduced an online computerized system known as **BEAMS (Budget Estimation, Allocation & Monitoring System)** to distribute the budget and to authorize expenditure.
- 5.4.2 As soon as the budget is released, the departments can allocate funds to their field officers through this system. All the expenditure is thereafter not only checked for budget availability before the bills can be submitted in the treasury, but also the monthly cash flows are controlled against pre-determined targets. This system permits the re-appropriation of funds within the prescribed limits and allows withdrawal/surrender of budget grants. The system provides limited facility to modify cash flows.



5.4.3 Some of the objectives for introduction of BEAMS are:

- (i) Obtain greater evenness in the budgeted expenditure within the financial year,
- (ii) Reduce rush of expenditure during the last quarter, especially the last month of the financial year;
- (iii) Reduce parking of funds;
- (iv) Effectively monitor the expenditure pattern; and
- (v) Better fiscal planning.

## **5.5 REVISED ESTIMATE**

5.5.1 Revised Estimates are estimates of probable receipts and expenditure arrived at after mid-year review.

5.5.2 Revised Estimates are not voted by Assembly, and hence by itself does not provide any authority for expenditure. Therefore, any additional projections made in the Revised Estimates needs to be authorised for expenditure through Assembly's approval (in case of New Service/New Instrument of Service, etc) or by Re-appropriation order.

5.5.3 Revised Estimates should be prepared with due care as these are important tools of fiscal management.

## **5.6 NEW SERVICE**

5.6.1 'New Service' has been held as referring to expenditure arising out of a policy decision, not brought to the notice of Assembly earlier, including a new activity or a new form of investment.

5.6.2 The expression 'New Service' is provided in Article 115 and 205 of the Constitution, but the constitution does not define the expression 'New Service'. Expenditure on New Service, not contemplated in the budget of that year, cannot be incurred in any financial year, except after obtaining a Supplementary Grant or Appropriation or an advance from the Contingency Fund of State.

5.6.3 Broadly, expenditure involved on a new scheme, in the adoption of a new policy, provision of a new facility, or any substantial alteration in character or extent of an existing facility, will normally be treated as constituting "new expenditure". In some cases, increase in expenditure, other than increase due to normal growth or rise in the price of commodities, on the extension or development of an existing scheme or facility, is also, where it is appreciable, treated as "new expenditure".

5.6.4 However, normal activities like administrative expenditure including those resulting from re-organisation of Departments, holding of conferences, seminars, exhibitions, surveys, feasibility studies, etc., assistance, contribution of internal bodies and fulfilment of Government guarantees are not covered/attracted by the limits of 'NewService'/'New Instrument of Service';

## **5.7 SUPPLEMENTARY DEMANDS FOR GRANT.**

5.7.1 A Supplementary or Additional Grant or Appropriation over the provision made by the Appropriation Act for the year can be made during the current financial year but not after the expiry of the current financial year as is necessary to meet-

(i) Expenditure on Schemes of New Expenditure to be taken up within the current financial year.

(ii) Inadequacy of provision

(iii) Fresh expenditure but not technically "Schemes of New Expenditure."

(iv) Omissions of provision

5.7.2 No expenditure under a particular Head against which no provision exists in the Budget as passed by the Assembly can be incurred and the provision under a Grant can never be exceeded.

5.7.3 No expenditure can, therefore, be incurred in anticipation of a Supplementary or Additional Grant or Appropriation and no expenditure under a Head against which no provision exists, can be incurred prior to provision of funds by Re-Appropriation, where it is admissible and possible, sanctioned by a competent authority.

5.7.4 In deserving cases which are unforeseen and which cannot wait for provision by Supplementary or Additional Grant or Appropriation, advances from the Contingency Fund may be sanctioned in accordance with the provisions made in the Constitution and the relevant rules. The advances so sanctioned will have to be regularized by a Supplementary Grant or Appropriation.

## **5.8 EXCESS GRANT**

5.8.1 It is the responsibility of Grant Controlling Authority to ensure that excess expenditure beyond limits authorized is not incurred.

5.8.2 However, if in respect of any financial year money has been spent on any Service in excess of the amount granted, for that Service and for that year, a statement of such excess expenditure will be prepared by the Finance Department on receipt of the Report of the Committee on Public Accounts, to be laid before the Assembly under Articles 205 of the Constitution.

