Chapter-II: Budgetary Management

This chapter reviews Manipur's budgetary process, revealing significant gaps between budget estimates and actual expenditure, with issues like excess spending, persistent savings, and last-minute fund surrenders. It highlights weaknesses in financial planning, control, and compliance, stressing the need for realistic budgeting, timely fund utilisation, and modern practices like gender and green budgeting.

2.1 Budget Process

In compliance with Article 202 of the Constitution of India, in respect of every financial year, a statement of the estimated receipts and expenditure of the State for that year, called "the Annual Financial Statement (Budget)" is to be laid before the State Legislature. The estimates of the expenditure show 'charged' and 'voted' items[1] of expenditure separately and distinguish expenditure on revenue accounts from other expenditures. Legislative authorisation is necessary before incurring any expenditure by the State Government.

As per the Manipur Budget Manual, the Finance Department is responsible for preparing the annual budget by obtaining estimates from various departments. The departmental estimates of receipts and expenditure are prepared by Controlling Officers on the advice of the heads of departments and submitted to the Finance Department on prescribed dates. The Finance Department consolidates the estimates and prepares the Detailed Estimates called 'Demand for Grants'. The State budget majorly comprises the following documents:

- ✓ Annual Financial Statement
- ✓ Demand for Grants
- ✓ Budget at a Glance
- ✓ Revised Estimates and Demands for Supplementary Grants
- ✓ Statements mandated under FRBM Act
- ✓ Others

2.2 Budget projection and gap between expectation and actual

Efficient management of tax administration/ other receipts and public expenditure holds the balance for optimum utilisation of resources, strengthens scheme implementation and monitoring capacity and achievement of fiscal targets. Persistent savings/ excesses indicate a need for improvement in the underlying budgetary processes.

Details of total appropriation obtained from the State Legislature, actual expenditure and savings during the Financial Year (FY) 2024-25 are summarised in **Table 2.1**.

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[1] ***Charged expenditure:*** Certain categories of expenditure (e.g. salaries of Constitutional authorities, loan repayments, *etc.*), constitute a charge on the Consolidated Fund of the State and are not subject to vote by the Legislature. ***Voted expenditure:*** All other expenditure is voted by the Legislature

Table 2.1: Actual expenditure *vis-à-vis* budget provision during the FY 2024-25

(₹ in crore)

Nature of Expenditure		Details of Grant/ Appropriation		Total	Actual Expenditure	Savings(-)/ Excess (+)	Surrender during 2024-25	
		Original	Supplementary				Amount	*Per cent*
Voted	I. Revenue	20,071.10	936.48	21,007.58	14,768.62	-6,238.96	1,705.57	8.12
	II. Capital	8,615.61	373.99	8,989.60	2,704.38	-6,285.22	2,469.71	27.47
	III. Loans & Advances	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total		**28,686.70**	**1,310.47**	**29,997.18**	**17,473.00**	**-12,524.18**	**4,175.28**	**13.92**
Charged	IV. Revenue	1,188.45	12.01	1,200.46	1,071.30	-129.16	21.50	1.79
	V. Capital	2.61	0.99	3.61	0.40	-3.20	1.50	41.60
	VI. Public Debt Repayment*	5,653.45	537.97	6,191.42	9,920.41	3,728.99	0.00	0.00
Total		**6,844.51**	**550.97**	**7,395.48**	**10,992.11**	**3,596.63**	**23.00**	**0.31**
Appropriation to Contingency Fund (if any)		0.00	500.00	500.00	500.00	0.00	0.00	0.00
Grand Total		**35,531.22**	**1,861.44**	**37,392.66**	**28,465.11**	**-8,927.55**	**4,198.28**	**11.23**

Source: Appropriation Accounts, 2024-25

*Note *: The figure is inclusive of the amount under Appropriation to Contingency Fund*

The total provision for expenditure in 2024-25 was ₹37,392.66 crore. The actual gross expenditure during the year was ₹28,465.11 crore. This resulted in savings of ₹8,927.55 crore in 2024-25, of which only ₹4,198.28 crore (11.23 *per cent*) was surrendered. All surrenders were made on 31 March 2025, indicating that anticipated savings were not identified in a timely manner during the year. Such surrenders defeated the objective of surrender and re-appropriation mechanisms, resulting in avoidable retention of funds till the close of the financial year and are indicative of weak financial monitoring.

Trends in the original budget, revised estimate, and actual expenditure for the period 2020-21 to 2024-25 are given in **Table 2.2**.

Table 2.2: Original Budget, Revised Estimate and Actual Expenditure during 2020-21 to 2024-25

(₹ in crore)

	2020-21	2021-22	2022-23	2023-24	2024-25
Original Budget	21,224.30	29,123.51	35,204.61	35,273.79	35,531.22
Supplementary budget	5,533.23	9,001.92	3,115.26	3,545.82	1,861.44
Total budget (TB)	**26,757.53**	**38,125.43**	**38,319.87**	**38,819.61**	**37,392.66**
Revised Estimate (RE)	25,340.75	32,660.96	35,953.29	32,859.60	33,193.38
Actual Expenditure (AE)	22,505.98	26,855.94	27,096.84	24,801.93	28,465.11
Savings	4,251.55	11,269.49	11,223.03	14,017.68	8,927.55
Percentage of supplementary to the original provision	26.07	30.91	8.85	10.05	5.24
Percentage of overall saving/excess to the overall provision	15.89	29.56	29.29	36.11	23.88
TB - RE	1,416.78	5,464.47	2,366.58	5,960.01	4,199.28
RE - AE	2,834.77	5,805.02	8,856.45	8,057.67	4,728.27
(TB-RE) as *percentage* of TB	5.29	14.33	6.18	15.35	11.23
(RE-AE) as *percentage* of TB	10.59	15.23	23.11	20.76	12.64

Source: Annual Financial Statement and Appropriation Accounts of respective years

The analysis of the State's budgetary operations reveals systemic weaknesses in financial planning and execution, characterised by persistent under-utilisation of allocated funds and poor reconciliation of estimates. There was lack of efficient management to strengthen the scheme implementation, optimise resources and achieve fiscal targets.

For the financial year 2024-25, the State exhibited a substantial gap between budgetary expectations and actual spending, resulting in a net overall saving of ₹8,927.55 crore against the Total Budgetary Provision of ₹37,392.66 crore.

Under-utilisation (Savings): The majority of the savings occurred in Voted Expenditure, indicating a failure to execute planned schemes. This includes significant savings in both Voted Revenue (₹6,238.96 crore) and Voted Capital expenditure (₹6,285.22 crore) during 2024-25.

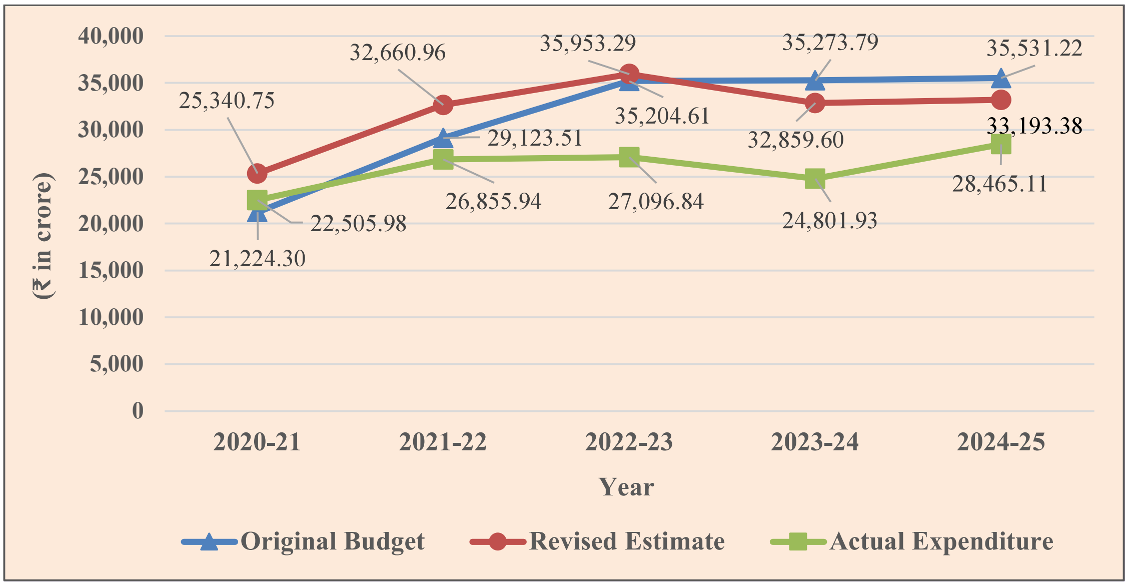
Excess Expenditure (Charged): A substantial excess expenditure of ₹3,728.99 crore was incurred under Charged Public Debt-Repayment. This excess in non-discretionary spending, coupled with under-spending in developmental (Voted) sectors, points to an acute mismatch between resource allocation and actual financial priorities during 2024-25.

