

Manipur Budget Analysis 2024-25

The Chief Minister of Manipur, Mr. N Biren Singh, presented the Budget for the state for the financial year 2024-25 on July 31, 2024.

Budget Highlights

- The **Gross State Domestic Product (GSDP)** of Manipur for 2024-25 (at current prices) is projected to be Rs 49,937 crore, amounting to growth of 9.6% over 2023-24.
- **Expenditure (excluding debt repayment)** in 2024-25 is estimated to be Rs 29,246 crore, an increase of 13% over the revised estimates of 2023-24. In addition, debt of Rs 5,653 crore will be repaid by the state.
- **Receipts (excluding borrowings)** for 2024-25 are estimated to be Rs 27,720 crore, an increase of 17% as compared to the revised estimates of 2023-24.
- **Revenue Surplus** in 2024-25 is estimated to be 14.2% of GSDP (Rs 7,089 crore), higher than the revised estimates for 2023-24 (11.1% of GSDP). In 2023-24, the revenue surplus is expected to be lower than the budget estimate (16.1% of GSDP).
- **Fiscal deficit** for 2024-25 is targeted at 3.1% of GSDP (Rs 1,526 crore). In 2023-24, as per the revised estimates, fiscal deficit is expected to be 4.9% of GSDP, lower than the budget estimate (6.1% of GSDP).

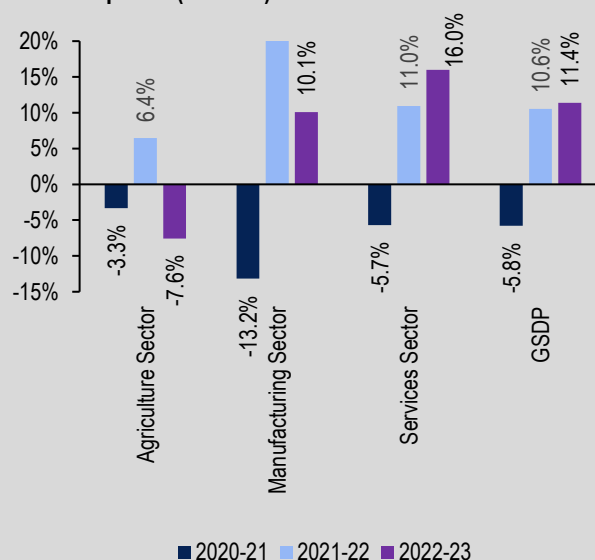
Policy Highlights

- **School Phagathansi Mission:** This scheme has been launched to enhance the quality of government schools. The initiative began with 60 schools in 2019. The improvement of an additional 120 high and higher secondary schools will be undertaken at a cost of Rs 134 crore.
- **Roads and Bridges:** Four roads and bridges are being proposed under the North East Special Infrastructure Development Scheme for the border districts of Kamjong and Chandel, with an outlay of Rs 140 crore.

Manipur's Economy

- **GSDP:** In 2022-23, Manipur's GSDP (at constant prices) grew at 11.4%, compared to 10.6% in 2021-22. In comparison, national GDP is estimated to grow at 7% in 2022-23.
- **Sectors:** The agriculture sector contracted by 7.6% in 2022-23. In comparison, it witnessed 6.4% growth in 2021-22. This was over a low base of 2020-21. Manufacturing sector grew by 10.1% in 2022-23 while services grew by 16%. In comparison, services sector had grown by 11% in 2021-22.
- In 2022-23, agriculture, manufacturing, and services sectors are estimated to contribute 22%, 10.%, and 68% to the economy, respectively (at current prices).
- **Per capita GSDP:** The per capita GSDP of Manipur in 2022-23 (at current prices) is estimated at Rs 1,25,406, an increase of 14% over 2021-22.