## **5.9 SURRENDER OF SAVINGS**

- 5.9.1 Departments should surrender the savings to the Finance Department, by the dates prescribed before the close of the financial year, along with all the anticipated savings noticed in the Grants or Appropriations controlled by them.
- 5.9.2 This is needed to ensure that the anticipated savings can be reallocated for other unanticipated expenditure requirement.
- 5.9.3 The Finance Department shall communicate the acceptance of such surrenders as are accepted by them to the Accountant General Office, before the close of the year.
- 5.9.4 The savings as well as provisions that cannot be properly utilised should be surrendered to Government immediately when they are foreseen without waiting till the end of the year. No savings should be held in reserve funds for possible future excesses.
- 5.9.5 Rush of expenditure, particularly in the closing months of the Financial year, regarded as a breach of financial propriety and shall be avoided.

## **5.10 CHECKLIST FOR BUDGET EXECUTION**

- 5.10.1 There should be provision of funds authorized by competent authority fixing the limits within which expenditure can be incurred;
- 5.10.2 The expenditure incurred should conform to the relevant provisions of the Appropriation Act, the Constitution and the laws made there under and should also be in accordance with the financial rules and regulations framed by competent authority;
- 5.10.3 There should exist sanction accorded by competent authority, authorizing expenditure;
- 5.10.4 The expenditure should be incurred with due regard to broad and general principles of financial propriety;
- 5.10.5 Expenditure on a service not covered by a vote of the Assembly should not be incurred, unless the requisite funds have been arranged by obtaining an advance from the Contingency Fund of State;
- 5.10.6 Drawing from Consolidated Fund of the State should not be resorted to if money is not required for immediate use.

**CHAPTER 6**

**STRUCTURE OF GOVERNMENT ACCOUNTS**

6.1 In accordance with Constitutional requirements Government accounts are maintained in the following three categories:

Part I Consolidated Fund

Part II Contingency Fund

Part III Public Account

**6.2 CONSOLIDATED FUND OF THE STATE**

6.2.1 Under Article 266(1) of the Constitution of India, all revenues received by the Government of State, all loans raised by the Government by issue of treasury bills, loans or Ways and Means advances and all moneys received by the Government in repayment of loans shall form one consolidated fund to be titled the —Consolidated Fund of the State. The Consolidated Fund of the State has the following two divisions:

i. Revenue Account

ii. Capital Account

6.2.2 Revenue Account-Expenditure/ Receipts:

Revenue Account deals with the proceeds of taxation and other receipts classified as Revenue and expenditure met there from.

6.2.3 Capital Account-Expenditure/Receipts:

Capital Account deals with expenditure incurred with the purpose of either increasing the concrete assets of durable nature or of reducing recurring liabilities. It is logical otherwise to meet Capital expenditure from borrowed funds, the liabilities in respect of which are spread over a number of years, as the benefits arising from Capital expenditure flow over a period of years. Capital Account also includes various types of Capital Receipts.

6.2.4 Capital Account comprises of the following sections:

a. The section 'Receipt heads (Capital Account)' deals with receipts of a Capital nature which cannot be applied as a set off to Capital Expenditure;

b. The section 'Expenditure heads (Capital Account)' deals with expenditure incurred with the object either of increasing concrete assets of a material and permanent character or of reducing recurring

liabilities. It also includes receipts of Capital nature intended to be applied as set off to Capital expenditure; and

- c. The sections 'Public Debt' and 'Loans and Advances', comprise of loans raised and their re-payments such as internal debt, external debt and their recoveries.

6.2.5 For budgeting purposes, distinction between Revenue expenditure and Capital expenditure is crucial. The Capital account also includes loans raised by Government and their repayments, and loans and advances lent by the Government and their recoveries.