Supplementary Provision: The supplementary budget constituted 5.24 *per cent* of the original provision during 2024-25, which was a decrease from the previous year.

Table 2.2 shows that supplementary provision of ₹1,861.44 crore (March 2025) during 2024-25 constituted 5.24 *per cent* of the original provision as against 10.05 *per cent* in the previous year.

Trends in the original budget, revised estimate, and actual expenditure for the period 2020-21 to 2024-25 are given in **Chart 2.1**.

Chart 2.1 Trend showing Budget Estimate, Revised Estimate and Actual Expenditure



Source: Appropriation Accounts and Budget Documents of respective years

It can be seen from **Chart 2.1** that over the years from 2020-21 to 2022-23, the Revised Estimate (RE) was higher than the Total Budget (TB) of the State and during 2023-24 to 2024-25, the RE was lower than the TB of the State. The gap between the RE and the TB fluctuated over the five years, indicating an estimation error.

In terms of percentage, the RE was 5.29 *per cent* lower than the TB in 2020- 21, which increased to 11.23 *per cent* in 2024-25. Further, the percentage of Actual Expenditure

(AE) during the same period was also lower than the RE throughout the period and it ranged between 10.59 *per cent* and 23.11 *per cent*. There were overall savings during the period 2020-25, and supplementary provisions during the years 2021-22 to 2024-25 proved unnecessary since the expenditure did not come up even to the level of original budget provisions.

This reflects that budgetary allocations were based on unrealistic proposals as Budget Estimates of the State were inflated, and the Actual Expenditure was less than the budgetary provisions.

2.2.1 Component/ Services-wise analysis of budgetary provisions and expenditure

Component-wise analysis of the Budget and Expenditure for the year 2024-25 is summarised in **Table 2.3**.

Table 2.3: Component-wise Budget and Expenditure for the year 2024-25

(₹ in crore)

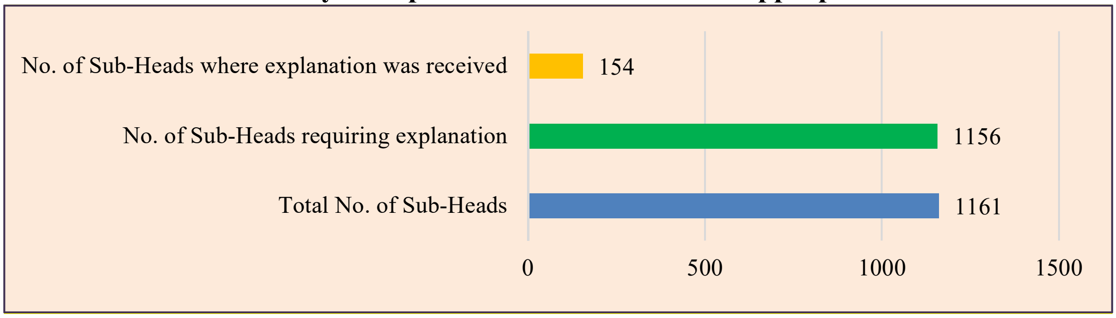
Component	Total Budget	Total Expenditure	Percentage of Total Budget	Percentage of Total Expenditure	Percentage of expenditure against the total Budget
1	2	3	4	5	6 (= (3/2)*100)
Committed Expenditure	10,972.30	10,356.04	36.51	58.71	94.38
State Schemes	5,283.41	2,712.50	17.58	15.38	51.34
Central Share for CSS	11,500.69	3,160.25	38.27	17.92	27.48
State Share for CSS	937.21	609.00	3.12	3.45	64.98
EAP - Externally Aided Projects	1,360.68	800.11	4.53	4.54	58.80

Source: Finance Accounts, 2024-25

As can be seen from **Table 2.3**, the combination of under-spending of the Central Share (27 *per cent* utilisation), the State Share (65 *per cent* utilisation), the State schemes (51 *per cent* utilisation) and EAP (59 *per cent* utilisation) suggest profound defects in budgetary planning and financial management. Savings in the Central Share meant that the State missed out on maximising central financial assistance, denying the intended benefits of the CSS programs, while basic operational spending (Committed Expenditure) was executed efficiently. Also, the State could not utilise its self-funded schemes and EAP efficiently.

Summary of explanation for variation in Appropriation Accounts is as shown in **Chart 2.2**.

Chart 2.2: Summary of Explanation for Variation in Appropriation Accounts



Source: Information furnished by O/o the PAG(A&E), Manipur

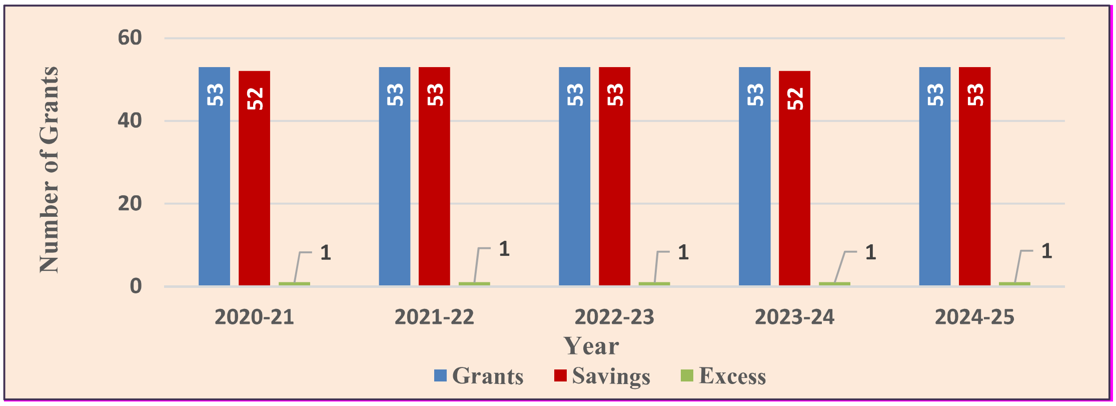
2.3 Budget marksmanship

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.

A year-wise analysis of grants, excesses, and savings provides valuable insights into the efficiency of budget execution and financial management by the State. It has been depicted in **Chart 2.3**.

Chart 2.3: Year-wise Grants, Excesses, and Savings



Source: Appropriation Accounts and Budget documents of respective years

The expenditure composition outturn for the year 2024-25 is given in **Table 2.4**.

Table 2.4: Expenditure composition overall deviation

Section	Overall Deviation (in *per cent*)	Range of Deviation (in *per cent*)	Number of Grants/ Appropriation
Revenue (Voted)	(-) 23.45	0 to ± 25	35
		± 25 to ± 50	12
		± 50 to ± 100	6
		≥ 100	0
Capital (Voted)	(-) 58.52	0 to ± 25	12
		± 25 to ± 50	10
		± 50 to ± 100	31
		≥ 100	0
Revenue (Charged)	(-) 10.84	0 to ± 25	49
		± 25 to ± 50	3
		± 50 to ± 100	0
		≥ 100	1

Section	Overall Deviation (in *per cent*)	Range of Deviation (in *per cent*)	Number of Grants/ Appropriation
Capital (Charged)	(-) 60.18	0 to ± 25	50
		± 25 to ± 50	0
		± 50 to ± 100	3
		≥ 100	0
In two Grants (Grant Nos. 33 and 38), no provision was included in the original budget; however, a provision was made under the Capital section in the Revised Estimate.			

Source: Appropriation Accounts, 2024-25 and Budget documents

As can be seen from **Table 2.4**, there were deviations in outturn compared with RE in both the Revenue and Capital Sections.

The deviations between actual outturn and Revised Estimates indicate that the RE stage did not serve its intended purpose of realistically reassessing revenues and expenditures in light of the financial position prevailing during the year. Revised Estimates are expected to closely mirror the likely actuals, as they are prepared towards the end of the financial year with the benefit of substantial expenditure data. Significant variations in the outturn *vis-à-vis* RE reflect inadequate forecasting and weak budgetary discipline, deficient monitoring mechanisms during the latter half of the financial year and a lack of timely corrective action to align expenditure with available resources.