Figure 1: Growth in GSDP and sectors in Manipur at constant prices (2011-12)



Note: Agriculture also includes mining and quarrying; manufacturing also includes construction, and electricity, gas, water, and other utility services. These numbers are as per constant prices (2011-12) which implies that the growth rate is adjusted for inflation.
Sources: MOSPI; PRS.

Budget Estimates for 2024-25

- **Total expenditure (excluding debt repayment)** in 2024-25 is targeted at Rs 29,246 crore. This is an increase of 13% over the revised estimate of 2023-24. This expenditure is proposed to be met through **receipts (excluding borrowings)** of Rs 27,720 crore and net borrowings of Rs 1,772 crore. Total receipts for 2024-25 (other than borrowings) are expected to register an increase of 17% over the revised estimate of 2023-24.
- **Revenue surplus** in 2024-25 is estimated to be 14.2% of GSDP (Rs 7,089 crore), higher than the revised estimates for 2023-24 (11.1% of GSDP). **Fiscal deficit** for 2024-25 is targeted at 3.1% of GSDP (Rs 1,526 crore), lower than the revised estimates for 2023-24 (4.9% of GSDP).
- In 2023-24, net expenditure and net receipts revised estimates were lower than budget estimates.

Table 1: Budget 2024-25 - Key figures (in Rs crore)

Items	2022-23 Actuals	2023-24 Budgeted	2023-24 Revised	% change from BE 23-24 to RE 23-24	2024-25 Budgeted	% change from RE 23-24 to BE 24-25
Total Expenditure	27,056	35,022	32,591	-6.9%	34,899	7.1%
(-) Repayment of debt	9,405	4,711	6,724	42.7%	5,653	-15.9%
Net Expenditure (E)	17,651	30,312	25,867	-14.7%	29,246	13.1%
Total Receipts	27,010	34,251	31,839	-7.0%	35,145	10.4%
(-) Borrowings	11,116	6,700	8,207	22.5%	7,425	-9.5%
Net Receipts (R)	15,894	27,551	23,632	-14.2%	27,720	17.3%
Fiscal Deficit (E-R)	1,757	2,760	2,235	-19.0%	1,526	-31.7%
as % of GSDP	4.7%	6.1%	4.9%	-	3.1%	-
Revenue Surplus	1,734	7,255	5,061	-30.2%	7,089	40.1%
as % of GSDP	4.7%	16.1%	11.1%	-	14.2%	-
Primary Deficit	882	1,816	1,288	-29.1%	425	-67.0%
as % of GSDP	2.4%	4.0%	2.8%	-	0.9%	-
GSDP	37,043	45,145	45,558	0.9%	49,937	9.6%

Note: BE is Budget Estimates; RE is Revised Estimates.

Sources: Annual Financial Statement, Manipur Budget 2024-25; PRS.

Expenditure in 2024-25

- **Revenue expenditure** for 2024-25 is proposed to be Rs 20,628 crore, an increase of 11% over the revised estimates of 2023-24. This includes the expenditure on salaries, pensions, interest, grants, and subsidies.
- **Capital outlay** for 2024-25 is proposed to be Rs 8,616 crore, an increase of 18% over the revised estimate of 2023-24. Capital outlay indicates the expenditure towards creation of assets.
- In 2024-25, loans and advances given by the state are estimated to be Rs 2 crore, lower than the revised estimates by 74%.

Table 2: Expenditure budget 2024-25 (in Rs crore)

Items	2022-23 Actuals	2023-24 Budgeted	2023-24 Revised	% change from BE 23-24 to RE 23-24	2024-25 Budgeted	% change from RE 23-24 to BE 24-25
Revenue Expenditure	14,159	20,292	18,567	-9%	20,628	11%
Capital Outlay	3,484	10,014	7,291	-27%	8,616	18%
Loans given by the state	8	5	8	56%	2	-74%
Net Expenditure	17,651	30,312	25,867	-15%	29,246	13%

Sources: Annual Financial Statement, Manipur Budget 2024-25; PRS.

