

Preface

1. This Report has been prepared for submission to the Governor under Article 151 of the Constitution.
2. Chapters I and II of this Report contain audit findings on matters arising from examination of Finance Accounts and Appropriation Accounts respectively of the State Government for the year ended 31 March 2011.
3. Chapter III on 'Financial Reporting' provides an overview and status of the State Government's compliance with various financial rules, procedures and directives issued during the current year.
4. Audit observations on matters arising from performance audit and audit of transactions in various departments, audit of revenue receipts and Statutory Corporations, Boards and Government Companies for the year ended 31 March 2011 are included in a separate Report.
5. The Audit has been conducted in conformity with the Auditing Standards issued by the Comptroller and Auditor General of India.

EXECUTIVE SUMMARY

Background

This Report on the Finances of the Government of Nagaland is being presented to the State Legislature, along with the Finance and Appropriation Accounts, with a view to assess objectively the financial performance of the State during the year 2010-11. The aim of this Report is to provide the State Government with timely inputs based on actual data so that there is a better insight into both well performing as well as ill performing schemes/programmes of the Government. In order to give a perspective to the analysis, an effort has been made to compare the normative assessment made by the Finance Commission (XIII-FC) and achievements with the targets envisaged by the State Government in Fiscal Responsibility and Budget Management Act, 2005 as well as in the Budget Estimates of 2010-11. A comparison has been made to see whether the State has given adequate fiscal priority to developmental, social sector and capital expenditure and whether the expenditure has been effectively absorbed by the intended beneficiaries.

The Report

Based on the audited accounts of the Government of Nagaland for the year ending March 2011, this Report provides an analytical review of the Annual Accounts of the State Government. The Report is structured in three Chapters.

Chapter I is based on the audit of Finance Accounts and makes an assessment of the Government of Nagaland's fiscal position as on 31 March 2011. It provides an insight into trends in committed expenditure, borrowing pattern besides a brief account of Central funds transferred directly to the State implementing agencies through off-budget route.

Chapter II is based on audit of Appropriation Accounts and gives the grant-by-grant description of appropriations and the manner in which the allocated resources were managed by the service delivery departments.

Chapter III is an inventory of Nagaland Government's compliance with various reporting requirements and financial rules. This chapter also provides details on non-submission of annual accounts and delays in placement of Separate Audit Reports in the Legislature by the Autonomous Bodies. Besides, the cases of misappropriation and loss that indicate inadequacy of controls in the Government departments are also detailed in this chapter.

This report also has an appendage of additional data collated from several sources in support of the findings.

Audit findings and recommendations

During the current year, the revenue surplus increased and it contributed in reducing the fiscal deficit and as a result, the primary deficit turned in to a primary surplus. However, during the last five years the fiscal deficit continued with a fluctuating trend.

Revenue Receipts: During 2010-11, 92 *per cent* of the total revenue came from the Government of India as Central transfers (14 *per cent*) and grants-in-aid (78 *per cent*). The State achieved the total revenue collection target fixed by the XIII-FC during 2010-11.

Revenue Expenditure: The overall revenue expenditure of the State increased by ₹ 935.15 crore (28.76 *per cent*) over the previous year.

The revenue expenditure constituted 78.79 per cent of total expenditure while the expenditure incurred under capital head constituted 21.13 per cent.

There were 54 incomplete projects as on 31 March 2011 pertaining to five departments in which ₹ 122.16 crore were blocked.

Development expenditure of ₹ 1845.39 crore in 2006-07 increased to ₹ 3254.56 crore in 2010-11. However, its share in aggregate expenditure decreased from 62.94 per cent to 61.25 per cent during the period. The ratio of development expenditure as a proportion to aggregate expenditure had come down by 0.43 per cent in 2010-11 as compared to the year 2007-08 which indicates that the State had given lower priority to this category of expenditure during the year 2010-11 as compared to 2007-08.

The share of committed expenditure in the non-plan Revenue Expenditure was 54.97 per cent of the revenue receipts.

The State needs to accord higher priority to its developmental expenditure considering the reduction in this category of expenditure during the year 2010-11 as compared to 2007-08 and reduce its committed expenditure in the overall non-plan revenue expenditure. The State also needs to ensure timely and effective implementation of incomplete projects.

Oversight of funds transferred directly from the GOI to the State implementing agencies: During 2010-11, an approximate amount of ₹ 1033.62 crore was directly transferred by GOI to the State Implementing Agencies. As long as these funds remain outside the State budget, there is no

single agency monitoring its use and there is no readily available data on how much is actually spent in any particular year on major flagship schemes and other important schemes which are being implemented by State implementing agencies but are funded directly by the GOI.

Government investment: The Government had invested ₹ 213.41 crore in Statutory Corporations, Rural Banks, Joint Stock Companies and Co-operatives at the end of March 2011. The average returns on this investment was nil during the last five years while the Government paid an average interest rate of 7.68 per cent on its borrowing during 2010-11.

The Government should ensure better value for money in investment by identifying the Companies/Corporation which are endowed with low financial but high socio-economic returns and justify if high cost borrowings are worth being channelised there. Initiatives may be taken to revive or close down or sell out the huge loss making Corporations/Companies.

Financial management and budgetary control: There was a saving of ₹ 1370.59 crore and excess expenditure of ₹ 90.55 crore under 82 grants during 2010-11. This excess expenditure together with an excess expenditure of ₹ 384.53 crore pertaining to 2000-01, 2001-02 & 2005-06 to 2009-10 require regularisation by the Legislature under Article 205 of the Constitution of India. A rush of expenditure was noticed in 37 grants in which expenditure exceeding ₹ 10 crore or more than 50 per cent of the total expenditure was incurred in the last quarter of 2010-11 and in some cases in the month of March 2011. There were

97 AC Bills involving ₹ 21.85 crore awaiting adjustment due to non-submission of DCC Bills for long periods and therefore was fraught with the risk of misappropriation.

Budgetary controls should be strengthened in all the Government departments, particularly in the departments where savings/excess persisted for last five years. A close and rigorous monitoring mechanism should be put in place by the DDOs to adjust the Abstract Contingent Bills within sixty days from the date the amounts are drawn.

Financial Reporting: Timely submission of utilisation certificates is a major area of concern. At the end of March 2011, 81 UCs involving an aggregate amount of ₹ 88.16 crore were pending for submission even after a lapse of one to five years from various departments. Though the accounts of the State Autonomous Bodies and Departmental

Commercial Undertakings were over due, these accounts are yet to be submitted. Non-submission of accounts in time disclosed non-compliance with the financial rules. As on 31 March 2011, 27 cases of misappropriation, defalcation etc. involving ₹ 92.46 crore and 5 theft cases involving ₹ 0.17 crore in 16 Departments were pending for finalisation. Cases of misappropriation, defalcation, and theft indicated inadequacy of controls in the departments.

The accounts of Autonomous Bodies/Authorities and Departmental Commercial Undertakings need to be finalised at the earliest. Departmental inquiries in all fraud and misappropriation cases should be expedited to bring the defaulters to book. Internal controls in all the Organisations should be strengthened to prevent such cases.

Chapter I

Finances of the State Government

Profile of Nagaland

Nagaland was formed on 1 December 1963 as a Special Category State and is situated in the North-Eastern region of India bordering three States viz. Assam in North and West, Arunachal Pradesh in East and Manipur in the South. It has an international border with Myanmar in the East and runs parallel to the bank of Brahmaputra. With a geographical area of 16579 sq. kms i.e. about 0.51 *per cent* of country's total geographical area, Nagaland provides shelter to 0.19 *per cent* population of the country. Nagaland has a lower density of population, higher proportion of rural population, higher literacy rate and lower infant mortality rate as compared to the All India Average figures (**Appendix 1.1 D**). The compound annual growth rate of GSDP in respect of Nagaland for the period 2001-02 to 2010-11 was 12.05 *per cent*.

The accounts of the State Government are kept in three parts (i) Consolidated Fund, (ii) Contingency Fund and (iii) Public Account (**Appendix 1.1 A**). The annual accounts of the State Government consist of Finance Accounts and Appropriation Accounts.

This chapter provides a broad perspective of the finances of the Government of Nagaland during the current year (2010-11) and analyses critical changes in the major fiscal aggregates relative to the previous year keeping in view the overall trends during the last five years. The layout of the Finance Accounts is depicted in **Appendix 1.1 B**, **Appendix 1.1 C** of the chapter briefly outlines the methodology and selected terms adopted for the assessment of the fiscal position of the State and **Appendix 1.3** presents the time series data on key fiscal variables/parameters and fiscal ratios relating to the State Government finances for the period 2006-11.

A summary of the FRBM Act, 2005 and FRBM (Amendment) Act, 2011 of the State is given in **Appendix 1.2 B**.

1.1 Summary of Current Year's Fiscal Transactions

Table 1.1 presents the summary of the State Government's fiscal transactions during the current year (2010-11) vis-à-vis the previous year while **Appendix 1.4 A** provides details of receipts and disbursements as well as overall fiscal position during the same period.

Table 1.1 Summary of Current Year's Fiscal Operations

(Rupees in crore)

2009-10	Receipts	2010-11	2009-10	Disbursements	2010-11		
Section-A: Revenue					Non Plan	Plan	Total
3719.76	Revenue receipts ¹	4999.99	3252.44	Revenue expenditure ²	3304.39	883.45	4187.84
180.51	Tax revenue	227.32	1583.98	General services	1835.73	7.44	1843.17
126.35	Non-tax revenue	183.14	773.60	Social services	810.66	315.06	1125.72
434.03	Share of Union Taxes/ Duties	689.46	894.86	Economic services	658.00	560.95	1218.95
2978.87	Grants from Government of India	3900.07	0.00	Grants-in-aid and Contributions	0.00	0.00	0.00
Section-B: Capital							
0.00	Misc. Capital Receipts	0.00	989.53	Capital Outlay	0.01	1122.93	1122.94
4.20	Recoveries of Loans and Advances	2.31	3.55	Loans and Advances disbursed	0.09	4.03	4.12
805.25	Public Debt receipts	463.35	274.60	Repayment of Public Debt			261.16
0.00	Contingency Fund	0.00	0.00	Contingency Fund			0.00
2373.46	Public Account receipts	2267.53	2374.50	Public Account disbursements			2159.59
94.50	Opening Cash Balance	102.55	102.55	Closing Cash Balance	...	...	100.08
6997.17	Total	7835.73	6997.17	Total			7835.73

The following are the significant changes during 2010-11 over the previous year:

- Revenue receipts increased by ₹ 1280.23 crore (34.42 per cent) from ₹ 3719.76 crore in 2009-10 to ₹ 4999.99 crore in 2010-11 due to increase in grants from Government of India (GOI) (₹ 921.20 crore), State's Own Tax revenue (₹ 46.81 crore), State's Non-Tax revenue (₹ 56.79 crore) and State's share of Union taxes and duties (₹ 255.43 crore). The revenue receipts at ₹ 4999.99 crore was however, lower than the assessment made by the State Government in its Fiscal Consolidation Roadmap (FCR) (₹ 5162.08 crore) for the year 2010-11 by ₹ 162.09 crore.
- Revenue expenditure of the State, on the other hand increased by ₹ 935.40 crore (28.76 per cent) from ₹ 3252.44 crore in 2009-10 to ₹ 4187.84 crore in 2010-11, mainly under the heads Administrative Services (₹ 153.93 crore), Interest payment and Servicing of Debt (₹ 35.61 crore), Pension and Miscellaneous General Services (₹ 57.08 crore), Education, Sports and Art & Culture (₹ 198.40 crore), Health and Family Welfare (₹ 43.88 crore), Water Supply, Sanitation, Housing and Urban Development (₹ 22.75 crore), Social Welfare & Nutrition (₹ 74.06 crore), Agriculture and Allied Activities (₹ 60.30 crore), Rural

¹ Revenue receipts and Non-tax revenue are inclusive of gross receipt (₹ 12.41 crore) from State Lotteries.

² Revenue expenditure and General Services (Non-Plan) are inclusive of expenditure (₹ 1.53 crore) on State Lotteries

Development (₹ 35.83 crore), Special Areas Programme (₹ 20.75 crore), Irrigation & Flood Control (₹ 42.28 crore), Energy (₹ 52.91 crore) and General Economic Services (₹ 90.73 crore). The revenue expenditure (₹ 4187.84 crore) was lower than the assessment made by the State Government in its FCR (₹ 4329.39 crore) for the year 2010-11 by ₹ 141.55 crore.

- Capital Expenditure increased by ₹ 133.41 crore (13.48 *per cent*) from ₹ 989.53 crore in 2009-10 to ₹ 1122.94 crore in 2010-11, mainly under the head General Service (₹ 23.60 crore), Education, Sports, Art & Culture (₹ 36.34 crore), Health & Family Welfare (₹ 20.02 crore), Agriculture & Allied Activities (₹ 17.33 crore), Transport (₹ 66.47 crore) and General Economic Services (₹ 21.49 crore) offset by decrease in Water Supply, Sanitation, Housing & Urban Development (₹ 50.69 crore) and Energy (₹ 8.96 crore).
- Recoveries of Loans and Advances decreased by ₹ 1.89 crore and disbursement increased by ₹ 0.57 crore in 2010-11 over the previous year.
- Public debt receipts³ decreased by ₹ 341.90 crore and repayment also decreased by ₹ 13.44 crore during 2010-11 over the previous year.
- Public Account Receipts decreased by ₹ 105.93 crore and disbursement also decreased by ₹ 214.91 crore during 2010-11 over the previous year.

The total inflow increased by ₹ 830.51 crore (12.03 *per cent*) from ₹ 6902.67 crore in 2009-10 to ₹ 7733.18 crore in 2010-11. The total outflow also increased by ₹ 841.03 crore (12.20 *per cent*) from ₹ 6894.62 crore in 2009-10 to ₹ 7735.65 crore in 2010-11. The cash balance of the State at the end of 2010-11 decreased by ₹ 2.47 crore (2.41 *per cent*) from ₹ 102.55 crore in 2009-10 to ₹ 100.08 crore in 2010-11.

1.2 Nagaland Fiscal Responsibility and Budget Management Act, 2005 and Thirteenth Finance Commission Recommendations

With the enactment of a Fiscal Responsibility and Budget Management Act (FRBM) Act, 2005 at the centre, Twelfth Finance Commission (TFC) recommended that each State enact a fiscal responsibility legislation prescribing specific annual targets with a view to eliminate the revenue deficit by 2008-09 and reduce fiscal deficit based on a path for reduction of borrowings and guarantees. The targets prescribed in NFRBM Act and projections made by State Government in its Medium Term Fiscal Policy Statement (MTFPS) vis-à-vis achievements during the year 2010-11 is detailed in the table below:

³ Public Debt Receipts includes market loans, special securities issued by RBI and loans and advances from GOI.

Table 1.2: Trends in major Fiscal Variables vis-à-vis Projections for 2010-11

Fiscal Parameters	Targets as prescribed in NFRBM Act.	Projections made by State Government in MTFPS*	Actual
Revenue deficit	Strive to remain revenue surplus by building up further surplus	No revenue deficit	Revenue surplus - 16.25 per cent of RR
Fiscal deficit	4 per cent of GSDP	3.87 per cent of GSDP	2.64 per cent of GSDP
Consolidated debt	40 per cent of GSDP	62.80 per cent of GSDP	48.83 per cent of GSDP

* Medium Term Fiscal Policy Statement.

It can be seen from the above table that the State Government was able to achieve two out of the three targets set in NFRBM Act but could not achieve the Consolidated debt of 40 per cent of GSDP (actual being 48.83 per cent of GSDP). However, the State Government could achieve the projections made in the MTFPS.

1.2.1 The Thirteenth Finance Commission Recommendations

The Thirteenth Finance Commission had recommended growth of Tax and Non-Tax Revenue during 2010-11. The targets fixed by XIII-FC vis-à-vis the actuals are given below:

Table 1.3: XIII-FC recommendations vis-à-vis the actuals

(Rupees in crore)

Year	XIII-FC recommendations			Actual		
	Tax revenue	Non-Tax revenue	Total	Tax revenue	Non-Tax revenue	Total
2010-11	203.78	31.56	235.34	227.32	181.61	408.93

(Source: Thirteenth Finance Commission Report and Finance Account)

The State achieved the target fixed by the XIII-FC in collection of revenue from own sources under Tax Revenue as well as Non-tax Revenue. The total tax collection was exceeded by ₹ 173.59 crore (73.76 per cent) as compared to XIII-FC recommendation.

The tax and non-tax revenue receipts vis-à-vis the normative assessment made by the Thirteenth Finance Commission and the assessment made by the State Government in 2010-11 were as under:

Table 1.4: Revenue receipts relative to XIII-FC and State's projections for 2010-11

(Rupees in crore)

	Assessment by the XIII-FC	Assessment made by the State Government in its FCR	Actual Receipts
Own Tax Revenue	203.78	204.30	227.32
Non-Tax Revenue	31.56	154.29	181.61

FCR: Fiscal Consolidation Roadmap

Though the assessment of Tax Revenue and Non-tax Revenue of the State in 2010-11 made by the State Government in its Fiscal Consolidation Roadmap (FCR) was less than the assessment made by XIII-FC, the actual achievement of OTR and NTR remained at 11.55 per cent and 475.44 per cent respectively higher than the assessment made by the

XIII-FC and 11.27 *per cent* and 17.71 *per cent* respectively higher than the assessment made by the State Government in its FCR during 2010-11.

The Thirteenth Finance Commission has also fixed the sector-wise target for non-plan revenue expenditure for the period 2010-15. The targets fixed by XIII FC vis-à-vis the actuals are given below:

Table 1.5: XIII-FC recommendations vis-à-vis actuals during 2010-11
(Non-plan Revenue Expenditure)

Sector	Recommendations of XIII-FC	(Rupees in crore) Actuals
Salary	1440.05	1996.85
Interest Payment	334.97	394.33
Pension	392.95	335.97
Other General Service	225.68	316.73
Other Social Service	47.73	47.21
Other Economic Service	32.74	211.77
Total	2474.12	3302.86

(Source: Thirteenth Finance Commission Report and Finance Account)

The table indicates that the State failed to contain its non-plan revenue expenditure to the level recommended by the XIII-FC. During 2010-11 non-plan revenue expenditure was 33.50 *per cent* (₹ 828.74 crore) more than the XIII-FC recommendation.

1.3 Budget Analysis

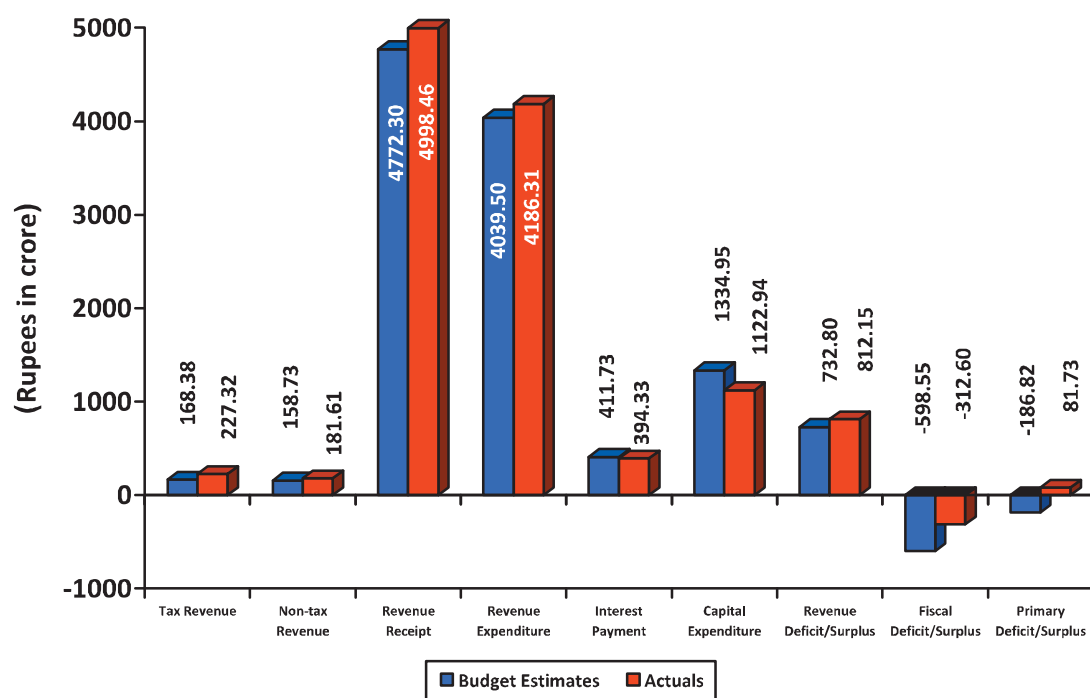
The budget papers presented by State Government provide description of projections or estimations of revenue and expenditure for a particular fiscal year. The importance of accuracy in the estimation of revenue and expenditure is widely accepted in the context of effective implementation of fiscal policies for overall economic management. Several reasons may account for the deviation of the actual realisation/expenditure from the budget estimates. It may be because of unanticipated and unforeseen events or under or over estimation of expenditure or revenue at the budget stage etc. Actual realisation of revenue and its disbursement however, depends on a variety of factors, some internal and others external. **Table 1.6** presents the consolidated picture of State Finances during 2009-10 Actuals, 2010-11 Budget Estimates (BEs), 2010-11 Revised Estimates (REs) and 2010-11 Actuals.

Table1.6: Variation in Actual Fiscal parameters over estimates

(Rupees in crore)

Parameters	2009-10	2010-11		
	Actuals	Budget Estimates	Revised Estimates	Actuals
Tax Revenue	180.51	168.38	214.77	227.32
Non-Tax Revenue	125.07	158.73	154.29	181.61
Revenue Receipt	3718.48	4772.30	5290.82	4998.46
Non-debt Capital Receipt	4.20	4.00	4.00	2.31
Revenue Expenditure	3251.16	4039.50	4381.47	4186.31
Interest Payment	362.51	411.73	404.86	394.33
Capital Expenditure	989.53	1334.95	1221.03	1122.94
Disbursement of Loans & Advances	3.55	0.40	6.28	4.12
Revenue Deficit/Surplus	467.32	732.80	909.35	812.15
Fiscal deficit/Surplus	-521.56	-598.55	-313.96	-312.60
Primary Deficit/surplus	-159.05	-186.82	90.90	81.73

Chart 1.1: Selected fiscal Parameters: Estimates vis-a-vis Actual during 2010-11



- During 2010-11, the actual revenue receipts was more than the budget estimates by ₹ 226.16 crore (4.74 *per cent*) while actual revenue expenditure was higher by ₹ 146.81 crore (3.63 *per cent*) over budget estimates resulting in attaining a higher revenue surplus of ₹ 79.35 crore as compared to the projections made in the budget estimates.
- During the current year the tax revenue of the State increased by ₹ 46.81 crore (25.93 *per cent*) over the previous year. The actual collection of tax revenue during the year also increased by ₹ 58.94 crore (35 *per cent*) over the budget estimate for the year mainly due to higher collection of Sales Tax Trade etc. (₹ 42.33 crore), Taxes on vehicle (₹ 8.80 crore) and Tax on goods and passengers (₹ 4.08 crore). The revenue from Sales Tax, Trade etc. contributed the major share of Tax Revenue (73.56 *per cent*) during the current year and it increased by 26.47 *per cent* over the previous year.
- The increase in Non-Tax Revenue (₹ 22.88 crore) as compared to the budget estimates for 2010-11 was due to increase in receipts mainly under Police (₹ 31.13 crore), Interest receipt (₹ 9.85 crore), Education, Sports, Arts & Culture (₹ 8.41 crore) offset by decrease in Power (₹ 33.36 crore).
- The increase in Revenue Expenditure by ₹ 146.81 crore (3.63 *per cent*) over the budget provision was due to increase in Social Services by ₹ 115.19 crore (78.46 *per cent*) and Economic Services by ₹ 64.28 crore (43.79 *per cent*) offset by decrease in General Services ₹ 32.66 crore (22.25 *per cent*).
- During the year 2010-11, the actual Capital expenditure was less than the budget provision by ₹ 212.01 crore (15.88 *per cent*) which is attributable to decrease in General Services (₹ 217.79 crore) and Social Services (₹ 116.27 crore) offset by increase in Economic Services (₹ 122.05 crore).
- Actual fiscal deficit was less than the assessment made in the budget estimates by ₹ 285.95 crore (47.77 *per cent*) mainly due to decrease in Capital Expenditure. The primary deficit as compared with the previous year improved from minus ₹ 159.05 crore in 2009-10 to primary surplus of ₹ 81.73 crore in 2010-11.

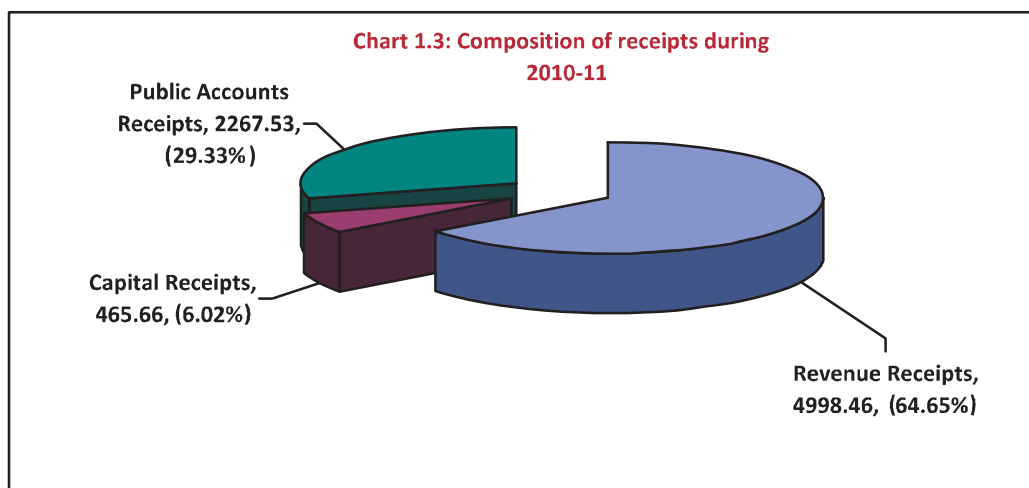
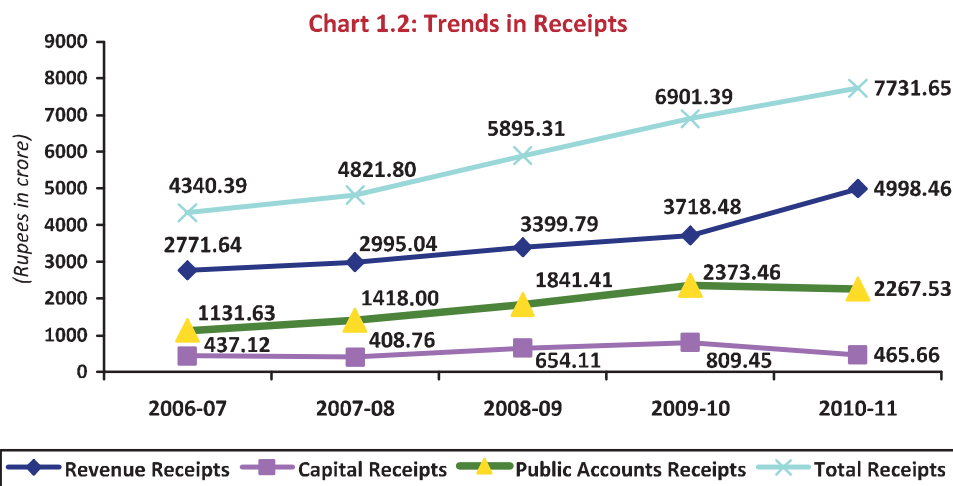
1.4 Resources of the State

1.4.1 Resources of the State as per Annual Finance Accounts

Revenue and capital are the two streams of receipts that constitute the resources of the State Government. Revenue receipts consist of tax revenue, non-tax revenue, State's share of union taxes and duties and grants-in-aid from the Government of India (GOI). Capital receipts comprise miscellaneous capital receipts such as proceeds from disinvestments, recoveries of loans and advances, debt receipts from internal sources

(market loans, borrowings from financial institutions/commercial banks) and loans and advances from GOI as well as accruals from Public Account.