Such deviations weaken the reliability of RE as a management tool and raise concerns regarding the effectiveness of financial planning and internal controls. Persistent mismatches between RE and actuals may also point to systemic issues in budget preparation, including over-provisioning, unrealistic projections or delayed expenditure authorisation.

2.4 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. These Accounts depict actual expenditure as against the original budget provision, supplementary grants, surrenders and re-appropriations distinctly in gross basis.

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.

2.5 Budgetary and accounting process

2.5.1 Expenditure incurred without authority of law

No money shall be withdrawn from the Consolidated Fund of the State except under an appropriation made by law passed in accordance with the provisions of Article 204 of the Constitution. Paragraph 2.8.1 of the Manipur Budget Manual 2024 stipulates that after the Demands for Grants are voted and passed by Assembly, an Appropriation Bill is introduced in the Assembly 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 State for the services during the financial year*'. Paragraph 5.7.3 of the Manipur Budget Manual 2024 further provides that no expenditure can 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. It was, however, observed that an expenditure of ₹47.35 crore (***Appendix 2.1***) was incurred in four cases (more than ₹Two crore in each case) under various components of one Appropriation during the year 2024-25 without having any provision in the original budget estimates/ supplementary demands and without issuing any re-appropriation orders to this effect.

2.5.2 Excess expenditure and its regularisation

As per Article 205 of the Constitution of India, it is mandatory for a State Government to get excesses over grants/ appropriations regularised by the State Legislature. Although no time limit for regularisation of expenditure has been prescribed under the Article, the regularisation of excess expenditure is done after the completion of the discussion of the Appropriation Accounts by the Public Accounts Committee.

A. Excess expenditure during current year

There was an excess disbursement of ₹3,728.99 crore over the authorisation made by the State Legislature under one Appropriation during 2024-25 as indicated in **Table 2.5**.

Table 2.5: Excess expenditure during 2024-25 requiring regularisation

(₹ in crore)

Grant/ Appropriation No.	Details of Grant/ Appropriation	Amount of excess expenditure required to be regularised
Appropriation No.2	***Capital Charged*** Interest Payment & Debt Services	3728.99
Total		**3728.99**

Source: Appropriation Accounts, 2024-25

B. Regularisation of excess expenditure of previous financial years

Excess disbursements pertaining to previous years pending regularisation from the State Legislature are shown in **Table 2.6**.

Table 2.6: Excess expenditure relating to previous years requiring regularisation

(₹ in crore)

Year	Grant/ Appropriation No.	Details of Grant/ Appropriation	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 regularised
	Appropriation No. 2	*Capital Charged* Interest Payments Debt Services	2121.77	
2020-21	Appropriation No. 2	*Revenue Charged* Interest Payments Debt Services	208.80	
	Appropriation No. 2	*Capital Charged* Interest Payments Debt Services	3876.27	
2021-22	Appropriation No. 2	*Capital Charged* Interest Payments Debt Services	3316.41	
2022-23	Appropriation No. 2	*Capital Charged* Interest Payments Debt Services	1674.41	
2023-24	Appropriation No. 2	*Capital Charged* Interest Payments Debt Services	1478.99	
	Appropriation No. 2	*Revenue Charged* Interest Payments Debt Services	29.74	
	Grant No. 1	*Revenue Charged* State Legislature	0.51	
Total			**12715.06**	-

Source: Appropriation Accounts of respective years

To strengthen the legislative oversight over the expenditure from the Consolidated Fund of the State, these excess expenditures need to be regularised at the earliest, and measures to contain the recurrence of such excesses may be taken by the State Government.

During the Exit Conference (January 2026), the State Government (Finance Department) stated that the process for regularisation of excess expenditure pertaining to 2019-20 to 2023-24 is yet to be initiated as the report of the PAC is awaited, and efforts will be made to carry out work.

2.5.2.1 Persistent excess expenditure in certain Grants

Audit scrutiny revealed that in one case under one Appropriation, there was persistent excess expenditure of more than ₹10 crore in each case during the last five years, as detailed in **Table 2.7**.

Table 2.7: Persistent excess expenditure during 2020-21 to 2024-25

(₹ in crore)

Sl. No.	Description of Grant/ Appropriation	2020-21	2021-22	2022-23	2023-24	2024-25
1.	Appropriation No. 2 - Interest Payment & debt Services					
	Grant	4,334.49	8,480.69	8,693.40	7,671.33	7,304.56
	Expenditure	8,419.56	11,593.09	10,278.91	9,180.06	10,937.88
	Excess	4,085.07	3,316.41	1,674.41	1,508.73	3,728.99

Source: Appropriation Accounts of respective years

All the existing cases of excess expenditure need to be regularised at the earliest and, in future, such un-voted expenditure may be completely stopped.

During the Exit Conference (January 2026), the State Government (Finance Department) stated that the process for regularisation of excess expenditure pertaining to 2019-20 to 2023-24 was yet to be initiated as the report of the PAC was awaited and efforts would be made to make the corrections as far as possible.

2.5.3 Supplementary Grants rendered non-essential

Article 205 of the Constitution prescribes the requirement of a Supplementary or Additional Grant or Appropriation to cater to the requirements in excess of the original provisions.

It was noticed that in eight instances **(*Appendix 2.2*)**, even though the supplementary provisions (₹One crore or more in each case) of ₹501.16 crore were made (March 2025), the expenditure (₹2,847.07 crore) did not come up to the original provisions (₹6,533.52 crore) during the year 2024-25. Similarly, supplementary provisions of ₹787.56 crore in six cases (₹One crore or more in each case) proved non-essential **(*Appendix 2.3*)** as the full amount of supplementary provisions could not be utilised.

It was further observed that there were persistent savings under Grant No. 48 (*Revenue-Voted*) during the five-year period of 2020-21 to 2024-25 and supplementary provisions proved unnecessary since the expenditure did not come up even to the level of original budget provisions. Details of persistent savings under Grant No. 48 (*Revenue-Voted*) are shown in **Table 2.8**.

Table 2.8: Persistent savings under Grant No. 48 during 2020-21 to 2024-25

(₹ in crore)

Number and name of grant or appropriation		2020-21	2021-22	2022-23	2023-24	2024-25
48	Relief and Disaster Management	26.76	43.47	97.51	75.26	229.94

Source: Appropriation Accounts of respective years

Savings occurring out of the original provision during each of the last five years indicated over-estimation at the budgeting stage and inadequate consideration of past expenditure trends, leading to avoidable retention of funds.

2.5.4 Injudicious re-appropriation of funds

Re-appropriation is the transfer of funds within a grant from one unit of appropriation to another unit where additional funds are needed. During 2024- 25, re-appropriation orders under 40 grants amounting to ₹47,969.41 crore were issued. All re-appropriation orders were issued on 31 March 2025.

Further, in the eight Head of Account (***Appendix 2.4,* Sl. No. 1-8**), reduction of provision exceeding ₹One crore through re-appropriation orders effected by various departments proved injudicious as there was excess expenditure under these cases. In 66 Head of Accounts (***Appendix 2.4,* Sl. No. 9-74**), augmentation of provision also proved unnecessary because expenditure was either equal to or did not come up to the level of original/ supplementary budget provision.

ANALYSIS OF DETAILED REVIEW OF SELECTED GRANT

Details of unnecessary re-appropriation of provision under selected Grant No. 7 (in three Head of Accounts) are shown in **Table A.**

Table A: Details of unnecessary re-appropriation of provision

(₹ in crore)

Sl. No.	Head of Account	Original	Re-appropriation	Total	Actual Expenditure	Savings (-)/ Excess (+)
1	2055-001-04 (V)	30.00	7.50	37.50	30.00	-7.50
2	2055-003-01 (V)	38.61	2.80	41.41	36.78	-4.63
3	2055-109-01 (V)	668.37	3.30	706.65	658.46	-48.20
Total		**736.97**	**13.60**	**785.56**	**725.24**	**-60.33**

Source: Detailed Appropriation Accounts, 2024-25

It can be seen from **Table A** that during the year 2024-25, augmentation of provision exceeding ₹One crore in each case through re-appropriation amounting ₹13.60 crore proved unnecessary as the expenditure was either equal or did not come up to the level of the original provision.

During the Exit Conference (January 2026), the State Government (Finance Department) stated that though Supplementary Grants and Re-appropriation amounts have been provisioned, actual expenditure could not be made due to financial constraints and lack of actual funds at the time of execution.