Committed expenditure: Committed expenditure of a state typically includes expenditure on payment of salaries, pension, and interest. A larger proportion of budget allocated for committed expenditure items limits the state's flexibility to decide on other expenditure priorities such as capital outlay. In 2024-25, Manipur is estimated to spend Rs 10,060 crore on committed expenditure, which is 36% of its estimated revenue receipts. This comprises spending on salaries (21% of revenue receipts), pension (11%), and, interest payments (4%). In 2023-24, expenditure towards pension is estimated to be 9% higher than the budget estimate. In 2022-23, as per actuals, 56% of revenue receipts were spent towards committed expenditure.

Table 3: Committed Expenditure in 2024-25 (in Rs crore)

Committed Expenditure	2022-23 Actuals	2023-24 Budgeted	2023-24 Revised	% change from BE 23-24 to RE 23-24	2024-25 Budgeted	% change from RE 23-24 to BE 24-25
Salaries	5,078	6,290	6,319	0%	5,951	-6%
Pension	2,880	2,537	2,777	9%	3,008	8%
Interest payment	874	944	947	0%	1,101	16%
Total Committed Expenditure	8,832	9,771	10,043	3%	10,060	0%

Sources: Annual Financial Statement, Manipur Budget 2024-25; PRS.

Sector-wise expenditure: The sectors listed below account for 69% of the total expenditure on sectors by the state in 2024-25. A comparison of Manipur's expenditure on key sectors with that by other states is shown in Annexure 1.

Table 4: Sector-wise expenditure under Manipur Budget 2024-25 (in Rs crore)

Sector	2022-23 Actuals	2023-24 Budgeted	2023-24 Revised	% change from BE 2023-24 to RE 2023-24	2024-25 Budgeted	% change from RE 23- 24 to BE 24- 25
Rural Development	2,052	4,857	2,733	-43.7%	4,200	54%
Education, Sports, Arts, and Culture	2,224	3,474	3,455	-0.5%	3,307	-4%
Police	2,147	2,418	3,210	32.8%	2,911	-9%
Transport	740	1,611	1,409	-12.6%	1,889	34%
Water Supply and Sanitation	882	2,222	1,900	-14.5%	1,612	-15%
Health and Family Welfare	1,301	1,920	1,501	-21.8%	1,589	6%
Social Welfare and Nutrition	662	1,049	1,103	5.1%	1,453	32%
Agriculture and Allied Activities	509	1,297	947	-27.0%	1,257	33%
Irrigation and Flood Control	293	1,214	721	-40.6%	1,001	39%
Urban Development	362	1,008	968	-4.0%	939	-3%
% of total expenditure on all sectors	65%	71%	71%		69%	

Sources: Annual Financial Statement, Manipur Budget 2024-25; PRS.

Receipts in 2024-25

- **Total revenue receipts** for 2024-25 are estimated to be Rs 27,720 crore, an increase of 17% over the revised estimate of 2023-24. Of this, Rs 2,771 crore (10%) will be raised by the state through its **own resources**, and Rs 24,946 crore (90%) will come **from the centre**. Resources from the centre will be in the form of state's share in central taxes (32% of revenue receipts) and grants (58% of revenue receipts).
- **Devolution:** In 2024-25, state's share in central taxes is estimated at Rs 8,930 crore, an increase of 13% over the revised estimate of 2023-24.
- **Grants from the centre** in 2024-25 are estimated at Rs 16,016 crore, an increase of 12% over the revised estimates for 2023-24. In 2023-24, revised estimate for grants from the centre was 14% lower than budget estimate.
- **State's own tax revenue:** Manipur's total own tax revenue is estimated to be Rs 2,471 crore in 2024-25, an increase of 86% over the revised estimate of 2023-24. Own tax revenue as a percentage of GSDP is estimated at 4.9% in 2024-25, higher than the revised estimates for 2023-24 (2.9%). As per the actual figures for 2022-23, own tax revenue as a percentage of GSDP was 5%. In 2023-24, revised estimate for State's Own Tax revenue was 59% lower than budget estimate. The corresponding figure for State's Own Non-Tax revenue is 64%.

