

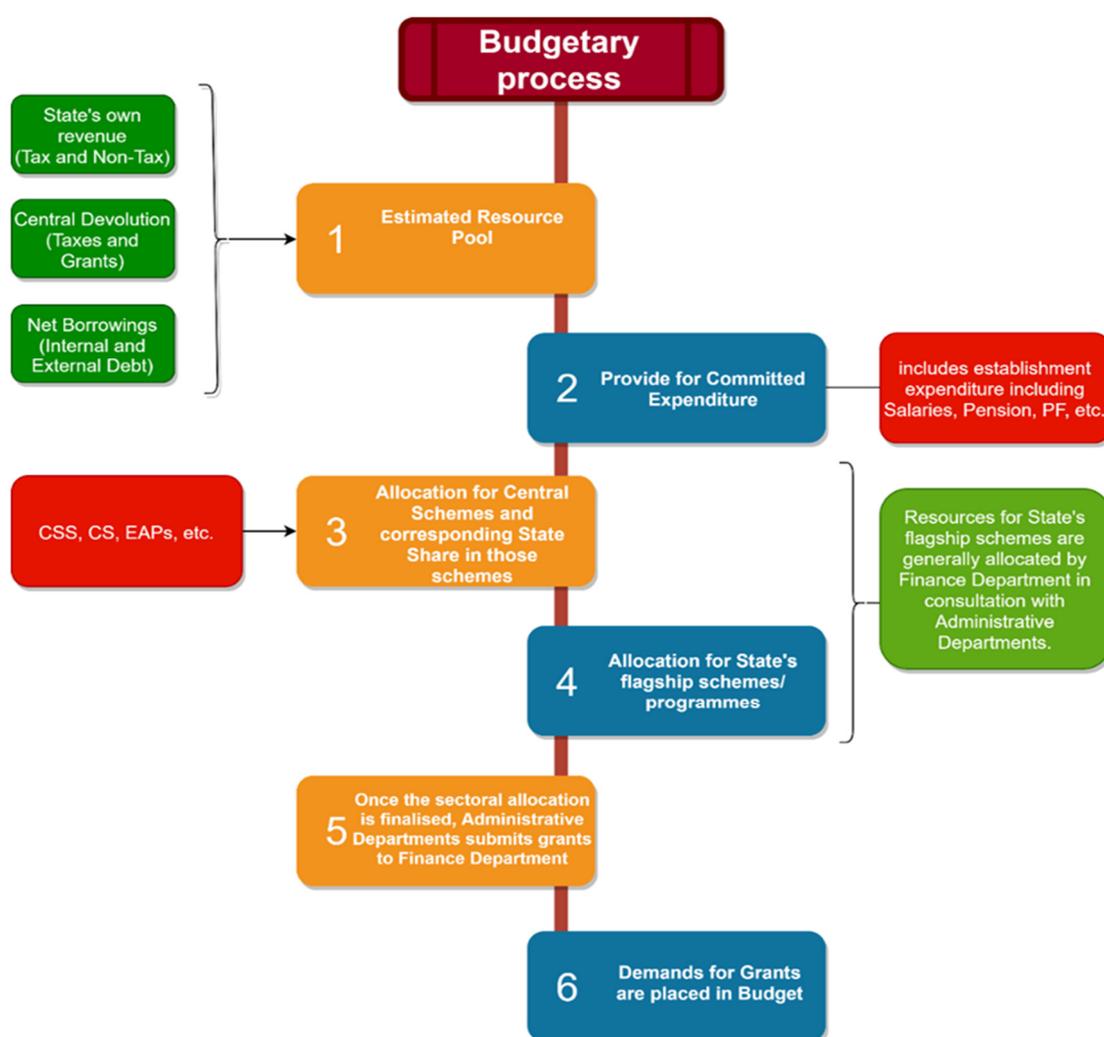
CHAPTER III

BUDGETARY MANAGEMENT

3.1 Budget Process

The annual exercise of budgeting is a means for detailing the roadmap for efficient use of public resources. The Budget process commences with the issue of the Budget Circular, normally in August each year, providing guidance to the departments in framing their estimates, for the next financial year. A typical budget preparation process in a State is given in **Chart 3.1**.

Chart-3.1



CSS: Centrally Sponsored Schemes; CS: Central Schemes.

The Finance Bill, Annual Financial Statement (Budget), and Demands for Grants are mandated by Articles 199, 202 and 203 of the Constitution of India respectively.

Article 202 of Constitution of India requires laying of a statement of estimated receipts and expenditure of the State for that year as the "Annual Financial Statement" before the House or Houses of the Legislature of the State. The Annual Financial Statement

should show expenditure charged on Consolidated Fund and other expenditure separately. It shall also distinguish expenditure on revenue account from other expenditure.

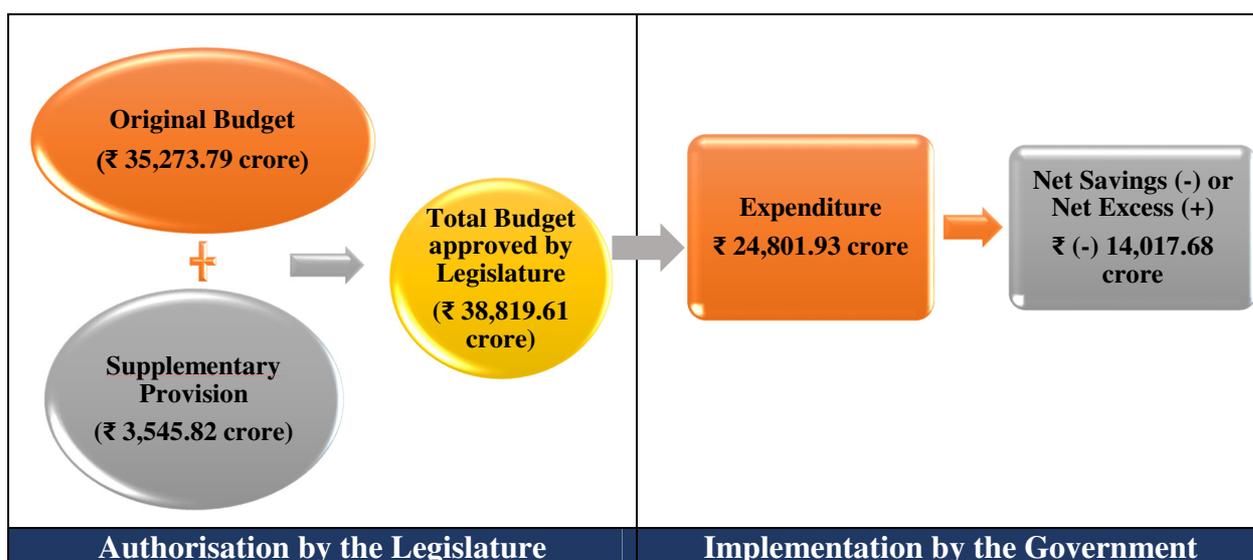
The Annual Financial Statement, also called general budget, is placed prior to the commencement of the financial year in the State Legislature, in accordance with Article 202 of the Constitution. The estimates of receipts and disbursements in the Annual Financial Statement and of expenditure in the Demand for Grants are shown according to the accounting classification under Article 150 of the Constitution.

No money shall be withdrawn from the Consolidated Fund of the State except under appropriation made by law passed in accordance with the provisions of Article 204 of the Constitution. Supplementary or Additional Grant or Appropriation is provided during the course of a financial year, in accordance with Article 205 of the Constitution. It is the provision for meeting expenditure in excess of the budgeted amount.

Legislative authorisation is the *sine qua non* for incurrence of all expenditure by the State Government. To guide individual Government Departments, the State Governments frame financial rules and provide for delegation of financial powers. These delegations establish limits for incurrence of expenditure and the levels authorised to sanction such expenditure together with restrictions on appropriation and re-appropriations.

Apart from supplementary grant, Re-appropriation can also be used to re-allocate funds within a Grant. Re-appropriation is the transfer, by competent authority, of savings from one unit of appropriation to meet additional expenditure under another unit within the same section (Revenue-Voted, Revenue-Charged, Capital-Voted, Capital-Charged) of the Grant or Charged Appropriation. The various components of budget are depicted in the **Chart 3.2**.

Chart 3.2: Summary of Budget and Expenditure during 2023-24



Source: Appropriation Accounts.

Supplementary grants of ₹ 3,545.82 crore were obtained in February 2024. However, the actual expenditure up to the month of February 2024 was ₹ 19,113.38 crore against the original budget provision of ₹ 35,273.79 crore which was 54.19 *per cent* of the original provision.

The net savings of ₹ 14,017.68 crore was the result of gross savings of ₹ 15,526.92 crore offset by an excess expenditure of ₹ 1,509.24 crore during the year.

The cases of unnecessary/excessive supplementary grants (₹ 10 crore and above in each case) taken during the year have been discussed in detail under **Paragraph 3.3.5**.

3.1.1 Summary of total provision, actual disbursements and savings/excess during the financial year 2023-24

A summarised position of total budget provision, disbursement and saving/excess with further bifurcation into voted/charged during 2023-24 for 50 Grants and three Appropriations is given in **Table 3.1**.