2.5.5 Unspent amount and surrendered appropriation and/or large savings/ surrenders

Budget proposals should strive to optimise all foreseeable expenditure to appropriate spending levels to balance the quality of expenditure and reduce underutilisation of budgeted funds. Timely surrenders by the spending units are an important mechanism for optimal reallocation within the approved budget.

The analysis of grants/ appropriations showed that in 15[2] cases (under 14 grants) during the year 2024-25, the savings (excluding surrenders) exceeded ₹100 crore in each case (***Appendix 2.5)***. Out of which, in 11 grants/ appropriations, no expenditure

[2] *Revenue (Voted): nine cases and Capital (Voted): six cases*

vis-à-vis the total grant amounting to ₹55.92 crore was incurred during the year 2024-25. Details are given in **Table 2.9**.

Table 2.9: Entire grant remaining unutilised during the financial year 2024-25

(₹ in crore)

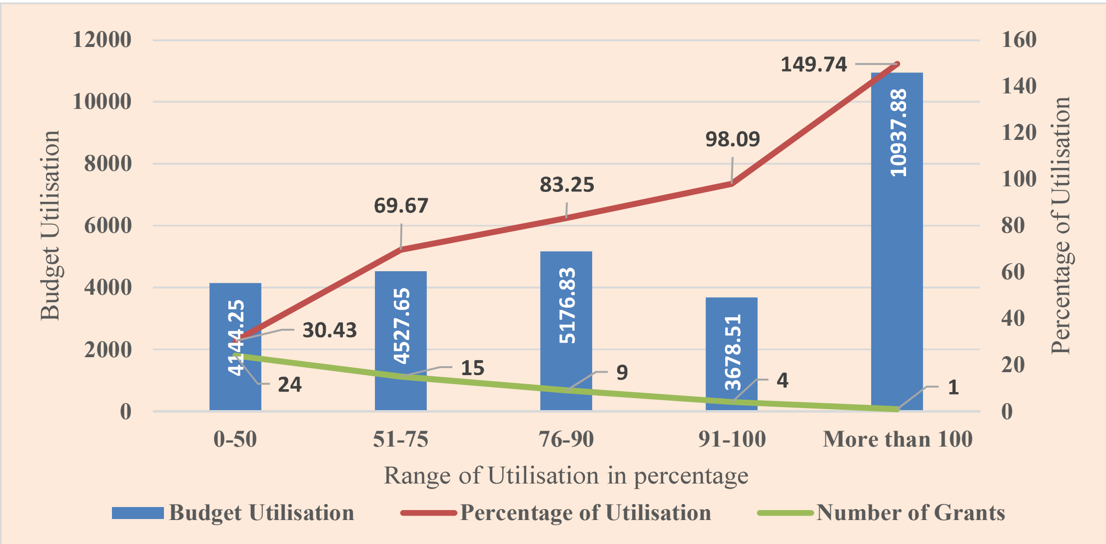
Sl. No.	Number and name of grant/ appropriation		Total Budget Provision
A-Capital (Voted)			
1	2	Council of Ministers	0.80
2	4	Land Revenue Stamps & Registration and District Administration	5.40
3	14	Department of Tribal Affairs and Hills Development	39.71
4	16	Co-operation	1.25
5	27	Election	0.20
6	35	Stationery and Printing	1.20
7	37	Fisheries	2.90
8	38	Panchayat	0.03
9	49	Economics and Statistics	1.23
Sub Total (A)			**52.72**
B-Capital (Charged)			
1	3	Secretariat	2.20
2	8	Public Works Department	1.00
Sub Total (B)			**3.20**
Grand Total (A + B)			**55.92**

Source: Appropriation Accounts, 2024-25

Further, it was also observed that in 14[3] cases under 13 grants, there was persistent saving exceeding ₹100 crore in each case (***Appendix 2.6)*** during 2022-23 to 2024-25.

Details of grants grouped by the percentage of utilisation, along with total savings/ excess during 2024-25 have been shown in ***Appendix 2.7*** and **Chart 2.4**.

Chart 2.4: The distribution of the number of Grants/ Appropriations grouped by the percentage of utilisation along with total Budget utilisation



Source: Appropriation Accounts, 2024-25

It was noticed that savings under five Grants and one Appropriation amounting to ₹3,409.05 crore (***Appendix 2.8)*** were not surrendered at all.

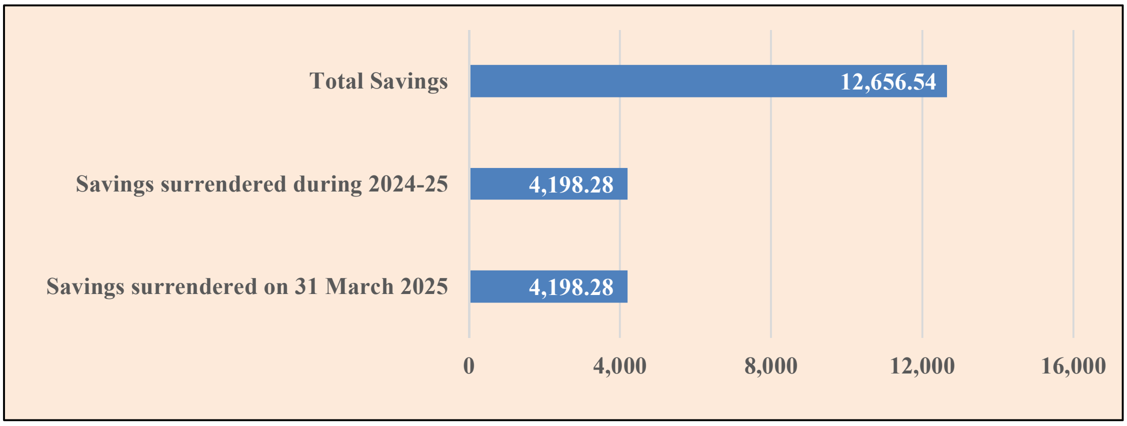
[3] *Revenue (Voted): eight cases and Capital (Voted): six cases*

Details of savings (exceeding ₹10 crore in each case), ₹4,146.77 crore, surrendered on the last day of March 2025 are given in ***Appendix 2.9***.

Chart 2.5 depicts the total savings during the year, surrendered during the year and surrendered on the last day of March 2025.

Chart 2.5: Savings and surrender for the year 2024-25

(₹ in crore)



Source: Appropriation Accounts, 2024-25

Analysis of **Chart 2.5** revealed that 33.17 *per cent* of the savings were surrendered on 31 March 2025.

ANALYSIS OF DETAILED REVIEW OF SELECTED GRANTS

During 2024-25, under **Grant Nos. 7** and **15 (**in three cases under three Sub-Heads**)**, the entire original budget provision of ₹7.99 crore was not utilised. The details are shown in **Table B**.

Table B: Non-utilisation of the entire Budget provision

(₹ in crore)

Sl. No.	Head of Account	Description	Total Budget Provision	Expenditure	Savings
Grant No. 7					
1	2055-00-116-02 (V)	Cyber Crime Prevention Against Women and Children (CCPWC) (Central Share)	5.99	0.00	5.99
Sub Total			***5.99***	***0.00***	***5.99***
Grant No. 15					
2	2408-01-102-01 (V)	Transportation of Food Grains	1.00	0.00	1.00
3	2408-01-800-05 (V)	Computerisation of TPDS (Central Share)	1.00	0.00	1.00
Sub Total			***2.00***	***0.00***	***2.00***
Grand Total			**7.99**	**0.00**	**7.99**

Source: Appropriation Accounts, 2024-25

It was observed that the entire savings of ₹7.99 crore was neither re-appropriated nor surrendered during the year.

During the Exit Conference (January 2026), the State Government (Finance Department) stated that, though a budget provision was made, the State did not receive all the provisioned Central funds from the GoI, which resulted in savings.

2.5.6 Misclassification between Revenue Expenditure and Capital Expenditure

As per rule 30 of the Government Accounting Rules, 1990, expenditure that only results in the creation of concrete, material and permanent assets should be classified as capital expenditure.

During the financial year 2024-25, the State Government had booked ₹12,625.19 crore as Capital Expenditure. Of which, an expenditure of ₹0.61 crore under Head 4408-01-190-01 of Revenue nature had been booked under Capital Expenditure. Thus, there was a misclassification of ₹0.61 crore, resulting in an overstatement of Revenue Surplus and Fiscal Deficit to that extent. The resulting Revenue Expenditure, after Audit, for 2024-25, was ₹1,584.60 crore.