Table-1.1 presents the receipts and disbursements of the State during the last two years as recorded in its Annual Finance Accounts while **Chart 1.2⁴** depicts the trends in various components of the receipts of the State during 2006-11. **Chart 1.3⁴** depicts the composition of resources of the State during the current year.



⁴ Revenue receipts is net of receipts and expenditure under State Lottery.

Table 1.7: Trends in growth and composition of receipts*(Rupees in crore)*

	Sources of State receipts	2006-07	2007-08	2008-09	2009-10	2010-11
I	Revenue receipts	2771.64	2995.04	3399.79	3718.48	4998.46
II	Capital Receipts (CR)	437.12	408.76	654.11	809.45	465.66
	Miscellaneous Capital Receipts	-	-	-	-	-
	Recovery of Loans and Advances	4.33	3.06	2.57	4.20	2.31
	Public Debt Receipts	432.79	405.70	651.54	805.25	463.35
	Rate of growth of non-debt CR	(-)19.81	(-)29.33	(-)16.01	63.42	(-)45.00
	Rate of growth of debt CR	(-)30.96	(-)6.26	60.60	23.59	(-)42.46
	Rate of growth of GSDP	10.15	11.27	12.28	14.02	14.37
	Rate of growth of CR	(-)30.87	(-)6.49	60.02	23.75	(-)42.47
	Debt Capital buoyancy w.r.t GSDP	(-)3.05	(-)0.36	4.93	1.68	(-)2.95
	Non Debt Capital Buoyancy w.r.t GSDP	(-)1.95	(-)2.60	(-)1.30	4.52	(-)3.13
III	Contingency Fund	-	-	-	-	-
IV	Public Account Receipts	1131.63	1418.00	1841.41	2373.46	2267.53
	Small Savings, Provident Fund etc	95.22	135.42	122.44	149.54	191.57
	Reserve Fund	5.64	6.85	5.37	26.49	36.96
	Deposits and Advances	127.55	209.02	134.09	786.40	545.72
	Suspense and Miscellaneous	39.73	51.07	27.29	52.94	21.17
	Remittances	863.49	1015.64	1057.59	1358.09	1472.11
	Total Receipts	4340.39	4821.80	5895.31	6901.39	7731.65

Chart 1.3 shows that the total receipts of the State Government for the year 2010-11 was ₹ 7731.65 crore out of which, the revenue receipts was ₹ 4998.46 crore constituting 64.65 *per cent* of the total receipts. The balance came from capital receipts and public account receipts.

The revenue receipts of the State increased from ₹ 2771.64 crore in 2006-07 to ₹ 4998.46 crore in 2010-11 at a compound annual growth rate of 12.52 *per cent*. The buoyancy of Revenue receipts w.r.t GSDP during the year was 2.40 *per cent*.

The capital receipts (including Public Account receipts) constituted 35.35 *per cent* of the total receipts of the State during the year 2010-11, an increase of 74.23 *per cent* from ₹ 1568.75 crore in 2006-07 to ₹ 2733.19 crore in 2010-11.

Public Account receipts decreased by ₹ 105.93 crore (4.46 *per cent*) in 2010-11 over the previous year due to decrease in Deposit and Advances (₹ 240.68 crore) and Suspense and Miscellaneous (₹ 31.77 crore) offset by increase in Remittances (₹ 114.02 crore), Reserve Fund (₹ 10.47 crore) and Provident Fund (₹ 42.03 crore).

1.4.2 Funds Transferred to State Implementing Agencies Outside the State Budget

The Central Government has been transferring a sizeable quantum of funds directly to the State Implementing Agencies⁵ for the implementation of various schemes/programmes in social and economic sectors recognised as critical. As these funds are not routed through the State Budget/State Treasury System, Annual Finance Accounts do not capture the flow of these funds and to that extent, State's receipts and expenditure as well as other fiscal variables/parameters derived from them are underestimated. To present a holistic picture on availability of aggregate resources, funds directly transferred to State Implementing Agencies are detailed in **Appendix 1.5**. An approximate amount of ₹ 1033.62 crore was directly transferred during the year. Significant amounts released for major programmes/schemes are presented in **Table 1.8**.

Table-1.8: Funds Transferred Directly to State Implementing Agencies

(Rupees in crore)

Name of the Programme/Scheme	Name of the Implementing Agency in the State	Total funds released by the GOI during 2010-11
Mahatma Gandhi National Rural Employment Guarantee Programme	Project Directors, DRDA, 11 Districts	511.59
Sarva Shiksha Abhiyan (SSA)	SSA State Mission Authority	86.37
National Rural Drinking Water Programme	SWSM	77.53
National Rural Health Mission (NRHM)	State Health Society	77.21
Rural Housing (Indira Awas Yojana)	Project Directors, DRDA, 11 Districts	44.54
Product/Infrastructure Development for Destination Circuits	Nagaland Tourism Board	31.17
Integrated Watershed Management Programme	State Level Nodal Agency	28.01
Total		856.42

(Source: 'Central Plan Scheme Monitoring System' portal in Controller General of Account's website)

An amount of ₹ 1033.62 crore was directly transferred by GOI to the State Implementing Agencies during 2010-11 an increase of ₹ 76.29 crore (7.97 *per cent*) from the previous year. Out of a total amount of ₹ 1033.62 crore directly transferred to implementing agencies during the year, ₹ 856.42 crore (82.86 *per cent*) was transferred to seven Central Schemes viz. Mahatma Gandhi National Rural Employment Guarantee Programme, ₹ 511.59 crores (49.49 *per cent*), Sarva Shiksha Abhiyan (SSA) ₹ 86.37 crore (8.36 *per cent*), National Rural Drinking Water Programme ₹ 77.53 crore (7.50 *per cent*), National Rural Health Mission (NRHM) ₹ 77.21 crores (7.47 *per cent*), Rural Housing (Indira Awas Yojana) ₹ 44.54 crore (4.31 *per cent*), Product/Infrastructure Development for Destination Circuits ₹ 31.17 crore (3.02 *per cent*) and Integrated Watershed Management Programme ₹ 28.01 crore (2.71 *per cent*).

⁵ State Implementing Agency includes any Organization/Institution including Non-Governmental Organization which is authorised by the State Government to receive the funds from the Government of India for implementing specific programmes in the State, e.g. State Implementation Society for SSA and State Health Mission for NRHM etc.

With the transfer of an approximate amount of ₹ 1033.62 crore directly by GOI to the State Implementing Agencies, the total availability of State resources during 2010-11 had increased from ₹ 7733.18 crore to ₹ 8766.80 crore.

As long as these funds remain outside the State budget, there is no single agency monitoring its use and there is no readily available data on how much is actually spent in any particular year on major flagship schemes and other important schemes which are being implemented by State implementing agencies but are funded directly by the GOI.

1.5 Revenue Receipts

Statement-11 of the Finance Accounts details the revenue receipts of the Government. The revenue receipts consist of its own tax and non-tax revenues, central tax transfers and grants-in-aid from GOI. The trends and composition of revenue receipts over the period 2006-11 are presented in **Appendix 1.3** and depicted in **Charts 1.4** and **1.5** respectively.

Chart 1.4: Trends in Revenue Receipts

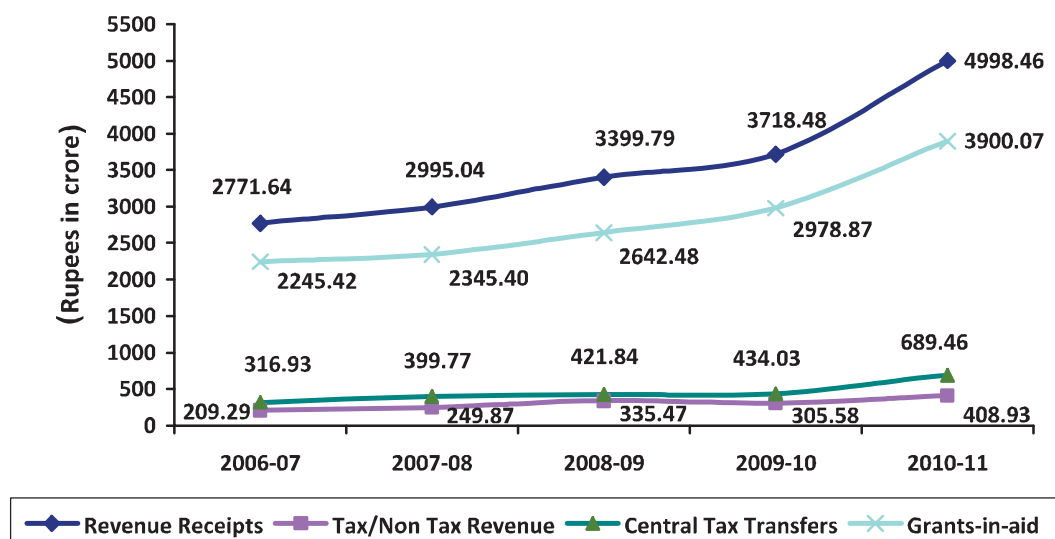
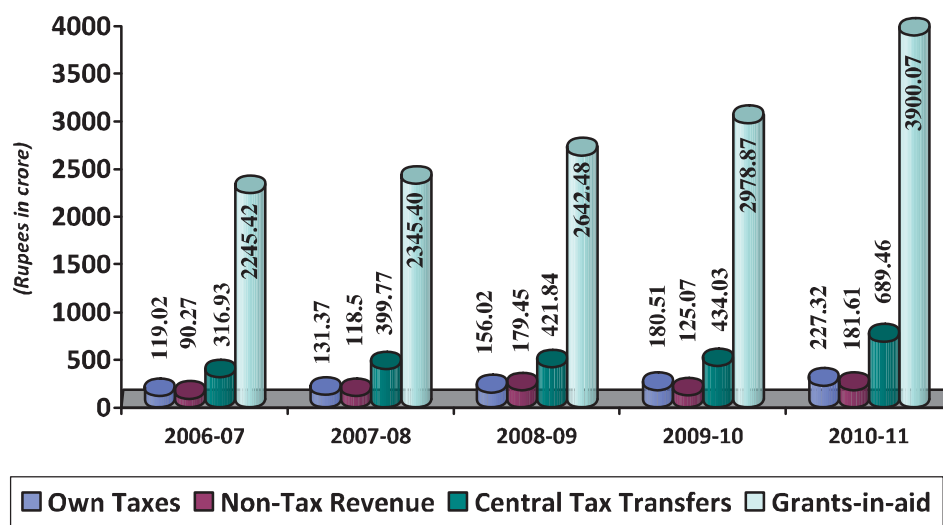


Chart 1.5: Composition of Revenue Receipts during 2006-11



The revenue receipts have shown a progressive increase with inter-year variations and changes in its composition i.e. the share of own taxes, non-tax revenue and Central transfers during the period 2006-11.

Tax and non-tax revenue receipt together increased from ₹ 209.29 crore in 2006-07 to ₹ 408.93 crore in 2010-11 at a compound annual growth rate of 14.34 *per cent*.

The Revenue Receipts of the State increased from ₹ 2771.64 crore in 2006-07 to ₹ 4998.46 crore in 2010-11 at a compound annual growth rate of 12.52 *per cent*. While 8.18 *per cent* of the revenue receipts during 2010-11 have come from the State's Own Resources comprising taxes and non-taxes, Central Tax Transfers and Grants-in-aid together contributed 91.82 *per cent*. The percentage share of State's Own Resources and the Central Transfers in Revenue receipts of the State exhibited relative stability during the last five years (2006-11).

Central tax transfers to the State increased by ₹ 255.43 crore (58.85 *per cent*) from ₹ 434.03 crore in 2009-10 to ₹ 689.46 crore in 2010-11. This was due to increase in Corporation Tax (₹ 90.91 crore), Tax on Income other than Corporation Tax (₹ 42.93 crore), Tax on Wealth (₹ 0.15 crore), Service Tax (₹ 22.80 crore), Customs (₹ 53.07 crore) and Union Excise Duties (₹ 45.57 crore).

The trends in revenue receipts relative to GSDP are presented in **Table 1.9** below:

Table 1.9: Trends in Revenue Receipts relative to GSDP

	2006-07	2007-08	2008-09	2009-10	2010-11
Revenue Receipts (RR) (Rupees in crore)	2771.64	2995.04	3399.79	3718.48	4998.46
Rate of growth of RR (<i>per cent</i>)	22.29	8.06	13.51	9.37	34.42
R R/GSDP (<i>per cent</i>)	38.19	37.09	37.50	35.79	42.28
Buoyancy Ratios					
Revenue receipts Buoyancy w.r.t GSDP	2.20	0.72	1.10	0.67	2.40
State's Own Tax Buoyancy w.r.t GSDP	1.26	0.92	1.53	1.12	1.80
Gross State Domestic Product (Rupees in crore)	7257.09	8075.27	9066.59	10337.83	11823.45
Rate of growth of GSDP	10.15	11.27	12.28	14.02	14.37

The growth rate of Revenue Receipts was more than twice that of GSDP growth rate during the current year. The growth rate of Revenue Receipts was however, less than the growth rate of GSDP in 2007-08 and 2009-10. The State's own tax buoyancy with respect to GSDP was 1.26 in 2007-08 which increased to 1.80 in 2010-11.

The break-up of Grants-in-aid received from GOI during 2006-11 is given in the table below:

Table 1.10. : Grants-in-aid from Government of India

(Rupees in crore)

	2006-07	2007-08	2008-09	2009-10	2010-11
Grants for State Plan Scheme	896.86	818.62	1003.27	1041.00	936.32
Non-Plan Grants	1072.10	1246.03	1316.76	1460.86	2658.28
Grants for Central Plan Schemes, Centrally Sponsored Plan Schemes and Special Plan Schemes	276.46	280.75	322.45	477.01	305.47
Total	2245.42	2345.40	2642.48	2978.87	3900.07
Percentage of increase/decrease over previous year	23.62	4.45	12.67	12.73	30.92

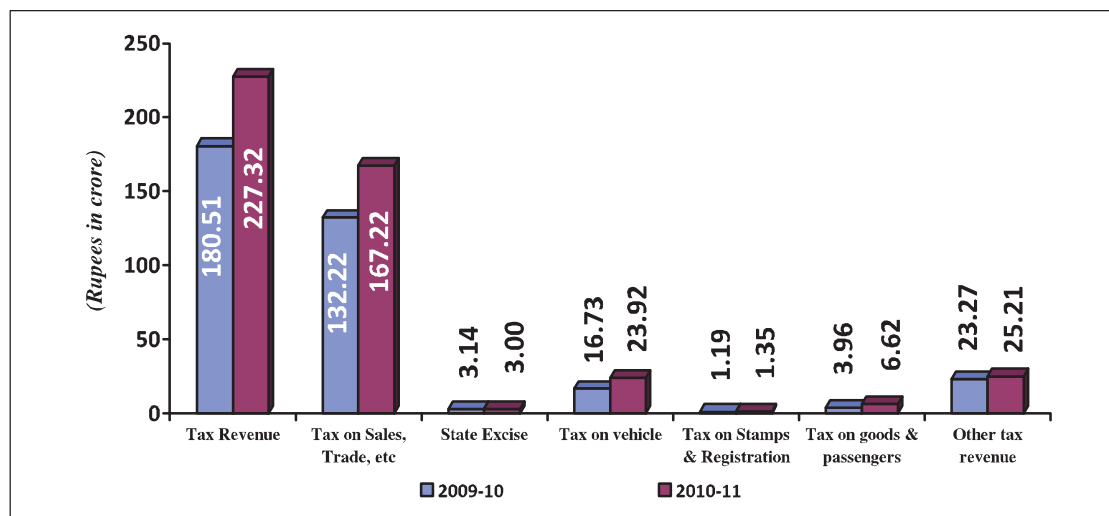
Grants-in-aid from Government of India have increased by ₹ 921.20 crore (30.92 *per cent*) from ₹ 2978.87 crore in 2009-10 to ₹ 3900.07 crore in 2010-11 contributing 78 *per cent* of the total Revenue Receipts during 2010-11. This increase was due to enhanced grants for non-plan grants (₹ 1197.42 crore) offset by decrease in Grants for State Plan Schemes (₹ 104.68 crore), Grants for Central Plan Scheme (₹ 135.85 crore), Centrally Sponsored Plan Schemes (₹ 26.57 crore) and Grants for Special Plan Schemes (₹ 9.12 crore).

1.5.1 State's Own Resources

As the State's share in Central taxes and Grants-in-aid are determined on the basis of recommendations of the Finance Commission, collection of Central tax receipts and Central assistance for plan schemes etc, the State's performance in mobilization of additional resources should be assessed in terms of its own resources comprising revenue from its own tax and non-tax sources. **Appendix 1.3** presents the gross collection in respect of major taxes and duties as well as the components of non-tax receipts vis-à-vis budget estimates, the expenditure incurred on their collection and the percentage of such expenditure to the gross collection during the years from 2006-07 to 2010-11. **Appendix 1.6 A & B** also presents the component-wise tax and non-tax revenue for the years 2006-11.

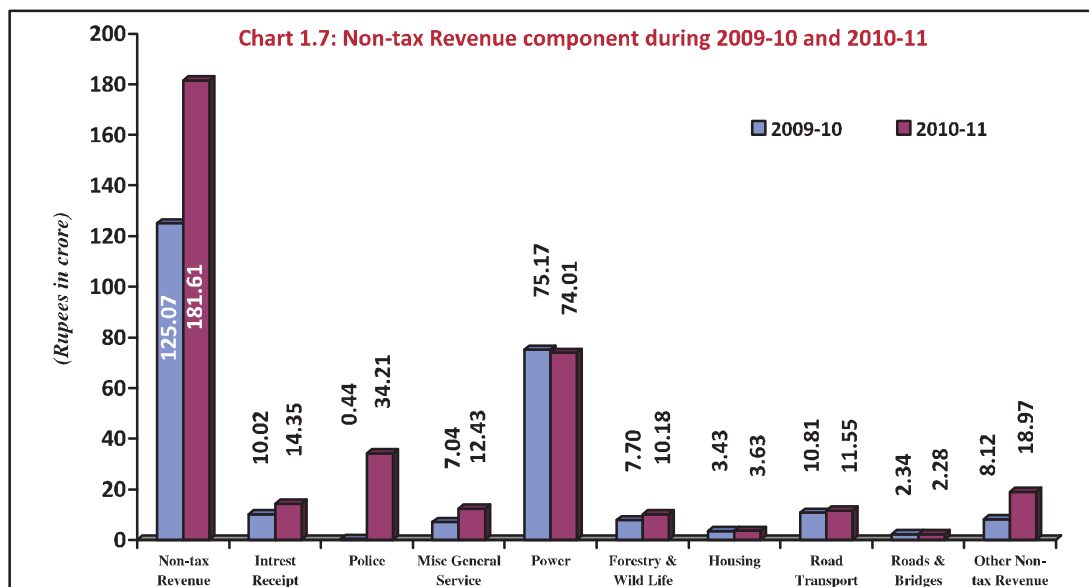
Tax Revenue

Chart 1.6 : Tax Revenue component during 2009-10 and 2010-11 (Rupees in crore)



The tax revenue increased by ₹ 46.81 crore (25.93 *per cent*) from ₹ 180.51 crore in 2009-10 to ₹ 227.32 crore in 2010-11. The major contribution to the State's tax revenue during the year were sales tax (₹ 167.22 crore), Taxes on Vehicles (₹ 23.92 crore) and Tax on Goods and Passengers (₹ 6.62 crore).

The increase in sales tax revenue by ₹ 35.00 crore from ₹132.22 crore in 2009-10 to ₹ 167.22 crore in 2010-11 was mainly on account of contribution of VAT representing around 74.77 *per cent* of incremental tax revenue of the State during the year.



The major contributors in the non-tax revenue during the year included Power (₹ 74.01

crore), Road Transport (₹ 11.55 crore), Miscellaneous General Services (₹12.43 crore), Forestry and Wildlife (₹ 10.18 crore), Housing (₹ 3.63 crore) and Roads and Bridges (₹ 2.28 crore). Increase in Non Tax Revenue (NTR) in 2010-11 (₹ 56.54 crore) over the previous year was mainly on account of Police (₹ 33.77 crore), Miscellaneous General Services (₹ 5.39 crore) and Interest Receipts (₹ 4.33 crore).

1.5.2 Cost of collection

The gross collection in respect of major revenue receipts, expenditure incurred on collection and the percentage of such expenditure to gross collection during the last three years (2008-09 to 2010-11) along with relevant all India average percentage of expenditure on collection to gross collection for 2009-10 are as follows:

Table 1.11 : Cost of collection

Sl. No	Heads of Revenue	Year	Collection (Rupees in crore)	Expenditure on collection of revenue (Rupees in crore)	Percentage of expenditure on collection	All India average percentages for the year 2009-10
1	Taxes on sales, Trade, etc.	2008-09	114.70	3.41	2.97	0.96
		2009-10	132.22	4.18	3.16	
		2010-11	167.22	5.59	3.34	
2	State Excise	2008-09	3.34	NA	NA	3.64
		2009-10	3.13			
		2010-11	3.00			
3	Taxes on Vehicles	2008-09	14.14	1.97	13.93	3.07
		2009-10	16.73	2.24	13.39	
		2010-11	23.92	3.20	13.38	
4	Stamps and Registration Fees	2008-09	1.01	0.38	37.62	2.47
		2009-10	1.19	0.16	13.45	
		2010-11	1.35	0.25	18.52	

(Source: Finance Accounts and information received from the Headquarters office)

Table 1.11 indicates that the percentage of expenditure on collection in respect of all the components of State's Own Tax revenue except State Excise (the percentage of collection was not available) was much higher than the All India Average cost of collection which indicates that the excess expenditure incurred on collection of revenue might impede the movement towards achieving a healthy fiscal path in the State.

1.5.3 Loss of Revenue due to Evasion of Taxes, Write off/Waivers and Refunds

The Sales Tax Department of the State Government furnished a nil report about the evasion of tax, details of tax refunds, write off and waiver of revenue during the year 2010-11.

1.5.4 Revenue Arrears

The Sales Tax Department could not furnish the information about revenue arrears for the year 2010-11. However, the position of arrear revenue and its recovery furnished up to the year 2009-10 are shown in the **Table 1.12** below:

Table 1.12: Position of outstanding Revenue and its recovery

(Rupees in crore)

Head of Revenue	Arrears of revenue as on Apr'09	Addition of arrears revenue during 2009-10	Total	Outstanding revenue recovered during 2009-10	Outstanding arrears at the end of 2009-10	Percentage of recovery
Sales Tax/VAT	12.05	2.78	14.83	2.80	12.03	18.88
Central Sales Tax	3.17	0.16	3.33	0.15	3.18	4.50
Petroleum Tax	1.57	0.05	1.62	0.29	1.33	17.90
Purchase Tax	1.70	-	1.70	0.43	1.27	25.29
Professional Tax	0.22	0.05	0.27	0.12	0.15	44.44
Total	18.71	3.04	21.75	3.79	17.96	17.43

(Source: Information furnished by the State Government)

Arrears of revenue at the end of March 2010 in respect of principal heads of revenue stood at ₹ 17.96 crore, of which ₹ 8.42 crore (46.88 *per cent*) were five to 34 years old. Though arrears of revenue decreased by ₹ 3.79 crore during 2009-10, the percentage of recovery stood at 17.43 *per cent* during 2009-10.

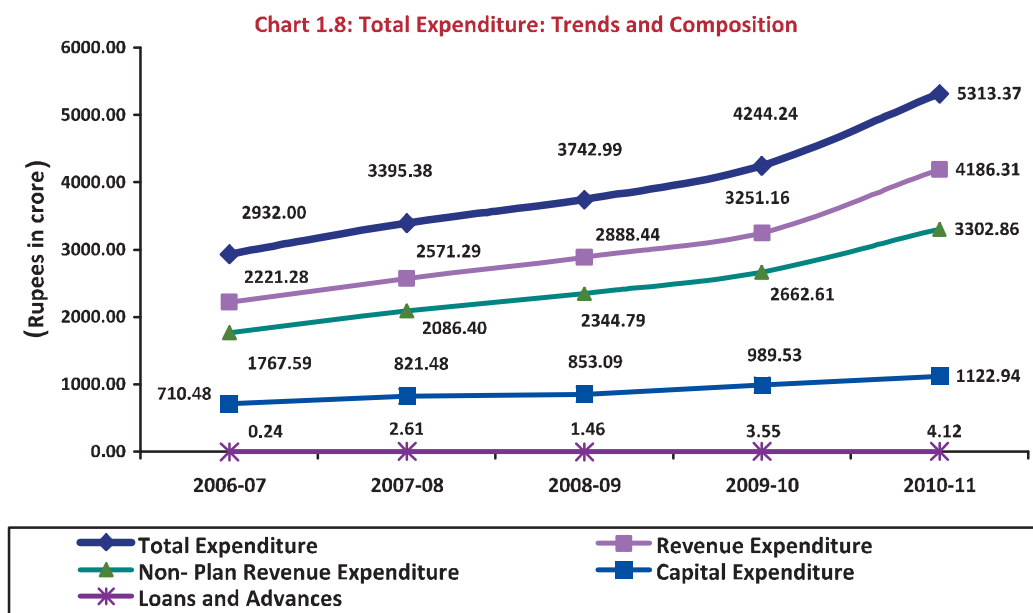
To mitigate the burden of fiscal liability of the State, appropriate steps need to be initiated by the State Government for recovery of revenue arrears of ₹ 17.96 crore up to 2009-10 which constitutes 9.95 *per cent* of the tax revenue of the State for 2009-10.

1.6 Application of resources

Analysis of the allocation of expenditure at the State Government level assumes significance since the Government is entrusted with major expenditure responsibilities. Within the framework of fiscal responsibility legislations, there are budgetary constraints in raising public expenditure financed by deficit or borrowings. It is therefore, important to ensure that the ongoing fiscal correction and consolidation process at the State level is not at the cost of expenditure, especially expenditure directed towards development and social sectors.