6.2.6 List of items of expenditure charged on Consolidated Fund of the State

1. The emoluments and allowances of the Governor and other expenditure relating to his office for which provision has been made.
2. The salaries and allowances of the Speaker and the Deputy Speaker of the Legislative Assembly.
3. Debt charges for which the State is liable including interest, sinking fund charges, and redemption charges, and other expenditure relating to the raising of loans and the service and redemption of debt. Debt includes any liability in respect of any obligation to repay capital sums by way of amenities and any liability under any guarantee and "debt charges" shall be constructed accordingly.
4. Expenditure in respect of the salaries and allowances of Judges of the High Court.
5. The administrative expenses of a High Court including all salaries, allowances and pensions payable to or in respect of the officers and servants of the Court.
6. Any sums required to satisfy any judgment, decree or award of any Court or arbitral tribunal.
7. The expenses of the Manipur Public Service Commission, including any salaries, allowances and pensions payable to or in respect of the members or staff of the Commission.
8. The salaries and allowances of Secretarial staff of Governor and the expenses incurred in providing office accommodation and other facilities to them.

### **6.3 CONTINGENCY FUND OF THE STATE.**

- 6.3.1 Under Article 267 of the Constitution of India, a Contingency Fund of the State is established by the Legislative Assembly into which shall be paid from time to time such sums as may be determined by the law, and the said fund shall be placed at the disposal of the Governor to enable advances to be made out of such fund for the purposes of meeting unforeseen expenditure pending authorization of such expenditure by Legislative Assembly.
- 6.3.2 Contingency Fund is in the nature of an imprest. Presently, the corpus of the Contingency Fund of the State amounts to Rs. 500.00 Crore.
- 6.3.3 The State Government established its Contingency Fund under the Manipur Contingency Fund Act, 2024 (Manipur Act No. 11 of 2024) and has also framed the Rules under this Act. These rules prescribe the procedure for obtaining advances from this fund and their subsequent adjustment. The Manipur Contingency Fund Act, 2024 is placed at Annexure.
- 6.3.4 The corpus of the Contingency Fund is created by debit to the Consolidated Fund of State, and when expenditure is incurred out of an advance from the Contingency Fund, the expenditure is booked under the same head under the 'Contingency Fund'.
- 6.3.5 Subsequently, with the regularization of expenditure by obtaining vote of Assembly, the amount so advanced from Contingency Fund is recouped to the corpus of the Contingency Fund by debit to the Consolidated Fund of State. The expenditure is then booked initially under the same head under the Consolidated Fund of State, as revenue or capital expenditure, as the case may be.
- 6.3.6 In Government accounts, Contingency Fund has a single Major Head to accommodate all transactions of the fund.

### **6.4 PUBLIC ACCOUNTS.**

- 6.4.1 All other public moneys received by or on behalf of the Government of India or Government of the State are credited to the Public Account of India or Public Account of the State, as the case may be, as empowered vide Article 266(2) of the Constitution of India.
- 6.4.2 Public Account contains the funds for which the State Government is custodian but not the owner. No sanction or approval of the Assembly is required to withdraw funds from the Public Account although separate Rules or procedures are put in place for administration of funds in Public Account.
- 6.4.3 Public Account shows the transactions relating to Debt (other than those included in Consolidated Fund of the State), Deposits, Advances, Remittances and Suspense.

- 6.4.4 Such funds, however, remain merged in the cash balance of the State Government (with the Reserve Bank of India, as the bankers to the Government) till payments are made to those to whom the funds pertain or are utilized for general or specific purposes as in the case of Reserve Funds, or necessary adjustments are made, for example in the case of inter-Government transactions. The net funds in the Public Account are also available for financing the expenditure of Government.
- 6.4.5 The Public Account transactions are grouped according to sectors and sub-sectors which are further sub-divided into Major Heads of Accounts and further down as per the accounting classification system of Government.

## **6.5 STATE GOVERNMENT ACCOUNTS.**

6.5.1 Accounts are a systematic record of various activities and functions expressed in financial terms and maintained.

7.5.2 In view of the complexity of Government transactions, the task of maintaining Government Accounts is indeed a formidable one. The process involves-

a. initial recording of accounting transactions, their classification with reference to a function or activity.

b. matching with legally approved appropriations.

c. the analysis and presentation of this data to serve as a management tool to the Government.

6.5.3 The accounts shall be prepared by Principal Accountant General of the State, certified by the Comptroller and Auditor General of India and along with the report of the Comptroller and Auditor General of India on these accounts, shall be submitted to the Governor of the State, preferably within six months of close of the Financial Year, who shall cause them to be laid before the Assembly.