Table 5: Break-up of the state government's receipts (in Rs crore)

Items	2022-23 Actuals	2023-24 Budgeted	2023-24 Revised	% change from BE 2023-24 to RE 2023-24	2024-25 Budgeted	% change from RE 2023-24 to BE 2024-25
State's Own Tax	1,868	3,200	1,328	-59%	2,471	86%
State's Own Non-Tax	458	400	145	-64%	300	107%
Share in Central Taxes	6,795	7,314	7,908	8%	8,930	13%
Grants-in-aid from Centre	6,773	16,634	14,247	-14%	16,016	12%
Revenue Receipts	15,893	27,548	23,628	-14%	27,716	17%
Non-debt Capital Receipts	1	4	4	0%	4	0%
Net Receipts	15,894	27,551	23,632	-14.2%	27,720	17%

BE is Budget Estimates; RE is Revised Estimates.

Sources: Annual Financial Statement, Manipur Budget 2024-25; PRS.

- In 2024-25, **State GST** is estimated to be the largest source of own tax revenue (57% share). State GST revenue is estimated to increase by 47% over the revised estimates of 2023-24. In 2023-24, revised estimate of revenue from State GST was 59% lower than Budget Estimate.
- Revenue from sales tax/VAT is estimated to contribute 24% of Manipur's own tax revenue in 2024-25. It is estimated to increase by 146% over the revised estimate of 2023-24. In 2023-24, revised estimate of revenue from Sales Tax/ VAT was 55% lower than Budget Estimate.

Table 6: Major sources of state's own-tax revenue (in Rs crore)

Head	2022-23 Actuals	2023-24 Budgeted	2023-24 Revised	% change from BE 23-24 to RE 23-24	2024-25 Budgeted	% change from RE 23-24 to BE 24-25
State GST	1,426	2,375	971	-59%	1,426	47%
Sales Tax/ VAT	289	540	244	-55%	600	146%
State Excise	19	21	20	-3%	300	1400%
Taxes on Vehicles	83	132	40	-70%	84	110%
Stamps Duty and Registration Fees	14	27	14	-49%	16	14%
Land Revenue	7	8	7	-12%	8	14%

Sources: Annual Financial Statement, Revenue Budget, and Manipur Budget 2024-25; PRS.

Deficits, Debt, and FRBM Targets for 2024-25

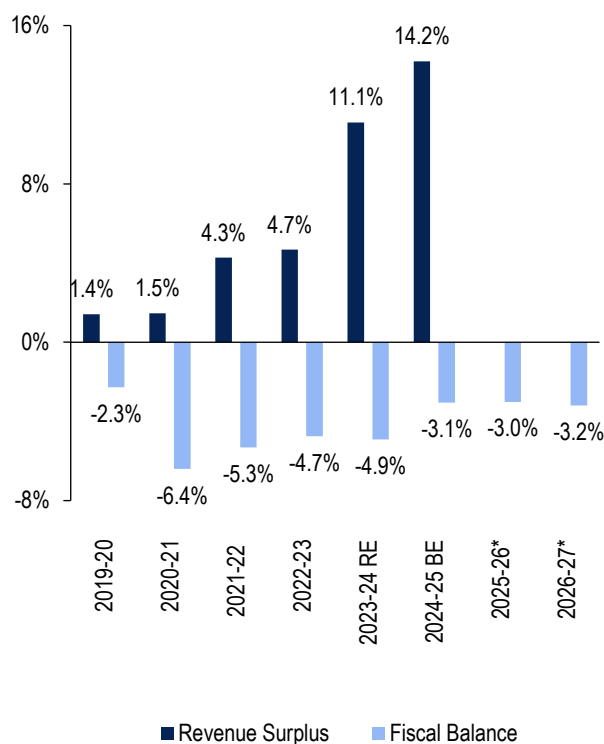
The Manipur Fiscal Responsibility and Budget Management Act, 2005 provides annual targets to progressively reduce the outstanding liabilities, revenue deficit, and fiscal deficit of the state government.