During the Exit Conference (January 2026), the State Government (Finance Department) stated that the misclassification would be corrected.

2.5.7 Major policy pronouncements in the budget and their actual funding for ensuring implementation

Several policy initiatives taken up by the Government are wholly or partially not executed due to non-approval of scheme guidelines/modalities, non- commencement of works for want of administrative sanction, non-release of budget, *etc*. It was observed that in 11 cases under seven grants, there was an outlay of ₹239.81 crore (₹10 crore or more in each case), but no expenditure was incurred, resulting in non-implementation of the schemes as shown in ***Appendix 2.10***.

Further, under eight schemes, there was an approved outlay of ₹12.55 crore, which was fully withdrawn in the revised outlay as shown in ***Appendix 2.11***. This resulted in non-implementation of the schemes to that effect.

The Budget Speech had announced several policy programmes and initiatives to be carried out during the FY 2024-25. Accordingly, budget provision had been made under various Heads of Accounts to implement these programmes and initiatives.

However, it was observed that in seven programmes, there was no/ less expenditure than the budget provision incurred during 2024-25 as shown in **Table 2.10**.

Table 2.10: Non/ less utilisation of the Budget provision

(₹ in crore)

Sl. No.	Grant No.	Head of Account	Description of Sub-Head	Original	Re-Appropriation	Total Budget	Expenditure	Savings(-)/ Excess(+)
1	10	2202-02-800-10 (V)	Lairik Tamhalasi	0.50	0.00	0.50	0.00	-0.50
2	10	2202-03-800-14 (V)	Chief Minister (CM)'s Scholarship Scheme for Civil Service Aspirants	0.50	0.00	0.50	0.00	-0.50
3	10	4202-01-600-01 (V)	College Fagathansi Mission	10.00	-7.00	3.00	0.00	-3.00
4	10	4202-01-600-01 (V)	School Fagathansi Programme	10.00	-8.00	2.00	0.00	-2.00
5	11	2210-06-800-10 (V)	CM’s Mentstrual Hygienic Scheme (CMMHS)	0.84	0.00	0.84	0.00	-0.84
6	10	2202-03-800-15 (V)	CM's College Students Rehabilitation Scheme (CMCSRS)	2.00	0.00	2.00	0.26	-1.74
7	11	2210-06-800-09 (V)	CM's Health for All Scheme	5.00	0.00	5.00	1.77	-3.23
Total				**28.84**	**-15.00**	**13.84**	**2.03**	**-11.81**

Source: Detailed Appropriation Accounts, 2024-25

During the Exit Conference, the State Government (Finance Department) stated that there were programmes for which there were no proper guidelines for their implementation. Further, lack of awareness and accessibility by the public could be another reason for not availing the benefits of the programme. It is evident from the reply that the Department is underprepared due to reasons that ultimately affected the implementation of the programme and initiatives of the Government.

2.5.8 Rush of expenditure

Rule 62(3) of the General Financial Rules provides that a rush of expenditure, particularly in the closing months of the financial year, is regarded as a breach of financial propriety and should be avoided.

The quarterly details of expenditures incurred across all Grants are shown in ***Appendix 2.12***.

Details of expenditure at the last quarter ending 2024-25 are shown in **Table 2.11**.

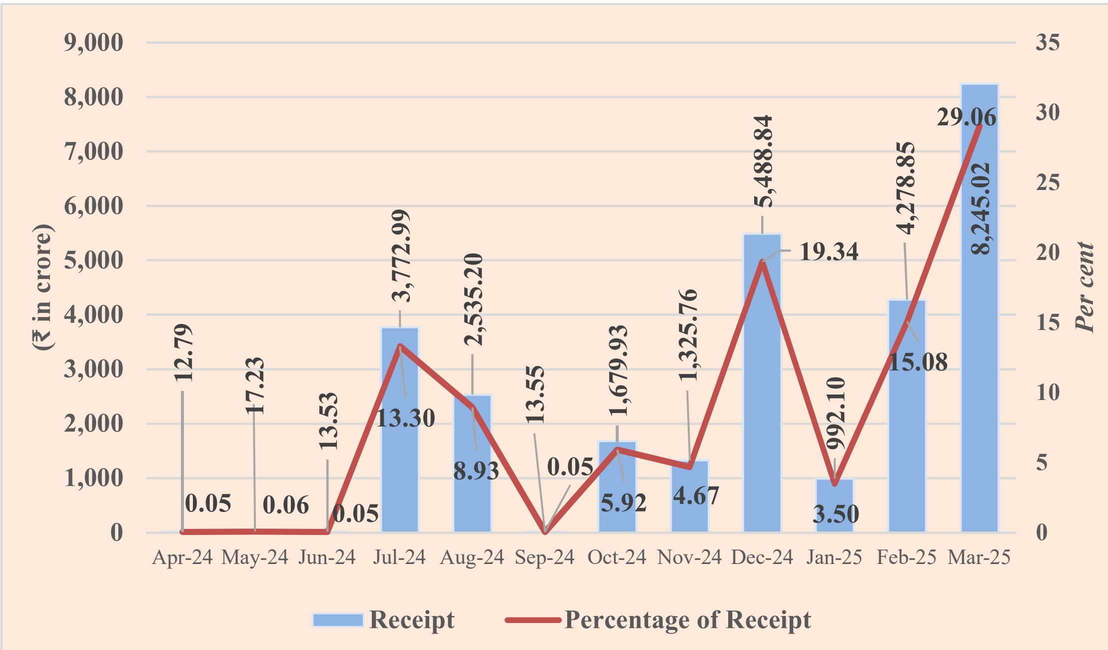
Table 2.11: Details of Expenditure at the last quarter ending 2024-25

Particulars	Amount *(₹ in crore)*	Percentage of Total Expenditure in the year
Last Quarter of the year (January to March 2025)	12,869.80	45.27
Last month of the year (March 25)	7,868.77	27.68
Last day of the year (31 March 2025)	619.81	2.18

Source: Information furnished by O/o the PAG(A&E), Manipur

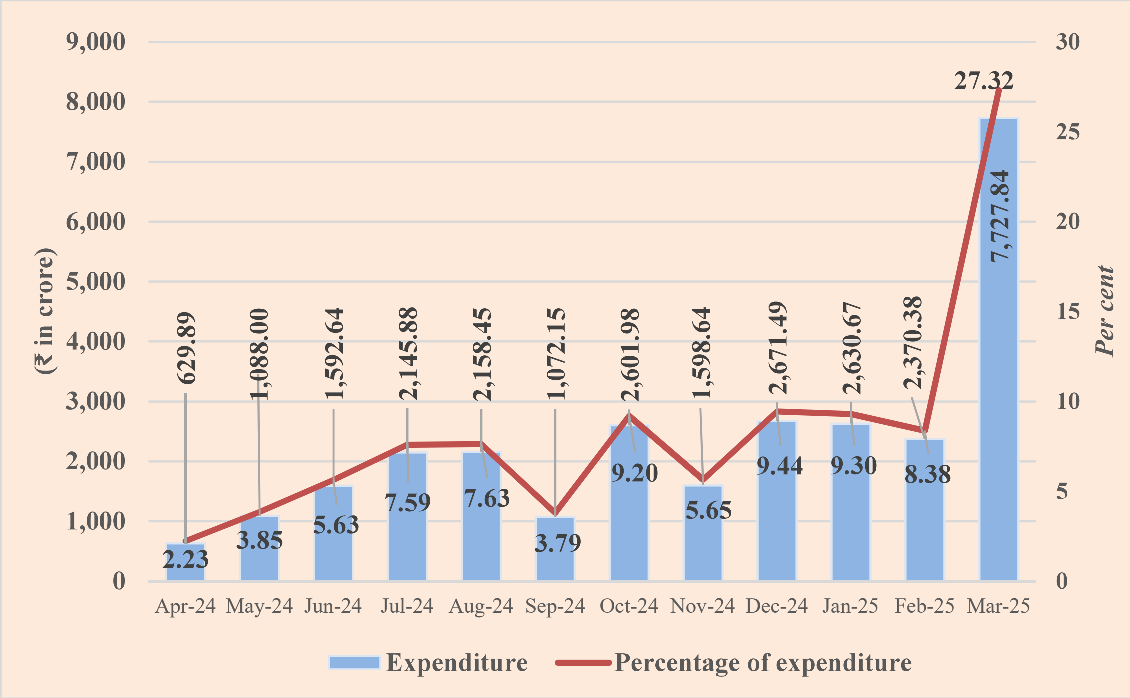
The trend of total Monthly receipts (Revenue Receipts, Capital Receipts and cash balance) and expenditure during the financial year 2024-25 is shown in **Charts 2.6** and **2.7**.