6.5.4 Major inputs provided by the accounting authorities to the Government and Public are in the form of –

(i) Monthly and Annual Accounts,

(ii) Finance Accounts, and

(iii) Appropriation Accounts.

## **6.6 CLASSIFICATION OF TRANSACTIONS**

6.6.1 The Budget of Government is linked to the accounts and Government transactions accounted for under the Consolidated Fund, Contingency Fund and the Public Account of the State.

- 6.6.2 As a general rule, classification of transactions has closer reference to functions, programmes and activities of the Government and the object of revenue or expenditure, rather than the department in which the revenue or expenditure occurs.
- 6.6.3 Number of classifications in the Detailed Demands for Grants are not allowed to go beyond the standard six tiers indicated as under-
1. Major Head- 4 digits (Function);
  2. Sub-Major Head- 2 digits (Sub-Function);
  3. Minor Head- 3 digits (Programme);
  4. Sub-Head- 2 digits (Scheme);
  5. Detailed Head- 2 digits (Sub-Scheme);
  6. Object Head- 2 digits (Object Head or Primary Units of Appropriation)
- 6.6.4 The Major Heads normally indicate within each Sector/ Sub-Sector the broad functions of a particular Department of the Government. In the four-digit codes allotted to the Major Heads, the first digit indicates whether the Major Head is a Receipt Head/ Revenue expenditure Head/ Capital expenditure Head or a Loan Head. The last three digits are the same for corresponding Major Heads in Revenue receipts section/ Revenue expenditure section/ Capital receipts/ expenditure section and Loan and Advances section.
- 6.6.5 The Receipt Major Heads are assigned the block 0005 to 1999. Expenditure Major Heads on Revenue accounts are assigned the block 2011 to 3999, Expenditure Major Heads on Capital accounts are assigned the block 4001 to 5999 while all Capital receipts are classified under Major Head 4000. Major Heads under Public debt are assigned the block 6001 to 6005. Loans and advances/ inter-state settlement and Contingency Fund are assigned the block 6075 to 8000. The Major Heads under Public Account are assigned the block 8001 to 8999. In the loan section, Major Heads have been opened with reference to functions and purpose instead of the beneficiaries.
- 6.6.6 The Sub Major Heads are opened under a Major Head to record those transactions which are of a distinct nature and of sufficient importance to be recorded exclusively but at the same time allied to the function of the Major Head.
- 6.6.7 The Major and Sub-Major Heads are sub-divided into Minor Heads. The Minor Heads correspond to programmes or broad groups of programmes. It is output oriented rather than organisation or input oriented. The classification up to the Minor Head level is prescribed by the Controller General of Accounts and is common to the Central and State Governments.



6.6.8 Sub Head represents schemes while the Detailed Head represents nature/object on which the expenditure is incurred. Each of these levels has been allotted a two-digit code.

## **6.7 PROCEDURE FOR OPENING NEW HEADS OF ACCOUNTS:**

6.9.1 As per Rule 79 of the General Financial Rules (Authority to open a new Head of Account), the List of Major and Minor Heads of Accounts of Union and States is maintained by the Ministry of Finance (Department of Expenditure – Controller General of Accounts which is authorized to open new heads of accounts on the advice of the Comptroller and Auditor General of India under the powers flowing from Article 150 of the Constitution.

6.9.2 In case of certain post budget developments where in expenditure provision is required to be made under these heads which are not already available in the Budget, the Departments are authorized to open new Sub-Heads/ Detailed Heads and/ Object Heads as required by them in consultation with and approval by the Budget Section of the Finance Department, subject to certain conditions.

6.9.3 A new head is normally allowed to be opened only in cases where the Budget provision for Re-appropriation to the new head is available or has been obtained through a Supplementary Demands for Grant. However, in exceptional circumstances Departments may be permitted to open the heads in anticipation of obtaining the Budget through Supplementary Demands. In such cases, the new heads can be operated only upon obtaining the budget through Supplementary Demands for Grants.

## **6.8 UNIFORMITY IN THE STRUCTURE OF ACCOUNTS BETWEEN THE UNION AND THE STATE GOVERNMENTS.**

6.10.1 Under Article 150 of the Constitution, the accounts of the Union and the States shall be kept in such form as the President may, on the advice of the Comptroller and Auditor General of India, prescribe.