Table 3.1: Budget provision, disbursement and savings/excess during 2023-24

Description	Total Budget provision		Disbursements		Savings		Excess	
	Voted	Charged	Voted	Charged	Voted	Charged	Voted	Charged
Revenue	20,761.18	1,031.56	12,809.68	1,039.93	7,952.00	21.37	0.51	29.73
Capital	10,302.38	6,724.49	2,748.84	8,203.48	7,553.55	0.00	0.00	1,479.00
Total	31,063.56	7,756.05	15,558.52	9,243.41	15,505.55	21.37	0.51	1,508.73

Source: Appropriation Accounts.

During the year 2023-24, there was an overall savings of ₹ 15,526.92 crore offset by excess of ₹ 1,509.24 crore resulting in net savings of ₹ 14,017.68 crore which was 36.11 *per cent* of total Grants/Appropriations and 56.52 *per cent* of the expenditure.

The savings are to be seen in the context of over estimation of expenditure as the State had planned to incur an expenditure of ₹ 38,819.61 crore against the total estimated receipts of ₹ 34,131.42 crore. As the actual receipts was limited to ₹ 24,463.10 crore, the actual expenditure was also restricted to ₹ 24,801.93 crore. This was indicative of poor estimation.

3.1.2 Budget marksmanship

Aggregate Budget Outturn

Aggregate Budget Outturn measures the extent to which the aggregate budget expenditure outturn/actual expenditure reflects the amount originally approved, both in terms of less than approved and in excess of approved. Aggregate Budget Outturn during 2023-24 is shown in **Table 3.2**.

Table 3.2: Aggregate Budget Outturn during 2023-24

(₹ in crore)

Description	Original Approved Budget (BE)	Actual Outturn	Difference between Actual and BE*
(1)	(2)	(3)	(4)
Revenue	20,544.07	13,849.61	(-) 6,694.46
Capital	14,729.72	10,952.32	(-) 3,777.40
Total	35,273.79	24,801.93	(-) 10,471.86

* Excess of actuals over original provision is denoted as (+) figure and shortage of actuals over original provision is denoted as (-) figure.

Source: Appropriation Accounts and Budget documents.

In Revenue section, deviation in outturn compared with Budget Estimates (BE) was (-) 32.59 per cent. This was due to deviation between 0 and ± 25 per cent in 11 Grants and 01 Appropriation, between ± 25 per cent and ± 50 per cent in 20 Grants and 02 Appropriations and between ± 50 per cent and ± 100 per cent in 18 Grants and equal to or more than 100 per cent in 01 Grant.

In Capital section, deviation in outturn compared with BE was (-) 25.64 per cent. This was due to deviation between 0 and ± 25 per cent in 02 Grants, between ± 25 per cent and ± 50 per cent in 02 Grants, between ± 50 per cent and ± 100 per cent in 19 Grants and 01 Appropriation and equal to or more than 100 per cent in 15 Grants. No provision was, however, made in respect of 12 Grants and 2 Appropriations (Grant nos. 4, 15, 23, 24, 27, 31, 33, 34, 38, 39, 46, 49, Appropriation nos. 1 and 3) of the Capital section.

Expenditure Composition Outturn

Expenditure Composition Outturn measures the extent to which re-allocations between the main budget categories during execution have contributed to variance in expenditure composition. Expenditure Composition Outturn during 2023-24 is shown in **Table 3.3**.

Table 3.3: Expenditure Composition Outturn during 2023-24

(₹ in crore)

Description	Original Approved Budget (BE)	Revised (RE)	Actual Outturn	Difference between BE & RE	Difference between Actual and RE*
(1)	(2)	(3)	(4)	(5)	(6)
Revenue	20,544.07	18,835.95	13,849.61	(-) 1,708.12	(-) 4,986.34
Capital	14,729.72	14,023.65	10,952.32	(-) 706.07	(-) 3,071.33
Total	35,273.79	32,859.60	24,801.93	(-) 2,414.19	(-) 8,057.67

Source: BE & RE from Demand for Grant.

* Excess of actuals over revised estimate is denoted as (+) figure and shortage of actuals over original provision is denoted as (-) figure.

In Revenue section, deviation in outturn compared with RE was (-) 26.47 per cent. This was due to deviation between 0 and ± 25 per cent in 18 Grants and 01 Appropriation, between ± 25 per cent and ± 50 per cent in 18 Grants and 02 Appropriations, between ± 50 per cent and ± 100 per cent in 14 Grants.

In Capital section, deviation in outturn compared with RE was (-) 21.90 per cent. This was due to deviation between 0 and ± 25 per cent in 08 Grants and 1 Appropriation, between ± 25 per cent and ± 50 per cent in 05 Grants, between ± 50 per cent and ± 100

per cent in 14 Grants and equal to or more than 100 per cent in 11 Grants. In two Grants (Grant No. 15 and 46) no provision was made in the original budget however, in Revised Estimated, provision was made under Capital section.

3.2 Appropriation Accounts

Appropriation Accounts are accounts of the expenditure of the Government for each financial year, compared with the amounts of grants voted and appropriations charged for different purposes as specified in the schedules appended to the Appropriation Act passed under Article 204 of the Constitution of India. Appropriation Accounts are on Gross basis. These Accounts depict the original budget provision, supplementary grants, surrenders and re-appropriations distinctly and indicate actual capital and revenue expenditure on various specified services *vis-à-vis* those authorised by the Appropriation Act in respect of both Charged and Voted items of budget. Appropriation Accounts, thus, facilitate understanding of utilisation of funds, the management of finances and monitoring of budgetary provisions and are, therefore, complementary to the Finance Accounts.

Audit of appropriations by the CAG seeks to ascertain whether the expenditure actually incurred under various Grants is in accordance with the authorisation given under the Appropriation Act and that the expenditure required to be charged under the provisions of the Constitution (Article 202) is so charged. It also ascertains whether the expenditure incurred is in conformity with the laws, relevant rules, regulations and instructions.

3.3 Budget Management and Financial Accountability

3.3.1 Summary of total provisions, disbursements and savings/excess

A summarised position of total budget provision, disbursement and savings/excess during 2019-24 with its further bifurcation into voted/charged is shown in **Table 3.4**.

Table 3.4: Budget provision, disbursement and savings/ excess during 2019-24

Year	Total Budget provision		Disbursements		Savings (-)/Excess (+)	
	Voted	Charged	Voted	Charged	Voted	Charged
2019-20	16,610.65	4,350.86	10,699.91	6,465.59	(-) 5,910.74	(+) 2,114.73
2020-21	22,345.92	4,411.60	14,058.06	8,447.92	(-) 8,287.86	(+) 4,036.32
2021-22	29,558.78	8,566.65	15,225.14	11,630.81	(-) 14,333.64	(+) 3,064.16
2022-23	29,548.79	8,771.08	16,762.95	10,333.89	(-) 12,785.84	(+) 1,562.81
2023-24	31,063.56	7,756.05	15,558.52	9,243.41	(-) 15,505.04	(+) 1,487.36

Source: Appropriation Accounts.

As can be seen from the above table, there were savings under voted expenditure during the last five years 2019-24 whereas there were also excess under charged expenditure in all the years during the same period.

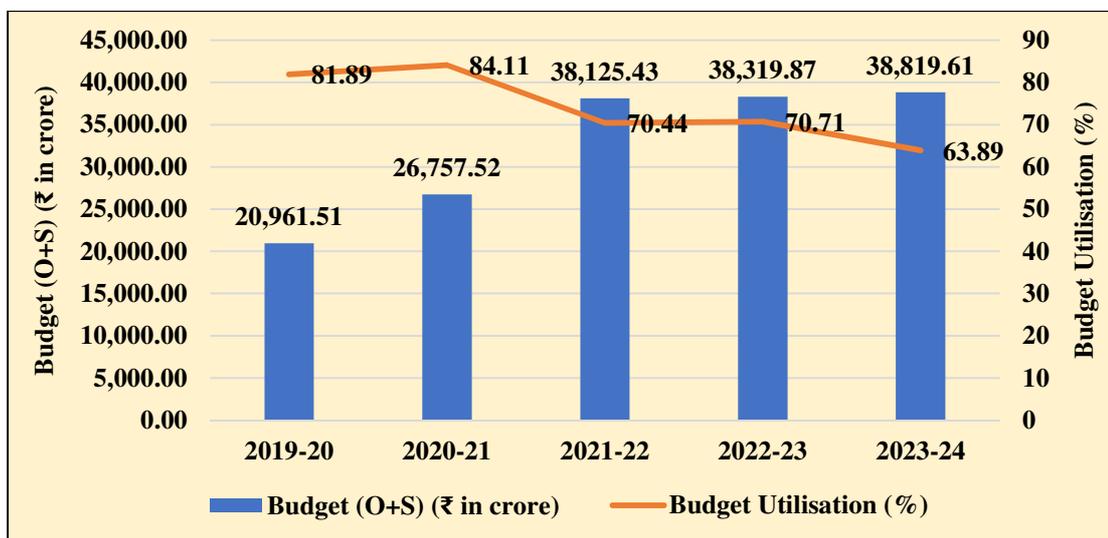
During 2023-24, the net savings of ₹ 14,017.68 crore was the result of overall savings of ₹ 15,526.92 crore in 49 Grants and two Appropriations under Revenue section and 39 Grants under Capital section, offset by an excess of ₹ 1,509.24 crore under Grant No. 1 – State Legislature and Appropriation No. 2 – Interest Payment and Debt Services

in Revenue Section and Appropriation No. 2 – Interest Payment and Debt Services in Capital section.