1.6.1 Growth and Composition of Expenditure

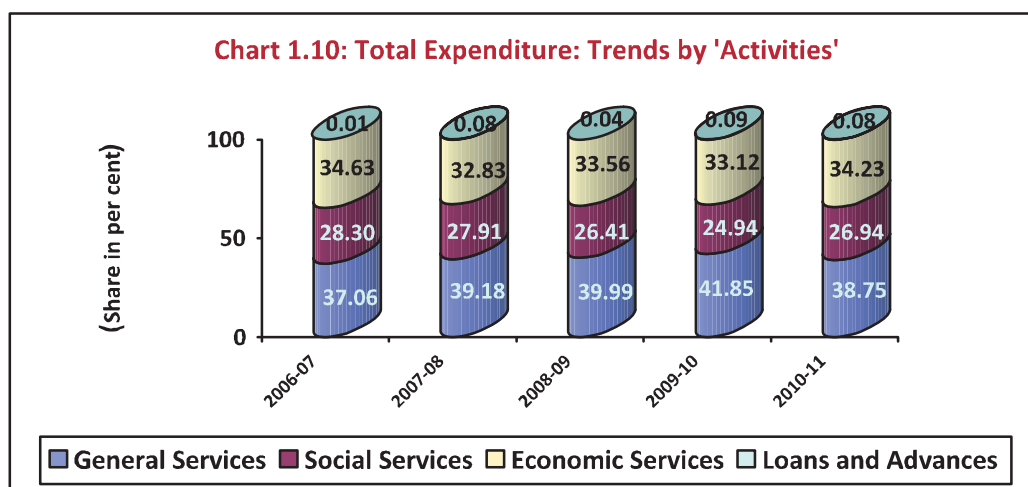
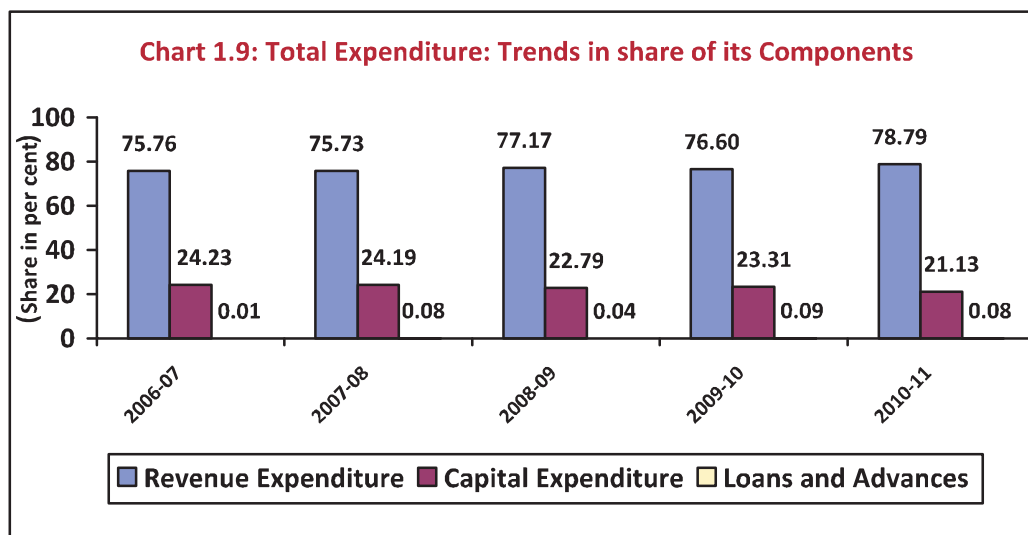
Chart 1.8 presents the trends in total expenditure over a period of five years (2006-11) and its composition both in terms of 'classification of expenditure' and 'expenditure by activities' is depicted respectively in **Charts 1.9 and 1.10**.



Statements 12 & 13 of the Finance Accounts depict the detailed revenue expenditure by minor heads and capital expenditure respectively. States raise resources to perform their sovereign functions, maintain their existing nature of delivery of social and economic services and extend the network of these services through capital expenditure and investments to discharge their debt service obligations. The total expenditure of the State increased from ₹ 2932.00 crore in 2006-07 to ₹ 5313.37 crore in 2010-11.

Total expenditure during 2010-11 at ₹ 5313.37 crore increased by ₹ 1069.13 crore (25.19 per cent) over the previous year. Out of the total expenditure in 2010-11, revenue expenditure was 78.79 per cent (₹ 4186.31 crore) while capital expenditure was 21.13 per cent (₹ 1122.94 crore) and loans and advances was 0.08 per cent (₹ 4.12 crore). The break-up of total expenditure in terms of plan and non-plan reveals that while the share of plan expenditure constituted 37.84 per cent (₹ 2010.41 crore), the remaining 62.16 per cent was non-plan expenditure (₹ 3302.96 crore). The increase in total expenditure during 2010-11 over the previous year was due to increase of revenue expenditure by ₹ 935.15 crore and capital expenditure by ₹ 133.41 crore and disbursement of loans and advances by ₹ 0.57 crore.

The non-plan revenue expenditure (₹ 3302.86 crore) was lower by ₹ 80.04 crore (2.37 *per cent*) during the year as compared to the projection made by the State Government in its Fiscal Consolidation Roadmap (FCR) for 2010-11 (₹ 3382.90 crore). The capital expenditure (₹ 1122.94 crore) was also lower by ₹ 101.16 crore (8.26 *per cent*) as compared to the assessment made by the State Government in its FCR (₹ 1224.10 crore).



The total expenditure, its annual growth rate, the ratio of expenditure to the GSDP and to revenue receipts and its buoyancy with respect to GSDP and revenue receipts are indicated in **Table 1.13**.

Table 1.13: Total expenditure-basic parameters

	2006-07	2007-08	2008-09	2009-10	2010-11
Total Expenditure (TE) (₹ in crore)	2932.00	3395.38	3742.99	4244.24	5313.37
Rate of growth of TE (<i>per cent</i>)	13.72	15.80	10.24	13.39	25.19
TE/GSDP ratio (<i>per cent</i>)	40.40	42.05	41.28	41.06	44.94
RR/TE (<i>per cent</i>)	94.53	88.21	90.83	87.66	94.07
Buoyancy of Total expenditure with reference to:					
GSDP (ratio)	1.35	1.40	0.83	0.96	1.75
Revenue Receipt (ratio)	0.62	1.96	0.76	1.43	0.73
GSDP (Rupees in crore)	7257.09	8075.27	9066.59	10337.83	11823.45
Rate of growth of GSDP (<i>per cent</i>)	10.15	11.27	12.28	14.02	14.37
Revenue Receipt (Rupees in crore)	2771.64	2995.04	3399.79	3718.48	4998.46
Rate of growth of RR (<i>per cent</i>)	22.29	8.06	13.51	9.37	34.42

During the current year, 94.07 *per cent* of the total expenditure was met from revenue receipts and the remaining from capital receipts and borrowed funds.

The General Service expenditure increased by 15.91 *per cent* (₹ 282.53 crore) from ₹ 1776.28 crore in 2009-10 to ₹ 2058.81 crore in 2010-11, Social Services expenditure increased by 35.25 *per cent* (₹ 373.19 crore) and Economic Services increased by 29.36 *per cent* (₹ 412.84 crore).

The pattern of total expenditure in the form of non-plan and plan expenditure during 2010-11 showed that they contributed 62.16 *per cent* and 37.84 *per cent* respectively. The non-plan expenditure increased by ₹ 627.36 crore as compared to the previous year due to increase in revenue expenditure under General Services, Social Services and Economic Services by ₹ 261.84 crore, ₹ 239.29 crore and ₹ 139.12 crore respectively offset by decrease in capital expenditure under General Services and Economic Services by ₹ 12.89 crore.

Plan expenditure increased by ₹ 441.20 crore as compared to the previous year due to increase in revenue expenditure under Social Services by ₹ 112.83 crore, Economic Services by ₹ 184.97 crore, plan capital expenditure under General Services by ₹ 24.00 crore, Social Services by ₹ 21.07 crore and Economic Services by ₹ 101.23 crore offset by decrease in revenue expenditure of ₹ 2.90 crore under General Services.

1.6.2 Trends in total expenditure in terms of activities

In terms of activities, total expenditure could be considered as being composed of expenditure on General Services including interest payments, Social and Economic Services, Grants-in-aid and Loans and Advances.

The expenditure on General Services and Interest Payments, which are considered as non-developmental, together contributed 38.75 *per cent* in 2010-11 as against 41.85 *per cent* in 2009-10 and 37.06 *per cent* in 2006-07. On the other hand, developmental expenditure i.e., expenditure on Social and Economic Services together accounted for 61.17 *per cent* in 2010-11 as against 58.06 *per cent* in 2009-10 and 62.93 *per cent* in 2006-07. This indicates that the non-developmental expenditure had increased by 1.69 *per cent* in 2010-11 as compared to 2006-07 while the developmental expenditure had decreased by 1.76 *per cent* over the same period.

1.6.3 Revenue Expenditure

Revenue expenditure had predominant share varying from 75.73 *per cent* to 78.79 *per cent* of the total expenditure of the State during 2006-11. Revenue expenditure is incurred to maintain the current level of services and payments for the past obligations and as such does not result in any addition to the State's infrastructure and service network.

The revenue expenditure, its rate of growth, the ratio of revenue expenditure to GSDP and to revenue receipts and its buoyancy is indicated in **Table 1.14**.

Table 1.14: Revenue expenditure-basic parameters

	2006-07	2007-08	2008-09	2009-10	2010-11
Revenue Expenditure (RE), of which	2221.28	2571.29	2888.44	3251.16	4186.31
Non-plan Revenue Expenditure (NPRE)	1767.59	2086.40	2344.79	2662.61	3302.86
Plan Revenue Expenditure (PRE)	453.69	484.89	543.65	588.55	883.45
Rate of growth of RE (<i>per cent</i>)	7.85	15.76	12.33	12.56	28.75
Rate of growth of NPRE (<i>per cent</i>)	7.99	18.04	12.38	13.55	24.05
Rate of growth of PRE (<i>per cent</i>)	7.29	6.88	12.12	8.26	50.11
RE as percentage to TE	75.76	75.73	77.17	76.60	78.79
NPRE/GSDP (<i>per cent</i>)	24.36	25.84	25.86	25.76	27.93
NPRE/TE (<i>per cent</i>)	60.24	61.45	62.64	62.73	62.16
NPRE/RR (<i>per cent</i>)	63.77	69.66	68.97	71.60	66.08
Buoyancy of RE with GSDP (ratio)	0.77	1.40	1.00	0.90	2.00
Buoyancy of RE with RR (ratio)	0.35	1.96	0.91	1.34	0.84

Revenue expenditure of the State had increased by ₹ 1965.03 crore (88.46 *per cent*) from ₹ 2221.28 crore in 2006-07 to ₹ 4186.31 crore in 2010-11 at a compound annual growth rate of 13.51 *per cent*. Both non plan revenue expenditure (NPRE) and plan revenue expenditure (PRE) have shown an increase over the period 2006-11. Of the total increase of ₹ 935.15 crore in revenue expenditure during 2010-11 over the previous year, increase in NPRE contributed 68.46 *per cent* (₹ 640.25 crore) while PRE accounted for the remaining 31.54 *per cent* (₹ 294.90 crore). The increase of ₹ 640.25 crore in NPRE

during 2010-11 over the previous year was mainly due to increase in General Education (₹ 140.89 crore), Police (₹ 91.23 crore), Pensions and Other Retirement Benefits (₹ 56.91 crore), Medical and Public Health (₹ 55.41 crore), Power (₹ 51.93 crore), Interest Payments (₹ 31.81 crore) and Public Works (₹ 20.98 crore). The PRE had increased by ₹ 294.90 crore from ₹ 588.55 crore in 2009-10 to ₹ 883.45 crore in 2010-11 mainly due to increase in expenditure under Secretariat-Economic Services (₹ 78.33 crore), General Education (₹ 65.00 crore), Minor Irrigation (₹ 37.48 crore), Social Security and Welfare (₹ 33.55 crore) and Nutrition (₹ 29.43 crore) offset by decrease in Medical and Public Health (₹ 12.86 crore) and Technical Education (₹ 10.71 crore).

The actual non-plan revenue expenditure vis-à-vis assessment made by XIII-FC and State Government are given below:-

Table 1.15: NPRE assessments made by XIII-FC and FCR

	Assessment made by XIII-FC	Assessment made by State Government in FCR	(Rupees in crore) Actual
Non-Plan Revenue Expenditure	2474.11	3382.90	3302.86

The actual NPRE exceeded the normative assessment made by XIII-FC by ₹ 828.75 crore (33.50 *per cent*) but was less than the assessment made by the State in FCR by ₹ 80.04 crore (2.37 *per cent*).

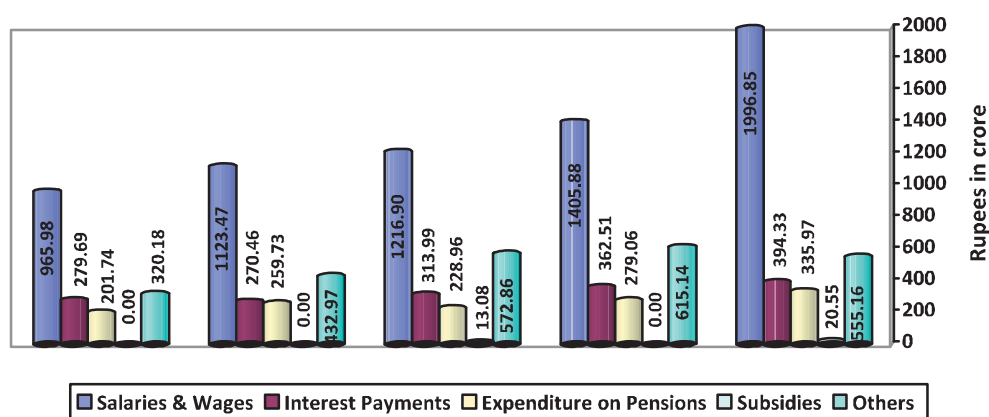
1.6.4 Committed Expenditure

The committed expenditure of the State Government on revenue account mainly consists of interest payments, expenditure on salaries and wages, pensions and subsidies. **Table 1.16** present the trends in the expenditure on these components during 2006-11.

Table 1.16: Components of Committed Expenditure

	2006-07	2007-08	2008-09	2009-10	2010-11
Salaries & Wages, of which	1020.08	1143.25	1249.39	1442.85	2033.93
Non-plan	965.98	1123.47	1216.90	1405.90	1996.85
Plan	54.10	19.78	32.49	36.95	37.08
Interest Payments	279.69	270.46	313.99	362.51	394.33
Expenditure on Pension	201.74	259.73	228.96	279.06	335.97
Subsidies	0.00	0.00	13.08	0.00	20.55
Total	1501.51	1673.44	1805.42	2084.42	2784.78
<i>As per cent of RR</i>					
Salaries & Wages	36.80	38.17	36.75	38.80	40.69
Interest Payments	10.09	9.03	9.24	7.50	7.89
Expenditure on pensions	7.28	8.67	6.73	9.75	6.72
Subsidies	0.00	0.00	0.38	0.00	0.41

Chart 1.11: Share of Committed Expenditure in Non-Plan Revenue Expenditure during 2006-11

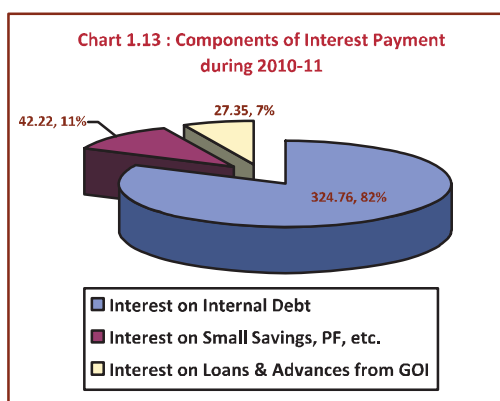
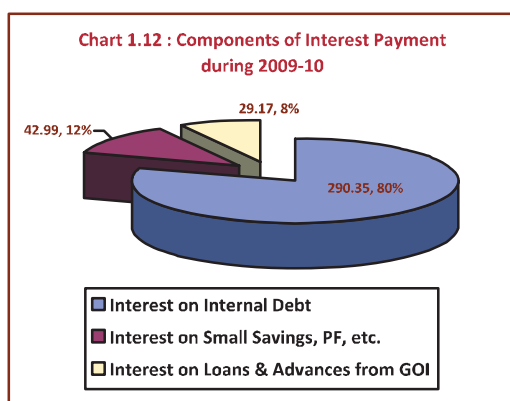


Salaries & Wages:

Expenditure on salaries under Non-Plan and Plan during the current year was ₹ 1996.85 crore and ₹ 37.08 crore respectively. The expenditure on salaries increased by ₹ 1013.85 crore (99.39 per cent) from ₹ 1020.08 crore in 2006-07 to ₹ 2033.93 crore in 2010-11. Expenditure on salaries and wages increased by ₹ 591.08 crore (40.97 per cent) over the previous year mainly due to implementation of Sixth Pay Commission, release of dearness allowance installments and incremental benefits. Salary and wages accounted for 40.69 per cent of the revenue receipts during 2010-11. *Salary expenditure was 58.85 per cent of revenue expenditure, net of interest payment and pension, which was within the ceiling of 61 per cent targeted in Nagaland Fiscal Responsibility and Budget Management (NFRBM) Act.*

Pension Payments:

The expenditure on pension had increased by ₹ 134.23 crore (66.54 per cent) from ₹ 201.74 crore in 2006-07 to ₹ 335.97 crore in 2010-11. The pension payments were ₹ 56.98 crore less than the assessment made by XIII-FC (₹ 392.95 crore) and also ₹ 160.36 crore less than the assessment made by the State Government in its MTFPS (₹ 496.33 crore) for the year 2010-11. The pension payments recorded a growth of 38.31 per cent over the previous year mainly due to introduction of new pension policy by the State Government.

Interest Payments:

Interest payments increased by ₹ 114.64 crore (40.99 *per cent*) from ₹ 279.69 crore in 2006-07 to ₹ 394.33 crore in 2010-11. The interest payments increased by ₹ 31.82 crore during 2010-11 over the previous year due to increase in Internal Debt (₹ 34.41 crore) offset by decrease in Small Savings, Provident Fund etc. (₹ 0.77 crore) and Interest on Loan and Advances from Central Government (₹ 1.82 crore).

The interest payments for the year 2010-11 was lower than the projection made by the State Government in MTFPS (₹ 411.73 crore) but higher than the projections made in XIII-FC (₹ 334.97 crore).

Subsidies:

During 2010-11, the State Government paid subsidy of ₹ 20.55 crore to the Police Department mainly for ration subsidy representing 0.41 *per cent* of revenue receipts.

1.6.5 Financial Assistance by State Government to local bodies and other Institutions

The quantum of assistance provided by way of grants and loans to local bodies and others during the current year relative to the previous years is presented in **Table 1.17**.

Table 1.17: Financial Assistance to Local Bodies etc.

(Rupees in crore)

Financial Assistance to Institutions	2006-07	2007-08	2008-09	2009-10	2010-11
Educational Institutions (Aided Schools, Aided Colleges, Universities, etc.)	2.55	2.40	14.70	18.44	5.50
Co-Operation	...	..	...	0.07	3.44
Municipal councils	0.27	0.27	2.11	1.20	...
Development Agencies	...	29.03	40.34	62.20	26.56
Hospitals and Other Charitable Institutions	8.12	8.73	10.16	10.78	12.59
Old Age Pension Scheme	...	...	...	...	16.67
Other Institutions	23.10	1.41	7.47	6.21	2.72
Total	34.04	41.84	74.78	98.90	67.48
Assistance as percentage of RE	1.23	1.40	2.20	2.66	1.35

The total assistance to local bodies decreased by ₹ 31.42 crore (31.77 *per cent*) from ₹ 98.90 crore in 2009-10 to ₹ 67.48 crore in 2010-11. **Table 1.18** shows that the assistance declined by ₹ 35.64 crore (57.30 *per cent*) from ₹62.20 crore in 2009-10 to ₹ 26.56 crore in 2010-11 in respect of development agencies and ₹ 12.94 crore (70.17 *per cent*) from ₹ 18.44 crore in 2009-10 to ₹ 5.50 crore in 2010-11 in respect of educational institutions.

1.7 Quality of Expenditure

The availability of better social and physical infrastructure in the State generally reflects the quality of its expenditure. The improvement in the quality of expenditure basically involves three aspects, viz., adequacy of the expenditure (i.e. adequate provision for providing public services); efficiency of expenditure use, and, the effectiveness (assessment of outlay-outcome relationships for select services).

1.7.1 Adequacy of Public Expenditure

The expenditure responsibilities relating to social sector and economic infrastructure are largely assigned to State Government. Enhancing human development levels requires the States to step up their expenditure on key social services like education, health, etc. **Table 1.18** analyses the fiscal priority given by the Nagaland Government to various expenditure heads in 2007-08 and the current year viz 2010-11 with regard to developmental expenditure, social sector expenditure and capital expenditure.

Table-1.18: Fiscal priority of the State in 2007-08 & 2010-11

Fiscal priority by the State	AE/GSDP	DE/AE	SSE/AE	CE/AE	Education/AE	Health/AE
Nagaland 2007-08	42.05	60.82	27.91	24.19	13.00	4.38
Nagaland 2010-11	44.94	61.25	26.95	21.13	14.03	4.54

AE: Aggregate Expenditure DE: Developmental Expenditure SSE: Social Sector Expenditure

CE: Capital Expenditure

Developmental expenditure includes Developmental Revenue Expenditure, Developmental Capital Expenditure and Loans and Advances disbursed.

(Source: For GSDP, the information was collected from the State's Directorate of Economics and Statistics)

The AE to GSDP ratio of the Government of Nagaland had increased by 2.89 *per cent* from 42.05 *per cent* in 2007-08 to 44.94 *per cent* in 2010-11. The DE to AE also marginally increased by 0.43 *per cent* whereas, SSE to AE and CE to AE declined by 0.96 *per cent* and 3.03 *per cent* respectively as compared to 2007-08. Further, the expenditure on the health sector as proportion of aggregate expenditure was only 4.54 *per cent* in 2010-11.

1.7.2 Efficiency of Expenditure Use

In view of the importance of public expenditure on developmental heads from the point of view of social and economic development, it is important for the State Governments to take appropriate expenditure rationalisation measures and lay emphasis on provision of core public and merit goods⁶. Apart from improving the allocation towards developmental expenditure⁷, particularly in view of the fiscal space being created on account of decline in debt servicing in recent years, the efficiency of expenditure use is also reflected by the ratio of capital expenditure to total expenditure (and/or GSDP) and proportion of revenue expenditure being spent on operation and maintenance of the existing social and economic services. The higher the ratio of these components to total expenditure (and/or GSDP), the better would be the quality of expenditure. While **Table 1.19** presents the trends in developmental expenditure relative to the aggregate expenditure of the State during the current year vis-à-vis budgeted and the previous years, **Table 1.20** provides the details of capital expenditure and the components of revenue expenditure incurred on the maintenance of the selected social and economic services.

Table-1.19: Developmental Expenditure

Components of Developmental Expenditure	2006-07	2007-08	2008-09	2009-10	(Rupees in crore)	
					2010-11	
					BE	Actual
Developmental Expenditure (a to c)	1845.39 (62.94)	2065.21 (60.82)	2246.10 (60.01)	2467.96 (58.15)	3065.58	3254.56 (61.25)
a. Developmental Revenue Expenditure	1201.83 (40.99)	1378.83 (40.61)	1540.70 (41.16)	1668.46 (39.31)	2165.19	2344.67 (44.13)
b. Developmental Capital Expenditure	643.32 (21.94)	683.77 (20.14)	703.94 (18.81)	795.95 (18.75)	899.99	905.77 (17.05)
c. Developmental Loans and Advances	0.24 (0.01)	2.61 (0.08)	1.46 (0.04)	3.55 (0.09)	0.40	4.12 (0.08)

Figures in parentheses indicate percentage to aggregate expenditure

The developmental expenditure (₹ 3254.56 crore) exceeded the assessment made by the State Government in the budget by ₹ 188.98 crore. The developmental revenue and capital expenditure increased by ₹ 676.21 crore (40.53 per cent) and ₹ 109.82 crore (13.80 per cent) respectively over the previous year. The increase in developmental revenue expenditure was mainly under Education, Sports, Art & Culture (₹ 198.40 crore), Health & Family Welfare (₹ 43.88 crore), Water Supply, Sanitation, Housing & Urban Development (₹ 22.75 crore), Social Welfare & Nutrition (₹ 74.06 crore), Agriculture & Allied Activities (₹ 60.30 crore), Energy (₹ 52.91 crore), Rural Development (₹ 35.83 crore), Special Area Programmes (₹ 20.75 crore), Irrigation & Flood Control (₹ 42.28 crore) and General Economic Services (₹ 90.73 crore).

⁶ As detailed in Appendix 1.1 C

⁷ The analysis of expenditure data is disaggregated into developmental and non-developmental expenditure. All expenditure relating to Revenue Account, Capital Account and Loans and Advances are categorised into social services, economic services and general services. Broadly, the social and economic services constitute developmental expenditure, while expenditure on general services is treated as non-developmental expenditure.

Table 1.20: Efficiency of Expenditure Use in Selected Social and Economic Services

(In per cent)

Social/Economic Infrastructure	2009-10		2010-11	
	Ratio of CE to TE	In RE, the share of S&W	Ratio of CE to TE	In RE, the share of S&W
Social Services (SS)				
General Education	2.62	81.23	6.51	78.84
Health and Family Welfare	10.97	80.89	16.36	92.24
WS, Sanitation, & HUD	63.30	27.62	69.10	67.19
Total (SS)	26.92	72.32	21.38	70.63
Economic Services (ES)				
Agri & Allied Activities	9.93	47.97	12.51	48.14
Irrigation and Flood Control	2.43	14.85	1.41	13.70
Power & Energy	29.59	21.25	21.88	24.67
Transport	68.82	76.91	71.69	94.68
Total (ES)	36.34	36.77	32.97	37.10
Total (SS+ES)	32.30	53.25	27.87	53.20

TE: Total Expenditure of respective section; CE: Capital Expenditure; RE: Revenue Expenditure; S&W: Salaries and Wages

Table 1.20 shows that the ratio of CE to TE under General Education increased by 3.89 *per cent*, Health and Family Welfare 5.39 *per cent* and Water Supply, Sanitation, Housing and Urban Development 5.80 *per cent*. The ratio of CE to TE under Social Services and Economic Services decreased from 26.92 *per cent* and 36.34 *per cent* in 2009-10 to 21.38 *per cent* and 32.97 *per cent* in 2010-11 respectively.

The share of salary and wages on General Education under Social service was 78.84 *per cent* of its revenue expenditure and on Health & Family Welfare and Water Supply Sanitation, Housing & Urban Development the share was 92.24 *per cent* and 67.19 *per cent* respectively. The percentage of salary and wages relative to its revenue expenditure on Social Services was 1.69 *per cent* lower than the previous year.

The salary and wage expenditure in terms of percentage of revenue expenditure under Economic Services was higher by 0.33 *per cent* over the previous year.

The percentage of salary and wage expenditure relative to revenue expenditure under Social and Economic Services taken together was lower by 0.05 *per cent* during 2010-11 over the previous year.

1.8 Effectiveness of Expenditure, i.e Outlay-Outcome Relationship

During 2008-10, three performance reviews on the effectiveness of expenditure and the outcomes thereof were attempted and featured in the Audit Reports. Of the three performance reviews, two were discussed in Public Accounts Committee meetings. The results of such performance reviews are summarised below:

(a) Modernisation of Police Force

The scheme 'Modernisation of Police force' was implemented in the State without a long term perspective plan as envisaged in guidelines and distribution of vehicles was skewed in favour of Headquarters/officers to the detriment of the field units. Though the State was declared 'A' category being maximum security threat by the Government of India, the Department had not endeavoured to gear up its weaponry to face the threat. The satellite based integrated Police Communication Network and Common Integrated Police Application system were not functioning in the State and forensic science laboratory was not functioning in a modern environment. The training and housing needs of the force had not been adequately addressed by the Department and there was lack of monitoring and evaluation mechanism.