Revenue surplus: It is the difference of revenue expenditure and revenue receipts. The budget estimates a revenue surplus of Rs 7,089 crore (or 14.2% of the GSDP) in 2024-25.

Fiscal deficit: It is the excess of total expenditure over total receipts. This gap is filled by borrowings by the government and leads to an increase in total liabilities. In 2024-25, the fiscal deficit is estimated to be 3.1% of GSDP. For 2024-25, the central government has permitted fiscal deficit of up to 3.5% of GSDP to states, of which 0.5% of GSDP will be available only upon carrying out certain power sector reforms. As per the revised estimates, in 2023-24, the fiscal deficit of the state is expected to be 4.9% of GSDP. This is lower than the budget estimate of 6.1% of GSDP.

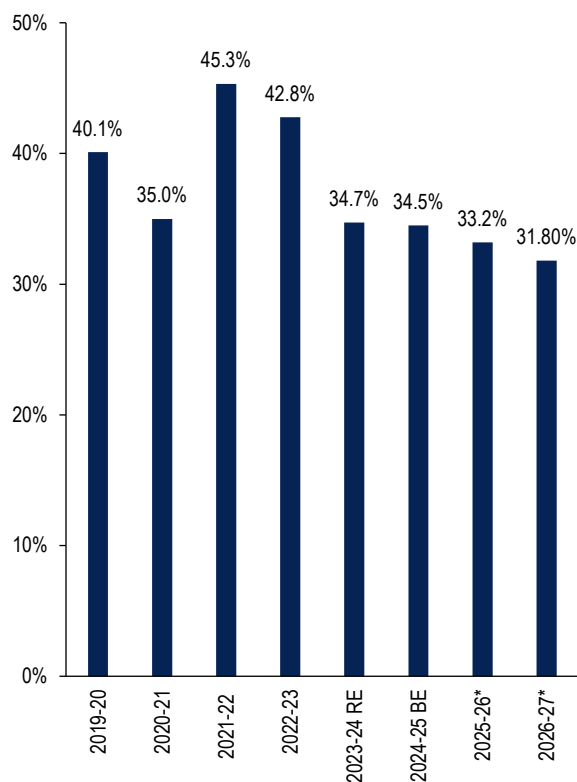
Outstanding liabilities: Outstanding liabilities is the accumulation of total borrowings at the end of a financial year, it also includes any liabilities on public account. At the end of 2024-25, the outstanding liabilities are estimated to be 34.5% of GSDP, marginally lower than the revised estimate for 2023-24 (34.7% of GSDP). The outstanding liabilities significantly rose in 2021-22 (45.3% of GSDP), and have been decreasing.

Figure 2: Revenue and Fiscal Balance (% of GSDP)



Note: *Figures for 2025-26 and 2026-27 are projections; RE is Revised Estimates; BE is budget estimates.
Sources: Medium Term Fiscal Policy, Manipur Budget 2024-25; PRS.

Figure 3: Outstanding Liabilities (as % of GSDP)