3.3.2 Utilisation of Budgeted Funds

The extent of utilisation of budget during the five-year period 2019-24 is shown in Chart 3.3.

Chart 3.3: Budget Utilisation during 2019-24



Source: Appropriation Accounts.

Review of overall utilisation of budget provisions relating to the period 2019-24 revealed that the Government could utilise between 63.89 per cent (2023-24) and 84.11 per cent (2020-21) of the total allocation during this period. As compared to the previous year, budget utilisation in 2023-24 decreased to 63.89 per cent from 70.71 per cent in 2022-23.

Although the issue of persistent savings is being highlighted in the Reports of the CAG on State Finances every year, no corrective measure has been taken up by the departments concerned. This shows that there is inadequate monitoring as well.

3.3.3 Budget projections and gap between expectations and actuals

Budgetary allocations based on unrealistic proposals, poor expenditure monitoring mechanism, weak scheme implementation capacities/ weak internal controls lead to sub-optimal allocation among various developmental needs. Excessive savings in some departments deprive other departments of the funds that they could have utilised.

The summarised position of actual expenditure during 2023-24 against 53 Grants/ Appropriations is given in Table 3.5.

Table 3.5: Summarised position of Actual Expenditure vis-à-vis Budget provisions

(₹ in crore)

Nature of Expenditure	Details of Grant/Appropriation		Total	Actual Expenditure	Savings (-)/Excess (+)	Surrender during March		
	Original	Supplementary				Amount	Per cent	
Voted	I. Revenue	19,525.68	1,235.50	20,761.18	12,809.68	(-) 7,951.50	2,951.98	14.22
	II. Capital	10,019.04	283.34	10,302.38	2,748.84	(-) 7,553.54	3,013.77	29.25
	III. Loans & Advances	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Total	29,544.72	1,518.84	31,063.56	15,558.52	(-) 15,505.04	5,965.75	19.20
Charged	IV. Revenue	1,018.39	13.17	1,031.56	1,039.93	8.37	4.78	0.46
	V. Capital	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	VI. Public Debt Repayment	4,710.68	2,013.81	6,724.49	8,203.48	1,478.99	0.00	0.00
	Total	5,729.07	2,026.98	7,756.05	9,243.41	1,487.36	4.78	0.06
Appropriation to Contingency Fund (if any)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Grand Total	35,273.79	3,545.82	38,819.61	24,801.93	(-) 14,017.68	5,970.53	15.38	

Source: Appropriation Accounts.

The trends in percentage of savings/excess against overall provision in the budget for the last five years from 2019-24 are shown in the following Table 3.6 and Chart 3.4.

Table 3.6: Original Budget, Revised Estimate and Actual Expenditure during 2019-24

(₹ in crore)

Sl. No.		2019-20	2020-21	2021-22	2022-23	2023-24
1	Original Budget	16,116.72	21,224.30	29,123.51	35,204.61	35,273.79
2	Supplementary Budget	4,844.79	5,533.23	9,001.92 ¹⁹	3,115.26	3,545.82
	Total provision	20,961.51	26,757.53	38,125.43	38,319.87	38,819.61
3	Revised Estimate ²⁰	20,607.46	25,340.75	32,660.96	35,953.29	32,859.60
4	Actual Expenditure	17,165.50	22,505.98	26,855.94	27,096.84	24,801.93
5	Savings (-) /Excess (+) {4-(1+2)}	(-) 3,796.01	(-) 4,251.55	(-) 11,269.49	(-) 11,223.03	(-) 14,017.68
6	Savings as per cent of total provision	18.11	15.89	29.56	29.29	36.11

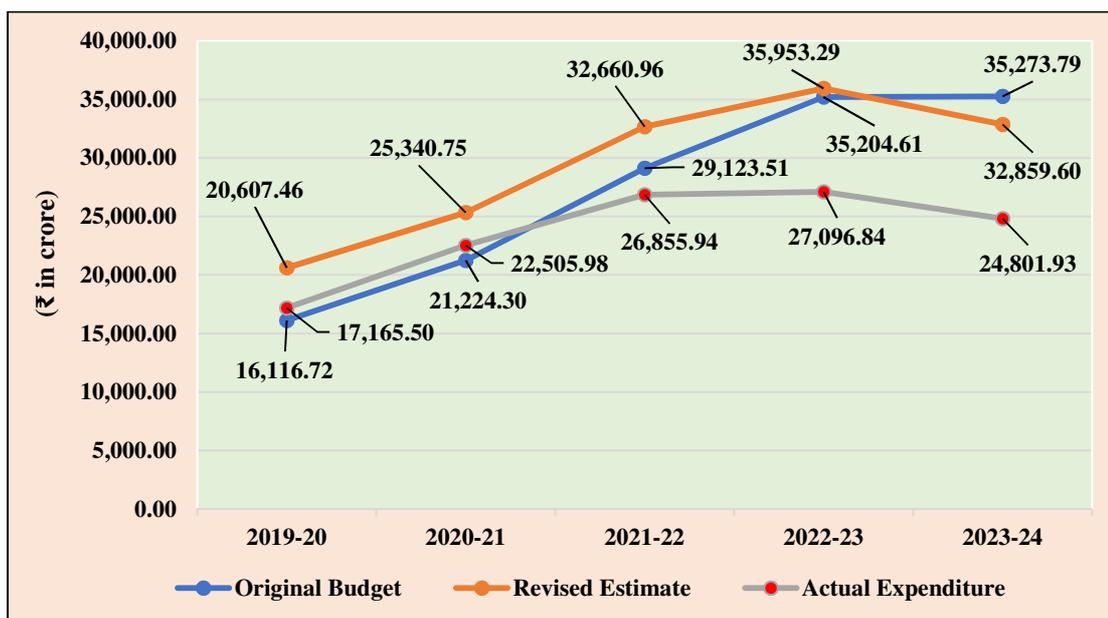
Source: Appropriation Accounts and Demand for Grants

It can be seen from the above table that there were overall savings during the period 2019-24 ranging from 18.11 per cent to 36.11 per cent. Comparative analysis of original Budget, Revised Estimate and Actual Expenditure during 2019-24 is shown in chart below:

¹⁹ Figures changed due to miscalculation in the previous year.

²⁰ Net figures was taken in the previous year and gross figures is taken in the current year.

Chart 3.4: Comparative analysis of Original Budget, Revised Estimate and Actual Expenditure during 2019-24



Source: Appropriation Accounts and Budget documents.

3.4 Integrity of budgetary and accounting process

3.4.1 Expenditure incurred without authority of law

As per Article 204 (3) of the Constitution of India no money shall be withdrawn from the Consolidated Fund of the State except under appropriation made by law passed in accordance with the provision. Expenditure on new scheme should not be incurred on a scheme/service without provision of funds.

Scrutiny of Appropriation Accounts revealed that during the year 2023-24 an expenditure of ₹ 273.48 crore was incurred in 17 Grants in 56 cases without any provision in the original estimates or supplementary demands, but through re-appropriation without the knowledge of the State Legislature. The expenditure incurred requires regularisation. The details of the scheme/service where there were instances of incurring expenditure through re-appropriation without the knowledge of the Legislature and which requires regularization are given in **Appendix 3.1**.

There were 25 cases under 11 Grants, where expenditure of more than ₹ one crore in each case was incurred during the year without budgetary provision, of which, in six cases under four Grants, the amount involved in each case was more than ₹ 10 crore. However, Government did not furnish any specific reason for incurring expenditure without budgetary provision.

During Exit Conference (April 2025), Finance Department accepted the Audit observations and stated that many of the head were created and mapped on PFMS without which funds could not be obtained for CSS and hence the 'New Services' and 'New Instrument of Service' cannot be treated as New Services.

The reply of the Finance Department is not acceptable as there was no provision under Original budget provisions and Supplementary grants and provision were created through re-appropriation without knowledge of State Legislature which was in violation of the Constitutional provision.

3.4.2 Non-compliance with the Accounting Framework

As per Rule 79 of General Financial Rules, 2017, accounting of transactions is to be as per the list of Major and Minor Heads of Accounts as prepared by the Controller General of Accounts. In case of lower level of classification accounting, such heads of accounts are operated with due approval of the Principal Accountant General (A&E) of the State, including proposal of new scheme in budget.

3.4.2.1 Operation of unauthorised Sub-Major Head/Minor Head

During 2023-24, the State Government of Manipur provided budget provisions under six unauthorised heads (3 Sub-Major Heads and 3 Minor Heads) and incurred an expenditure of ₹ 43.77 crore (₹ 42.99 crore under the Revenue Section and ₹ 0.78 crore under the Capital Section) in these heads. The details are shown in **Table 3.7**.