6.10.2 Due to this constitutional provision, there is uniformity in the structure of the accounts of the Government of India and the State Governments up to the first three tiers of classification of the Major Heads, Sub-Major Heads and the Minor Heads.

6.10.3 This uniformity in the accounting classification helps in maintaining the required inter-relationship between the accounts of the Central Government and the State Governments, since there is substantial transfer of resources from the Centre to the States.

6.10.4 The standardized code numbers allotted to Major, Sub-Major and the Minor Heads in the List of Major and Minor Heads of Account for the Union and

States as maintained by the Controller General of Accounts are required to be followed in the Detailed Demands for Grants. The bottom three tiers viz. the Sub Head, the Detailed Head and the Object Head have been delegated to the State Governments and Departments to be opened through their Budget and as may be needed to suit the requirement of each State Government or the Department. However, the Sub Heads should not be multiplied unnecessarily and new ones are advised to be opened only when really necessary.

## FORM – I

## ABSTRACT OF REVISED ESTIMATES 2023-2024 AND BUDGET ESTIMATES 2024-2025

Name of Department

Demand No.

(Rs. In lakhs)

Major head Sub-Major Head Minor Head Sub-Head Detailed Head	: Actuals for the year 2022-2023	: Budget Estimates for the year 2023-2024	REVISED ESTIMATES				Variation between Column 5 & 14 (+) increase (-)decrease	Variation between Column 14 & 15 (+)increase (-)decrease
			Actuals from April 2023 to Sept. 2023	Anticipated from Oct. 2023 to March 2024	Total Revised Estimates 2023- 2024	Budget Estimates 2024-2025		
		H : V : T	H : V : T	H : V : T	H : V : T	T		
1	2	3 : 4 : 5	6 : 7 : 8	9 : 10 : 11	12 : 13 : 14	15	16	17
-----								

N.B. Due to changes in the object code Departments are to provide figures for RE and BE in separate tables. Hence, Column 17 will not be relevant

Note: Figure corresponding to the followings be given at the bottom of each sub-head provided for

- Actuals from April 2023 to September 2023 should include actuals of salary for the month of March, 2023 which is paid in 2023-24.
- Anticipated from October 2023 to March 2024 should exclude anticipated expenditure on salary for the month of March, 2024 since it is to be paid in 2024 -2025.

**FORM – II**

**NEW SERVICES NOT INCLUDED IN THE BUDGET ESTIMATES, 2024-2025**

Name of the Administrative Department:

Major Head of Account:

Demand No :

(Rupees in lakhs)

Description	Sub-Head	Budget Estimates, 2024 – 2025	Detailed justification for new items of expenditures proposed for inclusion in the Budget for 2024-2025
		Total	
1	2	3	4

Total:

## FORM –III

## Budget Estimates, 2024-2025 and Revised Estimates 2023-2024 in respect of Revenue Receipt

Name of Department :-

Major Head:-

(Rs. in lakhs )

Nature of Receipt Indicating Minor Head	Actual 2022-2023	Total	Revised Estimates 2022-2023			Budget Estimates 2024-2025	Reasons for Variation between Col 6 & 7	Remarks
			Actual receipt from April 2023 to September 2023	Anticipated from October 2023 to March 2024	Total Revised Estimates 2023 - 2024			
1	2	3	4	5	6	7	8	9

Signature.....

Designation.....

Date .....

Note:- The type/service/items of receipts may be indicated invariably to enable the Finance Department to publish a Separate volume. If new rate of taxes/user charges are imposed, the same may be indicated invariably with the expected additional yields from 2024-2025 (B.E.) and 2023-2024 (R.E.)