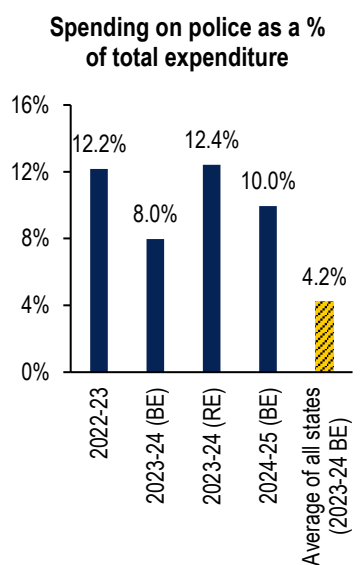
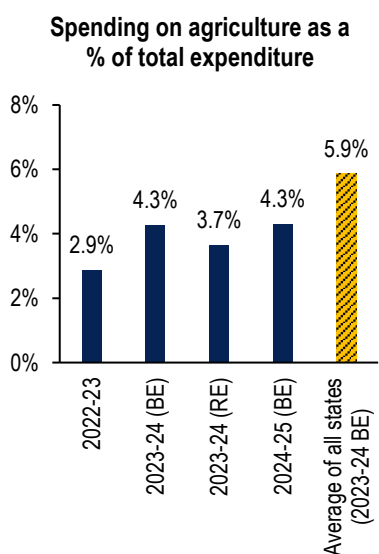
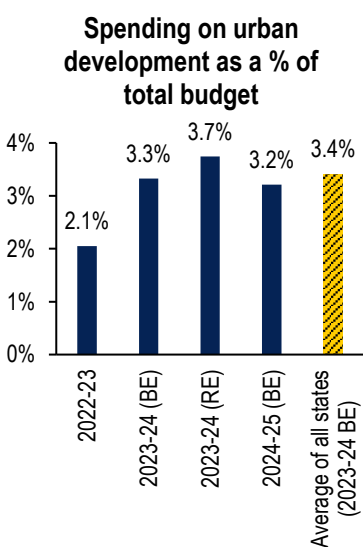
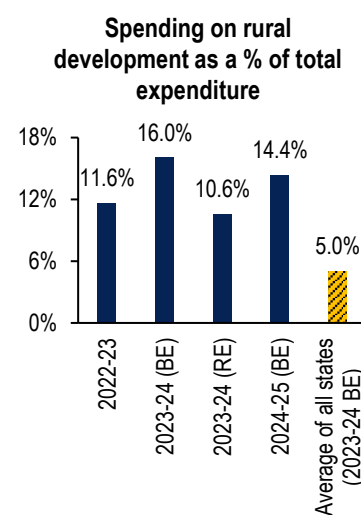
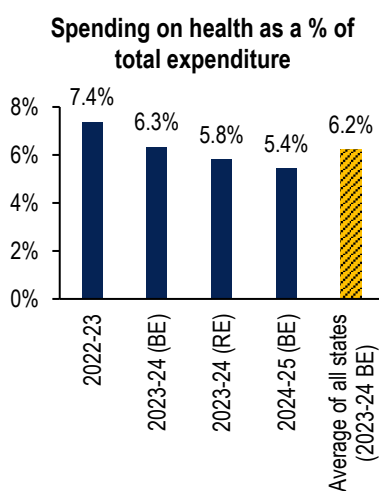
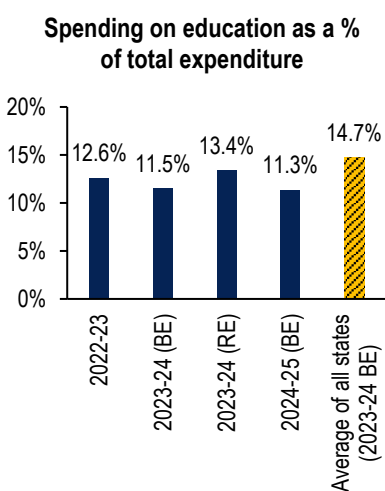
Note: *Figures for 2025-26 and 2026-27 are projections; RE is Revised Estimates; BE is budget estimates.
Sources: Medium Term Fiscal Policy, Manipur Budget 2024-25; PRS.