Table 3.7: Operation of unauthorized heads and opening of new Sub-Major/Minor Head

(₹ in crore)

Sl. No.	Grant No.	Head of Account	Minor Head Description	Expenditure
Capital				
1	7	4055-00-115-25	Modernisation of Police Force	0.78
Sub-Total (Capital)				0.78
Revenue				
2	24	2070-00-104-01	Vigilance Department	2.71
3	24	2070-00-104-02	Vigilance Department	1.83
Sub-Major Head Description				
4	20	2501-01-800-03	Integrated Rural Development Programme	16.28
5	20	2501-01-800-17	Integrated Rural Development Programme	5.77
6	20	2501-01-800-20	Integrated Rural Development Programme	16.40
Sub-Total (Revenue)				42.99
Grand Total (Capital + Revenue)				43.77

Source: Appropriation Accounts.

3.4.2.2 Opening of New Sub Head/Detailed Head of Accounts without advice of C&AG

During 2023-24, the State Government of Manipur opened 94 new Sub Heads/Detailed Heads (76 under the Revenue Section, 18 under Capital Section) in the budget, without seeking the advice of the Principal Accountant General (A&E), Manipur as required under the Constitution. The State Government provided budget provisions under these heads and incurred an expenditure of ₹ 344.26 crore (₹ 153.91 crore under the Revenue Section and ₹ 190.35 crore under the Capital Section) during 2023-24. Details are given in **Appendix 3.2**.

3.4.3 Parking of Funds in Public Account/Bank Accounts to avoid lapse of budgetary Grants

As per Rule 290 of Central Treasury Rules (CTR), no money shall be drawn from the treasury unless it is required for immediate disbursement. It is not permissible to draw money from the treasury in anticipation of demands or to prevent the lapse of budget grants. Further, as per order²¹ of the Finance Department, Manipur, no part of the fund is to be kept in the form of bankers cheque or is to be deposited into Drawing and Disbursement Officer (DDO) account which is solely meant for transaction of salary payment.

3.4.3.1 Parking of Funds in Bank Accounts

A test-check of records revealed that in respect of 152 Drawing and Disbursing Officers (DDOs) out of 1329 DDOs, funds amounting to ₹ 155.80 crore in 226 current/savings bank accounts which pertain to non-salary payments were parked in Commercial/Nationalised Banks which is in contravention of the order of Finance Department. The DDO wise details are shown in *Appendix 3.3*.

Drawal of money from the Consolidated Fund and parking it in Public Accounts and DDOs' bank accounts which is outside the Government account for future utilisation is not only a violation of the Finance Department's order but also is fraught with the risk of mis-utilisation and fraudulent drawals. Booking of such drawals and parking it for future use as expenditure in the accounts only inflated the reported expenditure figures.

3.4.4 Misclassification of Revenue Expenditure as Capital Expenditure and vice versa

Misclassification of expenditures and receipts has a great impact on the integrity of the financial statements. Object Heads of capital nature should be booked under Capital Major Heads and that of Object Heads of revenue nature under Revenue Major Heads.

During 2023-24, expenditure of ₹ 26.86 crore under Object Head 02 - Wages was booked under Capital Major Head.

Misclassification of expenditure of Revenue expenditure as Capital expenditure resulted in understatement of Revenue Expenditure and overstatement of Revenue Surplus to the extent of ₹ 26.86 crore. Details are given in *Appendix 3.4*.

3.4.5 Unnecessary or excessive supplementary grants

Supplementary provision aggregating to ₹ 458.21 crore in 25 cases under 22 Grants/Appropriation during the year 2023-24 proved unnecessary as the expenditure did not come up even come up to the level of original provision as detailed in *Appendix 3.5*. Out of these, in 09 cases under 09 Grants, the supplementary provision was more than ₹ 10 crore in each case as given in table below:

²¹ Order No. 9/2/2007-FR(Misc.) dated 13 March 2008 of Finance Department, Government of Manipur.

Table 3.8: Cases where supplementary provision of ₹ 10 crore or more proved unnecessary

(₹ in crore)

Sl. No.	Number and name of grant or appropriation		Original	Supplementary	Expenditure	Savings out of original provisional
Revenue Voted						
1	5	Finance Department	2,556.72	127.00	2,504.53	52.19
2	10	Education	3,212.16	28.46	2,282.05	930.11
3	14	Department of Tribal Affairs and Hills Development	805.57	61.78	657.23	148.34
4	15	Consumer Affairs Food and Public Distribution	171.70	12.05	70.06	101.64
5	22	Public Health Engineering	164.16	16.48	98.69	65.47
6	48	Relief and Disaster Management	84.76	109.04	9.50	75.26
Sub Total:			6,995.07	354.81	5,622.06	1,373.01
Capital Voted						
7	12	Municipal Administration Housing and Urban Development	618.72	16.40	85.52	533.20
8	19	Environment and Forest	64.23	44.41	26.63	37.60
Sub Total:			682.95	60.81	112.15	570.80
Revenue Charged						
9	26	Administration of Justice	52.01	10.42	48.55	3.46
Sub Total:			52.01	10.42	48.55	3.46
Grand Total:			7,730.03	426.04	5,782.76	1,947.27

Source: Appropriation Accounts 2023-24.

Significant savings in various grants, especially Education, Tribal Affairs Food and Hills Development, Consumer Affairs Food and Public Distribution & Municipal Administration Housing and Urban Development departments indicate misalignment between budget provisions and actual needs. Supplementary allocations were often unnecessary, as the original provisions were sufficient to cover actual expenditures. Further examination of Appropriation Accounts revealed that under three grants i.e. Grant No. 1, 14 and 48 (Capital Voted), there was no expenditure. However, original provision was enhanced through Supplementary grants.

3.4.6 Unnecessary or Excessive Re-appropriation

Re-appropriation is transfer of funds within a grant from one unit of appropriation, where savings are anticipated, to another unit where additional funds are needed. Injudicious re-appropriation proved excessive, unnecessary or insufficient in 89 sub-heads and resulted in savings and excess (₹ 10 crore or more in each case) of ₹ 5,924.39 crore and ₹ 327.07 crore respectively as detailed in *Appendix 3.6*. This indicates that the availability or requirement of funds was not properly assessed before re-appropriation and proved injudicious.

3.4.7 Savings/Surrenders in Grants/Appropriations

3.4.7.1 Substantial Savings

As per Rule 62(1) of General Financial Rules (GFR), 2017 (as adopted by Government of Manipur), Grants/Appropriations which are anticipated to remain unspent must be surrendered as early as possible before the close of the financial year.

Audit noticed that in 77 cases under 45 Grants/Appropriation, savings exceeded by more than 25 per cent of the total provision, as detailed in **Appendix 3.7**. Further, there were 53 cases under 38 Grants where savings were 50 per cent and above of the total provision in each case. Out of these, 100 per cent savings occurred in 13²² Grants.

There were savings amounting to ₹ 14,325.22 crore in 28 cases under 23 Grants where savings were more than ₹ 100 crore against total provision in each case as shown in table below:

Table 3.9: List of Grants having savings above ₹ 100 crore during the year

(₹ in crore)

Sl. No.	Grant No.	Name of Grant	Original	Supple-mentary	Total	Actual	Savings	Surrender	Savings excluding Surrender	Savings (in per cent)
Revenue Voted										
1	5	Finance Department	2,556.72	127.00	2,683.72	2,504.53	179.19	0.00	179.19	6.68
2	7	Police	2,384.50	774.66	3,159.16	2,791.79	367.37	0.00	367.37	11.63
3	10	Education	3,212.15	28.46	3,240.61	2,282.05	958.56	0.00	958.56	29.58
4	11	Medical Health and Family Welfare Services	1,649.31	0.00	1,649.31	929.57	719.74	384.46	1,104.20	43.64
5	12	Municipal Administration Housing and Urban Dev.	419.37	0.00	419.37	109.36	310.01	65.60	375.61	73.92
6	14	Department of Tribal Affairs and Hills Development	805.57	61.78	867.35	657.23	210.12	0.00	210.12	24.23
7	15	Consumer Affairs Food and Public Distribution	171.70	12.05	183.75	70.06	113.69	0.00	113.69	61.87
8	17	Agriculture	325.77	0.00	325.77	82.25	243.52	149.95	393.47	74.75
9	19	Environment and Forest	646.50	0.00	646.50	140.04	506.46	376.13	882.59	78.34
10	20	Community and Rural Development	3,038.08	0.00	3,038.08	870.19	2,167.89	1,436.87	3,604.76	71.36
11	21	Textiles Commerce and Industries	151.58	0.00	151.58	34.99	116.59	61.56	178.15	76.92
12	23	Power	547.75	0.00	547.75	425.04	122.71	10.82	133.53	22.40
13	30	Planning	341.25	0.00	341.25	25.85	315.40	231.96	547.36	92.42
14	38	Panchayat	156.80	0.00	156.80	13.67	143.13	36.83	179.96	91.28
15	44	Social Welfare Department	934.92	0.00	934.92	383.40	551.52	64.74	616.26	58.99
16	48	Relief and Disaster Management	84.76	109.04	193.80	9.50	184.30	0.00	184.30	95.10
Sub-Total (Revenue)			17,426.73	1,112.99	18,539.72	11,329.52	7,210.20	2,818.92	10,029.12	38.89
Capital Voted										
17	7	Police	47.77	204.26	252.03	111.19	140.84	0.00	140.84	55.88
18	8	Public Works Department	1,507.15	0.00	1,507.15	740.05	767.10	156.28	923.38	50.90
19	11	Medical Health and Family Welfare Services	270.36	0.00	270.36	8.66	261.70	34.25	295.95	96.80

²² (1. State Legislature 2. Council of Ministers, 6. Transport, 13. Labour and Employment, 14. Department of Tribal Affairs and Hills Development, 16. Co-operation, 17. Agriculture, 29. Sales Tax, Other Taxes/Duties on Commodities and Services, 32. Jails, 35. Stationery and Printing, 41. Art and Culture, 43. Horticulture and Soil Conservation and 48. Relief and Disaster Management under Capital Voted).