(Paragraph 1.1 of Audit Report 2008-09)

PAC recommendations

- The Home (Police) Department and PHQ should prepare a long-term prespective plan coherently but not as a list of items. It should also be submitted on time.
- The Department should have a well-thought-out-plan and strategies on proper deployment of all departmental vehicles so that all units, especially field units are provided with enough vehicles in working condition to enable prompt response during any law and order situations etc.
- The Department may apprise the Committee whether it deems fit to continue with the installation process of the POLNET Project or to terminate it and whether any other hi-tech communication systems are available?
- The Department should take proper measures to phase out obsolete arms and ammunitions and fully implement the modernisation process without unnecessary delay in order to enhance the striking capabilities of the State Police Force.
- The Committee while observing that the Forensic Science Laboratory Division plays a major role in settling of crime cases, recommended that the Division should be strengthened with both modern equipment and trained personnel, so that Forensic Science Laboratory Division functions in systematic and proper manner.
- There should be no needless delay in imparting training to women police. A feedback system should be initiated in order to facilitate the new recruits to give their comments on the pros and cons of training imported.
- The Home Department and PHQ should give due importance to modernisation and the Chief Secretary being the head of the State Level

Empowered Committee (SLEC) should make efforts to hold meetings at least on a quarterly basis if not on a monthly basis.

Action taken by the Government on the recommendations of the Public Accounts Committee, if any, is yet to be communicated to Audit.

(b) Implementation of Irrigation Schemes

The minor irrigation projects were implemented in the State without adequate planning leading to non-completion/abandonment of projects. Water charges were not collected from the users to meet the operation and maintenance cost of the projects. The records of the Department were also not reliable as projects stated to be completed were found to be incomplete/abandoned during physical verification of the sites. Hence, neither was impact assessment of the projects on agriculture undertaken by the Department nor could it be ascertained in audit. Besides, there were several cases of fictitious, doubtful and unfruitful expenditure on the projects apart from inadequate monitoring of the implementation both at the State and Central Government levels. These issues indicate that irrigation projects in the State were not implemented efficiently.

(Paragraph 1.2 of Audit Report 2008-09)

PAC recommendation

- Before DPRs are being submitted to GOI/NABARD, all necessary documents and briefing on all matters should be co-ordinated amongst the Departments.
- The Department should release bills only after proper joint verification by the Executive Engineer of concerned Division and Village Council Chairman & Head G. B. of the user villages/Associations about the status of the work.
- The services of surveyors should be fully utilised for site selection taking the beneficiaries/villagers into confidence and also taking into account the coverage and impact on agricultural productivity.
- Complicated and controversial projects like Thizuru M.I Project should not be repeated in future.

Action taken by the Government on the recommendations of the Public Accounts Committee, if any, is yet to be communicated to Audit.

1.9 Financial Analysis of Government Expenditure and Investments

In the post-FRBM framework, the State is expected to keep its fiscal deficit (and borrowing) not only at low levels but also meet its capital expenditure/investment (including loans and advances) requirements. In addition, in a transition to complete dependence on market based resources, the State Government needs to initiate measures

to earn adequate return on its investments and recover its cost of borrowed funds rather than bearing the same on its budget in the form of implicit subsidy and take requisite steps to infuse transparency in financial operations. This section presents the broad financial analysis of investments and other capital expenditure undertaken by the Government during the current year vis-à-vis previous years.

1.9.1 Financial result of Irrigation Projects

According to Para 7.46 of XIII Finance Commission Report, the cost recovery rate of the receipts from irrigation should be 25 per cent of Non-plan Revenue Expenditure for 2010-11 in order to ensure viability of Irrigation Projects.

There is no commercial irrigation project in Nagaland. However, 812 minor irrigation projects involving ₹ 257.32 crore were taken up under AIBP during 2003-2011.

Further, according to para 7.138 of XIII-FC report the Controller General of Accounts (CGA) had issued instructions that the maintenance expenditure under the head Minor Irrigation should be divided into two sub heads - Work Charged Expenditure and Other Maintenance Expenditure. These changes should be brought into the State and Union Budget and Finance Accounts immediately. The State Government of Nagaland did not operate such sub-head as yet. Due to non-operation of these sub-heads the State was not able to provide budget provision for maintenance expenditure under the head Minor Irrigation. Against the XIII-FC projection of ₹ 11.07 crore for 2010-11 under minor irrigation projects, the State Government did not incur any maintenance expenditure. Thus, the viability of minor irrigation projects in the State remained un-assessed.

1.9.2 Incomplete projects

The department-wise information pertaining to incomplete projects as on 31 March 2011 is given in **Table 1.21**.

Table 1.21: Department-wise Profile of Incomplete Projects

(Rupees in Crore)

Department	No. of Incomplete Projects	Initial Budgeted Cost	Revised Cost	Cumulative expenditure as on 31.3.2011
PHED	34	33.83	33.83	26.68
PWD	15	185.66	185.66	80.48
Veterinary	2	0.31	0.31	0.25
CAWD	1	1.13	1.13	0.75
Youth Resources	2	18.38	18.38	14.00
Total	54	239.31	239.31	122.16

(Source: Finance Accounts and Departmental records)

There were 54 incomplete projects (estimated cost ₹ 239.31 crore and actual expenditure incurred ₹ 122.16 crore as of March 2011) pertaining to 5 departments which were due to be completed by March 2011 but remained incomplete as of January 2012.

Delay in completion of works invites the risk of escalation in the cost of the works. The actual cost overrun would be available on closure of the claims of the construction agencies after completion. Besides, due to delay in completion of the projects, the intended benefits from those projects did not reach the beneficiaries in the State. Thus, works need to be completed in time to contain time and cost overruns.

1.9.3 Investment and returns

As on 31 March 2011, Government had invested ₹ 213.41 crore in Statutory Corporations, Rural Banks, Joint Stock Companies and Co-operatives (**Table 1.22**). The average return on this investment was 'Nil' during the last five years while the Government paid an average interest rate of 7.68 *per cent* on its borrowings during 2006-2011.

Table-1.22: Return on Investment

	<i>(Rupees in crore)</i>				
Investment/Return/Cost of Borrowings	2006-07	2007-08	2008-09	2009-10	2010-11
Investment at the end of the year (a-e) (₹ in crore)	119.84	141.90	164.94	192.09	213.41
(a) Joint Stock Companies	24.66	28.66	32.10	32.10	32.10
(b) Government Companies	69.27	81.16	100.76	127.91	145.60
(c) Statutory Corporations	0.04	0.04	0.04	0.04	0.04
(d) Rural Banks	0.00	0.00	0.00	0.00	0.00
(e) Co-operatives	25.87	32.04	32.04	32.04	35.67
Return (₹ in crore)	...	...	...	...	...
Return (<i>per cent</i>)	...	...	...	...	...
Average rate of interest on Govt borrowing (<i>per cent</i>)	8.30	7.28	7.43	7.27	7.68
Difference between interest rate and return (<i>per cent</i>)	8.30	7.28	7.43	7.27	7.68

Out of the total Government investment of ₹ 213.41 crore at the close of the current year, ₹ 145.60 crore was invested in six Government companies, ₹ 32.10 crore in two Joint Stock Companies and the remaining amount of ₹ 35.71 crore was invested in Statutory Corporations, Co-operative Bank and Co-operative Societies etc. During the current year, the Government made additional investment of ₹ 21.32 crore in these State public sector Undertakings and Co-operatives.

A Government company viz., Nagaland Sugar Mills Ltd. (₹ 7.29 crore-investment) and a Joint Stock Company, Nagaland Paper and Pulp Corporation (₹ 6.33 crore-investment) were closed down, while three Government Corporations- Nagaland Industrial Development Corporation Ltd. (₹ 8.39 crore), Nagaland Industrial Raw Materials & Supply Corporation Ltd., (₹ 4.05 crore) and Nagaland Handloom & Handicrafts

Development Corporation Ltd., (₹ 2.82 crore) were incurring losses. Since the accounts of Nagaland State Mineral Development Corporation Ltd., (₹ 59.28 crore) are outstanding from 1988-89, the actual financial status of the company as of March 2011 could not be assessed.

A performance-based system of accountability should be put in place in the Government Companies/Statutory Corporations so as to increase profitability and improve efficiency in service. The Government should ensure better value for money in investments by identifying the Companies/Corporations which are endowed with low financial but high socio-economic returns and see if high cost borrowings need to be invested in those Companies/Corporations.

1.9.4 Loans and advances by State Government

In addition to investments in Co-Operative Societies, Corporations and Companies, Government has also been providing loans and advances to many institutions/organisations. **Table 1.23** presents the outstanding loans and advances as on 31 March 2011 and interest receipts vis-à-vis interest payments during the last three years.

Table-1.23: Average Interest Received on Loans Advanced by the State Government

Quantum of loans/interest receipts/ cost of borrowings	2008-09	2009-10	(Rupees in crore)	
			2010-11	
			BE	Actual
Opening Balance	25.74	24.64	23.99	23.99
Amount advanced during the year	1.46	3.55	6.22	4.12
Amount repaid during the year	2.56	4.20	4.00	2.31
Closing Balance	24.64	23.99	26.21	25.80
Net addition	(-)1.11	-0.65	-	1.81
Interest Receipts	1.04	0.39	-	0.46
Interest receipts as <i>per cent</i> to outstanding loans and advances	4.13	1.60	-	1.85
Interest payments as <i>per cent</i> to outstanding fiscal liabilities of the State Government.	7.43	7.27	-	7.68
Difference between interest payments and interest receipts (<i>per cent</i>)	(-)3.21	(-)5.67	-	(-)5.83

At the end of March 2011, the Government had outstanding loans and advances of ₹ 25.80 crore. The amount of loans disbursed during the year increased by ₹ 0.57 crore from ₹ 3.55 crore in 2009-10 to ₹ 4.12 crore in 2010-11. Out of the total amount of loans and advances of ₹ 25.80 crore as on 31 March 2011, ₹ 18.97 crore (73.53 *per cent*) were for Agriculture and Allied Activities, ₹ 2.16 crore (8.37 *per cent*) for Industry and Mineral, ₹ 4.62 crore (17.91 *per cent*) to Government Servants and ₹ 0.05 crore (0.19 *per cent*) for Water Supply, Sanitation, Housing and Urban Development.

The recovery of loans and advances decreased by ₹ 1.89 crore (45 *per cent*) from ₹ 4.20 crore in 2009-10 to ₹ 2.31 crore in 2010-11. During 2010-11, 61.90 *per cent* (₹ 1.43 crore) loans were repaid by Government Servants, 36.80 *per cent* (₹ 0.85 crore)

by Co-operatives and remaining 1.30 *per cent* (₹ 0.03 crore) by Water Supply, Sanitation, Housing and Urban Development.

The interest received as compared to the percentage of outstanding loans increased from 1.60 *per cent* in 2009-10 to 1.85 *per cent* in 2010-11, which was far less than the interest paid by the Government on its own borrowings (7.68 *per cent*).

1.9.5 Cash Balances and Investment of Cash balances

Table 1.24 depicts the cash balances and investments made by the State Government out of cash balances during the year.

Table-1.24: Cash Balances and Investment of Cash balances

Particulars	(Rupees in crore)		
	As on 1 April 2010	As on 31 March 2011	Increase/Decrease
Cash Balances	102.55	100.08	(-)2.47
Investments from Cash Balances (a to d)	612.12	580.38	(-)31.74
a. GOI Treasury Bills	311.05	273.82	(-)37.23
b. GOI Securities	...	...	...
c. Other Securities, if any specify	...	...	...
d. Other Investments	301.07	306.56	5.49
Funds-wise Break-up of Investment from Earmarked balances (a to c)	89.77	122.40	32.63
a. Guarantee redemption fund Investment Account	3.00	4.00	1.00
b. CRF Investment Account	15.68	22.31	6.63
c. Sinking Fund Investment Account	71.09	96.09	25.00
Interest Realized	7.87	12.90	5.03

The State Government's net cash balance at the end of current year amounted to ₹ 100.08 crore, a decrease of ₹ 2.47 crore over the previous year. Investments from cash balances decreased by ₹ 31.74 crore from ₹ 612.12 crore in 2009-10 to ₹ 580.83 crore in 2010-11. This was mainly due to increase in Sinking Fund Account (₹ 25.00 crore) offset by decrease in investment in Treasury bills (₹ 37.23 crore). An amount of ₹ 12.90 crore was realised during the year as interest on the amount invested, an increase of ₹ 5.03 crore from the previous year. The interest received against Investment on Cash Balance was around two *per cent* during 2010-11 while Government paid interest at the rate of 7.68 *per cent* on its borrowing during the year.

1.10 Assets and Liabilities

1.10.1 Growth and composition of Assets and Liabilities

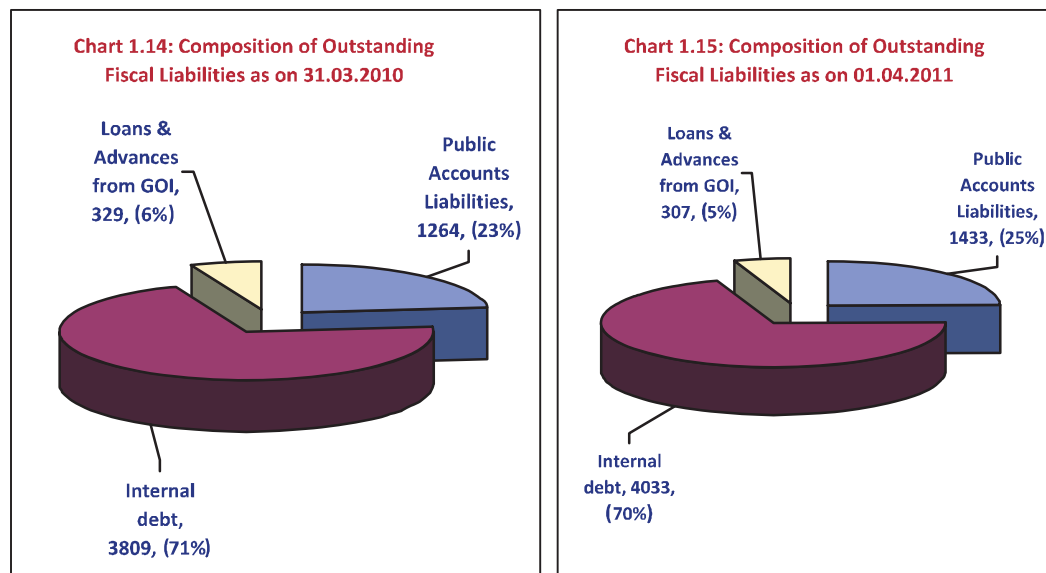
In the existing Government accounting system, comprehensive accounting of fixed assets like land and buildings owned by the Government is not done. However, the Government

accounts do capture the financial liabilities of the Government and the assets created out of the expenditure incurred. **Appendix 1.4 B** gives an abstract of such liabilities and the assets as on 31 March 2011, compared with the corresponding position on 31 March 2010. While the liabilities in this Appendix consist mainly of internal borrowings, loans and advances from the GOI, receipts from the Public Account and Reserve Funds, the assets comprise mainly the capital expenditure and loans and advances given by the State Government and cash balances.

‘Total liabilities’ as defined in Nagaland Fiscal Responsibility and Budget Management Act, 2005 means the liabilities under the Consolidated Fund of the State and the Public Accounts of the State. Other liabilities, which are a part of the Public Accounts, include deposits under Small Savings scheme, Provident Fund and Other Deposits.

1.10.2 Fiscal Liabilities

The trends in outstanding fiscal liabilities of the State are presented in **Appendix 1.3**. However, the composition of fiscal liabilities during the current year vis-à-vis the previous year is presented in **Charts 1.14** and **1.15**.



The growth rate of fiscal liability was 6.87 *per cent* during 2010-11 over the previous year. Fiscal Liabilities of the State comprise Consolidated Fund Liabilities and Public Account Liabilities. The Consolidated Fund Liability (₹ 4340.16 crore) comprised market loan (₹ 3106.90 crore), loans from Government of India (₹ 306.60 crore) and other loans (₹ 926.66 crore). The Public Account Liabilities (₹ 1432.79 crore) comprise Small Saving, Provident Fund (₹ 574.01 crore), interest bearing obligations (₹ 0.17 crore) and non-interest bearing obligations like deposits and other earmarked funds (₹ 858.61 crore). The ratio of fiscal liabilities to GSDP had decreased from

52.25 *per cent* in 2009-10 to 48.83 *per cent* in 2010-11. These fiscal liabilities stood at nearly 1.15 times the revenue receipts and 14.12 times of the State's own resources at the end of 2010-11. The fiscal liabilities to GSDP (48.83 *per cent*) was 13.97 *per cent* lower than the assessment made by State Government in its Medium Term Fiscal Policy Statement (MTFPS) (62.80 *per cent*) and 7.97 *per cent* lower than the norm of 56.80 *per cent* recommended by the XIII-FC for the year 2010-11.

1.10.3 Status of Guarantees – Contingent liabilities

Guarantees are liabilities contingent on the Consolidated Fund of the State in case of default by the borrower for whom the guarantee has been extended. As per NFRBM Act 2005, the State Government set up a guarantee redemption fund in 2006-07 and decided to charge guarantee fees at the rate of 1 *per cent* of GSDP to cover the risk in the guarantees. During the year 2010-11 there was a balance of rupees one crore in the guarantee redemption fund investment account.

As per **Statement 9** of the Finance Accounts, the maximum amount for which guarantees were given by the State and outstanding guarantees for the last three years is given in **Table 1.25**.

Table-1.25: Guarantees given by the Government of Nagaland

Guarantees	(Rupees in crore)	
	2009-10	2010-11
Total amount of guarantees given up to	53.72	55.22
Outstanding amount of guarantees at the end of the year	53.72	55.22
Percentage of maximum amount guaranteed to total revenue receipts	1.44	1.10
Outstanding amount of guarantee as percentage of GSDP	0.50	0.47

The outstanding guarantees increased by ₹ 1.50 crore (2.79 *per cent*) from ₹ 53.72 crore in 2009-10 to ₹ 55.22 crore in 2010-11. The outstanding guarantees of ₹ 55.22 crore mainly pertained to Nagaland Sugar Mills Company Limited, Dimapur 52.35 *per cent* (₹ 28.91 crore) for repayment of principal and payment of interest on loan obtained from the Industrial Finance Corporation of India (NIDC). The outstanding guarantees were 1.10 *per cent* of the revenue receipts of the Government.

It is pertinent to note that if the liabilities arising out of the outstanding guarantees are added to the fiscal liabilities of the State Government at the close of the current year, the ratio of total liabilities to GSDP would increase to 49.29 *per cent* from the existing 48.83 *per cent*.

1.10.4 Off - Budget Borrowings

The State Government had no off-budget borrowings during the year. As per the recommendations of the XIII-FC, the State Government had set up a Sinking Fund for amortisation of market borrowings as well as other loans and debt obligations during 2010-11. Contribution to the Sinking Fund was ₹ 16.17 crore as of March 2011 and the entire amount of the fund was invested.

1.11 Debt Sustainability

Apart from the magnitude of debt of State Government, it is important to analyse various indicators that determine the debt sustainability of the State. This section assesses the sustainability of debt of the State Government in terms of debt stabilisation; sufficiency of non-debt receipts⁸; net availability of borrowed funds; burden of interest payments (measured by interest payments to revenue receipts ratio) and maturity profile of State Government securities. **Table 1.26** analyses the debt sustainability of the State according to these indicators for a period of five years beginning from 2006-07.

During 2010-11, Government raised internal debt of ₹ 410.99 crore and other obligations of ₹ 52.36 crore. Government repaid internal debt of ₹ 166.08 crore, GOI loans of ₹ 22.88 crore and other obligations of ₹ 72.20 crore along with interest of ₹ 394.33 crore resulting in net decrease in debt receipts by ₹ 192.14 crore during the year.

Table 1.26: Debt Sustainability: Indicators and Trends

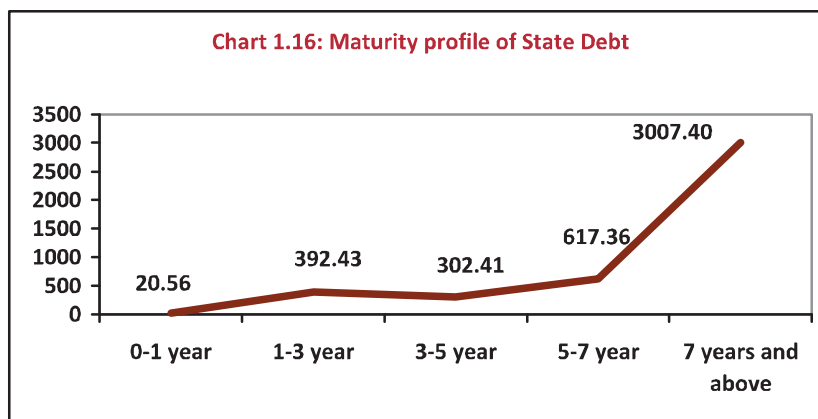
<i>(Rupees in crore)</i>					
Indicators of Debt Sustainability	2006-07	2007-08	2008-09	2009-10	2010-11
Debt Stabilization (Quantum Spread + Primary Deficit)	189.41	28.03	195.05	205.59	467.94
Sufficiency of Non-debt Receipts (Resource Gap)	150	(-)241	57	(-)182	209
Net Availability of Borrowed Funds	113.18	152.59	374.71	469.44	(-)18.58
Burden of Interest Payments (IP/RR Ratio) (in per cent)	10.09	9.03	9.23	9.75	7.89
Maturity Profile of State Debt (In Years)					
0 – 1	-	-	293.90(09)	274.60(6)	20.56(1)
1 – 3	-	-	317.86(10)	551.94(13)	392.43(9)
3 – 5	-	-	476.51(15)	303.74(7)	302.41(7)
5 – 7	-	-	296.00(09)	596.65(13)	617.36(14)
7 and above	-	-	1870.95(57)	2685.62(61)	3007.40(69)
Total			3255.22	4412.55	4340.16

Figures in the parenthesis indicate percentage to total debt.

It would be seen from the above table that the State is moving towards debt stabilisation as sum of quantum spread together with primary deficit remained positive during the period from 2006-07 to 2010-11 which, if continued would eventually improve the debt sustainability position of the State.

⁸ As detailed in Appendix-1.1 C

The persistent negative non-debt receipts (Resource Gap) indicate the non-sustainability of debt while the positive resource gap strengthens the capacity of the State to sustain the debt. The resource gap which was negative during 2009-10 (₹ 182 crore), turned into positive in 2010-11 (₹ 209 crore). This meant that the State did not depend on borrowed funds for meeting current revenue and capital expenditure.



As per data shown in **Table 1.26**, out of the total debt burden of ₹ 4340.16 crore, there will be a bunching of repayments in around 1-3 years time (₹ 392.43 crore) and 3-5 years time (₹ 302.41 crore) as well as 5-7 years time (₹ 617.36 crore). A well thought out debt repayment strategy will ensure that no additional borrowings which mature in these critical years are undertaken.

1.12 Fiscal Imbalances

Three key fiscal parameters - revenue, fiscal and primary deficits - indicate the extent of overall fiscal imbalances in the finances of the State Government during a specified period. The deficit in the Government accounts represents the gap between its receipts and expenditure. The nature of deficit is an indicator of the prudence of fiscal management of the Government. Further, the ways in which the deficit is financed and the resources raised applied are important pointers to its fiscal health. This section presents trends, nature, magnitude and the manner of financing these deficits and also the assessment of actual levels of revenue and fiscal deficits vis-à-vis targets set under FRBM Act/Rules for the financial year 2010-11.

1.12.1 Trends in Deficits

Charts 1.17 and 1.18 present the trends in deficit indicators over the period 2006-11.

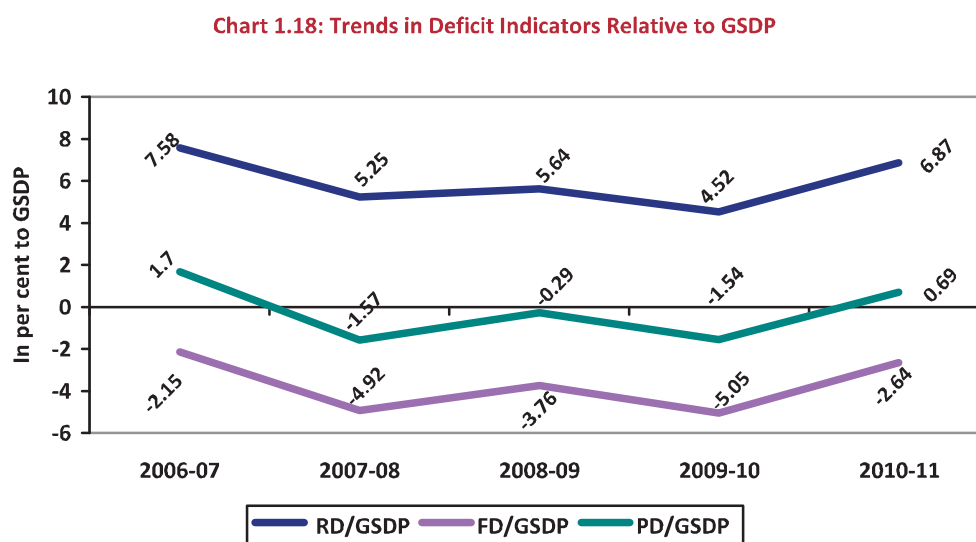
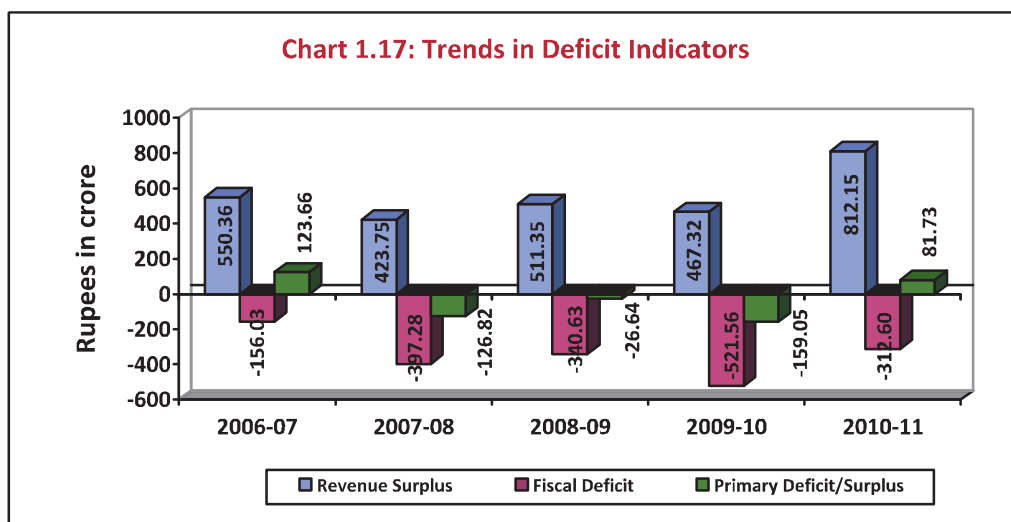


Chart 1.17 reveals that the revenue account experienced a surplus of ₹ 812.15 crore during 2010-11, an increase from ₹ 550.36 crore in 2006-07. However, the significant improvement in revenue account during the current year as compared to the previous year was mainly on account of increase in revenue expenditure by ₹ 935.15 crore

(28.76 per cent) against an increase of revenue receipts by ₹ 1279.98 crore (34.42 per cent) over the previous year.