Chart 2.6: Trend analysis of receipts (Month-wise)



Source: Information furnished by O/o the PAG(A&E), Manipur

Chart 2.7: Trend analysis of expenditure (Month-wise)



Source: Information furnished by O/o the PAG(A&E), Manipur

The monthly expenditure trend depicted in **Chart 2.7** indicates a skewness towards the last quarter of the financial year, particularly in March. A major proportion of expenditure (27.32 *per cent* of total Expenditure) was incurred during March 2025. This was attributed to the fact that a major proportion of the fund (29.06 *per cent* of total Receipts) was received during the month.

In contravention of GFR, in nine grants/appropriation, expenditure of more than ₹10 crore and 25 *per cent* of the total expenditure for the year was incurred in March 2025 alone (***Appendix 2.13)***. A disproportionate share of expenditure in the last quarter and in March of the year 2024-25 reflects rushed utilisation of funds. Minimal expenditure in the first three quarters suggests inefficiencies in fund distribution and project execution.

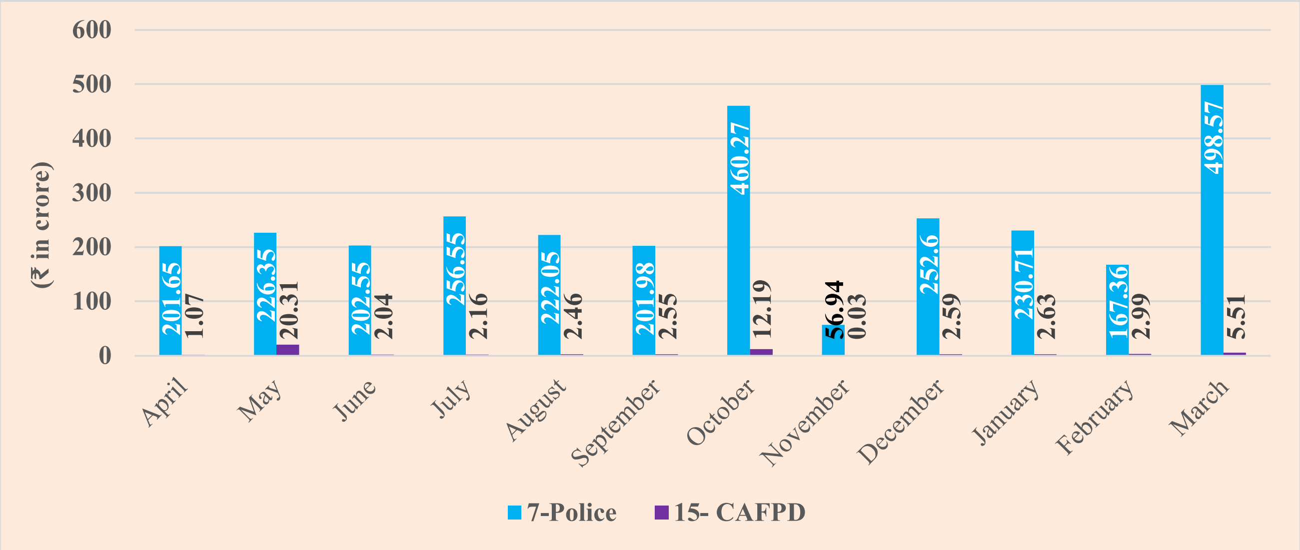
Thus, contrary to the spirit of financial regulation, a substantial quantum of expenditure was incurred at the fag end of the year, indicating inadequate control over expenditure.

Maintaining a steady pace of expenditure is a crucial component of sound public financial management as it prevents fiscal imbalances and temporary cash crunches.

Month-wise expenditure analysis of selected Grant

The monthly expenditure trend of selected ***Grant No. 7-Police*** and ***Grant No. 15-Consumer Affairs, Food and Public Distribution (CAFPD)*** during the year 2024-25 is as shown in **Chart 2.8**.

Chart 2.8: Month-wise expenditure under Grant Nos. 7 and 15 during 2024-25



Source: Information furnished by O/o the PAG(A&E), Manipur

2.6 Implementation of Centrally Sponsored Schemes

Centrally Sponsored Schemes (CSS) are Government programs funded partly by the Central Government and implemented by State Governments, targeting development and welfare areas like health, education, rural development, social welfare, *etc*., with shared funding between the Central Government (major share) and State Government (minor share). The Schemes involve oversight of the Central Ministry, which aims for national goals and relies on State/ local bodies for execution.

During the year 2024-25, an expenditure of ₹3,769.25 crore (RE: ₹2,586.17 crore and CE: ₹1,183.08 crore) was incurred under CSS. Of the total expenditure, ₹3,160.25 crore (RE: ₹2,225.53 crore and CE: ₹934.72 crore) was of Central Share, and ₹609 crore (RE: ₹360.64 crore and CE: ₹248.36 crore) was of State Share.

The details of the top five CSS based on expenditure in the State during the year 2024-25 are as shown in **Table 2.12**.

Table 2.12: Top five Centrally Sponsored Schemes based on expenditure

(₹ in crore)

Sl. No.	Name of CSS	Expenditure
1	Water Supply Project for Manipur State (EAP Component)	342.14
2	National Rural Health Mission	245.98
3	Saksham Anganwadi and Poshan 2.0	207.30
4	Samagra Shiksha Central Share	172.74
5	Integrated Sewerage System for Imphal City (Phase-II)	161.94
Total		**1130.10**

Source: Information furnished by O/o the PAG(A&E), Manipur

2.6.1 Single Nodal Agency

Ministry of Finance, GoI, mandated (March 2021) release of funds under each Centrally Sponsored Scheme (CSS) through a Single Nodal Agency (SNA) for each CSS and monitoring their utilisation. Each SNA must have a dedicated bank account in an authorised Scheduled Commercial Bank. The State Government is required to transfer the Central Share received to the concerned SNA account, along with the corresponding State share.

Details of the VLC data and the SNA PFMS report are shown in **Table 2.13**.

Table 2.13: Discrepancies in Central and State share transfer

(₹ in crore)

Source of Data	Central share received	Central share transferred	State share transferred	Less amount released by the State
VLC	5,473.21	3,186.51	1,358.15	--
SNA PFMS Report	2,032.82	2,479.90	280.91	--
Difference Amount	3,440.39	706.61	1,077.24	--

Source: Finance Accounts, 2024-25 and information furnished by O/o the PAG(A&E), Manipur

It can be seen from **Table 2.13** that there was a discrepancy between the VLC data and the SNA PFMS report regarding the data on Central and State share transferred to SNA accounts.

Reconciliation of the figures of SNA was not carried out during 2024-25. As per the SNA report, an unspent amount of ₹925.88 crore is lying in the bank accounts of SNAs as of 31 March 2025.

2.6.2 Single Nodal Agency - SPARSH

SNA-SPARSH is a "Just-in-Time" system for efficiently managing and releasing funds for CSS, integrating SNAs, PFMS, and RBI's e-Kuber for direct, timely transfers to beneficiaries, boosting transparency, reducing float, and improving cash flow from Centre to States and down to Implementing Agencies, ensuring funds arrive exactly when needed. It's a major upgrade from traditional fund flow, preventing delays and improving public expenditure management. SNA-SPARSH would make money for development projects reach the intended recipient quickly and transparently, replacing older, slower methods. The system was introduced in July 2023 by the Government of India.

As of 31 March 2025, no CSS or related State Linked Scheme has been migrated from SNA to SNA SPARSH in the State.

2.7 Other issues noticed in the Detailed Review of selected grants

Review of selected grant

A review of budgetary procedure and control over expenditure was conducted in respect of ***Grant No. 7-Police*** and ***Grant No. 15-Consumer Affairs, Food and Public Distribution*** 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:

2.7.1 Summarised position of Budget and Expenditure

The details of the amount budgeted for and the expenditure incurred during 2020-2025 are summarised below in **Table 2.14**.