Sl. No.	Grant No.	Name of Grant	Original	Supplementary	Total	Actual	Savings	Surrender	Savings excluding Surrender	Savings (in per cent)
Revenue Voted										
20	12	Municipal Administration Housing and Urban Development	618.72	16.40	635.12	85.52	549.60	0.00	549.60	86.53
21	20	Community and Rural Development	1,716.50	0.00	1,716.50	334.98	1,381.52	683.00	2,064.52	80.48
22	22	Public Health Engineering	2,059.29	0.00	2,059.29	691.52	1,367.77	331.78	1,699.55	66.42
23	30	Planning	1,140.69	0.00	1,140.69	326.55	814.14	556.82	1,370.96	71.37
24	36	Minor Irrigation	289.08	0.00	289.08	62.53	226.55	181.74	408.29	78.37
25	40	Water Resources Department	775.13	0.00	775.13	208.17	566.96	243.22	810.18	73.14
26	45	Tourism	356.50	0.00	356.50	15.36	341.14	274.51	615.65	95.69
27	47	Minorities and Other Backward Classes and Scheduled Castes Dept.	575.91	0.00	575.91	29.71	546.20	221.82	768.02	94.84
28	50	Information Technology	156.50	0.00	156.50	5.00	151.50	150.70	302.20	96.81
Sub-Total (Capital)			9,513.60	220.66	9,734.26	2,619.24	7,115.02	2,834.12	9,949.14	73.09
Grand Total (Revenue + Capital)			26,940.33	1,333.65	28,273.98	13,948.76	14,325.22	5,653.04	19,978.26	50.67

Source: Appropriation Accounts.

In 23 out of 50 Grants and three Appropriations, utilisation was less than 50 per cent of the budget allocation (Revenue and Capital), as shown in **Appendix 3.8**. In 11 out of these 22 Grants/Appropriations, there was a pattern of low utilisation in four out of the last five years 2019-24, which indicates weak budgetary management.

The above low utilisation against grants mostly relate to developmental schemes such as (i) Municipal Administration, Housing & Urban Development, (ii) Environment and Forest, (iii) Textiles, Commerce and Industries, (iv) Planning and (v) Minorities and Other Backward Classes and Scheduled Castes.

3.4.7.2 Persistent Savings

During the last five years from 2019-20 to 2023-24, there were persistent savings of more than ₹ one crore in 68 cases (46 cases in revenue and 22 cases in capital heads of account) under 44 Grants and two Appropriations. The number and name of Grants/Appropriations where persistent savings of more than ₹ one crore occurred in each case during the last five years are shown in **Appendix 3.9**. During the five-year period 2019-20 to 2023-24, savings of more than ₹ 10 crore in each year occurred in 29 cases under revenue heads. In the capital voted, in 14 cases there were persistent savings of more than ₹ 10 crore each year. In 14 cases, the persistent savings were noticed more than ₹ 100 crore (eight under Revenue voted and six under Capital voted). The Grant/Appropriation where persistent savings of more than ₹ 100 crore occurred during 2019-20 to 2023-24 are given in the following table:

Table: 3.10: Grant having persistent savings more than ₹ 100 crore during 2019-24

(₹ in crore)							
Sl. No.	Grant No. and Name		2019-20	2020-21	2021-22	2022-23	2023-24
Revenue Voted							
1	10	Education	526.04	819.97	822.93	418.39	958.57
2	11	Medical Health and Family Welfare Services	132.68	115.97	297.23	371.07	719.74

Sl. No.	Grant No. and Name		2019-20	2020-21	2021-22	2022-23	2023-24
3	12	Municipal Administration Housing and Urban Development	103.40	226.40	299.16	147.30	310.01
4	14	Department of Tribal Affairs and Hills Development	239.48	234.50	214.38	320.30	210.12
5	19	Environment and Forest	507.74	557.45	463.29	511.37	506.46
6	20	Community and Rural Development	852.45	1,491.41	3,798.49	1,536.11	2,167.89
7	21	Textiles Commerce and Industries	116.88	122.26	126.72	137.01	116.60
8	44	Social Welfare Department	231.80	270.89	236.11	575.05	551.52
Capital Voted							
9	8	Public Works Department	432.42	243.71	366.43	300.38	767.10
10	12	Municipal Administration Housing and Urban Development	301.69	333.29	207.10	314.25	549.60
11	30	Planning	108.78	314.71	391.03	752.19	814.14
12	36	Minor Irrigation	196.99	130.78	248.87	343.99	226.56
13	40	Water Resources Department	314.07	219.70	411.92	663.96	566.97
14	47	Minorities and Other Backward Classes and Scheduled Castes Department	152.73	421.83	524.99	390.36	546.20

Source: Appropriation Accounts.

Persistent savings over a period of five years or more indicated that the basic assumptions behind the overall budget formulation process were not realistic and that there was lack of proper assessment as well as prudent utilisation of the allocated budgetary provision. The issue of persistent savings is being pointed out every year in the State Finances Audit Report of the Comptroller and Auditor General of India. The departments concerned have not taken any corrective measures for minimising the savings, as savings continued during 2023-24 also.

3.4.7.3 Anticipated savings not surrendered

Departments are required to surrender Grants/Appropriations or portion thereof to the Finance Department as and when savings are anticipated. At the close of the year 2023-24, no part of savings in 38 cases (19 under Revenue voted, four under Revenue charged and 15 under Capital voted) was surrendered by the Departments concerned. The amount involved in these cases was ₹ 3,106.56 crore (22.16 per cent of the overall savings of ₹ 14,017.68 crore) (**Appendix 3.10**). It was observed that in eight²³ cases, savings exceeded ₹ 100 crore but were not surrendered.

Besides, in 38 Grants/Appropriations (56 cases), ₹ 5,970.53 crore (₹ 2,951.98 crore under Revenue Voted, ₹ 3,013.77 crore under Capital Voted and ₹ 4.78 crore under Revenue Charged) was surrendered against the savings of ₹ 12,419.86 crore i.e. 48.07 per cent as of 31 March 2024 (**Appendix 3.11**). The inadequate surrender indicates lack of control over the budget provision. Moreover, these funds could not be utilised for the purpose it was sanctioned or for any other purpose.

During Exit Conference (April 2025), Finance Department stated that the department did not have much control over the funds provided under CSS.

²³ Grant. No. (5, 7, 10, 14, 15 and 48 under Revenue Voted; 7 and 12 under Capital Voted)

3.4.8 Excess expenditure and its regularisation

3.4.8.1 Excess expenditure during 2023-24

As per Article 205 of the Constitution of India, it is mandatory for a State Government to get the excess over a Grant/Appropriation regularised by the State Legislature. Although no time limit for regularisation of expenditure has been prescribed under the Article, regularisation of excess expenditure is done after the completion of discussion of the Appropriation Accounts by the Public Accounts Committee (PAC). During 2023-24, there was excess over provisions in three cases under one Grant and one Appropriation, amounting to ₹ 1,509.24 crore which required regularisation by the State Legislature. Details are shown in the table below:

Table 3.11: Excess over provision during 2023-24 requiring regularisation

(₹ in crore)				
Sl. No.	Number and title of Grant/Appropriation	Total provision	Expenditure	Excess
1	Grant No. 1 - State Legislature (<i>Revenue Voted</i>)	267.72	268.23	0.51
2	Appropriation No. 2-Interest Payment and Debt Services (<i>Revenue Charged</i>)	946.84	976.58	29.74
3	Appropriation No. 2-Interest Payment and Debt Services (<i>Capital Charged</i>)	6724.49	8203.48	1478.99
Total		7,939.05	9,448.29	1,509.24

Source: Appropriation Accounts.

Under Appropriation No. 2 – Interest Payment and Debt Services (Capital Charged), excess expenditure over the budget provision has been observed consistently for the last five years from 2019-24. The persistent excess expenditure indicates poor budgeting especially as the interest payments and debt servicing can be calculated well in advance.

3.4.8.2 Regularisation of excess expenditure of previous financial years

Excess expenditure remaining un-regularised for extended periods dilutes legislative control over the executive. Excess expenditure amounting to ₹ 11,205.82 crore were yet to be examined (February 2025) by PAC. The details of excess expenditure during the period 2019-24 are shown in **Table 3.12**.