Due to the increase in revenue surplus along with a marginal decrease of ₹ 1.89 crore in non-debt capital receipts accompanied by an increase of ₹ 133.41 crore in capital expenditure including loans & advances disbursement ₹ 0.57 crore during 2010-11 over the previous year, the fiscal deficit decreased by ₹ 208.96 crore during the current year from the level of ₹ 521.56 crore in 2009-10.

The primary deficit also turned into primary surplus from deficit of ₹ 159.05 crore in 2009-10 to surplus of ₹ 81.73 crore in 2010-11. The increase in primary surplus was due to decrease of fiscal deficit (₹ 208.96 crore) and increase of interest payment (₹ 31.82 crore) during the current year.

1.12.2 Composition of Fiscal deficit and its financing Patterns

The financing pattern of the fiscal deficit has undergone a compositional shift as reflected in **Table 1.27**.

Table 1.27: Components of Fiscal Deficit and its Financing Pattern

(Rupees in crore)

	Particulars	2006-07	2007-08	2008-09	2009-10	2010-11
Decomposition of Fiscal Deficit		156 (2.15)	397 (4.92)	341 (3.76)	522 (5.05)	313 (2.65)
1	Revenue Deficit/Surplus	550	424	511	467	812
2	Net Capital Expenditure	710	821	853	990	1123
3	Net Loans and Advances	-4	...	-1	-1	2
Financing Pattern of Fiscal Deficit						
1	Market Borrowings				568	236
2	Loans from GOI				-38	-23
3	Special Securities Issued to National Small Savings Fund				3	17
4	Loans from Financial Institutions				178	-28
5	Small Savings, PF etc				23	89
6	Deposits and Advances				277	80
7	Suspense and Misc				-147	41
8	Remittances				-350	-102
9	Increase (-) Decrease (+) in Cash Balances				8	3
10	Others				...	...

Figures in brackets indicate the per cent to GSDP.

Fiscal deficit is the total borrowing of the State and is the excess of revenue expenditure and capital expenditure including loans and advances over revenue and non-debt receipts. Decomposition of fiscal deficit reveals the extent of various borrowings resorted to by the State to meet its requirement of funds over and above revenue and non-debt receipts.

It can be seen from **Table 1.27** that during 2010-11, the revenue surplus increased by ₹ 345 crore from ₹ 467 crore in 2009-10 to ₹ 812 crore in 2010-11 thereby affecting the extent of fiscal deficit which could be financed by revenue surplus.

The fiscal deficit decreased by ₹ 209 crore from ₹ 522 crore in 2009-10 to ₹ 313 crore in 2010-11 mainly due to decrease in Market Borrowings (₹ 332 crore), Deposits and Advances (₹ 197 crore) offset by increase in Capital expenditure (₹ 133 crore) and Loans from Financial Institutions (₹ 206 crore).

The increase in capital expenditure indicated that borrowed funds were being allocated for productive use. The solution to the Government debt problem lies on the actual outcome of borrowed funds i.e., whether they are being used efficiently and productively for capital expenditure which either provides returns directly or results in increased productivity to the economy which may result in increase in Government revenue in future, making debt payments manageable.

1.12.3 Quality of Deficit/Surplus

The ratio of revenue deficit to fiscal deficit and the decomposition of primary deficit into primary revenue deficit and capital expenditure (including loans and advances) would indicate the quality of deficit in the State's finances. The ratio of revenue deficit to fiscal deficit indicates the extent to which borrowed funds were used for current consumption. Further, persistently high ratio of revenue deficit to fiscal deficit also indicates that the asset base of the State was continuously shrinking and borrowings (fiscal liabilities) were not having any asset backup. The bifurcation of the primary deficit (**Table 1.28**) would indicate the extent to which the deficit/surplus had been on account of enhancement in capital expenditure which may be desirable to improve the productive capacity of the State's economy.

Table 1.28: Primary deficit/surplus – Bifurcation of factors

(Rupees in crore)

Year	Non-debt receipts	Primary revenue expenditure	Capital expenditure	Loans and Advances	Primary expenditure ¹⁰	Primary revenue surplus	Primary deficit (-) /surplus (+)
1	2	3	4	5	6 (3+4+5)	7 (2-3)	8 (2-6)
2006-07	2776	1942	710	...	2652	836	124
2007-08	2998	2301	821	3	3125	697	(-)127
2008-09	3402	2574	853	1	3428	828	(-)26
2009-10	3723	2889	990	4	3883	834	(-)160
2010-11	5001	3792	1123	4	4919	1209	82

The non-debt receipts of the State during 2006-11 were sufficient to meet the primary revenue expenditure. The non-debt receipts increased by 80 *per cent* from ₹ 2776 crore in 2006-07 to ₹ 5001 crore in 2010-11 while the primary revenue expenditure increased by 95 *per cent* from ₹ 1942 crore in 2006-07 to ₹ 3792 crore in 2010-11. During this period (2006-11) capital expenditure grew by 58 *per cent*. The State had a primary deficit during

⁹ Primary revenue expenditure is revenue expenditure net of the interest payments.

¹⁰ Primary expenditure of the State, defined as the total expenditure net of the interest payments indicates the expenditure incurred on the transactions undertaken during the year.

2007-08 to 2009-10 which however, turned to primary surplus during the year (₹ 82 crore).

1.13 Conclusion

The fiscal position of the State viewed in terms of the key fiscal parameters during 2010-11 revealed that the State's revenue surplus had increased by ₹ 344.83 crore while the fiscal deficit had declined by ₹ 208.96 crore and the primary deficit had turned into primary surplus by a margin of ₹ 240.78 crore in 2010-11 relative to the previous year.

During 2010-11, 92 *per cent* of the total revenue came from the Government of India as Central transfers (14 *per cent*) and grants-in-aid (78 *per cent*). The State achieved the total revenue collection targets fixed by the XIII-FC during 2010-11.

During 2010-11, non-plan revenue expenditure was ₹ 828.75 crore (33.50 *per cent*) more than the XIII-FC normative assessment. The expenditure on salary was 58.85 *per cent* of revenue expenditure, net of interest payment and pensions, which was within the ceiling of 61 *per cent* targeted in NFRBM Act.

The State should have adequate incremental non-debt receipts to cover the incremental interest liabilities and incremental primary expenditure. The debt sustainability could also be significantly facilitated if the incremental non-debt receipts could meet the incremental interest burden and the incremental primary expenditure. During 2010-11, the non-debt receipts were sufficient and therefore, the State recorded a positive resource gap of ₹ 209 crore.

The overall fiscal liabilities of the State increased at a compound annual growth rate of 10.19 *per cent* during 2006-11. The fiscal liabilities increased by ₹ 371 crore (6.87 *per cent*) from ₹ 5402 crore in 2009-10 to ₹ 5773 crore in 2010-11. The committed liabilities for the State projected by the XIII-FC was 56.80 *per cent* of GSDP for the year 2010-11. Against this, the committed liabilities of the State was 48.83 *per cent* which was well within the projections.

The Government had invested ₹ 213.41 crore in Statutory Corporations, Rural Banks, Joint Stock Companies and Co-operatives at the end of March 2011. The average return on this investment was NIL during the last five years while the Government paid an average interest rate of 7.68 *per cent* on its borrowing during 2010-11.

The State Government's net cash balance at the end of 2010-11 was ₹ 100.08 crore which had decreased by ₹ 2.47 crore over the previous year. The interest received on investment of cash balance during 2010-11 was 2.22 *per cent* while the State Government paid interest at the rate of 7.68 *per cent* on its borrowing during the year.

There were 54 incomplete projects (estimated cost ₹ 239.31 crore and actual expenditure incurred ₹ 122.16 crore as of March 2011) pertaining to 5 departments which were due to be completed by March 2011 but remained incomplete as of January 2012. Delay in completion of works invites the risk of escalation in the cost of the works. The actual cost overrun would be available on closure of the claims of the construction agencies after completion. Besides, due to delay in completion of the projects, the intended benefits from those projects did not reach the beneficiaries in the State.

Chapter II

Financial Management and Budgetary Control

2.1 Introduction

2.1.1 Appropriation Accounts are accounts of the expenditure, voted and charged, of the Government for each financial year compared with the amounts of the voted grants and appropriations charged for different purposes as specified in the schedules appended to the Appropriation Acts. These Accounts list the original budget estimates, 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 management of finances and monitoring of budgetary provision and are therefore complementary to Finance Accounts.

2.1.2 Audit of appropriations by the Comptroller and Auditor General of India seeks to ascertain whether the expenditure actually incurred under various grants is within the authorisation given under the Appropriation Act and that the expenditure required to be charged under the provision of the Constitution is so charged. It also ascertains whether the expenditure so incurred is in conformity with the law, relevant rules, regulations and instructions.

2.2 Summary of Appropriation Accounts

The summarised position of actual expenditure during 2010-2011 against 82 grants/appropriations is given in **Table 2.1**.

Table 2.1: Summarised Position of Actual Expenditure vis-à-vis Original/Supplementary provision
(Rupees in crore)

	Nature of expenditure	Original grant/appropriation	Supplementary grant/appropriation	Total	Actual expenditure	Saving (-)/Excess (+)
Voted	I Revenue	3973.20	274.39	4247.59	3794.53	(-) 453.06
	II Capital	1282.79	127.50	1410.29	1122.94	(-) 287.35
	III Loans and Advances	6.28	0.00	6.28	4.12	(-) 2.16
	Total Voted	5262.27	401.89	5664.16	4921.59	(-) 742.57
Charged	IV Revenue	448.23	2.27	450.50	432.42	(-) 18.08
	V Capital	0.00	0.00	0.00	0.00	0.00
	VI Public Debt-Repayment	780.55	0.00	780.55	261.16	(-) 519.39
	Total Charged	1228.78	2.27	1231.05	693.58	(-) 537.47
	Appropriation to Contingency Fund (if any)	0.00	0.00	0.00	0.00	0.00
	Grand Total	6491.05	404.16	6895.21	5615.17	(-) 1280.04

The overall saving of ₹ 1280.04 crore was the result of saving of ₹ 1370.59 crore in 61 grants and 5 appropriations under Revenue Section, 33 grants and 1 appropriation (Public Debt-Repayments) under Loan Section, offset by excess of ₹ 90.55 crore in 13 grants under Revenue Section and 8 grants under Capital Section.

The savings/excess (Detailed Appropriation Accounts) were intimated in September 2011 to the Controlling Officers requesting them to explain the significant variations. Besides regular reminders, separate meetings were also held with the Controlling Officers of each department by the Senior Deputy Accountant General (Accounts and Entitlement) in which they were again requested to furnish reasons for excess/savings. The reasons for variation were not received (December 2011) in any case except for two departments i.e. State Legislature and Public Health Engineering. The reasons stated (September 2011) by these two departments were non-payment of 'electricity bills' and 'ACP/MACP arrears due to delay in finalisation of the scheme' respectively.

2.3 Financial Accountability and Budget Management

2.3.1 Appropriation vis-à-vis Allocative Priorities

The outcome of the appropriation audit revealed that in 44 cases, savings exceeded ₹ one crore in each case or by more than 20 *per cent* of total provision (**Appendix 2.1**). Against the total savings of ₹ 1280.04 crore, savings of ₹ 1054.03 crore (82.34 *per cent*) occurred in seven grants¹¹ as indicated in **Table 2.2**.

Table 2.2: List of Grants with savings of ₹ 50 crore and above

(Rupees in crore)

Sl. No.	No. and Name of the Grant	Original	Supplementary	Total	Actual Expenditure	Savings
Revenue-Voted						
1	18- Pensions and other Retirement Benefits	496.33	0.00	496.33	335.97	160.36
2	31- School Education	631.95	0.00	631.95	558.82	73.13
3	59- Irrigation and Flood Control	165.94	2.22	168.16	112.53	55.63
Capital-Voted						
4	27-Planning Machinery	120.82	0.00	120.82	55.55	65.27
5	36-Urban Development	152.19	5.75	157.94	53.32	104.62
6	60-Water Supply Schemes	104.26	0.00	104.26	28.63	75.63
Capital-Charged						
7	75-Servicing of Debt	780.55	0.00	780.55	261.16	519.39
	Total	2452.04	7.97	2460.01	1405.98	1054.03

The reason for savings had not been intimated by any Department (December 2011).

2.3.2 Persistent Savings

There were persistent savings of more than ₹ 50 lakh in each case and also by 10 *per cent* or more of the total grant in seven cases during the last five years (**Table 2.3**).

¹¹ Exceeding ₹ 50 crore in each case.

Table 2.3: List of Grants indicating Persistent Savings during 2006-2011

(Rupees in crore)

Sl. No.	No. and Name of the grant	Amount of savings				
		2006-07	2007-08	2008-09	2009-10	2010-11
	Capital-Voted					
1	27-Planning Machinery	49.67	121.36	118.85	256.99	65.27
2	35- Medical, Public Health and Family Welfare	9.90	7.93	37.61	14.23	5.49
3	36- Urban Development	14.97	17.07	60.37	116.83	104.62
4	39- Tourism	3.88	1.00	0.60	22.73	2.84
5	45- Co-operation	8.76	11.94	14.71	28.34	1.26
6	55- Power Projects	52.99	66.63	18.28	30.61	27.73
7	65- State Council of Education Research and Training	1.53	4.06	1.20	1.46	0.85

The reasons for persistent savings had not been intimated (December 2011).

2.3.3 Expenditure without Provision

As per the Budget Manual, expenditure should not be incurred on a scheme/service without provision of funds. It was however, noticed that expenditure of ₹ 23.10 crore was incurred in 11 cases as detailed in **Table 2.4** without any provision in the original estimates/supplementary demand and without any re-appropriation orders to this effect.

Table 2.4: Expenditure incurred without provision during 2010-11

(Rupees in crore)

Number and Name of		Amount of Expenditure without provision	Reasons/ Remarks
Grants	Head of Account		
40-Employment and Training	4250-203-03-Strengthening of existing ITI Buildings and construction of New Buildings for ITI	1.37	Not indicated
42-Rural Development	2501-01-800-02-IREP	1.01	Not indicated
43-Social Security and Welfare	2235-02-104-03-National Family Benefit Scheme	2.90	Not indicated
50-Animal Husbandry and Dairy Development	2403-101-04-Disease Investigation Unit	1.06	Not indicated
58-Roads and Bridges	3054-80-799-01-Stock(Dr)	0.08	Not indicated
58-Roads and Bridges	3054-80-799-03-Misc. Advance (Dr)	0.01	Not indicated
60-Water Supply Schemes	2215-01-799-02-Stock(Dr)	13.24	Not indicated
62-Civil Administration Works	4059-80-051-62-Construction (CAWD)	3.14	Not indicated
64-Housing	4059-80-051-Construction	0.14	Not indicated
64-Housing	4059-80-051-24- Others	0.04	Not indicated
68-Police Engineering Project	2055-800-03-Repairs and Maintenance	0.11	Not indicated
Total		23.10	

2.3.4 Drawal of funds to avoid lapse of budget grant

As per provision of Central Treasury Rules read with Rule 290 of Financial Rules, no money shall be drawn from the treasury unless it is required for immediate disbursement. In respect of the cases mentioned below the amounts drawn were neither fully spent for

the specific purposes nor remitted to Government Account before closure of financial year 2010-2011.

Information in this regard, during the year 2010-11 was called for (November 2011) from 49 departments. However, only 7 departments furnished (December 2011) the information which showed that an amount of ₹ 50.14 crore remained undisbursed in respect of 6 departments as shown below:

Table 2.5: List of Grants indicating funds drawn to avoid lapse of budget grant

(Rupees in crore)

Sl. No	Number and name of Grants	Amount drawn during 2010-11	Amount remaining undisbursed
1.	14-Director General of Prisons	0.53	0.53
2.	31-School Education	5.34	5.34
3.	60-Public Health Engineering Department	6.78	6.78
4.	62-Civil Administration Works Department	5.53	5.53
5.	70-Horticulture	7.00	7.00
6.	77-Development of Underdeveloped Areas	36.43	24.96
Total		61.61	50.14

The above funds were drawn to avoid lapse of budget grant in violation of rules and regulations.

2.3.5 Excess over provision relating to previous years requiring regularisation

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, the regularisation of excess expenditure is done after the completion of discussion of the Appropriation Accounts by the Public Accounts Committee (PAC). However, except 2002-05 the excess expenditure amounting to ₹ 384.53 crore for the years 2000-01 to 2009-10 is yet to be regularised (**Appendix 2.2**).

2.3.6 Excess over provision during 2010-2011 requiring regularisation

Appendix 2.3 contains the summary of total excess in 17 grants amounting to ₹ 90.55 crore over authorisation from the Consolidated Fund of the State during 2010-2011 requiring regularisation under Article 205 of the Constitution.

2.3.7 Excess expenditure over approved provision by more than ₹1 crore or 20 per cent of the total provision.

Expenditure aggregating ₹ 989.25 crore in 10 cases exceeded the approved provision by ₹ 88.89 crore which is more than one crore or 20 *per cent* of the total provision in each case. Details are given in **Table 2.6**.

Table 2.6: Statement of various grants/appropriations where Expenditure was more than ₹ 1 crore each or more than 20 per cent over the total provision

(Rupees in crore)					
Sl. No.	Grant No	Name of the Grant/Appropriation	Total Grant/Appropriation	Expenditure	Percentage of Excess Expenditure
(1)	(2)	(3)	(4)	(5)	(6)
Revenue (Voted)					
1.	35	Medical, Public Health & FW	202.04	204.23	2
2.	43	Social Security & Welfare	123.38	126.13	2
3.	52	Forest, Ecology, Environment & Wild Life	50.92	53.33	5
4.	58	Roads and Bridges	104.94	106.58	2
Capital (Voted)					
5	4	Administration of Justice	30.32	38.72	28
6	22	Civil Supplies	1.23	1.93	57
7	40	Employment and Training	3.03	4.40	45
8	58	Roads and Bridges	313.74	341.89	9
9	62	Civil Administration Works	19.72	44.08	124
10	68	Police Engineering Project	51.04	67.96	33
Total			900.36	989.25	

Government did not furnish any reason/explanation for the excess expenditure (December 2011).

2.3.8 Unnecessary/Excessive/Inadequate supplementary provision

Supplementary provision aggregating ₹ 39.35 crore obtained in 14 cases, ₹ 10 lakh or more in each case, during the year proved unnecessary as the expenditure did not come up to the level of original provision as detailed in **Appendix 2.4**. In 4 cases, supplementary provision of ₹ 83.47 crore proved insufficient by ₹ one crore or above in each case leaving an aggregate uncovered excess expenditure of ₹ 34.73 crore (**Appendix 2.5**).

2.3.9 Excessive/unnecessary re-appropriation of funds

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 or insufficient and resulted in savings of ₹ 265.52 crore in 87 sub-heads. The excess was ₹ 220.20 crore in 64 sub-heads as detailed in **Appendix 2.6**.

2.3.10 Unexplained re-appropriations

According to Financial Rules, reasons for the additional expenditure and the savings should be explained in the re-appropriation statement and specific expressions should be used and expressions such as “based on actual requirements”, “based on trend of expenditure”, etc., should be avoided. However, scrutiny of re-appropriation orders issued by the Finance Department revealed that out of 82 cases, re-appropriation was done in 53 cases (65 per cent) without stating specific reasons for additional expenditure.

2.3.11 Substantial surrenders

Substantial surrenders (the cases where more than 50 per cent of total provision was surrendered) were made in respect of 10 Major Head of Accounts. Out of the total

provision amounting to ₹ 1230.31 crore in these Major Heads, ₹ 814.52 crore (66.20 *per cent*) were surrendered, which included *cent per cent* surrender under one major head (₹ 21.50 crore). The details of such cases are given in **Appendix 2.7**.

2.3.12 Surrender in excess of actual saving

In 3 cases, the amount surrendered (₹ 1 crore or more in each case) was in excess of actual savings indicating lack of or inadequate budgetary control in these departments. As against savings of ₹ 10.54 crore, the amount surrendered was ₹ 14.44 crore resulting in excess surrender of ₹ 3.90 crore. Details are given in **Appendix 2.8**. Departments did not furnish any reason/explanation regarding surrender in excess of actual savings.

2.3.13 Anticipated savings not surrendered

As per Budget Manual, the spending departments are required to surrender the grants/appropriations or portion thereof to the Finance Department as and when the savings are anticipated. At the close of the year 2010-2011, there were 13 grants in which savings occurred but no part of which had been surrendered by the concerned departments. The amount involved in these cases was ₹ 2.07 crore. (**Appendix 2.9**).

An amount of ₹ 114.87 crore being savings in 6 grants, ₹ 2 crore and above in each case, were not surrendered, details of which are given in **Appendix 2.10**. Besides, in 18 cases (surrender of funds in excess of ₹ 10 crore), ₹ 665.06 crore (**Appendix 2.11**) were surrendered on the last two working days of March 2011 indicating inadequate financial control. Thus, these funds could not be utilised for other developmental purposes.

2.3.14 Rush of expenditure

According to Rule 56 of GFR, rush of expenditure in the closing month of the financial year should be avoided. Contrary to this, in respect of 37 grants listed in **Appendix 2.12**, the expenditure exceeded ₹ 10 crore or more than 50 *per cent* of the total expenditure for the year either during the last quarter or during the last month of the financial year.

The expenditure in the month of March/last quarter of the financial year ranged between 50 *per cent* and 100 *per cent* of the total expenditure which indicates lack of effective financial control and violation of financial rules.

2.4 Non-reconciliation of Departmental figures

2.4.1 Pendency in submission of Detailed Countersigned Contingent Bills against Abstract Contingent Bills

As per rule 309 of Central Treasury Rules, every drawing officer has to certify in each abstract contingent bill that detailed bills for all contingent charges drawn by him prior to the first of the current month have been forwarded to the respective controlling officers for countersignature and transmission to the Accountant General (Accounts & Entitlement). The total amount of DCC bills received during the period 2008-11 was only ₹ 10.18 crore against ₹ 32.03 crore drawn on AC bills leading to pendency of DCC bills of ₹ 21.85 crore as on 31 March 2011. Year wise details are given in **Table 2.7**.

Table 2.7: Pendency in submission of detailed countersigned contingent bills against abstract contingent bills

(Rupees in crore)

Year	Amount of AC bills	Amount of DCC bills	DCC bills as percentage of AC bills	Outstanding AC bills
Up to 2008-09	17.24	5.97	34.63	11.27
2009-10	10.13	4.21	41.56	5.92
2010-11	4.66	0.00	0.00	4.66
Total	32.03	10.18	31.78	21.85

As on 31 March 2011, there were 97 unadjusted AC bills involving ₹ 21.85 crore drawn by various Departments. Department-wise pending DCC bills for the year up to 2010-11 are detailed in **Appendix 2.13**.

Non submission of DCC bills for long periods after drawal of AC bills is fraught with the risk of misappropriation and therefore needs to be monitored closely.

2.4.2 Un-reconciled expenditure

As per General Financial Rules, all the Controlling Officers are required to reconcile the receipts and expenditure booked by them every month during the financial year with that recorded in the books of the Accountant General (Accounts & Entitlement). During the year 2010-11, three grants out of 82 Grants involving expenditure of ₹ 26.05 crore were not reconciled by the departments with the expenditure booked in the books of the Accountant General (Accounts & Entitlement). The details are shown below:

Table No 2.8: Grant-wise un-reconciled expenditure

(Rupees in crore)

Grant No.	Name of Department	Expenditure	
		Revenue	Capital
30	Administrative Training Institute	2.17	1.00
37	Municipal Administration	3.09	-
65	SCERT	17.01	2.78
Total		22.27	3.78

2.5 Non-utilisation of funds

The details of funds drawn, its utilisation and funds kept in civil deposit/current bank accounts is presented in the table below.

Table 2.9 : Non-utilisation of funds during the year 2010-11

(Rupees in crore)

Sl No	Name of Department	Amount drawn	Expenditure incurred	Amount kept in civil deposit	Amount kept in current bank account
1	Directorate of Youth resources and Sports	33.10	-	9.39	23.71
2	Directorate of Soil and Water Conservation	1.25	-	1.25	-
3	Executive Engineer, Urban Development	29.95	6.52	9.87	13.56
4	Directorate of Agriculture	251.00	-	251.00	-
5	Registrar of Co-operative Society	9.82	-	9.82	-
6	Directorate of Veterinary & Animal Husbandry	8.96	-	8.96	-
7	Directorate of School Education	5.34	-	5.34	-
8	Chief Engineer, PHED	6.78	-	6.78	-
9	Civil Administration Works Department	5.53	-	5.53	-
10	Directorate of DUDA	36.43	11.47	12.00	12.96
11	Directorate of Horticulture	7.00	-	7.00	-
	Total	395.16	17.99	326.94	50.23

The table above shows that an amount of ₹ 395.16 crore was drawn by 11 departments during the year 2010-11 for implementation of different schemes, construction of office buildings and purchase of vehicle. Out of the amount drawn the departments utilised only an amount of ₹ 17.99 crore (4.55 *per cent*) in the current financial year. The remaining amount was kept in Civil Deposit ₹ 326.94 crore (82.74 *per cent*) and Current Bank Account ₹ 50.23 crore (12.71 *per cent*).

2.6 Outcome of the Review of Selected Grant

A review of Grant No 31 – School Education was conducted mainly to assess the efficiency in the process of budgeting and consequent control of expenditure for both the Revenue and Capital heads during the year 2010-2011.

The Commissioner and Secretary, the Controlling Officer of the School Education Department assisted by the Director of School Education is responsible for the implementation of the Government Policies pertaining to School Education.

The summarised position of budget provision and actual expenditure there against during 2010-2011 in respect of Grant No. 31 is given below:

Table 2.10: Summarised Position of budget provision and actual expenditure*(Rupees in crore)*

Nature of Expenditure	Budget Provision					Actual Expenditure			Saving(-)/ Excess(+)
	Original		Supplementary		Total	Non-Plan	Plan	Total	
	Non-Plan	Plan	Non-Plan	Plan					
Revenue	457.70	174.25	-	-	631.95	453.55	105.27	558.82	(-)73.13
Capital	-	19.70	-	5.61	25.31	-	25.31	25.31	-
Total	457.70	193.95	-	5.61	657.26	453.55	130.58	584.13	(-)73.13

The above table shows that during the year 2010-2011 there was savings of ₹ 73.13 crore representing 12 *per cent* of the total budget provision under revenue expenditure. As per Financial Rules, the spending departments are required to surrender the anticipated savings to the Finance Department as and when occurred. The Department however, surrendered ₹ 44.12 crore during the year 2010-11 out of total savings of ₹ 73.13 crore.

By making unrealistic budget provision, the Department was left with a savings of ₹ 73.13 crore on one hand and by not surrendering the whole of the unspent amount in time, on the other hand, needy departments were deprived from utilising the same through re-appropriation.

An analysis of the expenditure vis-à-vis the budget provision revealed that out of total savings of ₹ 73.13 crore, ₹ 44.12 crore was surrendered. The savings in the revenue account was mainly due to the fact that the Department was unable to spend the Centrally Sponsored Scheme funds of about ₹ 29.00 crore provided for Sarva Shiksha Abhiyan viz. Mid-Day Meal, Adult Education and Language Development.