## ANNEXURE –I

## DETAILS OF PROVISIONS UNDER “OTHER CHARGES”

Name of Department

(Rs. in lakhs)

Items (with HoA)	Actuals 2022-23	Budget Estimates, 2023- 2024	Revised Estimates 2023-2024	Budget Estimate 2024-2025	Reasons for variation between columns 3 & 4	Reasons for variation between columns 4 & 5
(1)	(2)	(3)	(4)	(5)		

Due to changes in object code of Other Charges from OC-50 to OC-49 in BE 2024-25, Departments are to separate tables for RE and BE

## ANNEXURE – II

**DETAILS OF PROVISIONS IN B.E. 2024-2025 FOR PAYMENT OF GRANTS-  
IN-AID TO PRIVATE INSTITUTION/ORGANISATION/BODIES**

(Rs. in lakhs)

Grant No	Sl. No.	Organization receiving	Broad purpose of assistance	Whether recurring/ non-recurring	Whether Committed expenditure or Developmental Expenditure	Actual 2022-2023	B.E. 2023-2024	R.E. 2023-2024	B.E. 2024-2025
1	2	3	4	5	6	7	8	9	10

## ANNEXURE – III

STATEMENT SHOWING GUARANTEES GIVEN BY THE GOVERNMENT  
AND OUTSTANDING AS ON 31<sup>ST</sup> MARCH 2024

(Rs. in lakhs)

Sl. No.	Name of the Institution For which guarantee has been given	Nature and Extent of (with No. & dt.) the Sanction in New Items.	Rate of interest involved if any (percent per annum)	Maximum amount of guarantee for which Govt. have entered into agreement	Sums guaranteed and outstanding as on 31/3/2024	Whether any securities are pledged to Govt. as a set-off against the guarantee	Payment, if any, made by Govt. in pursuance of the Guarantee	Remarks
1	2	3	4	5	6	7	8	9



## ANNEXURE – IV

1. SUBSIDIES
2. PROVISION FOR DEPARTMENTAL COMMERCIAL UNDERTAKINGS
3. PROVISION FOR INVESTMENTS IN PUBLIC ENTERPRISES UNDER DEVELOPMENTAL EXPENDITURE
4. RESOURCE CONTRIBUTION FROM PUBLIC ENTERPRISES TO THE STATE GOVERNMENT

(Rs. in lakhs )

Particulars (Head of Accounts)	2022-2023 (Actual)	2023-2024 (Budget Estimates)	2023-2024 (Revised Estimates)	2024-2025 (Budget Estimates)
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## ANNEXURE –VI

## FORMAT FOR FURNISHING INFORMATION ON ‘GENDER BUDGETING’

(i) 100% provision towards women

Name of Department:

(Rs. in lakhs)

Items/ Details of scheme (with HoA)	Budget Estimates, 2023-2024	Revised Estimates 2023-2024	Budget Estimate 2024-2025

(ii) Pro-women (at least 30% of provision)

Name of Department:

(Rs. in lakhs)

Items/ Details of scheme (with HoA)	Budget Estimates, 2023-2024	Revised Estimates 2023-2024	Budget Estimate 2024-2025

## ANNEXURE –VII

## FORMAT FOR FURNISHING INFORMATION ON TSP AND SCSP

## (i) Scheme under Tribal Sub-Plan

Name of Department:

(Rs. in lakhs)

Items/ Details of scheme (with HoA)	Budget Estimates, 2023-2024	Revised Estimates 2023-2024	Budget Estimate 2024-2025

## (ii) Scheme under SC Sub-Plan

Name of Department:

(Rs. in lakhs)

Items/ Details of scheme (with HoA)	Budget Estimates, 2023-2024	Revised Estimates 2023-2024	Budget Estimate 2024-2025

## ANNEXURE –VIII

FORMAT FOR FURNISHING INFORMATION ON ALLOCATION FOR  
'WELFARE OF CHILDREN'

Name of Department:

(Rs. in lakhs)

Items/ Details of scheme (with HoA)	Budget Estimates, 2023-2024	Revised Estimates 2023-2024	Budget Estimate 2024-2025

**FORMATS FOR THE SEX-DISAGGREGATED DATA UNDER GENDER-RESPONSIVE BUDGETING (FORMAT A, B as per applicability)****FORMAT A**

<b>SEX-DISAGGREGATED DATA FORMAT (For Beneficiaries -oriented schemes/programmes) FY</b>							
<b>Department:</b>							
Name of the Schemes/ Project	Targeted number of Beneficiaries of			Target Achieved			Best Practices followed by the Department in meeting specific needs of women/Any other Remarks on the schemes/projects <sup>1</sup> (Qualitative information)
	Female	Male	Others	Female	Male	Others	
1							
2							