Table 3.12: Excess expenditure relating to previous years requiring regularization

(₹ in crore)				
Year	Grant/ Appropriation No.	Grant/ Appropriation details	Amount of excess required to be regularised as commented in the Appropriation Accounts	Status of Regularisation
2019-20	Appropriation No. 2 (Revenue Charged)	Interest Payments Debt Services	8.16	Not yet regularised
	Appropriation No. 2 (Capital Charged)	-do-	2,121.77	
2020-21	Appropriation No. 2 (Revenue Charged)	-do-	208.80	
	Appropriation No. 2 (Capital Charged)	-do-	3,876.27	
2021-22	Appropriation No. 2 (Capital Charged)	-do-	3,316.41	
2022-23	-do-	-do-	1,674.41	
Total			11,205.82	

Source: Finance Department, Government of Manipur.

All such cases of excess expenditure over Grants/Appropriations need to be regularised at the earliest. The responsibility of the executive on account of persistent excess expenditure over Grants/Appropriations needs to be fixed as this is contrary to the legislative intent and defeats the objective of ensuring accountability of the executive over utilisation of public funds.

During Exit Conference (April 2025), Finance Department stated that the processes for regularisation of excess expenditure pertaining to the year 2019-23 are yet to be initiated as the report of the PAC is awaited and efforts will be made to carry out the work during the Revised Estimates.

3.5 Effectiveness of budgetary and accounting process

3.5.1 Supplementary budget and opportunity cost

During the year 2023-24, in 33 cases under 25 Grants (savings exceeding ₹ 50 crore or more in each grant), the departments could not use either the original budget provision or the entire supplementary provision resulting in un-utilised funds of ₹ 14,705.30 crore as per details given in **Table 3.13**.

Table 3.13: List of Grants with unutilised fund during 2023-24

(₹ in crore)

Sl. No.	Grant No. & Name of Grant	Original	Supplementary	Total provisions	Actual Expenditure	Savings
Revenue Voted						
1	5 Finance Department	2,556.72	127.00	2,683.72	2,504.53	179.19
2	7 Police	2,384.50	774.66	3,159.16	2,791.79	367.37
3	10 Education	3,212.15	28.46	3,240.61	2,282.05	958.56
4	11 Medical Health and Family Welfare Services	1,649.31	0.00	1,649.31	929.57	719.74
5	12 Municipal Administration Housing and Urban Development	419.37	0.00	419.37	109.36	310.01
6	14 Department of Tribal Affairs and Hills Development	805.57	61.78	867.35	657.23	210.12
7	15 Consumer Affairs Food and Public Distribution	171.70	12.05	183.75	70.06	113.69
8	17 Agriculture	325.77	0.00	325.77	82.25	243.52
9	18 Animal Husbandry and Veterinary including Dairy Farming	172.58	0.00	172.58	77.05	95.53
10	19 Environment and Forest	646.50	0.00	646.50	140.04	506.46
11	20 Community and Rural Development	3,038.08	0.00	3,038.08	870.19	2,167.89
12	21 Textiles Commerce and Industries	151.58	0.00	151.58	34.99	116.59
13	22 Public Health Engineering	164.16	16.48	180.64	98.68	81.96
14	23 Power	547.75	0.00	547.75	425.04	122.71
15	30 Planning	341.25	0.00	341.25	25.85	315.40
16	38 Panchayat	156.80	0.00	156.80	13.67	143.13
17	43 Horticulture and Soil Conservation	88.51	0.00	88.51	33.77	54.74
18	44 Social Welfare Department	934.92	0.00	934.92	383.40	551.52
19	48 Relief and Disaster Management	84.76	109.04	193.80	9.50	184.30
Sub-Total (Revenue Voted)		17,851.98	1,129.47	18,981.45	11,539.02	7,442.43
Capital Voted						
20	7 Police	47.77	204.26	252.03	111.19	140.84
21	8 Public Works Department	1,507.15	0.00	1,507.15	740.05	767.10
22	11 Medical Health and Family Welfare Services	270.36	0.00	270.36	8.66	261.70

Sl. No.	Grant No. & Name of Grant		Original	Supplementary	Total provisions	Actual Expenditure	Savings
23	12	Municipal Administration Housing and Urban Development	618.72	16.40	635.12	85.52	549.60
24	17	Agriculture	65.84	0.00	65.84	0.00	65.84
25	19	Environment and Forest	64.23	44.41	108.64	26.63	82.01
26	20	Community and Rural Development	1,716.50	0.00	1,716.50	334.98	1,381.52
27	22	Public Health Engineering	2,059.29	0.00	2,059.29	691.52	1,367.77
28	30	Planning	1,140.69	0.00	1,140.69	326.55	814.14
29	36	Minor Irrigation	289.08	0.00	289.08	62.53	226.55
30	40	Water Resources Department	775.13	0.00	775.13	208.17	566.96
31	45	Tourism	356.50	0.00	356.50	15.36	341.14
32	47	Minorities and Other Backward Classes and Scheduled Castes Department	575.91	0.00	575.91	29.71	546.20
33	50	Information Technology	156.50	0.00	156.50	5.00	151.50
Sub-Total (Capital Voted)			9,643.67	265.07	9,908.74	2,645.87	7,262.87
Total:			27,495.65	1,394.54	28,890.19	14,184.89	14,705.30

Source: Appropriation Accounts.

It can be seen from above that there was unutilised fund of ₹ 14,705.30 crore where saving exceeded more than ₹ 50 crore in 25 Grants. Audit observed that in two Grants (Grant Nos. 8, and 23), 63 projects/schemes remained incomplete for lack of fund allocation as discussed in **Paragraph 2.7.6.2(A)**.

3.5.2 Missing/Incomplete Explanation for Variation from Budget

Apart from showing the expenditure against the approved budget, Appropriation Accounts also provide explanation for cases where the expenditure varies significantly from the budgeted provision (Original plus Supplementary). The limit beyond which such variation at the Sub-Head/Sub-Sub-Head level (Unit of Appropriation) are to be explained in the Appropriation Accounts is set by the PAC.

Principal Accountant General (A&E) provides the draft Appropriation Accounts to the Controlling Officers of the Departments and seeks the reasons/ explanations for the variations in expenditure with reference to approved budgetary allocation in keeping with the limits set by the PAC.

The current limits, approved by the PAC, are as follows:

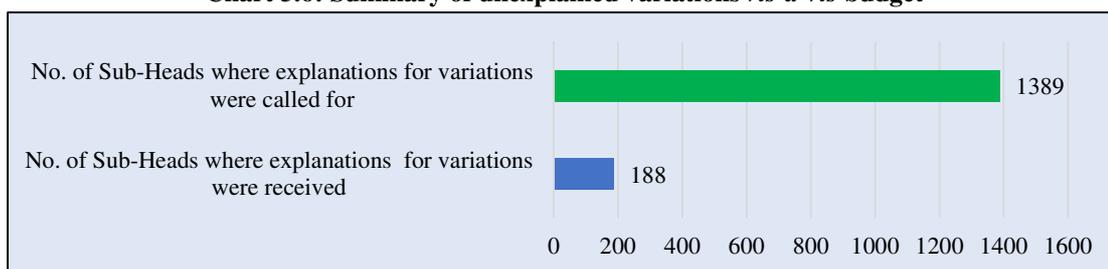
Savings	<ul style="list-style-type: none"> Comments are to be made for overall savings exceeding ₹ 5 lakh of the total provision (Original plus Supplementary). Comments are to be made in individual sub-heads for savings exceeding ₹ 5 lakh in all the Grants/Charged Appropriation.
Excess	<ul style="list-style-type: none"> General comments are to be made for regularisation of excess over the provision in all cases where there is an overall excess (irrespective of the amount). Comments are to be made in individuals sub-heads for excess exceeding ₹ 2.5 lakh in all the Grants.
<i>Under Charged Appropriation, comments are to be made in all sub-heads where the variation is more than ₹ 2.5 lakh</i>	

Audit of Appropriation Accounts of 2023-24 and an analysis of the underlying accounting data revealed that the Controlling Officers have provided explanation for

the variations in the expenditure *vis-à-vis* budgeted allocation in about 13.53 *per cent* of cases. Of the 53 Grants/Appropriations, reasons for variation were called for in respect of 1,389 cases. However, reasons for variations in respect of only 188 cases covering savings of ₹ 1,922.08 crore (172 cases) and excess of ₹ 34.50 crore (16 cases) were furnished by the Controlling Officers of Government Departments. For the remaining 1,201 cases covering savings of ₹ 8,124.16 crore (1,113 cases) and excess of ₹ 2267.47 crore (88 cases), the Controlling Officers of Government Departments did not furnish reasons for variations to the Principal Accountant General (A&E).

Summary of unexplained variations over budget provision is given in the following chart.

Chart 3.6: Summary of unexplained variations *vis-à-vis* budget



Source: O/o the Pr. AG (A&E), Manipur.

Absence of explanation for variation between the budgeted allocation and its utilisation limits the informational utility of Appropriation Accounts for enabling financial accountability of the Government and legislative control over budget.

3.5.3 Rush of expenditure

As per Rule 62 (3) of the GFR, 2017, rush of expenditure in the closing month of the financial year is regarded as a breach of financial propriety. In contravention of this rule, in 16 cases under 12 grants as shown in **Appendix 3.12**, expenditure of more than ₹ 10 crore and 25 *per cent* of the total expenditure for the year was incurred in March 2024. Out of these 16 cases, in six cases under five grants, expenditure figures where more than 50 *per cent* of the total expenditure incurred in March 2024 alone are detailed in **Table 3.14**.