Audit Review also disclosed persistent savings showing an increasing trend from ₹ 2.10 crore in 2006-07 to ₹ 73.13 crore in 2010-11 as detailed below:

Table 2.11: Persistent savings during 2006-2011*(Rupees in crore)*

Year	Budget			Expenditure			Savings(-) / Excess(+)
	Revenue	Capital	Total	Revenue	Capital	Total	
2006-07	272.88	11.97	284.85	275.82	6.93	282.75	(-) 2.10
2007-08	322.51	8.85	331.36	306.41	5.65	312.06	(-) 19.30
2008-09	336.45	10.61	347.06	330.81	8.53	339.34	(-) 7.72
2009-10	395.94	14.18	410.12	362.90	5.61	368.51	(-) 41.61
2010-11	631.95	25.31	657.26	558.82	25.31	584.13	(-) 73.13

The occurrence of persistent savings which had not been surrendered within the due dates indicates that budgetary control was deficient in the Department.

2.7 Funds for Capital Outlay spent on revenue items

Para 7.79 of Thirteenth Finance Commission Report envisaged that the practice of diversion of plan assistance to meet non-plan needs of special category states were to be discontinued.

Further, Rule 30 of Government Accounting Rules states that expenditure should be classified under heads of Capital Section or Revenue Section of the Consolidated Fund and Expenditure of a Capital nature shall be distinguished from Revenue expenditure both in the Budget Estimates and in Government Accounts.

Rule 31 envisages the allocation between capital and revenue expenditure on a capital scheme as under:-

- (1) The allocation between capital and revenue expenditure on a Capital Scheme for which separate capital and revenue accounts are to be kept shall be determined in accordance with such general or special orders as may be prescribed by the President on the advice of the Comptroller and Auditor General.
- (2) (a) Capital account should bear all charges for the first construction and equipment of a project as well as charges for intermediate maintenance of the work while not yet opened for service. It would also bear charges for such further additions and improvements as may be sanctioned under rules made by competent authority.

Audit scrutiny (November 2010) revealed that the Development Commissioner, Planning and Co-ordination Department, Kohima obtained sanction under Major Head 4059-Capital Outlay on Public Works, Minor Head-051 (27) and drew an amount of ₹ 1.56 crore in eight bills (**Appendix 2.14**) during February 2009 to March 2010 for purchase of office stationery, computer peripherals etc. Scrutiny of the paid vouchers however revealed that out of ₹ 1.56 crore, only ₹ 0.82 crore was incurred on capital expenditure and the remaining ₹ 0.74 crore was incurred on revenue expenditure such as office stationery, repair, maintenance of office buildings etc. The Department also drew ₹ 14.47 lakh twice for procurement of the same materials in different bills by furnishing two separate cash memos.

Thus, appropriation of funds out of Capital Outlay for incurring expenditure of revenue nature was against the cannons of financial propriety and violated the principles of Government Accounting Rules.

The Government in reply (August 2011) stated that the entire expenditure was incurred on capital items of expenditure. But the fact remains that an amount of ₹ 0.74 crore was incurred on revenue expenditure such as stationery, repair, maintenance of buildings etc.

2.8 Conclusion

There was saving of ₹ 1370.59 crore and excess expenditure of ₹ 90.55 crore under 82 grants during 2010-11. This excess expenditure together with an excess expenditure of ₹ 384.53 crore pertaining to 2000-01, 2001-02 & 2005-06 to 2009-10 require regularisation by the Legislature under Article 205 of the Constitution of India. A rush of expenditure was noticed in 37 grants in which expenditure exceeding ₹ 10 crore or more than 50 *per cent* of the total expenditure was incurred in the last quarter of 2010-11 and in some cases in the month of March 2011. There were 97 AC Bills involving ₹ 21.85 crore awaiting adjustment due to non-submission of DCC Bills for long periods and therefore was fraught with the risk of misappropriation.

Chapter III

Financial Reporting

A sound internal financial reporting with relevant and reliable information significantly contributes to efficient and effective governance by the State Government. Compliance with financial rules, procedures and directives as well as the timeliness and quality of reporting on the status of such compliance is thus one of the attributes of good governance. The reports on compliance and controls, if effective and operational, assist the State Government in meeting its basic stewardship responsibilities, including strategic planning and decision making. This Chapter provides an overview and status of the State Government's compliance with various financial rules, procedures and directives during the current year.

3.1 Delay in furnishing utilisation certificates

Financial Rules provide that for the grants provided for specific purposes, Utilisation Certificates (UCs) should be obtained by the departmental officers from the grantees and after verification, these should be forwarded to the Accountant General (Accounts & Entitlement) within 12 months from the date of their sanction unless specified otherwise. However, of the 781 utilisation certificates (UC) in respect of eight departments aggregating ₹ 1584.34 crore paid up to 2010-11, 81 UCs (10.37 *per cent*) for an aggregate amount of ₹ 88.16 crore were in arrears. The department-wise break-up of outstanding UCs is given in **Appendix 3.1**, the age-wise delay in submission of UCs is summarised in **Table 3.1**.

Table 3.1: Age-wise arrears of utilisation certificates

Sl. No.	Range of delay in number of years	(Rupees in crore)			
		Total grants paid		Utilisation certificates outstanding	
		Number of cases	Amount	Number of cases	Amount
1	0 - 1	154	183.90	16	41.76
2	1 - 3	328	1140.07	62	45.55
3	3 - 5	299	260.37	3	0.85
	Total	781	1584.34	81	88.16

In the absence of the certificates it could not be ascertained whether the recipients had utilised the grant for the purpose for which these were given.

3.2 Non-submission/delay in submission of Accounts

In order to identify the institutions which attract audit under Sections 14 and 15 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971, the Government/Head of the Departments are required to furnish to Audit every year detailed

information about the financial assistance given to various Institutions, the purpose of assistance granted and the total expenditure of the Institutions.

46 annual accounts of 15 autonomous bodies/authorities due up to 2010-11 had not been received as of September 2011 by the Accountant General (Audit). The details of these accounts are given in **Appendix 3.2** and their age-wise pendency is presented in **Table 3.2**.

Table 3.2: Age-wise arrears of Annual Accounts due from Government Bodies

Sl. No.	Delay in number of years	No. of the Bodies/ Authorities	Grants received (Rupees in Lakh)
1	1 – 3	8	Not Available
2	3 – 5	4	Not Available
3	5 – 7	3	Not Available

It is seen from the above table that delay in submission of accounts ranged between one and three years in respect of eight bodies/authorities, three and five years in respect of four Bodies/Authorities and between five and seven years in respect of three Bodies/Authorities.

Due to the absence of annual accounts and subsequent audit of these 15 bodies and authorities involving 46 annual accounts, the proper accounting/utilisation of the grants and loans disbursed to these Bodies/Authorities remained unverified. The reasons for non-preparation of the accounts were, however, not intimated.

3.3 Delay in submission of Accounts/Audit Reports of Autonomous Bodies

Several Autonomous Bodies have been set up by the State Government in the field of development of Khadi and Village Industries, State Legal activities, Power and pollution regulations etc. Of these, the audit of accounts of the Nagaland Khadi and Village Industries Board (NKVIB) up to 2010-11 was entrusted to the Comptroller and Auditor General of India under Section 19(3) of the DPC Act. However, the annual account of the Board for the year 2009-10 and 2010-11 due for submission by June 2010 and June 2011 respectively had not been furnished (October, 2011). The status of entrustment of audit, issuance of SAR and its placement in the Legislature are indicated in **Table 3.3**.

Table 3.3: Delay in submission of Accounts and tabling of Separate Audit Reports

Year of SAR	Period of entrustment	Date of issue of SAR	Date of placement in the Legislature	Delay in placement in the Legislature (Years)
2004-05	2000-01 to 2004-05	23.09.09	25.03.2010	-
2005-06	2005-06 to 2009-10	23.09.09	25.03.2010	-
2006-07 to 2007-08	2005-06 to 2009-10	18.12.09	25.03.2010	-
2008-09	--do--	02.08.11	Under process	-
2009-10 to 2010-11	2009-10 to 2013-14	Accounts still awaited from NKVIB despite reminder issued from time to time	-	-

Nagaland Electricity Regularity Commission and Nagaland Hospital Authority was established under the State Legislative Act¹² and the audit of accounts entrusted to the Comptroller and Auditor General of India under Section 104 and 105 of Central Electricity Act 2003 and Rule 14 of notification issued under section 22 of Hospital Authority Bill 2003 by the Government of Nagaland, Health and Family Welfare Department. However, though the annual accounts of these Authorities/Bodies were due for submission to the Accountant General (Audit) every year these had not been furnished despite pursuance.

Further, though five¹³ authorities/bodies furnished their annual accounts upto 2009-10, the same could not be audited due to non receipt of audit entrustment from the State Government.

3.4 Departmental Commercial Undertakings

Activities of quasi-commercial nature are also performed by the departmental undertakings of certain Government departments. The department-wise position of the year up to which proforma accounts is yet to be finalised in these undertakings are given in **Appendix 3.3**. It was noticed that:

As on 31 March 2011, there were eight departmentally managed Government commercial undertakings.

A mention was made in the Report of the Comptroller and Auditor General of India on State Finances for the year 2009-10 about delay in preparation of Proforma accounts of these undertakings. Despite this, accounts were in arrears for periods ranging from three to 31 years as of January 2011.

¹² Nagaland Electricity Regularity Commission (04.03.08), Nagaland Hospital Authority (18.12.03).

¹³ Nagaland Legal Services Authority 2009-10, Nagaland State Pollution Control Board 2007-08, Nagaland State Agricultural Marketing Board 2009-10, Development Authority 2009-10 and Nagaland Board of School Education 2007-08.

The finalised accounts of departmentally managed commercial undertakings reflect their overall financial health and efficiency in conducting their business. In the absence of timely finalisation of accounts, Government's investment remains outside the scrutiny of the Audit/State Legislature. Consequently corrective measures, if any, required could not be taken in time. Besides, the delay also opens the system to risk of fraud and leakage of public money.

3.5 Misappropriation, loss, defalcation, etc.

Rule 20 of General Financial and Accounts Rules Part-I provides that any loss of public money, departmental revenue or receipts, stamps, stores or other property held by or on behalf of Government, caused by misappropriation, fraudulent drawal/payment or otherwise discovered in a treasury, any other office/department shall be reported immediately by the office concerned to the next higher authority as well as to the Accountant General. An attempt was made to collect the information regarding misappropriation, loss, defalcation etc. in all the departments of the State Government. In response, the State Vigilance Commission and the Department of Underdeveloped Areas (DUDA) reported 27 cases of misappropriation, defalcation, etc. involving Government money amounting to ₹ 92.46 crore and 5 theft cases amounting to ₹ 0.17 crore up to the period March 2011 on which final action was pending. The department-wise break up of pending cases and age-wise analysis is given in **Appendix 3.4** and nature of these cases is given in **Appendix 3.5**. The age-profile of the pending cases and the number of cases pending in each category - theft and misappropriation/loss as emerged from these appendices are summarised in **Table 3.4**.

Table 3.4: Profile of Misappropriations, losses, defalcation, etc.

Age-Profile of the Pending Cases			Nature of the Pending Cases		
Range in Years	Number of Cases	Amount Involved (Rupees in lakh)	Nature/Characteristics of the Cases	Number of Cases	Amount Involved (Rupees in lakh)
0 - 5	28	Bifurcation amount of range in years were not provided by the depts. Hence, only the consolidated total is shown	Theft	5	17.19
5 - 10	3		Defalcation	1	460.88
10 - 15	-		Misappropriation/ Loss of material	26	8784.98
15 - 20	1				
Total	32	9263.05	Total Pending cases	32	9263.05

A further analysis indicates the reasons for which the cases were outstanding as detailed in **Table 3.5**.

Table 3.5: Reasons for Outstanding cases of Misappropriation, loss, defalcation, etc.

Reasons for the Delay/Outstanding Pending Cases		Number of Cases	Amount (Rupees in lakh)
i)	Awaiting departmental and criminal investigation	-	-
ii)	Departmental action initiated but not finalised	20	8609.94
iii)	Criminal proceedings finalised but execution of certificate cases for the recovery of the amount pending	-	-
iv)	Awaiting orders for recovery or write off		
v)	Pending in the courts of law	10	641.42
Vi)	Others	2	11.69
Total		32	9263.05

Out of ₹ 92.63 crore, an amount of ₹ 0.31 crore was recovered by three departments. The highest amount of misappropriation and loss amounting to ₹ 54.14 crore involving 9 cases occurred in Education Department, where final action is yet to be taken by the State Government.

3.6 Conclusion

Timely submission of utilisation certificates is a major area of concern. At the end of March 2011, 81 UCs involving an aggregate of ₹ 88.16 crore were pending for submission even after a lapse of one to five years from various departments. Though the accounts of the State Autonomous Bodies and Departmental Commercial Undertakings were over due, these accounts are yet to be submitted. Non-submission of accounts in time disclosed non-compliance of the financial rules. As on 31 March 2011, 27 cases of misappropriation, defalcation etc. involving ₹ 92.46 crore and 5 theft cases involving ₹ 0.17 crore in 16 Departments were pending for finalisation. Cases of misappropriation, defalcation, and theft indicated inadequacy of controls in the departments.



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Appendix – 1.1

(Reference: Page 1)

Part A: Structure and Form of Government Accounts

Structure of Government Accounts: The accounts of the State Government are kept in three parts (i) Consolidated Fund, (ii) Contingency Fund and (iii) Public Account.

Part I : Consolidated Fund

All revenues received by the State Government, all loans raised by issue of treasury bills, internal and external loans and all moneys received by the Government in repayment of loans shall form one consolidated fund titled 'The Consolidated Fund of State' established under Article 266(1) of the Constitution of India.

Part II : Contingency Fund

Contingency Fund of the State established under Article 267(2) of the Constitution is in the nature of an imprest placed at the disposal of the Governor to enable him to make advances to meet urgent unforeseen expenditure, pending authorization by the Legislature. Approval of the Legislature for such expenditure and for withdrawal of an equivalent amount from the Consolidated Fund is subsequently obtained, whereupon the advances from the Contingency Fund are recouped to the Fund.

Part III : Public Account

Receipts and disbursements in respect of certain transactions such as small savings, provident funds, reserve funds, deposits, suspense, remittances etc. which do not form part of the Consolidated Fund, are kept in the Public Account set up under Article 266 (2) of the Constitution and are not subject to vote by the State Legislature.

Appendix – 1.1

(Reference: Page 1)

Part B: Layout of Finance Accounts

Statement	Layout
VOLUME 1	
Statement No.1	Statement of Financial Position
Statement No.2	Statement of Receipts and Disbursements
Statement No.3	Statement of Receipts (Consolidated Fund)
Statement No. 4	Statement of Expenditure (Consolidated Fund), Notes of Accounts.
Appendix I	Cash Flow Statement
VOLUME 2	
PART I	
Statement No.5	Statement of Progressive Capital expenditure
Statement No. 6	Statement of Borrowings and other Liabilities
Statement No. 7	Statement of Loans and Advances given by the Government
Statement No. 8	Statement of Grants-in-aid given by the Government
Statement No. 9	Statement of Guarantees given by the Government
Statement No. 10	Statement of Voted and Charged Expenditure
PART II	
Statement No. 11	Detailed Statement of Revenue and Capital Receipts by minor heads
Statement No. 12	Detailed Statement of Revenue Expenditure by minor heads
Statement No. 13	Detailed Statement of Capital Expenditure
Statement No. 14	Detailed statement of Investments of the Government
Statement No. 15	Detailed Statement of Borrowings and other Liabilities
Statement No. 16	Detailed Statement on Loans and Advances made by the Government
Statement No. 17	Detailed statement on Sources and Application of funds for expenditure other than revenue account
Statement No. 18	Detailed statement of Contingency Fund and other Public Account transactions
Statement No. 19	Detailed statement on Investments of earmarked funds
PART III Appendices	
II	Comparative Expenditure on Salary
III	Comparative Expenditure on Subsidy
IV	Grants-in-aid/Assistance given by the State Government (Institution wise and Scheme wise)
V	Details of Externally Aided Projects
VI	Plan Scheme expenditure (Central and State Plan schemes)
VII	Direct transfer of Central Scheme Funds to implementing agencies in the State.
VIII	Summary of Balances
IX	Financial results of Irrigation Works & Electricity Schemes.
X	Incomplete Works
XI	Statement on Maintenance expenditure of the State
XII	Statement of items for which allocation of balances as a result of re-organisation of States has not been finalized
XIII	Statement showing the detailed information on pensioners and expenditure on Government pensioner
XIV	Statement on accretion and erosion in financial assets held by the Government including those arising out of change in the manner of sending by the government.
XV	Statement containing information on debt and other liabilities as well as repayment schedule

Appendix – 1.1

(Reference: Page 1)

Part C: Methodology Adopted for the Assessment of Fiscal Position

The norms/ceilings prescribed by the XIII-FC for selected fiscal variable along with its projections for a set of fiscal aggregates and the commitments/projections made by the State Government in their Fiscal Responsibility Acts and in other Statements required to be laid in the legislature under the Act (**Part B of Appendix 1.2**) are used to make qualitative assessment of the trends and pattern of major fiscal aggregates. Assuming that GSDP is the good indicator of the performance of the State's economy, major fiscal aggregates like tax and non-tax revenue, revenue and capital expenditure, internal debt and revenue and fiscal deficits have been presented as percentage to the Gross State Domestic Product (GSDP) at current market prices. The buoyancy coefficients for relevant fiscal variables with reference to the base represented by GSDP have also been worked out to assess as to whether the mobilisation of resources, pattern of expenditure etc, are keeping pace with the change in the base or these fiscal aggregates are also affected by factors other than GSDP.

The trends in GSDP for the last five years are indicated below:

Trends in Gross State Domestic Product (GSDP)

	2006-07	2007-08	2008-09	2009-10	2010-11
Gross State Domestic Product (₹ in crore)	7257.09	8075.27	9066.59	10337.83	11823.45
Growth rate of GSDP	10.15	11.27	12.28	14.02	14.37
Source:	The provisional figures of GSDP for 2010-11 furnished by the Director of Economic and Statistics in June 2011.				

The definition of some of the selected terms used in assessing the trends and pattern of fiscal aggregates are given below:

Term	Basis of calculation
Buoyancy of a parameter	Rate of Growth of the parameter/GSDP Growth
Buoyancy of a parameter (X) with respect to another parameter (Y)	Rate of Growth of parameter (X)/ Rate of Growth of parameter (Y)
Rate of Growth (ROG)	$[(\text{Current year Amount}/\text{Previous year Amount}) - 1] \times 100$
Development Expenditure	Social Services + Economic Services
Average interest paid by the State	$\text{Interest Payment} / [(\text{Amount of previous year's Fiscal liabilities} + \text{Current year's Fiscal Liabilities}) / 2] \times 100$
Interest spread	GSDP Growth – Average Interest Rate
Quantum spread	Debt stock* Interest spread
Interest received as <i>per cent</i> to Loans Outstanding	$\text{Interest Received} / [(\text{Opening balance} + \text{Closing balance of Loans and Advances}) / 2] \times 100$
Revenue Deficit	Revenue Receipt – Revenue Expenditure
Fiscal Deficit	Revenue Expenditure + Capital Expenditure + Net Loans and Advances – Revenue Receipts – Miscellaneous Capital Receipts.
Primary Deficit	Fiscal Deficit – Interest payments

Balance from Current Revenue (BCR)	Revenue Receipts minus all plan grants and Non-plan Revenue Expenditure excluding expenditure recorded under the major head 2048 – Appropriation for reduction of Avoidance of debt.
Compound Annual Growth Rate (CAGR)	The compound annual growth rate is calculated by taking the n^{th} root of the total percentage growth rate, where n is the number of years in the period being considered. $\text{CAGR} = \left[\frac{\text{ending value}}{\text{beginning value}} \right]^{\frac{1}{\text{no of years}}} - 1$
GSDP	GSDP is defined as the total income of the State or the market value of goods and services produced using labour and all other factors of production at current prices.
Buoyancy ratio	Buoyancy ratio indicates the elasticity or degree of responsiveness of a fiscal variable with respect to a given change in the base variable. For instance, revenue buoyancy at 0.7 implies that revenue receipts tend to increase by 0.7 percentage points, if the GSDP increases by one per cent.
Core Public and Merit Goods	Core public goods are which all citizens enjoy in common in the sense that each individual's consumption of such goods lead to no subtractions from any other individual's consumption of the goods, e.g. enforcement of law and order, security and protection of our rights; pollution free air, other environmental goods, road infrastructure etc. Merit goods are commodities that the public sector provides free or at subsidized rates because an individual or society should have them on the basis of some concept of need, rather than ability and willingness to pay the Government and therefore wishes to encourage their consumption. Examples of such goods include the provision of free or subsidized food for the poor to support nutrition, delivery of health services to improve quality of life and reduce morbidity, providing basic education to all, drinking water and sanitation, etc.
Debt Sustainability	The Debt sustainability is defined as the ability of the State to maintain a constant debt-GSDP ratio over a period of time and also embodies the concern about the ability to service its debt. Sustainability of debt therefore also refers to sufficiency of liquid assets to meet current or committed obligations and the capacity to keep balance between costs of additional borrowings with returns from such borrowings. It means that rise in fiscal deficit should match with the increase in capacity to service the debt.

Debt Stabilisation	A necessary condition for stability states that if the rate of growth of economy exceeds the interest rate or cost of public borrowings, the debt-GSDP ratio is likely to be stable provided primary balances are either zero or positive or are moderately negative. Given the rate spread (GSDP growth rate- interest rate) and quantum spread (Debt*rate spread), debt sustainability condition states that if quantum spread together with primary deficit is zero, debt-GSDP ratio would be constant or debt would stabilize eventually. On the other hand, if primary deficit together with quantum spread turns out to be negative, debt-GSDP ratio would be rising and in case it is positive, debt-GSDP ratio would eventually be falling.
Non-debt receipts	Adequacy of incremental non-debt receipts of the State to cover the incremental interest liabilities and incremental primary expenditure. The debt sustainability could be significantly facilitated if the incremental non-debt receipts could meet the incremental interest burden and the incremental primary expenditure.
Net availability of borrowed funds	Defined as the ratio of the debt redemption (principal + interest payments) to total debt receipts and indicates the extent to which the debt receipts are used in debt redemption indicating the net availability of borrowed funds.

Appendix – 1.1
(Reference : Page 1)

Part D: State Profile

General Data		
Sl. No	Particulars	Figures
1	Area (in sq. kms.)	16579
2	Population as per 2001 census (In crore)	0.20
3	Density of Population (2001) (per sq. kms.) (All India Average 325 person per sq km)	120
4	Population below poverty line (All India Average 27.5%)	19
5	Literacy (2001) (in per cent) (All India Average 64.8%)	67
6	Infant Mortality (per 1000 live births) (All India Average 53 per 1000 live birth)	26
7	Gross State Domestic Product (GSDP) 2010-11 (₹ in crore)	11823.45
8	GSDP CAGR (2001-02 to 2010-11)	12.05

Appendix – 1.2

(Reference : Para 1.2.1; Page 4)

Part A: Outcome Indicators of the States' Own Fiscal Consolidation Roadmap/Fiscal Correction Path

(Rupees in crore)

	2009-10	2010-11 Pre-actuals	2011-12 BE	2012-13 Projection	2013-14 Projection	2014-15 Projection
A. STATE REVENUE ACCOUNT						
1. Own Tax Revenue	149.58	204.30	221.55	243.71	268.08	294.88
2. Own Non-Tax Revenue (Lotteries net)	116.49	154.29	158.16	173.98	191.37	210.51
3. Own Tax + Non-Tax Revenue (1+2)	266.07	358.59	379.71	417.68	459.45	505.39
4. Share in Central Taxes and Duties	418.68	689.46	828.27	993.92	1192.71	1431.25
5. Plan Grants	1224.72	2349.39	2809.44	3501.22	4087.41	4659.31
6. Non- Plan Grants	1292.30	1764.64	1760.22	1953.93	1925.87	1884.66
7. Total Central Transfer (4 to 6)	2935.70	4803.49	5397.93	6449.08	7205.99	7975.22
8. Total Revenue Receipts (3+7)	3201.77	5162.08	5777.64	6866.76	7665.44	8480.61
9. Plan Expenditure	555.78	946.49	1086.92	1199.26	1319.18	1451.10
10. Non-Plan Expenditure	2117.61	3382.90	3700.26	4566.75	5057.78	5606.74
11. Salary & Wages	1211.97	2036.36	2284.05	2603.82	2916.28	3266.23
12. Pension	310.12	400.00	576.29	556.75	645.83	749.17
13. Interest Payments	359.90	404.86	439.66	479.23	522.36	569.37
14. Subsidies-General						
15. Subsidies Power						
16. Total Revenue Expenditure (9+10)	2673.39	4329.39	4787.18	5766.01	6376.96	7057.84
17. Revenue expenditure net of interest & pension	2003.37	3524.53	3771.23	4730.03	5208.77	5739.30
18. Salary as % of Revenue expenditure net of interest & pension	60.50	57.78	60.57	55.05	55.99	56.91
19. Revenue Surplus/Deficit (8-16)	528.38	832.69	990.46	1100.74	1288.48	1422.77
B CONSOLIDATED REVENUE ACCOUNT:						
1. Power Sector Loss/Profit net of actual subsidy transfer.						
2. Increase in debtors during the year in power utility accounts [increase (-)]						
3. Interest on off budget borrowings and SPV borrowing by PSUs/SPUs						
4. Total (1 to 3)						
5. Consolidated Revenue Deficit (A 19 + B4)	528.38	832.69	990.46	1100.74	1288.48	1422.77
C CONSOLIDATED DEBT:						
1. Outstanding debt & liability	4171.13	5211.67	5637.00	6098.94	6528.99	6996.06
2. Total outstanding guarantee of which (a) guarantee on account of off budgeted borrowing & SPV borrowing	49.00	49.43	54.38	59.82	65.80	72.38
D CAPITAL ACCOUNT						
1. Capital Outlay	722.49	1224.10	1415.38	1561.25	1716.34	1886.79
2. Disbursement of Loans & Advances	6.65	4.38	4.38	4.82	5.31	5.84
3. Recovery of Loans & Advances	4.18	4.00	3.50	3.33	3.16	2.85
4. Other Capital Receipts						
E GROSS FISCAL DEFICIT (GFD) (-B5+D1+D2-D3)	196.58	391.79	425.80	462.00	430.00	467.00
F PRIMARY SURPLUS (+)/ DEFICIT (-) (E-A13)	-163.32	-13.07	-13.86	-17.23	-92.36	-102.37
GSDP (Rs. In Crore) at current Price	10622	11201	12152	13198	14335	15569
Actual/Assumed nominal growth rate (%)	12.50	8.36	8.49	8.61	8.61	8.61
Gross Fiscal Deficit as % of GSDP		3.50	3.50	3.50	3.00	3.00
Total Liabilities –GSDP Ratio (%)		46.97	46.83	46.66	46.01	45.40

Appendix – 1.2
(Reference: Page 1)
Fiscal Responsibility and Budget Management (FRBM) Act, 2005
Part B

The Fiscal Responsibility and Budget Management (FRBM) Act, 2005

The State Government enacted (August 2005) the NFRBM Act, 2005 to ensure prudence in fiscal management and fiscal stability by achieving revenue surplus, reduction in fiscal deficit, prudent debt management consistent with fiscal sustainability, greater fiscal transparency in fiscal operations of the Government and conduct of fiscal policy in a medium term framework. To give effect to the fiscal management principles, the Act prescribed the following fiscal targets for the State Government:

- strive to remain revenue surplus by building up further surplus;
- bring down fiscal deficit to 4 *per cent* of GSDP by the year ending 31 March 2011;
- ensure within a period of 5 years, beginning 1 April 2005 and ending 31 March 2010, that the total debt stock does not exceed 40 *per cent* of the estimated GSDP for that year. However, though the Revenue Surplus was maintained, the Fiscal Deficit could not be contained within 4 *per cent* of GSDP ratio be brought down to 40 *per cent*;
- The exercise on risk-weighting of the Guarantees could not yet be done;
- follow a recruitment and wage policy, where the total salary bill relative to revenue expenditure, net of interest payments and pensions does not exceed 61 *per cent* in any financial year.