Table 2.14: Summarised provision of Budget and Expenditure

(₹ in crore)

	2020-21	2021-22	2022-23	2023-24	2024-25
GRANT NO. 7					
Total Budget Provision	**2,347.69**	**2,359.22**	**2,258.12**	**3,411.20**	**3,365.14**
Expenditure	1,880.17	2,078.42	2,147.84	2,902.98	2,976.09
Savings	467.52	280.80	110.28	508.22	389.04
Total Surrender	215.21	92.76	15.62	0.00	94.59
Surrender as a percentage of Savings	***46.03***	***33.03***	***14.17***	***0.00***	***24.31***
Savings (in *per cent*)	***19.91***	***11.90***	***4.88***	***14.90***	***11.56***
i) Revenue Provision	**2,314.99**	**2,288.63**	**2,179.29**	**3,159.16**	**3,045.35**
Expenditure	1,873.00	2,050.35	2,120.89	2,791.79	2,815.26
Savings	441.99	238.28	58.40	367.37	230.09
Surrender	215.21	92.76	0.00	0.00	0.00
Surrender as a percentage of Savings	***48.69***	***38.93***	***0.00***	***0.00***	***0.00***
Savings (in *per cent*)	***19.09***	***10.41***	***2.68***	***11.63***	***7.56***
ii) Capital Provision	**32.70**	**70.59**	**78.83**	**252.03**	**319.78**
Expenditure	7.17	28.07	26.95	111.19	160.83
Savings	25.53	42.52	51.88	140.84	158.95
Surrender	0.00	0.00	15.62	0.00	94.59
Surrender as a percentage of Savings	***0.00***	***0.00***	***30.11***	***0.00***	***59.51***
Savings (in *per cent*)	***78.07***	***60.23***	***65.82***	***55.88***	***49.71***
GRANT NO. 15					
Total Budget Provision	**86.30**	**82.17**	**172.77**	**184.03**	**218.26**
Expenditure	52.88	48.08	54.25	70.26	56.55
Savings	33.42	34.09	118.52	113.77	161.71
Total Surrender	5.30	2.74	1.32	0.00	98.07
Surrender as a percentage of Savings	***15.86***	***8.04***	***1.11***	***0.00***	***60.64***
Savings (in *per cent*)	***38.73***	***41.49***	***68.60***	***61.82***	***74.09***
i) Revenue Provision	**86.30**	**82.17**	**167.77**	**183.75**	**213.78**
Expenditure	52.88	48.08	49.25	70.06	55.45
Savings	33.42	34.09	118.52	113.69	158.33
Surrender	5.30	2.74	1.32	0.00	95.47
Surrender as a percentage of Savings	***15.86***	***8.04***	***1.11***	***0.00***	***60.30***
Savings (in *per cent*)	***38.73***	***41.49***	***70.64***	***61.87***	***74.06***
ii) Capital Provision	**0.00**	**0.00**	**5.00**	**0.28**	**4.48**
Expenditure	0.00	0.00	5.00	0.20	1.10
Savings	0.00	0.00	0.00	0.08	3.38
Surrender	0.00	0.00	0.00	0.00	2.60
Surrender as a percentage of Savings	***0.00***	***0.00***	***0.00***	***0.00***	***76.92***
Savings (in *per cent*)	***0.00***	***0.00***	***0.00***	***28.57***	***75.45***

Source: Appropriation Accounts of respective years

Under Grant No.7, against the total budget provision ranging from ₹2,347.69 crore to ₹3,411.20 crore during the five-year period, expenditure varied between ₹1,880.17 crore and ₹2,976.09 crore. Savings were noticed every year, showing a declining trend up to 2022-23, savings were increased sharply thereafter despite a significant enhancement in budget provision during 2023-24 and 2024-25.

Further scrutiny revealed that the surrender of funds was disproportionately low in comparison to the savings generated. Surrender as a percentage of savings declined from 2020-21 to 2022-23, and no surrender was effected in 2023-24, despite savings of ₹508.22 crore. This indicated that savings were not identified in a timely manner for surrender or re-appropriation.

Under Grant No. 15, against the total budget provision ranging from ₹82.17 crore to ₹218.26 crore during the period, expenditure remained consistently low. Savings were generated in all five years and were significantly high. Despite a more than two-fold increase in budget provision from 2021-22 to 2022-23, expenditure did not show commensurate improvement, resulting in high savings.

Further, surrender of funds was grossly inadequate in relation to the savings. Surrender as a percentage of savings declined sharply from 15.86 *per cent* in 2020-21 to 1.11 *per cent* in 2022-23 and no surrender was effected in 2023-24, despite savings of ₹113.77 crore. Although surrender improved in 2024-25, substantial savings remained un-surrendered.

Large savings in budget provision are indicative of an incorrect assessment of actual needs and call for a critical review of the Department's budget formulation exercise. The persistent savings are indicative of poor budgetary monitoring or a shortfall in performance or both. This also showed that budget allocations were made without considering the previous years' trends in expenditure, which resulted in persistent savings.

2.7.2 Substantial Savings

The main objective of schemes under Grant 7 is to strengthen and support law enforcement, preventing and investigating crimes, supporting the judicial process, *etc*.

Similarly, the main objectives of the schemes under Grant 15 is to ensure food security, make foodgrains accessible and affordable to the poor, and promote consumer rights and awareness. Some other objectives of these schemes include managing food scarcity, implementing the National Food Security Act (NFSA), supporting farmers through price support, enhancing transparency and efficiency in the distribution of subsidised foodgrains, *etc*.

Details of substantial savings under these two Grants are given in **Table 2.15**.

Table 2.15: Substantial savings

(₹ in crore)

Head of Account	Description	Total provision	Expenditure	Savings	Savings (in *per cent*)
Grant No. 7					
2055-00-116-02 (V)	Cyber Crime Prevention Against Women and Children (CCPWC) (Central Share)	5.99	0.00	5.99	100.00
4055-00-207-01 (V)	Infrastructural Support to Various Police Stations Battalion *etc.*	10.00	4.89	5.11	51.10
4055-00-800-02 (V)	Modernisation of Police Force (Central Share)	4.98	0.65	4.33	86.95
4055-00-800-07 (V)	Central Assistance under Scheme for providing temporary shelter to displaced families	50.00	47.42	2.58	5.16
4055-00-800-08 (V)	Construction of Infrastructure with Pre-fabricated materials for accommodation of CAPF Coy under SER	73.00	58.04	14.96	20.49
4055-00-800-09 (V)	Construction of Peace Camps	15.00	0.10	14.90	99.33
4055-00-800-11 (V)	Capital works under SRE	5.48	0.20	5.28	96.35
Sub Total (A)		***164.45***	***111.3***	***53.15***	***32.32***

Head of Account	Description	Total provision	Expenditure	Savings	Savings (in *per cent*)
Grant No. 15					
2408-01-101-01(V)	Central Assistance to the State under NFSA	41.57	5.22	36.34	87.44
2408-01-101-02(V)	Decentralised procurement of rice under NFSA Central Share	10.00	0.00	10.00	100.00
2408-01-102-01(V)	Transformation of Food Grains	1.00	0.00	1.00	100.00
2408-01-800-08(V)	State share for Food Security Act	15.00	7.23	7.77	51.80
Sub Total (B)		***67.57***	***12.45***	***55.11***	***81.57***
Grand Total (A+B)		**232.02**	**123.75**	**108.26**	**46.66**

Source: Appropriation Accounts, 2024-25

However, huge savings of more than ₹One crore were observed in the related Head of Accounts. Huge savings under these Heads of accounts indicate non/ partial implementation of the schemes, which would ultimately affect the primary objective of the schemes under the respective grant.

2.7.3 Expenditure incurred without authority of law

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

Scrutiny of Appropriation Accounts revealed that during 2024-25, an expenditure of ₹26.50 crore was incurred under **Grant Nos. 7** and **15** 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 **Table 2.16**.

Table 2.16: Expenditure incurred through re-appropriation

(₹ in crore)

Grant No.	Head of Account	Description of Sub-Head	Original + Supplementary	Re-Appropriation	Expenditure
7	4055-00-800-09 (V)	Construction of Peace Camps	0.00	15.00	0.10
7	4055-00-800-10 (V)	Housing for displaced persons	0.00	24.52	24.52
7	4055-00-800-11 (V)	Capital works under SRE	0.00	5.48	0.20
Sub Total (A)			***0.00***	***45.00***	***24.82***
15	2408-01-800-14 (V)	Compensation of direct purchase of land	0.00	1.68	1.68
Sub Total (B)			***0.00***	***1.68***	***1.68***
Grand Total (A+B)			**0.00**	**46.68**	**26.50**

Source: Detailed Appropriation Accounts, 2024-25

As can be seen from **Table 2.16**, during 2024-25, an expenditure of ₹26.50 crore was incurred by creating a provision of ₹46.68 crore through re-appropriation under Grant Nos. 7 and 15 without the knowledge of the State Legislature in violation of Article 204 of the Constitution of India.