Table 3.14: Grants with more than 50 *per cent* of expenditure in March alone

(₹ in crore)

Sl. No.	Grant No.	Description/Major Head	Expenditure in March	Total Expenditure (TE)	Expenditure in March as percentage of TE
1	8	Capital Outlay on Public Works/4059	17.76	20.66	85.96
2	20	Other Rural Development Programme/2515	116.33	203.76	57.09
3	20	Capital Outlay on Other Development Programme/4515	234.98	334.98	70.15
4	27	Election/2015	64.57	89.17	72.41
5	40	Capital Outlay on Flood Control Projects/4711	76.38	137.59	55.51
6	45	Capital Outlay on Tourism/5452	13.62	15.26	89.25
Total			523.64	801.42	65.34

Source: VLC data of O/o the PAG (A&E), Manipur.

A disproportionately high share of expenditures in March reflects rushed utilization of funds, often to avoid lapses. Equally, minimal expenditures in the first three quarters suggest inefficiencies in fund distribution and project execution. Capital-intensive activities like public works, rural development, flood control and tourism raising questions about planning and execution delays.

Thus, contrary to the spirit of financial regulation, a substantial quantum of expenditure was incurred by the Government at the fag end of the year, indicating inadequate control over expenditure.

3.5.4 Review of selected grant

A review of budgetary procedure and control over expenditure was conducted in respect of *Grant No. 20 – Community and Rural Development* and *Grant No. 30 - Planning* to review compliance with prescribed budgetary procedures, monitoring of funds, control mechanisms and implementation of schemes within the grant. The following were noticed in Audit:

3.5.4.1 Budget and Expenditure

The summarised position of Budget Provision and Actual Expenditure during 2019-24 of the Grants is given in **Table 3.15**.

Table 3.15: Summarised position of Budget Provision and Actual Expenditure

	2019-20	2020-21	2021-22	2022-23	2023-24
(₹ in crore)					
Grant No. 20					
Total Budget Provision	1,869.80	3,409.04	7,217.64	4,758.66	4,754.58
Expenditure	1,017.35	1,917.63	2,129.83	2,003.28	1,205.17
Savings	852.45	1,491.41	5,087.81	2,755.38	3,549.41
Total Surrender	0.77	0.00	2,963.84	20.00	2,119.87
Surrender as a percentage of Savings	0.09	0.00	58.25	0.73	59.72
Savings (in per cent)	45.59	43.75	70.49	57.90	74.65
i) Revenue Provision	1,869.80	3,409.04	5,088.74	3,042.16	3,038.08
Expenditure	1,017.35	1,917.63	1,290.25	1,506.05	870.19
Savings	852.45	1,491.41	3,798.49	1,536.11	2,167.89
Surrender	0.77	0.00	2,963.84	0.00	1,436.87
Surrender as a percentage of Savings	0.09	0.00	78.03	0.00	66.28
Savings (in per cent)	45.59	43.75	74.65	50.49	71.36
ii) Capital Provision	0.00	0.00	2,128.90	1,716.50	1,716.50
Expenditure	0.00	0.00	839.58	497.23	334.98
Savings	0.00	0.00	1,289.32	1,219.27	1,381.52
Surrender	0.00	0.00	0.00	20.00	683.00
Surrender as a percentage of Savings	0.00	0.00	0.00	1.64	49.44
Savings (in per cent)	0.00	0.00	60.56	71.03	80.48
Grant No. 30					
Total Budget Provision	274.60	508.99	1,403.15	1,542.70	1,481.94
Expenditure	63.14	119.72	260.74	535.45	352.40
Savings	211.46	389.27	1,142.41	1,007.25	1,129.54
Total Surrender	103.93	24.42	664.76	134.86	788.79
Surrender as a percentage of Savings	49.15	6.27	58.19	13.39	69.83
Savings (in per cent)	77.01	76.48	81.42	65.29	76.22
i) Revenue Provision	143.63	117.90	780.27	300.69	341.25
Expenditure	40.95	43.34	28.89	45.63	25.85
Savings	102.68	74.56	751.38	255.06	315.40

	2019-20	2020-21	2021-22	2022-23	2023-24
Surrender	12.60	24.42	664.76	134.86	231.97
Surrender as a percentage of Savings	12.27	32.75	88.47	52.87	73.55
Savings (in per cent)	71.49	63.24	96.30	84.82	92.42
ii) Capital Provision	130.97	391.09	622.88	1,242.01	1,140.69
Expenditure	22.19	76.38	231.85	489.82	326.55
Savings	108.78	314.71	391.03	752.19	814.14
Surrender	91.33	0.00	0.00	0.00	556.82
Surrender as a percentage of Savings	83.96	0.00	0.00	0.00	68.39
Savings (in per cent)	83.06	80.47	62.78	60.56	71.37

Source: Appropriation Accounts.

Under Grant No. 20, there was unutilised budget provision of ₹ 3,549.41 crore which consists of 74.65 per cent during the year. The unutilised budget provision ranged between 43.75 per cent and 74.65 per cent during the last five year period 2019-24.

Similarly, under Grant No. 30, there was unutilised budget provision of ₹ 1,129.54 crore which consists of 76.22 per cent during the year. The unutilised budget provision ranged between 65.29 per cent and 81.42 per cent during the last five year period 2019-24.

Persistently large savings of budget provision is indicative of incorrect assessment of actual needs and calls for a critical review of budget formulation exercise of the Department.

3.5.4.2 Expenditure incurred without authority of law

Article 204 of the Constitution provides that no money shall be withdrawn from the Consolidated Fund except under appropriation made by law by the State Legislature. This vitiates the system of budgetary and financial control and encourages financial indiscipline in management of public resources.

Scrutiny of Appropriation Accounts revealed that an expenditure of ₹ 4,374.81 lakh was incurred in the selected two Grants without any provision in the original estimates or supplementary demands, but through re-appropriation without the knowledge of the Legislature. The details are given in the following table.

Table 3.16: Expenditure incurred through re-appropriation on new services

Grant No.	Head of Account	Description of Sub-Head	Expenditure		Expenditure
			Original + Supplementary	Re-Appropriation	
20	2505-60-101-16 (H)	NRLM ST Component (Central Share)	0.00	4,346.77	2,984.77
20	2505-60-101-17 (H)	NRLM ST Component (State Share)	0.00	482.97	331.64
20	2505-60-101-18 (V)	NRLM SC Component (Central Share)	0.00	209.07	143.56
20	2505-60-101-19 (V)	NRLM SC Component (State Share)	0.00	23.23	15.95
Sub Total			0.00	5,062.04	3,475.92
30	2575-02-800-02 (V)	Pradhan Mantri Krishi Sinchayee Yojana 2.0 (Central Share)	0.00	1,168.75	692.00
30	2575-02-800-03 (V)	Pradhan Mantri Krishi Sinchayee Yojana 2.0 (State Share)	0.00	94.77	76.89

Grant No.	Head of Account	Description of Sub-Head	Original + Supplementary	Re-Appropriation	Expenditure
30	3451-00-092-29 (V)	Urban Statistics for HR and Assessments (USHA)	0.00	15.00	15.00
30	4575-60-800-22 (V)	Reclamation work of Moirang River from Thangjing Chingkhong to Kokilon with construction of 1 Slab Culvert to connect Moulhoi village	0.00	35.00	35.00
30	4575-60-800-23 (V)	Land Development of Moirang Kangjeibung, Sendra Road	0.00	80.00	80.00
Sub Total			0.00	1,393.52	898.89
Grand Total			0.00	6,455.56	4,374.81

Source: Detailed Appropriation Accounts.

As can be seen from the above table that during 2023-24, an expenditure of ₹ 3,475.92 lakh was incurred by creating provision of ₹ 5,062.04 lakh through re-appropriation under Grant No. 20. Similarly, an expenditure of ₹ 898.89 lakh was incurred by creating provision of ₹ 1,393.52 lakh through re-appropriation under Grant No. 30 without the knowledge of the State Legislature in violation of Article 204 of the Constitution of India.

3.5.4.3 Entire provision under sub-heads remained unutilised during the year

In six cases under six Sub-Heads under Grant No. 20 and 30, though there was nil utilisation of the original budget provision, the amount was neither re-appropriated nor surrendered during the year. The details are given in the following table:

Table 3.17: Budget Provision remained unutilised

(₹ in lakh)

Sl. No.	Head of Account	Description	Total Budget Provision	Re-Appropriation/ surrender	Expenditure	Savings
Grant No. 20						
1	2501-01-800-22 (H)	State Routine Maintenance Fund (DLP) for PMGSY	2,000.00	0.00	0.00	2,000.00
Sub-Total			2,000.00	0.00	0.00	2,000.00
Grant No. 30						
2	3451-00-092-10 (V)	Research and Education	6.00	0.00	0.00	6.00
3	3451-00-092-22 (V)	Assistance to NGOs/ Association/Local Bodies	88.00	0.00	0.00	88.00
4	4575-60-800-10 (H)	Completion of Tribal Inclusive Development Project in 27 Blocks (State Component)	1.00	0.00	0.00	1.00
5	4575-60-800-11 (V)	Construction of New Directorate Building with pre-fabricated materials	50.00	0.00	0.00	50.00
6	4575-60-800-19 (H)	Special Development Fund for Border and Under-Development Districts	2,100.00	0.00	0.00	2,100.00
Sub-Total			2,245.00	0.00	0.00	2,245.00
Total			4,245.00	0.00	0.00	4,245.00

Source: Detailed Appropriation Accounts.