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Annexure 1: Comparison of states' expenditure on key sectors

The graphs below compare Manipur's expenditure in 2024-25 on six key sectors as a proportion of its total expenditure on all sectors. The average for a sector indicates the average expenditure in that sector by 31 states (including Manipur) as per their budget estimates of 2023-24.¹

- **Education:** Manipur has allocated 11.3% of its expenditure on education in 2024-25. This is lower than the average allocation for education by states in 2023-24 (14.7%).
- **Health:** Manipur has allocated 5.4% of its total expenditure towards health, which is lower than the average allocation for health by states (6.2%).
- **Rural development:** Manipur has allocated 14.4% of its expenditure on rural development. This is higher than the average allocation for rural development by states (5%).
- **Urban development:** Manipur has allocated 3.2% of its expenditure towards urban development. This is lower than the average allocation towards urban development by states (3.4%).
- **Agriculture:** Manipur has allocated 4.3% of its total expenditure towards agriculture, which is lower than the average expenditure on agriculture by states (5.9%).
- **Police:** Manipur has allocated 10% of its total expenditure towards police, which is higher than the average allocation by states (4.2%).



Note: 2022-23, 2023-24 (BE), 2023-24 (RE), and 2024-25 (BE) figures are for <state>.
Sources: Annual Financial Statement, Manipur Budget 2024-25; various state budgets; PRS.

¹ The 31 states include the Union Territories of Delhi, Jammu and Kashmir, and Puducherry.

Annexure 2: Comparison of 2022-23 Budget Estimates and Actuals

The following tables compare the actuals of 2022-23 with budget estimates for that year.

Table 7: Overview of Receipts and Expenditure (in Rs crore)

Particular	2022-23 BE	2022-23 Actuals	% change from BE to Actuals
Net Receipts (1+2)	24,452	15,894	-35%
1. Revenue Receipts (a+b+c+d)	24,448	15,893	-35%
a. Own Tax Revenue	2400	1,868	-22%
b. Own Non-Tax Revenue	400	458	14%
c. Share in central taxes	5,847	6,795	16%
d. Grants-in-aid from the Centre	15,801	6,773	-57%
2. Non-Debt Capital Receipts	4	1	-71%
3. Borrowings	9,368	11,116	19%
Net Expenditure (4+5+6)	27,200	17,651	-35%
4. Revenue Expenditure	17,914	14,159	-21%
5. Capital Outlay	9,273	3,484	-62%
6. Loans and Advances	13	8	-43%
7. Debt Repayment	7,730	9,405	22%
Revenue Balance	6,533	1,734	-73%
Revenue Balance (as % of GSDP)	15.4%	4.7%	
Fiscal Deficit	2,748	1,757	-36%
Fiscal Deficit (as % of GSDP)	6.5%	4.7%	

Source: Manipur Budget Documents of various years; PRS.

Table 8: Key Components of State's Own Tax Revenue

Tax Source/Head	2022-23 BE	2022-23 Actuals	% change from BE to Actuals
Stamps Duty and Registration Fees	24	14	-42%
Sales Tax/ VAT	450	289	-36%
State GST	1,735	1,426	-18%
Land Revenue	7	7	-6%
Taxes on Vehicles	80	83	4%

Source: Manipur Budget Documents of various years; PRS.

Table 9: Allocation towards Key Sectors

Sector	2022-23 BE	2022-23 Actuals	% change from BE to Actuals
Irrigation and Flood Control	1,336	293	-78%
Housing	31	9	-71%
Welfare of SC, ST, OBC, and Minorities	834	310	-63%
Water Supply and Sanitation	2,334	882	-62%
Agriculture and Allied Activities	1,336	509	-62%
Urban Development	748	362	-52%
Rural Development	4,131	2,052	-50%
Energy	490	318	-35%
Social Welfare and Nutrition	930	662	-29%
Transport	976	740	-24%
of which Roads and Bridges	939	739	-21%
Education, Sports, Arts, and Culture	2,714	2,224	-18%
Health and Family Welfare	1,482	1,301	-12%
Police	2,187	2,147	-2%

Source: Manipur Budget Documents of various years; PRS.