Though the NFRBM Act was enacted in August 2005, the rules governing the Act were framed by the Government in February 2007. But the rules did not prescribe any annual target for adjustments in these parameters.

Appendix - 1.3

(Reference: Paragraphs 1.5 & 1.10.2 ; Pages 1, 11 & 33)

Time series data on the State Government finances

(Rupees in crore)

	2006-07	2007-08	2008-09	2009-10	2010-11
Part A. Receipts					
1. Revenue Receipts	2771.64	2995.04	3399.79	3718.48	4998.46
(i) Tax Revenue	119.02(4)	131.37(4)	156.02(5)	180.51(5)	227.32(4)
Taxes on Agricultural Income	-	-	-	-	-
Taxes on Sales, Trade, etc.	85.02(71)	94.79(72)	114.70(74)	132.22(73)	167.22(74)
State Excise	2.13(2)	2.83(2)	3.34(2)	3.14(2)	3.00(1)
Taxes on Vehicles	12.26(10)	12.30(9)	14.14(9)	16.73(9)	23.92(11)
Stamps and Registration fees	1.05(1)	1.02(1)	1.01(1)	1.19(1)	1.35(1)
Land Revenue	0.50(1)	0.50(0)	0.60(0)	0.63(0)	0.59(0)
Taxes on Goods and Passengers	1.69	2.19	2.34(1)	3.96(2)	6.62(3)
Other Taxes	16.37	17.74	19.89(13)	22.64(13)	24.62(10)
(ii) Non Tax Revenue	90.27(3)	118.50(4)	179.45(5)	125.07(3)	181.61(4)
(iii) State's share of Union taxes and duties	316.93(11)	399.77(14)	421.84(12)	434.03(12)	689.46(14)
(iv) Grants in aid from Government of India	2245.42(82)	2345.40(78)	2642.48(78)	2978.87(80)	3900.07(78)
2. Miscellaneous Capital Receipts	0.00	0.00	0.00	0.00	0.00
3. Recoveries of Loans and Advances	4.33	3.06	2.57	4.20	2.31
4. Total Revenue and Non debt capital receipts (1+2+3)	2775.97	2998.10	3402.36	3722.68	5000.77
5. Public Debt Receipts	432.79	405.70	651.54	805.25	463.35
Internal debt (excluding Ways and Means Advances and Overdrafts)	454.33	511.92	667.41	805.25	463.35
Net transactions under Ways and Means Advances and Overdrafts	(-)22.69	(-)95.32	0.00	0.00	0.00
Loans and Advances from Government of India	1.15	(-)10.90	(-)15.87	0.00	0.00
6. Total Receipts in the Consolidated Fund (4+5)	3208.76	3403.80	4053.90	4527.93	5464.12
7. Contingency Fund Receipts	0.00	0.00	0.00	0.00	0.00
8. Public Account Receipts	1131.63	1418.00	1841.41	2373.46	2267.53
9. Total Receipts of the State (6+7+8)	4340.39	4821.80	5895.31	6901.39	7731.65
Part B. Expenditure/Disbursement					
10 Revenue Expenditure	2221.28	2571.29	2888.44	3251.16	4186.31
Plan	453.69(20)	484.89(19)	543.65(19)	588.55(18)	883.45(21)
Non Plan	1767.59(80)	2086.40(81)	2344.79(81)	2662.61(82)	3302.86(79)
General Services (including interest payments)	1019.45(46)	1192.46(46)	1347.74(47)	1582.70(49)	1841.64(44)
Social Services	588.85(27)	656.95(26)	696.76(24)	773.60(24)	1125.72(27)
Economic Services	612.98(27)	721.88(28)	843.94(29)	894.86(27)	1218.95(29)
Grants-in-aid and contributions	0.00	0.00	0.00	0.00	0.00
11. Capital Expenditure	710.48	821.48	853.09	989.53	1122.94
Plan	695.31(98)	809.47(99)	853.08(100)	976.63(99)	1122.93(100)
Non Plan	15.17(2)	12.01(1)	0.01(0)	12.90(1)	0.01(0)
General Services (including interest payments)	67.16(19)	137.72(17)	149.15(18)	193.58(20)	217.17(19)

Social Services	240.95(34)	290.81(35)	291.78(34)	285.02(29)	306.09(27)
Economic Services	402.37(57)	392.95(48)	412.16(48)	510.93(51)	599.68(54)
12. Disbursement of Loans and Advances	0.24	2.61	1.46	3.55	4.12
13. Total (10+11+12)	2932.00	3395.38	3742.99	4244.24	5313.37
14. Repayments of Public Debt	152.13	166.55	205.38	274.60	261.16
Internal Debt (excluding Ways and Means Advances and Overdrafts)	133.83	162.24	199.64	237.25	238.28
Net transactions under Ways and Means Advances and Overdraft	0.00	0.00	0.00	0.00	0.00
Loans and Advances from Government of India	18.30	4.31	5.74	37.35	22.88
15. Appropriation to Contingency Fund	0.00	0.00	0.00	0.00	0.00
16. Total disbursement out of Consolidated fund (13+14+15)	3084.13	3561.93	3948.37	4518.84	5574.53
17. Contingency Fund disbursements	0.00	0.00	0.00	0.00	0.00
18. Public Account disbursements	1175.14	1346.78	1717.75	2374.50	2159.59
19. Total disbursement by the State (16+17+18)	4260.14	4909.69	5667.22	6894.63	7734.12
Part C. Deficits					
20. Revenue Deficit(-)/ Revenue surplus(+) (1-10)*	550.36	423.75	511.35	467.32	812.15
21. Fiscal Deficit(-)/ Fiscal Surplus(+) (4-13)	-156.03	-397.28	-340.63	-521.56	-312.60
22. Primary deficit(-)/Surplus(+) (21+23)	123.66	-126.82	-26.64	-159.05	81.73
Part D. Other data					
23. Interest Payments (included in revenue expenditure)	279.69	270.46	313.99	362.51	394.33
24. Financial assistance to local bodies etc.	34.04	41.84	74.78	98.90	67.48
25. Ways and Means Advances/ Overdraft availed (days)	266.71(12)	367.17(35)	184.58(13)	451.23 (39)	0.00
Ways and Means Advances availed (days)	188.18(7)	297.99(32)	150.69(10)	361.81 (31)	0.00
Overdraft availed (days)	78.53(5)	69.18(3)	33.89(3)	89.42 (8)	0.00
26. Interest on Ways and Means Advances/ Overdraft	0.51	0.56	0.26	0.56	0.00
27. Gross State Domestic Product (GSDP)^(P)	7257.09	8075.27	9066.59(P)	10337.83(Q)	11823.45(A)
28. Outstanding Fiscal liabilities (year end)	3554	3881	4571	5402	5773
29. Outstanding guarantees (year end) (including interest)	NA	NA	NA	53.72	55.22
30. Maximum amount guaranteed (year end)	NA	NA	NA	NA	NA
31. Number of incomplete projects	NA	NA	NA	NA	NA
32. Capital blocked in incomplete projects	NA	NA	NA	NA	NA
Part E. Fiscal Health Indicators					
I Resource Mobilization					
Own tax revenue/GSDP	1.64	1.63	1.72	1.75	1.92
Own non-Tax Revenue/GSDP	1.24	1.47	1.98	1.21	1.54
Central Transfer/GSDP	4.36	4.95	4.65	4.20	5.83
II Expenditure Management					
Total Expenditure/GSDP	40.40	42.05	41.28	41.06	44.94
Total Expenditure/Revenue Receipts	105.79	113.37	110.09	114.14	106.30
Revenue Expenditure/Total Expenditure	75.76	75.73	77.17	76.60	78.79

Expenditure on Social Services/ Total Expenditure	28.30	27.91	26.41	24.94	26.95
Expenditure on Economic services/ Total Expenditure	34.63	32.83	33.56	33.12	34.23
Capital Expenditure/Total Expenditure	24.23	24.19	22.79	23.31	21.13
Capital Expenditure on Social and Economic Services/Total Expenditure.	21.94	20.14	18.81	18.75	17.05
III Management of Fiscal Imbalances					
Revenue deficit (surplus)/GSDP	7.58	5.25	5.64	4.52	6.87
Fiscal deficit/GSDP	-2.15	-4.92	-3.76	-5.05	-2.64
Primary Deficit (surplus)/GSDP	1.70	-1.57	-0.29	-1.54	0.69
Revenue deficit/Fiscal deficit	*	*	*	*	*
Primary Revenue Balance/GSDP	2.81	3.03	3.57	2.86	3.34
IV Management of Fiscal Liabilities					
Fiscal Liabilities/GSDP	48.97	48.06	50.42	52.25	48.83
Fiscal Liabilities/RR	128.23	129.58	134.45	145.27	115.50
Primary deficit vis-à-vis quantum spread	189.41	28.03	195.05	205.59	467.94
Debt Redemption (Principal+Interest)/Total debt Receipts	86.44	79.19	73.48	73.78	132.36
V Other Fiscal Health Indicators					
Return on Investment	0.00	0.00	0.00	0.00	0.00
Balance from Current Revenue (Rs in crore)	-169.27	-190.73	-270.72	-462.14	453.81
Financial assets/Liabilities	1.32	1.39	1.42	1.38	1.49

Figures in brackets represent percentages (rounded) to total of each sub-heading.

@ GSDP figures communicated by the Government adopted. (P): Provisional Estimate, (Q): Quick Estimate & (A): Advance Estimate.

*The State experienced revenue surplus during all the years.

Appendix - 1.4

(Reference: Paragraph 1.1 ; Page 1)

Part A: Abstract of Receipts and Disbursements for the year 2010-11

Receipts				Disbursement						
2009-10			2010-11	2009-10			Non-Plan	Plan	Total	2010-11
		Section A: Revenue								
3718.48	I	Revenue receipts	4998.46	3251.16	I	Revenue expenditure	3302.86	883.45	4186.31	4186.31
180.51		Tax revenue	227.32	1582.70		General services	1834.20	7.44	1841.64	
				773.60		Social services	810.66	315.06	1125.72	
125.07		Non-Tax revenue	181.61	460.80		Education, Sports, Art and culture	519.05	140.14	659.19	
				157.88		Health and Family Welfare	183.09	18.67	201.76	
434.03		State's share of Union Taxes	689.46	31.04		Water Supply, Sanitation, Housing and Urban development	47.48	6.31	53.79	
				12.13		Information and Broadcasting	13.9	5.40	19.33	
1460.86		Non-Plan grants	2658.28	16.32		Welfare of Scheduled Castes, scheduled Tribes and other Backward Classes	0.00	17.79	17.79	
1041.00		Grants for State Plan Schemes	936.32	15.33		Labour and labour Welfare	14.12	4.47	18.59	
				74.02		Social Welfare and Nutrition	25.80	122.28	148.08	
477.01		Grants for Central and Centrally Sponsored plan Schemes	305.47	6.08		Others	7.19	0.00	7.19	
				894.86		Economic Services	658.00	560.95	1218.95	
				266.19		Agriculture and Allied Activities	164.72	161.76	326.48	
				95.81		Rural Development	40.42	91.22	131.64	
				67.50		Special Areas Programmes	3.61	84.64	88.25	
				70.24		Irrigation and Flood Control	15.71	96.82	112.53	
				169.57		Energy	219.96	2.52	222.48	
				59.21		Industry and Minerals	40.73	26.16	66.89	
				117.65		Transport	127.55	1.25	128.80	
				4.56		Science, Technology and environment	1.09	5.93	7.02	
				44.13		General Economic Services	44.21	90.65	134.86	
				0.00		Grants-in-aid and Contributions	0.00	0.00	0.00	
				3252.44		Total	3304.39	883.45	4187.84	
0.00	II	Revenue deficit carried over to section B	0.00	467.32	II	Revenue surplus carried over to Section B				812.15
3718.48		Total	4998.46	3718.48		Total				4998.46

		<i>Section B: Others</i>								
94.50	III	Opening Cash balance including Permanent advances and cash Balance Investment	102.55	0.00	III	Opening Overdraft from Reserve Bank of India				0.00
0.00	IV	Miscellaneous Capital receipts	0.00	989.53	IV	Capital Outlay	0.01	1122.93	1122.94	1122.94
				193.58		General Services	0.00	217.17	217.17	
				285.02		Social services	0.00	306.09	306.09	
				49.95		Education, Sports, Art and culture	0.00	86.29	86.29	
				19.45		Health and Family Welfare	0.00	39.47	39.47	
				210.57		Water supply, Sanitation, Housing and Urban Development	0.00	159.89	159.89	
				0.08		Information and Broadcasting	0.00	0.25	0.25	
				0.00		Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	0.00	0.00	0.00	
				1.42		Social Welfare and Nutrition	0.00	14.65	14.65	
				3.55		Others	0.00	5.54	5.54	
				510.93		Economic Services	0.01	599.67	599.68	
				29.36		Agriculture and Allied activities	0.01	46.68	46.69	
				0.00		Rural Development	0.00	0.44	0.44	
				97.23		Special Areas Programmes	0.00	92.87	92.87	
				1.75		Irrigation and Flood Control	0.00	1.61	1.61	
				71.27		Energy	0.00	62.31	62.31	
				45.93		Industry and Minerals	0.00	43.49	43.49	
				259.68		Transport	0.00	326.16	326.16	
				3.72		General Economic Services	0.00	25.22	25.22	
				1.99		Science, Technology and Environment	0.00	0.89	0.89	
4.20	V	Recoveries of Loans and Advances	2.31	3.55	V	Loans and Advances disbursed	0.09	4.03	4.12	4.12
0.00		From Power Projects	0.00	0.00		For Power Projects	0.00	0.00	0.00	
0.53		From Government Servants	1.43	0.19		To Government servants	0.09	0.00	0.09	
3.67		From Others	0.88	3.36		To Others	0.00	4.03	4.03	
467.32	VI	Revenue surplus brought down	812.15	0.00	VI	Revenue Deficit brought down			0.00	0.00
805.25	VII	Public debt receipts	463.35	274.60	VII	Repayment of Public debt			261.16	261.16

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		External debt	0.00	0.00		External debt			0.00	
805.25		Internal debt other than Ways and Means Advances and Overdrafts	463.35	237.25		Internal debt other than Ways and Means advances and Overdrafts			238.28	
0.00		Net transactions under Ways and Means Advances	0.00	0.00		Net transactions under ways and Means Advances			0.00	
0.00		Net transactions under overdraft	0.00	0.00		Net transactions under Overdrafts			0.00	
0.00		Repayment of Loans and Advances from Central Government	0.00	37.35		Repayment of Loans and Advances to Central Government			22.88	
0.00	VIII	Appropriation to Contingency Fund	0.00	0.00	VIII	Appropriation to Contingency Fund				0.00
0.00	IX	Amount transferred to Contingency Fund	0.00	0.00	IX	Expenditure from Contingency Fund				0.00
2373.46	X	Public Account receipts	2267.53	2374.50	X	Public Account disbursements				2159.59
149.54		Small Savings and Provident funds	191.57	126.45		Small Savings and Provident Funds			103.10	
26.49		Reserve Funds	36.96	4.16		Reserve Funds			4.32	
52.94		Suspense and Miscellaneous	21.17	27.90		Suspense and Miscellaneous			12.28	
1358.09		Remittances	1472.11	1707.45		Remittances			1574.55	
786.40		Deposits and Advances	545.72	508.54		Deposits and Advances			465.34	
0.00	XI	Closing Overdraft from Reserve Bank of India	0.00	102.55	XI	Cash Balance at end of year				100.08
				0.05		Cash in Treasuries and Local Remittances			0.00	
				-599.39		Deposits with Reserve Bank			-602.70	
				301.07		Departmental Cash Balance including permanent Advances			306.56	
				311.05		Cash Balance Investment			273.82	
				89.77		Investment in earmarked funds			122.40	
7464.49		Total	3647.89	7464.49		Total				3647.89

Appendix - 1.4

(Reference: Paragraphs 1.10.1; Pages 33)

Part 'B' Summarized financial position of the Government of Nagaland as on 31.03.2011

(Rupees in crore)

As on 31.03.2010		Liabilities	As on 31.03.2011	
3808.49		Internal Debt -		4033.56
	2878.73	Market Loans bearing interest	3106.87	
	0.03	Market Loans not bearing interest	0.03	
	76.87	Loans from Life Insurance Corporation of India	65.87	
	852.86	Loans from other Institutions	860.79	
	0.00	Ways and Means Advances	0.00	
	0.00	Overdrafts from Reserve Bank of India	0.00	
329.48		Loans and Advances from Central Government-		306.61
	4.48	Pre 1984-85 Loans	3.50	
	19.57	Non-Plan Loans	18.75	
	273.78	Loans for State Plan Schemes	254.23	
	0.21	Loans for Central Plan Schemes	0.05	
	21.37	Loans for Centrally Sponsored Plan schemes	20.30	
	0.00	Ways and Means Advances	0.00	
	10.07	Loans for Special Scheme	9.78	
0.35		Contingency Fund		0.35
485.54		Small Savings, Provident funds, etc.		574.01
778.53		Deposits		858.78
58.95		Reserve Funds		91.58
0.00		Suspense and Miscellaneous Balances		0.00
-732.84		Remittance Balances		-835.27
4728.50		Total		5029.62
Assets				
7232.26		Gross Capital Outlay on Fixed Assets -		8355.20
	192.09	Investments in shares of Companies, Corporations, etc.	213.41	
	7040.17	Other Capital Outlay	8141.79	
23.99		Loans and Advances -		25.80
	0.00	Loans for Power Projects	0.00	
	23.51	Other Development Loans	21.18	
	0.48	Loans to Government servants and Miscellaneous loans	4.62	
		Reserve Fund Investments		
1.13		Advances		1.01
102.06		Suspense and Miscellaneous Balances		93.17
102.55		Cash -		100.08
	0.05	Cash in Treasuries and Local Remittances	0.00	
	-599.39	Deposits with Reserve Bank	-602.70	
	301.07	Departmental Cash Balance	306.56	
	0.00	Permanent Advances	0.00	
	89.77	Investment on earmarked funds	122.40	
	311.05	Cash Balance investments	273.82	
-2733.49		Deficit on Government account -		-3545.64
	-467.32	(i) Less Revenue Surplus of the current year	-812.15	
		(ii) Miscellaneous deficit		
	-2266.17	Accumulated deficit at the beginning of the year	-2733.49	
4728.50		Total		5029.62

Explanatory Notes: The abridged accounts in the foregoing statements have to be read with comments and explanations in the Finance Accounts. Suspense and Miscellaneous balances include cheques issued but not paid, inter-departmental and inter-Government payments and others awaiting settlement.

Appendix –1.5

(Reference: Paragraph 1.4.2 ; Page 10)

Statement showing the funds transferred to the State Implementing Agencies under Programmes/Schemes outside the State budget during 2010-11

(Rupees in crore)

Sl. No	Programme/Scheme	Implementing Agency in the State	2010-11 Central share
1	Adult Education and Skill Development Scheme	National Literacy Mission Authority Nagaland	1.96
2	Assistance to IHMS FCIS etc	Institute of Hotel Management (IHM), Nagaland	1.81
3	Baba Saheb Ambedkar Hastshilp Vikas Yojana	Pointing Project Agency	0.05
		Gracely MPCs Ltd.	0.17
		Mapu Lomhami Society	0.05
		Heto MPCs Ltd	0.23
		Chakhesang Women Development Society	0.05
		Country Craft Development Society	0.12
		Dunyis Multipurpose Society	0.21
		YASS Youth Association for Social Service	0.07
		Charity Club Multipurpose Society	0.09
		Khaiboizu Multipurpose Society	0.07
		Nagaland Industrial Development Corporation Ltd	0.02
		ABEBE Society	0.02
		Lovi Valley Multipurpose Co-operative Society	0.13
		Scheme Total	1.28
4	Central Rural Sanitation Programme	SWSM	12.29
5	Community Polytechnics	Government Polytechnic, Kohima	0.14
6	Crime and Criminal Tracking Network and System (CCTNS)	Nagaland Police Computerisation of Police Service Society	5.06
7	DEAFNESS	State Health Society, Nagaland	1.12
8	Demonstration of Solar Thermal SPPV Systems and other Activities	Nagaland Renewable Energy Development Agency (NREDA)	0.09

9	Handlooms	Chenment Multipurpose Co-operative society, Nagaland	0.01
		Naga Handloom Society	0.01
		People's Movement for Rural Transformation, Dimapur	0.01
		Local Entrepreneur Welfare, Kohima	0.01
		Rural Resources Development Society	0.01
		Khaiboizu Multipurpose Co-operative Society Ltd.	0.05
		Humane Touch, Nagaland	0.01
		Alon Multipurpose Co-operative Society Ltd.	0.01
		NODOSO Society	0.01
		Scheme Total	0.13
10	Development of Market Infrastructure Grading and Standardization	Nagaland State Agricultural Marketing Board	2.21
11	DRDA Administration	DRDA Project Director	7.40
12	Drugs Quality Control	State Health Society, Nagaland	0.32
13	Electronic Governance	Nagaland State E-Governance Society	2.33
14	Environment Information Education and Awareness	Nagaland Institute of Health, Environment and Social Welfare	0.06
		Nagaland Pollution Control Board	1.34
		Scheme Total	1.40
15	Extension Support to Central Institute of DOE	Department of Agriculture, Govt. of Nagaland	0.05
16	Forward Linkages to NRHM New Initiatives in NE	State Health Society, Nagaland	31.82
17	Grant-in-aid to NGOs for STs Including Coaching and Allied scheme and Award for Exemplary Service	Nagaland Children's Home, Diphupar	0.18
		Dayanand Sewashram Sangh, Dimapur	0.16
		Scheme Total	0.34
18	GRID Interactive Renewable Power MNRE	Nagaland Renewable Energy Development Agency (NREDA)	0.41
19	Health Insurance for Unorganized sector Workers (RSBY)	Nagaland State Labour Welfare society	2.29
20	Hospitals and Dispensaries (Under NRHM)	State Health Society, Nagaland	1.89
21	HRD (Human Resource Development)	Weaving Industrial Centre, Kohima	0.01
		Heto MPCs Ltd.	0.01
		Scheme Total	0.02
22	Information Publicity and Extension	Nagaland Renewable Energy Development Agency	0.09
23	Integrated Watershed Management Programme	State Level Nodal Agency	28.01

24	Intensive Dairy Development Programme	Nagaland State Dairy Co-operative Federation Ltd.	1.20
25	Livestock Insurance	Nagaland Livestock Development Board	0.50
26	Mahatma Gandhi National Rural Employment Guarantee scheme	DRDA Project Director	511.59
27	Marketing and Export Promotion Scheme	Nagaland Handloom and Handicraft Development Corporation Ltd.	1.30
		Director of Industries and Commerce	0.97
		Nagaland Apex Weavers and Artisans Co-operative Federation Ltd.	0.03
		Scheme Total	2.30
28	Marketing support and Services and Export Promotion scheme	Khaiboizu Multipurpose Co-operative Society Ltd.	0.09
		Gracely MPCs Ltd	0.05
		Scheme Total	0.14
29	Medicinal Plants	State Medicinal Plants Board Society	1.52
30	MPs Local Area Development scheme (MPLADS)	Deputy. Commissioner, Dimapur	4.00
31	MUSEUM	Nourhe society	0.05
		Naga Heritage Museum and Research Society	0.80
		Ellen Welfare Society	0.12
		Scheme Total	0.97
32	National Child Labour Project including Grants-in-Aid to Voluntary Agencies	District Child Labour Project Society, Dimapur	0.41
33	National Afforestation Programme	State Forest Development Agency	10.11
34	National Aids Control Programme including STD Control	Nagaland State Aids Control Society	18.25
35	National Mission on Bamboo	Nagaland Bamboo Development Agency	11.55
36	National Mission on Medicinal Plants	Nagaland Bio Resource Mission	1.82
37	National Programme for Youth and Adolescent Development General Component	Kuizin Women Society	0.02
38	National Project for Cattle and Buffalo Breeding	Nagaland Livestock Development Board	1.27
		Nagaland State Dairy Cooperative Federation Ltd.	1.00
		Scheme Total	2.27
39	National Rural Drinking Water Programme	SWSM, Nagaland, Kohima	77.53
40	National Rural Health Mission (NRHM) Centrally Sponsored	State TB Control Society	1.85
		State Health Society	40.90
		Scheme Total	42.75
41	National Rural Health Mission (NRHM) Central Sector	State Health Society	0.75

42	North Eastern Areas	Nagaland GIS Centre	2.28
		Kohima Forest Development Agency	1.00
		Nagaland Bamboo Development Agency	0.08
		Central Institute of Horticulture	0.02
		Dimapur Don Bosco School	0.02
		Nagaland Board of School Education	0.23
		Principal Patkai Christian College	1.80
		Directorate of Youth Resources and Sports	1.00
		Directorate of Information and Public Relation	0.04
		Scheme Total	6.47
43	OFF GRID DRPS	Nagaland Renewable Energy Development Agency (NREDA)	0.14
44	Pollution Abatement	Nagaland Pollution Control Board	0.69
45	Pradhan Mantri Gram Sadak Yojana (PMGSY)	Nagaland Rural Roads Development Agency	25.13
46	Product/ Infrastructure Development for Destinations and Circuits	Nagaland Tourism Board	31.17
47	Promotion and Dissemination of Art & Culture	Nagaland Art & Culture Council	0.72
		North East Zone Cultural Centre (NEZCC)	5.32
		United Tribal Society, Nagaland	0.03
		Abiogenesis Society	0.07
		Mind Blowers Club	0.03
		Hozam Rising Club	0.02
		Helping Hands Nagaland	0.01
		Scheme Total	6.20
48	Rashtriya Madhyamik Shiksha Abhiyan (RMSA)	Nagaland Education Mission Society	5.24
49	Renewable Energy for Rural Applications for all villages	Nagaland Renewable Energy Development Agency (NREDA)	0.42
50	Renewable Energy for Rural Applications for Remote villages	NREDA	0.53
51	Research and Development for Conservation and Development	Fazal Ali College	0.04
52	Research and Development Support SERC	Kohima Science College	0.01
53	Rural Housing – IAY	DRDA Project Director	44.54
54	Sarva Shiksha Abhiyan (SSA)	Sarva Shiksha Abhiyan State Mission Authority	86.37
55	Scheme for Infrastructure Development FPI	Dimapur Municipal Council	8.27
56	Scheme for Quality Assurance, Codex Standards Research and Development and other Promotional Activities	Tribal Students Upliftment Society	0.02