3.5.4.4 Withdrawal of entire provision by Surrender:

Scrutiny of Appropriation Accounts for the year 2023-24 revealed that, in four cases, the entire original budget were surrendered/re-appropriated during the year, however, no reasons for surrendered/re-appropriation was furnished by the Departments. The details are given in the following table:

Table 3.18: Withdrawal of entire provision

(₹ in lakh)

Sl. No.	Grant No.	Head of Account	Original Provision	Re-Appropriation/Surrender
1	30	2575-06-102-01 (H)	3,500.00	-3,500.00
2		2575-06-102-02 (H)	200.00	-200.00
3		3451-00-800-23 (V)	1,000.00	-1,000.00
4		3451-00-800-24 (V)	10,000.00	-10,000.00
5		3451-00-800-29 (V)	100.00	-100.00

Source: Appropriation Accounts.

The reasons for the surrender by re-appropriation were not stated by the concerned department.

3.5.4.5 Rush of Expenditure

According to Rule 62(3) of GFR 2017, rush of expenditure, particularly in the closing months of the financial year, shall be regarded as breach of financial propriety and should be avoided. The details of quarter-wise expenditure of the Major Heads under the Grant during the year and expenditure was more than 25 per cent in the month of March 2024 are given below:

Table 3.19: Expenditure pattern during 2023-24

(₹ in lakh)

Sl. No.	Grant No. and Description	1 st Qtr	2 nd Qtr	3 rd Qtr	4 th Qtr	Total Expenditure (TE)	Expenditure during March	Expenditure in March as percentage of TE
1	20 – Other Rural Development Programme/2515	27.87	18.92	28.76	128.21	203.76	116.33	57.09
2	20 – Capital Outlay on Other Development Programme/4515	0.00	100.00	0.00	234.98	334.98	234.98	70.15
3	30 – Capital Outlay on Other Special Area Programme/4575	189.58	1.15	1.70	134.12	326.55	134.12	41.07

Source: VLC data of O/o the PAG (A&E), Manipur.

In both the grants despite there was substantial provision in the original budget there was rush of expenditure ranged between 41.07 per cent to 70.15 per cent in the month of March 2024.

3.5.4.6 Insufficient/Excessive Re-Appropriation of Funds

During the year 2023-24, Re-appropriation of Funds proved insufficient/excessive resulting in savings of ₹ one crore or more in each case as per details given in the following table:

Table 3.20: List of Sub Heads with excess/savings during 2023-24

(₹ in crore)

Sl. No.	Grant No.	Head of Account	Original	Supplementary	Re-appropriation	Total	Expenditure	Excess (+)/ Savings (-)
1	20	2501-01-800-01 (V)	2.00	0.00	-0.19	1.81	0.00	-1.81
2		2501-01-800-20 (V)	19.03	0.00	0.09	19.12	16.40	-2.72
3		2505-02-101-02 (H)	899.58	0.00	-499.58	400.00	132.06	-267.94
4		2505-02-101-02 (V)	224.90	0.00	-24.90	200.00	198.08	-1.92
5		2505-02-101-05 (H)	800.00	0.00	-758.40	41.60	0.00	-41.60
6		2505-02-101-05 (V)	200.00	0.00	-189.60	10.40	0.00	-10.40
7		2505-02-101-06 (H)	53.97	0.00	-9.53	44.44	0.00	-44.44
8		2505-02-101-06 (V)	13.49	0.00	-2.38	11.11	0.00	-11.11
9		2505-60-101-09 (H)	19.75	0.00	-12.07	7.68	5.74	-1.94
10		2505-60-101-09 (V)	79.02	0.00	-48.30	30.72	20.64	-10.08
11		2505-60-101-11 (V)	2.41	0.00	9.50	11.91	0.00	-11.91
12		2505-60-101-13 (V)	62.70	0.00	-53.70	9.00	0.00	-9.00
13		2505-60-101-15 (V)	0.52	0.00	0.50	1.02	0.00	-1.02
14		2505-60-101-16 (H)	0.00	0.00	43.47	43.47	29.85	-13.62
15		2505-60-101-17 (H)	0.00	0.00	4.83	4.83	3.32	-1.51
16		2505-60-101-20 (H)	0.00	0.00	3.78	3.78	0.00	-3.78
17		2505-60-101-22 (V)	0.00	0.00	5.22	5.22	0.00	-5.22
18		2505-60-101-24 (H)	0.00	0.00	1.86	1.86	0.00	-1.86
19		2505-60-101-24 (V)	0.00	0.00	1.74	1.74	0.00	-1.74
20		2515-00-001-01 (V)	45.15	0.00	1.42	46.57	39.71	-6.86
21		2515-00-102-02 (H)	27.93	0.00	-1.38	26.55	22.54	-4.01
22		2515-00-800-02 (V)	95.16	0.00	43.37	138.53	89.00	-49.53
23		2515-00-800-03 (V)	2.00	0.00	13.39	15.39	0.00	-15.39
24		2515-00-800-05 (V)	10.87	0.00	-6.54	4.33	0.00	-4.33
25		2515-00-800-06 (V)	6.12	0.00	32.84	38.96	5.63	-33.33
26		2515-00-800-07 (V)	0.45	0.00	3.88	4.33	0.00	-4.33
27		4515-00-103-01 (H)	1,352.50	0.00	-535.75	816.75	197.64	-619.11
28		4515-00-103-01 (V)	364.00	0.00	-147.25	216.75	137.34	-79.41
Sub-Total			4,281.55	0.00	-2,123.68	2,157.87	897.95	-1,259.92
29	30	2575-02-796-01 (H)	35.32	0.00	-7.18	28.14	2.05	-26.09
30		2575-02-800-02 (V)	0.00	0.00	11.69	11.69	6.92	-4.77
31		3451-00-092-03 (V)	8.14	0.00	-2.58	5.56	3.04	-2.52
32		3451-00-092-04 (V)	6.27	0.00	-1.35	4.92	3.40	-1.52
33		3451-00-092-30 (V)	0.00	0.00	10.00	10.00	0.00	-10.00
34		3451-00-800-20 (V)	100.00	0.00	-70.00	30.00	0.00	-30.00
35		3451-00-800-27 (V)	5.00	0.00	-2.47	2.53	0.00	-2.53
36		3451-00-800-30 (V)	12.00	0.00	-11.00	1.00	0.00	-1.00
37		4575-60-800-07 (V)	1,000.00	0.00	-550.00	450.00	262.39	-187.61
38		4575-60-800-15 (V)	119.18	0.00	-11.10	108.08	63.01	-45.07
39		4575-60-800-21 (V)	0.00	0.00	3.13	3.13	0.00	-3.13
Sub-Total			1,285.91	0.00	-630.86	655.05	340.81	-314.24
Grand Total			5,567.46	0.00	-2,754.54	2,812.92	1,238.76	-1,574.16

Source: Detailed Appropriation Accounts.

3.6 Conclusion

Against the total budget provision of ₹ 38,819.61 crore, State Government incurred an expenditure of ₹ 24,801.93 crore during 2023-24, resulting in net savings of ₹ 14,017.68 crore. The overall savings was the net result of gross savings of ₹ 15,526.92 crore offset by an excess of ₹ 1,509.24 crore. As compared to the previous year, budget utilisation in 2023-24 slightly decreased to 63.89 per cent from 70.71 per cent in 2022-23.

During 2023-24, an expenditure of ₹ 273.48 crore was incurred under 17 Grants/Appropriations by creating provision through re-appropriation in 56 cases without the knowledge of the State Legislature.

During 2023-24, Supplementary grants of ₹ 458.21 crore provided in 25 cases under 22 Grants/Appropriations proved unnecessary as the expenditure did not come up to the level of original provision, indicating that Supplementary grants were provided in an *ad hoc* manner without adequate review.

In 77 cases under 45 Grants/Appropriations, savings exceeded more than 25 *per cent* of total provision during 2023-24. Out of these, 100 *per cent* savings occurred in 13 Grants.

During 2023-24, there was excess expenditure over provisions under one Grant and one Appropriation, amounting to ₹ 1,509.24 crore, which requires regularisation by the State Legislature. Moreover, excess expenditure of ₹ 11,205.82 crore incurred during the year 2019-20 to 2022-23 were yet to be regularised.

In six cases under five Grants, more than 50 *per cent* of the total expenditure (above 10 crore expenditure) was incurred in March 2024, indicating inadequate control over expenditure.

3.7 Recommendations

- *Excess of expenditure over budgetary provisions under different grants is a serious lapse of budget rules and dilutes legislative approval over budgets. Departments which had incurred excess expenditure persistently should be identified to closely monitor their progressive expenditure and to seek supplementary grants/re-appropriations in time.*
- *State Government may take immediate action to regularise excess expenditure by the Legislature.*
- *Supplementary grants should be provided in such grants only after proper scrutiny and realistic assessment of requirements of the concerned Departments to avoid under or over spending by them.*