2.7.4 Insufficient/ Excessive Re-Appropriation of Funds

During the year 2024-25, Re-appropriation of funds amounting to ₹217.32 crore proved insufficient/ excessive, resulting in savings/ excess of ₹One crore or more in each case as per details given in **Table 2.17**.

Table 2.17: List of Sub Heads with excess/ savings during 2024-25

(₹ in crore)

Sl. No.	Head of Account	Original	Supplementary	Re-appropriation	Total	Expenditure	Excess (+)/ Savings (-)
Grant No. 7							
1	2055-00-109-01 (H)	368.97	30.00	-45.28	353.69	308.42	(-)45.27
2	2055-00-109-01 (V)	668.37	34.99	3.30	706.66	658.46	(-)48.20
3	2055-00-001-01 (V)	357.07	48.97	-7.63	398.41	304.45	(-)93.96
4	2055-00-001-02 (V)	8.95	0.00	-0.90	8.05	6.65	(-)1.40
5	2055-00-001-03 (V)	30.00	0.00	0.00	30.00	6.68	(-)23.32
6	2055-00-001-05 (V)	100.00	150.00	0.00	250.00	227.73	(-)22.27
7	2055-00-003-01 (V)	38.61	0.00	2.80	41.41	36.78	(-)4.63
8	2055-00-116-01 (V)	7.77	0.00	-0.40	7.37	3.50	(-)3.87
9	2055-00-116-02 (V)	5.99	0.00	0.00	5.99	0.00	(-)5.99
10	2055-00-104-01 (V)	255.38	15.49	17.66	288.53	292.37	3.84
11	2055-00-101-01 (V)	67.85	0.00	14.75	82.60	80.61	(-)1.99
12	2055-00-104-01 (V)	775.98	0.00	1.06	777.04	786.54	9.50
13	2055-00-114-03 (V)	37.11	0.00	11.68	48.79	42.93	(-)5.86
14	4055-00-207-01 (V)	40.00	0.00	-30.00	10.00	4.89	(-)5.11
15	4055-00-800-01 (V)	37.52	0.00	-2.96	34.56	21.42	(-)13.14
16	4055-00-800-02 (V)	100.00	0.00	-95.02	4.98	0.65	(-)4.33
17	4055-00-800-04 (V)	4.00	0.00	0.00	4.00	1.32	(-)2.68
18	4055-00-800-07 (V)	60.00	0.00	-10.00	50.00	47.42	(-)2.58
19	4055-00-800-08 (V)	73.00	0.00	0.00	73.00	58.04	(-)14.96
20	4055-00-800-09 (V)	15.00	0.00	0.00	15.00	0.10	(-)14.90
21	4055-00-800-11 (V)	5.48	0.00	0.00	5.48	0.20	(-)5.28
Sub Total		**3,057.05**	**279.45**	**-140.94**	**3,195.56**	**2,889.16**	**(-)306.40**
Grant No. 15							
1	2408-01-101-01 (V)	41.57	0.00	0.00	41.57	5.22	(-)36.35
2	2408-01-101-02 (V)	80.00	0.00	-70.00	10.00	0.00	(-)10.00
3	2408-01-102-01 (V)	1.00	0.00	0.00	1.00	0.00	(-)1.00
4	2408-01-800-05 (V)	1.00	0.00	0.00	1.00	0.00	(-)1.00
5	2408-01-800-08 (V)	20.00	0.00	-5.00	15.00	7.23	(-)7.77
6	2408-01-800-13 (V)	2.38	0.00	-1.38	1.00	0.00	(-)1.00
Sub Total		**145.95**	**0.00**	**-76.38**	**69.57**	**12.45**	**(-)57.12**
Grand Total		**3,203.00**	**279.45**	**-217.32**	**3,265.13**	**2,901.61**	**(-)363.52**

Source: Detailed Appropriation Accounts, 2024-25

2.8 Contingency Fund

The Contingency Fund of the Government of Manipur was established under the Manipur Contingency Fund Act, 2024, and the State Government made the Manipur Contingency Fund Rules, 2024, for regulating all matters connected with or ancillary to the custody of payment of monies into and the withdrawal of monies from the Contingency Fund of the State of Manipur for meeting unforeseen expenditure. The fund is recouped when the State Legislature authorises the additional expenditure. The corpus of the Fund is ₹500 crore.

2.8.1 Advance from Contingency Fund

Advances from the Contingency Fund are to be made only for meeting expenditure of an unforeseen and emergent character, postponement of which, till its authorisation by the Legislature, would be undesirable.

During the Financial Year 2024-25, an amount of ₹188.50 crore was withdrawn as an advance from the Contingency Fund under four Major Heads. The amounts were not recouped till the end of the 2024-25. As on 31 March 2025, the Contingency Fund has a balance of ₹311.50 crore. Major head-wise details of the expenditure incurred are shown in **Table 2.18**.

Table 2.18: Major Head-wise Expenditure

(₹ in crore)

Sl. No.	Major Heads	Amount
1	2055 – Police	123.86
2	2217 – Urban Development	25.64
3	2801 – Power	28.00
4	4235 – Capital Outlay on Social Security and Welfare	11.00
Total		**188.50**

Source: Finance Accounts, 2024-25

Details of schemes in which amounts were withdrawn as advances from the Contingency Fund, are given in **Table 2.19**.

Table 2.19: Details of schemes in which an amount was withdrawn as an advance from the Contingency Fund

(₹ in crore)

Sl. No.	Nomenclature of the scheme	Date of sanction	Original budget	Supplementary budget	Total	Expenditure	Savings / excess	Advance from Contingency fund
1	Repayment of principal, interest and additional interest (in lieu of interest tax)	28-02-2025	-	-	-	4.22	-	4.22
2	Operation of Relief Camps	30-03-2025	-	-	-	97.32	-	97.32
3	Internet access points and computer-based exam centres in all the various affected districts by setting up computer centres	28-01-2025	-	-	-	22.32	-	22.32
4	Payment to HUDCO to avoid interest as per terms of loan Agreement	21-02-2025	-	-	-	25.64	-	25.64
5	Payment of power purchase by MSPDCL	04-02-2025	-	-	-	28.00	-	28.00
6	Internet access points and computer-based exam centres in all the various affected districts by setting up computer centres	02-12-2024	-	-	-	11.00	-	11.00
Total						**188.50**	**-**	**188.50**

Source: Records furnished by O/o the PAG (A&E), Manipur

Drawal of funds from the Contingency Fund for non-emergent purposes and non-recoupment of the same during the financial year violates the provisions of the Manipur Contingency Fund Act, 2024. Non-recoupment of Contingency Fund amounting to ₹188.50 crore has resulted in understatement of Revenue and Capital Expenditure to that extent.

During the Exit Conference (January 2026), the State Government (Finance Department) stated that efforts would be made to recoup the Fund.

2.9 Conclusions

The State recorded substantial savings against the total budget provision, indicating weak budget planning and poor expenditure management. Expenditure was incurred in several cases without budget provision or re-appropriation orders, reflecting deficiencies in financial control. The analysis pointed to poor budget estimation and significant deviations from approved allocations, as evidenced by the large number of grants reporting savings. Supplementary grants were found to be either unnecessary or excessive in several cases, indicating improper assessment of fund requirements. Many Grants/ Appropriations recorded low utilisation levels. Excess expenditure was noticed under one Grant and one Appropriation during the past five-year period, required regularisation by the State Legislature. Of which, persistent excess expenditures, noticed under the Appropriation over the past five years, required regularisation by the State Legislature. Instances of non-surrender of unspent balances were also noticed. Further, concentration of a substantial portion of expenditure in the last quarter of the year indicated inefficient implementation and weak monitoring of schemes.

2.10 Recommendations

The State Government may-

- *strengthen budget formulation by adopting a realistic estimation of receipts and expenditure.*
- *reinforce Financial controls to ensure that no expenditure is incurred without budget provision or proper re-appropriation orders.*
- *review the process of obtaining supplementary grants to avoid unnecessary or excessive provisions.*
- *institute a mechanism to surrender the unspent balances in a timely manner.*
- *ensure prompt regularisation of excess expenditure. The State Government may also take corrective measures to prevent recurrence of persistent excess expenditure.*