---

<sup>1</sup> For instance, is there any enhancement in the unit cost/s for making the scheme more gender-responsive

FORMAT B

<b>NON-BENEFICIARY-ORIENTED<sup>2</sup> FY</b>			
<b>Department:</b>			
<b>Particulars</b>	<b>Quantitative Sex-Disaggregated Data on projects/ services of the departments<sup>3</sup> (if available)</b>	<b>Qualitative information on projects or services relevant for gender-responsiveness<sup>4</sup></b>	<b>Best Practices followed by the Department in meeting specific needs of women /Any Other Remarks</b>

<sup>2</sup> Those departments which are not directly beneficiary-oriented; they can look into work plan proposals which may consider accessible infrastructure for women/others, among other plans.

<sup>3</sup> If departments have a Sex-Disaggregated Data available, they will need to furnish it in their formats.

<sup>4</sup> For instance, is there any enhancement in the unit cost/s for making the services more gender-responsive

Note- Apparently, Gender neutral programmes are not necessarily gender neutral in the impact they have, when seen through gender lens. Hence in sectors like Public Works Department/Engineering Departments , Home, Power, Telecom, Communications, Transport and Industry, etc an exercise may be undertaken to identify the possibility of undertaking initiatives/special measures to facilitate /improve access to services for women and their active participation in the decision making process at various levels.

MANIPUR  GAZETTE

EXTRAORDINARY  
PUBLISHED BY AUTHORITY

No. 113

Imphal, Wednesday, August 21, 2024

(Sravana 30, 1946)

GOVERNMENT OF MANIPUR  
SECRETARIAT : LAW & LEGISLATIVE AFFAIRS DEPARTMENT

NOTIFICATION

Imphal, August 19, 2024

No. 2/20/2024-Leg/L: The following Act of the Legislature of Manipur which received assent of the Governor of Manipur on August 12, 2024 is hereby published in the Official Gazette:

THE MANIPUR CONTINGENCY FUND ACT, 2024

(MANIPUR ACT NO. 11 OF 2024)

AN

ACT

*to establish a Contingency Fund of the State of Manipur and to provide for Advances, to be made out of it for the purposes of meeting unforeseen expenditure.*

Whereas, it is expedient to establish a Contingency Fund of the State of Manipur in the nature of an imprest to be placed at the disposal of Governor to enable advances to be made by him out of this Fund for the purpose of meeting unforeseen expenditure pending authorization of such expenditure by the Legislature by law under Articles 205 and 206 of the Constitution of India.

Be it enacted by the Legislature of the State of Manipur in the Seventy-fifth Year of the Republic of India as follows:-

1. (1) This Act may be called the Manipur Contingency Fund Act, 2024.

(2) It shall extend to the whole of the State of Manipur.

(3) It shall come into force from the date of its publication in the Official Gazette of Manipur.

2. (1) A Contingency Fund in the nature of an imprest shall be established and shall be entitled the Contingency Fund of the State of Manipur, hereinafter called the Contingency Fund.

(2) The Fund shall be held on behalf of the Governor by the Secretary to the Government of Manipur in the Finance Department, and no advance shall be made out of such Fund except for the purpose of meeting unforeseen expenditure pending authorisation of such expenditure by the Legislature under appropriations made by law.

Short title, extent  
and  
commencement.

Establishment of  
a Contingency  
Fund.



**Payment into the Contingency Fund.** 3. There shall be paid by the State Government into the Contingency Fund, a sum of Rs. 500 Crore from and out of the Consolidated Fund of the State.

All expenditure met out of advances from the Fund made in the aforesaid manner shall be laid before the Legislature for authorization within the financial year in which such advances are made.

**Power to make Rules.** 4. For the purpose of carrying out the object of this Act, the State Government may make rules regulating all matters connected with or ancillary to the custody of the payment of moneys into and the withdrawals of moneys from the Contingency Fund of the State of Manipur.

NUNGSHTOMBI ATHOKPAM,  
Commissioner (Law),  
Government of Manipur.

## **BUDGET MANUAL**

### **WEBSITE LINK FOR RELEVANT ORDERS AND OMs:**

[www.finance.mn.gov.in](http://www.finance.mn.gov.in)