57	Scheme for Techonology Upgradation/ Establishment/ Modernisation of Food Processing Industries	M/s Changki Organic Bio-tech Park	0.41
		M/s Naga Fragrance Pvt.	1.14
		Scheme Total	1.55
58	Scheme for the Welfare of Working Children in Need of Care and Protection	Rural Development Society – 2	0.10
		Sunrise Welfare Society	0.10
		Asholokumi Welfare Society	0.05
		Dilong Women's Welfare Society	0.09
		Scheme Total	0.34
59	Science and Technology Programme for Socio Economic	Nagaland Institute of Health, Environment and Social Welfare	0.11
		Nagaland State Science & Technology Council	0.02
		Scheme Total	0.13
60	Setting up of New National Institute of Technology (NITS) including Chaudhary Ghani Khan Institute of Engineering (DHE)	National Institute of Technology, Nagaland	2.50
61	SISRY (Swarna Jayanti Shahari Rojgar Yojana)	State Urban Development Agency	4.20
62	Solar Thermal Systems Water Heating	Nagaland Renewable Energy Development Agency (NREDA)	0.25
63	State Science & Technology Programme	Nagaland State Science & Technology Council	1.82
64	Step Support to Training and Employment Programme for Women	Khesoh Multipurpose Co-operative Society	0.36
		Development Suppor Services Organisations	0.05
		Doyang Valley Multipurpose Co-operative Society	0.14
		Nagaland Handloom & Handicraft Development Corporation Ltd.	0.61
		Limasar Piggery Co-operative Society	0.03
		Scheme Total	1.19
65	Strengthening of Existing Polytechnics	Government Polytechnics, Kohima	0.10
		Khelhoshe Polytechnics, Atoizu	0.20
		Institute of Communication & Information Technology, Mokokchung	0.20
		State Nursing Superintendent	0.12
		Scheme Total	0.62
66	Support to NGOs/Institutions/ SRCs for Adult Education and Skill Development (Merged Schemes of NGOs JSS SRCs)	Jan Shikshan Sansthan, Dimapur	0.30
67	Support to State Extension Programme for Extension Reforms	State Agricultural Management & Extension Training Institute (SAMETI)	3.15

68	SWADHAR	Nagaland Evangel Mission and Welfare Association	0.25
		Resource Centre	0.07
		Scheme Total	0.32
69	Swaranjayanti Gram Swarogar Yojana (SGSY)	DRDA Project Director	9.86
70	Tobacco Control	State Health Society	0.15
71	Urban Statistic for HR and Assessment USHA	Director of Economics & Statistics, Nagaland	0.03
72	Voluntary Organisation for providing social defence services including prevention of Alcoholism and drug abuse SJE	Development Association of Nagaland	0.06
		Youth Mission Agency	0.09
		Bethesda Youth Welfare Centre, Dimapur	0.07
		Prodigal Homes, Dimapur	0.21
		Scheme Total	0.43
73	Women Hostel in Polytechnics	Khelhoshe Polytechnic Atoizu	0.20
		Government Polytechnic, Kohima	0.50
		Institute of Communication & Information	0.50
		Scheme Total	1.20
74	WWH Working Women Hostel	Ellen Welfare Society	0.07
		A biogenesis Society	0.13
		Scheme Total	0.20
Grand Total			1033.62

(Source: 'Central Plan Scheme Monitoring System' portal in Controller General of Account's website)

Appendix – 1.6

(Reference to Paragraph 1.5.1; Page 13)

(A) Tax Revenue for the years 2006-11

(Rupees in crore)

Heads	2006-07	2007-08	2008-09	2009-10	2010-11	
					Budget Estimates	Actual
Taxes on Sales	85.02	94.79	114.70	132.22	124.89	167.22
State Excise	2.13	2.83	3.33	3.14	3.62	3.00
Taxes on Vehicle	12.26	12.30	14.14	16.73	15.12	23.92
Stamps and Registration Fees	1.05	1.02	1.01	1.19	1.17	1.35
Land Revenue	0.50	0.50	0.60	0.63	0.81	0.59
Taxes on Goods & Passengers	1.69	2.19	2.34	3.96	2.54	6.62
Other taxes	16.37	17.74	19.90	22.64	20.23	24.62
Total	119.02	131.37	156.02	180.51	168.38	227.32

(B) Non-Tax Revenue for the years 2006-11

(Rupees in crore)

Heads	2006-07	2007-08	2008-09	2009-10	2010-11	
					Budget Estimates	Actual
Interest receipts, dividends and profits	5.22	5.66	11.57	10.02	4.50	14.35
General Services	17.95	23.53	30.73	8.48	14.80	49.36
Social Services	6.48	4.21	4.97	5.14	5.64	17.00
Economic Services	60.62	85.10	132.18	101.43	133.79	100.90
Total	90.27	118.50	179.45	125.07	158.73	181.61

Appendix 2.1

(Reference: Paragraph 2.3.1; Page 44)

Statement of various grants/appropriations where saving was more than ₹1 crore each or more than 20 per cent of the total provision

(Rupees in crore)					
Sl. No.	Grant No	Name of the Grant/Appropriation	Total Grant/Appropriation	Savings	Percentage
(1)	(2)	(3)	(4)	(5)	(6)
Revenue (Voted)					
1.	11	District Administration & Special Welfare Schemes	110.98	16.55	15
2.	18	Pensions & Other Retirement benefits	496.33	160.36	32
3.	19	Rajya Sainik Board	1.83	0.55	30
4.	21	Relief of distress caused by Natural Calamities	13.44	2.49	19
5.	25	Land Records & Survey	13.06	1.54	12
6.	27	Planning Machinery	103.30	1.72	2
7.	28	Civil Police	686.60	4.47	1
8.	31	School Education	631.95	73.13	12
9.	32	Higher Education	85.29	22.62	27
10.	37	Municipal Administration	8.06	4.97	62
11.	46	Statistics	18.48	2.21	12
12.	47	Weights & Measures	6.18	1.08	17
13.	48	Agriculture	130.47	34.11	26
14.	49	Soil & Water Conservation	65.36	23.14	35
15.	50	Animal Husbandary & Dairy Development	74.87	4.16	6
16.	51	Fisheries	23.43	2.11	9
17.	53	Industries	52.17	14.22	27
18.	59	Irrigation & Flood Control	168.16	55.63	33
19.	60	Water Supply Schemes	43.05	6.77	16
20.	65	SCERT	26.33	9.32	35
21.	66	Sericulture	22.46	8.60	38
22.	73	State Institute of Rural Development	6.70	3.06	46
23.	81	Information Technology & Communication	6.99	1.15	16
Capital (Voted)					
24.	9	Taxes & Vehicles	10.93	4.25	39
25.	23	Loans to Government Servant	0.19	0.10	52
26.	26	Civil Secretariat	2.50	1.03	41
27.	27	Planning Machinery	120.82	65.27	54
28.	33	Youth Resources and Sports	46.97	7.10	15
29.	35	Medical, Public Health & Family Welfare	46.45	5.49	12
30.	36	Urban Development	157.94	104.62	66
31.	39	Tourism	21.47	2.84	13
32.	43	Social Security and Welfare	21.92	10.70	49
33.	45	Co-operation	9.47	1.26	13
34.	52	Forest	39.68	27.32	69
35.	53	Industries	38.72	10.96	28
36.	55	Power Projects	86.39	27.73	32
37.	56	Road Transport	17.94	7.00	39
38.	57	Housing Loans	0.22	0.22	100
39.	59	Irrigation & Flood Control	10.84	8.28	76
40.	60	Water Supply Schemes	104.26	75.63	73
41.	65	SCERT	3.64	0.85	23
42.	82	New & Renewable Energy	10.87	7.22	66
Revenue (Charged)					
43.	75	Servicing of Debt	437.73	17.40	4
Capital (Charged)					
44.	75	Servicing of Debt	780.55	519.39	67

Appendix 2.2

(Reference: Paragraph 2.3.5; Page 46)

Excess over provision of previous years requiring regularisation

(Rupees in crore)

Year	Number of Grants	Number of Appropriation	Amount of excess over provision	Status of regularisation
2000-01	16	1	51.81	Not yet regularised
2001-02	16	0	27.98	Not yet regularised
2005-06	23	2	64.96	Not yet regularised
2006-07	24	2	46.03	Not yet regularised
2007-08	23	2	88.46	Not yet regularised
2008-09	16	0	43.52	Not yet regularised
2009-10	24	1	61.77	Not yet regularised
Total			384.53	

Appendix 2.3

(Reference: Paragraph 2.3.6; Page 46)

Excess over provision during 2010-11 requiring regularisation

(Rupees in crore)

Sl. No.	Number and title of grant/appropriation		Total grant appropriation	Expenditure	Excess
	Revenue (Voted)				
1	9	Taxes on vehicles	4.72	4.76	0.04
2	35	Medical, Public Health and Family Welfare	202.04	204.23	2.19
3	43	Social Security and Welfare	123.38	126.13	2.75
4	52	Forest	50.92	53.33	2.41
5	58	Roads and Bridges	104.94	106.58	1.64
6	62	Civil Administration Works	15.85	15.90	0.05
7	63	Science, Technology, Ecology and Environment	1.09	1.17	0.08
8	68	Police Engineering Project	7.09	7.15	0.06
9	70	Horticulture	21.59	21.87	0.28
10	72	Land Resource Development	35.21	35.45	0.24
11	78	Information Technology and Technical Education	8.85	8.95	0.10
12	79	Border Affairs	1.45	1.53	0.08
	Total Revenue (Voted)		577.13	587.05	9.92
	Capital(Voted)				
13	4	Administration of Justice	30.32	38.72	8.40
14	22	Civil Supplies	1.22	1.93	0.71
15	40	Employment and Training	3.03	4.40	1.37
16	48	Agriculture	21.69	21.86	0.17
17	50	Animal Husbandry and Dairy Development	4.07	4.62	0.55
18	58	Roads and Bridges	313.74	341.89	28.15
19	62	Civil Administration Works	19.72	44.08	24.36
20	68	Police Engineering Project	51.04	67.96	16.92
	Total Capital (Voted)		444.83	525.46	80.63
	Grand Total		1021.96	1112.51	90.55

Appendix 2.4

(Reference: Paragraph 2.3.8; Page 47)

*Cases where supplementary provision (₹10 lakh or more in each case)
proved unnecessary*

(Rupees in thousands)

Sl. No.	Number and Name of the Grant	Original Provision	Actual Expenditure	Savings out of Original provision	Supplementary provision
	A Revenue (Voted)				
1	11-District Administration & Special Welfare Schemes	1035594	944237	91357	74189
2	25-Land Records & Survey	128193	115187	13006	2375
3	29-Stationery & Printing	118439	118402	37	4364
4	48-Agriculture	1246900	963638	283262	57845
5	51-Fisheries	219839	213173	6666	14427
6	59-Irrigation & Flood Control	1659383	1125252	534131	22175
7	82-New and Renewable Energy	32145	28720	3425	2230
	Total Revenue (Voted)	4440493	3508609	931884	177605
	B Capital (Voted)				
8	9-Taxes on vehicles	66850	66850	0	42450
9	33-Youth Resource & Sports	431608	398727	32881	38125
10	35-Medical, Public Health & Family Welfare	454100	409650	44450	10444
11	36-Urban Development	1521900	533207	988693	57517
12	52-Forest	341209	123585	217624	55600
13	53-Industries	383000	277550	105450	4191
14	82-New and Renewable Energy	101199	36478	64721	7525
	Total Capital (Voted)	3299866	1846047	1453819	215852
	Grand Total	7740359	5354656	2385703	393457

Appendix 2.5

(Reference: Paragraph 2.3.8; Page 47)

Statement of various grants/appropriations where supplementary provision proved insufficient by more than ₹ 1 crore each

(Rupees in crore)

Sl. No.	Grant Number	Name of the Grants and Appropriation	Original Provision	Supplementary provision	Total	Expenditure	Excess
Revenue (Voted)							
1	35	Medical, Public Health & Family Welfare	199.08	2.96	202.04	204.23	2.19
2	43	Social Security & Welfare	122.89	0.49	123.38	126.13	2.75
3	58	Roads and Bridges	97.43	7.51	104.94	106.58	1.64
Total Revenue (Voted)			419.40	10.96	430.36	436.94	6.58
Capital (Voted)							
1	58	Roads & Bridges	241.23	72.51	313.74	341.89	28.15
Total Revenue (Voted)			241.23	72.51	313.74	341.89	28.15
Grand Total			660.63	83.47	744.10	778.83	34.73

Appendix 2.6

(Reference: Paragraph 2.3.9; Page 47)
Excess/Unnecessary/Insufficient re-appropriation of funds

(Rupees in lakh)

Sl. No.	Grant No.	Description	Head of Account	Re-appropriation	Final Excess(+)/ Saving (-)
Revenue (Voted)					
1	4	Nagaland Legal Services Authority	2014-800-01	(-) 8.00	(+) 8.00
2	4	Others-Furniture, Stationaries for Judicial Establishment	2014-800-03	(-) 8.00	(+) 53.70
3	4	Advocate General, Standing Counsels & Government Advocate	2014-114-01	(+) 101.40	(-) 2.44
4	4	Upgradation of Judicial Administration under Award of 11 th Finance Commission	2014-800-02	(-) 43.10	(-) 54.20
5	7	Commissioner's Establishment	2039-001-01	(-) 154.86	(+) 3.84
6	7	Sub-ordinate Establishment	2039-001-02	(+) 142.79	(+) 1.41
7	9	Collection Charges	2041-101	(+) 72.74	(+) 3.88
8	16	Nagaland House, Guwahati	2070-115-05	(-) 16.76	(+) 17.01
9	16	Nagaland House, Kolkata	2070-115-02	(+) 5.30	(-) 5.81
10	16	Nagaland House, Shillong	2070-115-03	(-) 10.26	(-) 2.42
11	18	Superannuation and Retirement Allowances	2071-01-101	(-) 4134.64	(-) 10.34
12	18	Commuted Value of Pensions	2071-01-102	(-) 1616.59	(-) 703.35
13	18	Gratuties	2071-01-104	(-) 1795.10	(-) 708.10
14	18	Family Pension	2071-01-105	(-) 2086.67	(-) 4980.85
15	25	Updating of Land Records (CSS)	2029-800-12	(+) 10.88	(-) 9.51
16	26	Secretariat	2052-090	(-) 90.05	(+) 96.41
17	26	Attached Offices Secretarial Transport Sector	2052-090-01	(-) 17.89	(+) 16.69
18	27	District Planning Machinery	3451-102	(-) 136.23	(+) 16.00
19	30	Administrative Training Institute	2070-003-01	(-) 36.64	(-) 1.19
20	31	Sarva Siksha Abhiyan	2202-01-800-12	(+) 3236.83	(-) 2898.29
21	31	Hindi Training Institute	2202-05-102-01	(-) 1239.16	(-) 2.00
22	32	Nagaland Merit Scholarship	2202-03-107-03	(+) 70.16	(+) 6.86
23	33	NCC	2204-102-01	(+) 40.21	(-) 3.36
24	33	Youth Welfare Camps	2204-102-04	(+) 6.16	(+) 2.34
25	34	Direction	2205-001-01	(+) 48.74	(-) 91.64
26	34	State Academy of Music	2205-101-01	(+) 6.30	(-) 3.83
27	34	Sub-ordinate Establishment	2205-001-02	(-) 57.60	(+) 57.60
28	34	Cultural Research & Studies	2205-102-02	(+) 5.00	(+) 1.01
29	34	Multipurpose Cultural Complex at Zunheboto	2205-102-04	(-) 1.00	(+) 1.00
30	34	Archives	2205-104-01	(-) 8.52	(+) 6.08
31	34	Museum	2205-107	(+) 5.00	(+) 8.82
32	35	Direction	2210-01-001-01	(-) 2653.98	(+) 5962.78
33	35	Sub-ordinate Establishment	2210-01-001-02	(-) 167.12	(+) 2769.68
34	35	Engineering Cell	2210-01-001-02	(-) 73.07	(+) 74.92
35	35	Medical Store Depots	2210-01-104	(-) 517.20	(+) 206.49
36	35	Mental Hospitals	2210-01-110-03	(-) 87.81	(+) 84.80

37	35	Health Intelligence Bureau	2210-03-200-02	(-) 10.64	(+) 3.00
38	35	Homeopathy	2210-02-102	(-) 31.76	(+) 868.21
39	35	Training (PMTI)	2210-04	(+) 10.02	(+) 135.92
40	35	National Malaria Eradication Programme (Urban)	2210—06-101-02	(+) 47.25	(+) 179.04
41	35	National Small Pox Eradication Programme (Urban)	2210-06-101-03	(-) 219.21	(+) 4.95
42	35	Food Testing Laboratory	2210-107-01	(-) 87.65	(+) 19.09
43	35	School Health Scheme	2210-01-109	(+) 10.39	(-) 22.61
44	35	Other Hospital	2210-01-110-01	(+) 716.25	(-) 177.69
45	35	TB Hospitals	2210-01-110-04	(-) 75.44	(-) 70.50
46	35	Drug –deaddiction Clinic	2210-01-110-07	(+) 61.76	(-) 105.22
47	35	Artificial Limb Centre	2210-01-110-08	(-) 23.99	(-) 2.50
48	35	Grants for Medical Purpose	2210-01-110-09	(+) 3.25	(-) 3.25
49	35	Grants –in-Aid to Naga Hospital Kohima Authority	2210-01-110-10	(+) 73.49	(-) 920.57
50	35	Health education Programme	2210-01-200-03	(-) 3.45	(-) 3.00
51	35	Disaster Management	2210-200-04	(-) 1.00	(-) 2.00
52	35	NIDD Control Programme (100% CSS)	2210-200-16	(+) 32.75	(-) 32.75
53	35	Health Sub-Centres	2210-03-101	(+) 768.20	(-) 1544.84
54	35	Subsidiary Health Centres	2210-03-102	(-) 115.38	(-) 351.96
55	35	Primary Health Centres	2210-103-01	(+) 805.05	(-) 2255.92
56	35	Community Health Centres	2210-103-02	(+) 344.74	(-) 1467.39
57	35	Other Hospital	2210-110-01	(-) 91.35	(-) 20.37
58	35	TB Hospitals	2210-110-03	(+) 162.91	(-) 54.15
59	35	National Rural Malaria Eradication Programme	2210-06-101-01	(+) 264.80	(-) 753.25
60	35	National Small Pox Eradication Programme (Rural)	2210-06-101-04	(+) 58.34	(-) 241.91
61	35	BCG + TB Control Programme (Urban)	2210-06-101-05	(+) 117.79	(-) 397.91
62	35	National Leprosy Control Programme (Urban)	2210-06-101-07	(+) 100.88	(-) 542.66
63	35	National Tracoma & Blindness Control Programme	2210-06-101-10	(+) 17.32	(-) 42.06
64	35	Drug Control	2210.06-104	(-) 2.60	(-) 7.13
65	35	Direction (CSS)	2211-001-01	(+) 29.07	(-) 170.64
66	35	Family Welfare Sub-Centres (CSS)	2211-101-02	(-) 412.78	(-) 236.36
67	35	Universal Immunisation Programme (CSS)	2211-103-03	(+) 217.26	(-) 182.01
68	35	Universal Immunisation Programme (District Level)	2211-103-13	(-) 46.38	(-) 3.31
69	36	Sub-ordinate Establishment	2217-80-001-02	(+) 44.56	(-) 1.00
70	37	Grants to Town Committee	2217-80-191-01	(-) 400.00	(-) 95.78
71	38	Sub-ordinate Establishment	2220-60-001-02	(+) 433.16	(+) 16.16
72	38	Research & Training in Mass Communication	2220-60-003	(-) 1.35	(+) 1.35
73	38	Information Centres	2220-60-102	(-) 224.26	(+) 47.45
74	38	Press Information Services	2220-60-103	(-) 7.54	(+) 2.53
75	38	Field Publicity	2220-60-106	(-) 78.06	(+) 1.02
76	38	Direction	2220-60-001-01	(-) 173.70	(-) 62.33
77	38	Printed & Pictorial Publicity	2020-60-101-03	(+) 38.54	(-) 3.00
78	39	Direction	3452-80-001-01	(-) 84.68	(+) 6.00

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79	43	Sub-ordinate Establishment	2235-02-001-02	(+) 57.58	(+) 89.52
80	43	ICDS Scheme	2235-02-102-01	(-) 39.64	(+) 2485.87
81	43	Establishment if Children Park and Children wards	2235-02-102-02	(+) 8.00	(+) 84.04
82	43	National Social Assistance Programme	2235-02-104-02	(+) 1483.50	(+) 949.00
83	43	Direction	2235-02-001-01	(-) 56.34	(-) 2.16
84	43	Prevention control of Juvenile Social Maladjustment	2235-02-102-11	(+) 41.08	(-) 65.27
85	43	JCDS (CSS)	2235-02-104-11	(+) 1979.21	(-) 3405.28
86	43	Old Age Pension Scheme	2235-02-104-01	(-) 1523.83	(-) 143.29
87	43	Old Age Home	2235-02-104-13	(+) 4.00	(-) 4.00
88	43	Special Nutrition Scheme	2236-02-101-01	(-) 2.41	(-) 3.60
89	45	Direction	2425-001-01	(-) 98.75	(-) 3.71
90	48	Direction (Agri)	2401-001-01	(-) 1062.38	(-) 22.92
91	48	Sub-ordinate establishment (Agriculture)	2401-001-02	(+) 1278.37	(-) 3.61
92	48	High Yielding Varieties Programme	2401-800-07	(-) 103.54	(-) 8.00
93	48	Sugarcane research	2415-01-004-02	(-) 4.11	(-) 23.43
94	48	State Agriculture Research Station Yisemong	2415-01-004-06	(+) 53.46	(-) 7.99
95	49	Direction	2402-001-01	(-) 470.55	(-) 34.65
96	49	Soil Conservation Extension Service	2402-102-01	(+) 324.08	(-) 7.81
97	49	Organic Farming	2402-103-05	(+) 1.00	(-) 1.00
98	49	River Valley Project for Soil & Water Conservation	2402-103-09	(-) 300.00	(-) 63.72
99	49	Sub-ordinate Establishment	2402-001-02	(+) 234.18	(+) 11.53
100	49	Education	2415-02-277	(+) 42.54	(+) 3.79
101	49	Settingup Survey Investigation & Planning (CSS)	2415-02-11	(+) 27.60	(+) 1.00
102	50	Sub-ordinate establishment	2403-001-02	(+) 796.53	(-) 106.13
103	50	Pig Breeding Centre (CSS)	2552-03-105-02	(-) 33.44	(-) 11.39
104	52	Direction	2406-01-001-01	(-) 585.95	(+) 271.57
105	52	Nagaland Forest Infrastructure Development Project	2406-01-800-05	(+) 15.99	(+) 180.21
106	52	Sub-ordinate Establishment	2406-01-001-02	(+) 630.21	(-) 249.91
107	52	Grant to State Pollution control Board	2406-01-800-01	(+) 42.83	(-) 44.36
108	52	Development of National Park and Sanctuaries (CSS)	2406-01-800-07	(+) 185.60	(-) 185.60
109	52	Forestry Training School	2415-06-277-01	(-) 13.16	(-) 71.01
110	55	Execution	2801-05-001-02	(+) 749.10	(-) 2.01
111	58	Maintainance	3054-04-105-01	(+) 57.77	(+) 48.80
112	58	Direction	3054-80-001-01	(-) 1796.21	(+) 197.43
113	58	Traffic Engineering Cell	3054-80-001-02	(+) 1.35	(+) 3.49
114	58	Superintending Engineer's Establishment	3054-80-001-04	(+) 92.23	(+) 17.29
115	58	Research Development Cell	3054-80-001-03	(+) 28.34	(-) 77.01
116	58	Execution	3054-80-001-05	(+) 1629.81	(-) 35.38
117	59	Agriculture engineering Superintendence	2702-80-800-01	(+) 20.63	(-) 7.44
118	59	Agriculture Workshop	2702-80-800-13	(+) 15.22	(-) 2.52
119	59	Statistical Cell (CSS)	2702-80-800-14	(+) 12.12	(-) 4.87
120	60	Execution	2215-01-001-02	(+) 1720.19	(-) 15.04
121	60	Operation & Maintainance	2215-01-102-01	(-) 1145.82	(-) 12.03

122	60	Urban water Supply Programme	2215-01-101	(+) 18.84	(+) 17.40
123	65	State Council of Educational Research and Training	2202-02-004-01	(-) 3.46	(+) 62.98
124	65	DIET (CSS)	2202-02-004-13	(-) 407.18	(+) 104.62
125	66	Catalytic Development Programme (CSS)	2851-107-13	(-) 26.00	(-) 8.78
126	70	Horticulture research Farm, Pfitsero	2415-01-004-12	(-) 31.57	(+) 3.97
127	70	Coffee Nursery Wokha	2552-01-108-01	(-) 8.15	(+) 10.13
128	70	Regional Programme Orchard, Longnak	2552-01-119-01	(-) 23.34	(+) 32.45
129	72	Direction	2501-05-101-01	(-) 2.96	(+) 23.56
130	78	Direction	2203-001-01	(-) 81.77	(+) 25.71
131	78	Kheloshe Polytechnic	2203-105-01	(-) 2.54	(+) 21.28
132	82	Direction & Administration (IREP-NPBD)	2810-01-001	(-) 1.84	(-) 2.39
Capital(Voted)					
133	4	Construction of court buildings	4059-01-051-04	(+)5.00	(+)995.00
134	35	NRHM(CSS)	4210-01-800-17	(+)1262.00	(-)841.02
135	35	Referral Hospital Project(Non-lapsable Pool)	4210-01-800-01	(-)92.04	(+)240.15
136	35	Upgradation of Standards of Administration under Award of TFC	4210-01-800-02	(+)225.00	(+)100.60
137	36	Special Development Fund for Nagaland and Schemes under NLCPR	4217-60-051-09	(+)211.77	(+)9.70
138	39	Development of Tourist Amenities Centres(CSS)	5452-80-800-22	(+)1277.53	(-)42.00
139	48	Estabylishment of Agricultural Expo	4401-800-11	(+)611.12	(+)16.62
140	52	Buildings	4406-01-070-02	(-)66.00	(+)735.85
141	55	Various Schemes Under REC Loans	4801-06-800-01	(-)1039.00	(-)10.00
142	58	Department Schemes	5054-04-800-01	(+)2217.90	(+)4323.58
143	60	Acclerated Rural Water Supply Programme RGNDWM (CSS)	4215-01-800-01	(-)1956.18	(+)11.47
144	64	Housing	4216-01-106-64	(+)1.00	(-)286.12
145	64	Housing	4059-80-051-64	(-)1.00	(+)257.79
146	68	Government Residential Building	4055-211-02	(-)97.42	(-)510.57
147	68	States own schemes	4055-211-02	(-)255.51	(-)816.77
Revenue (Charged)					
148	75	Interest on State Provident Funds	2049-03-104	(-)300.00	(-)96.47
149	75	Interest on Insurance and Pension Funds	2049-03-108	(-)30.00	(-)1.91
150	75	Interest on Loans for State/Union territory plan Schemes	2049-04-101	(-)57.42	(-)130.91
151	75	Interest on Lonas for Central Plan Schemes	2049-04-102	(-)2.89	(-)1.00
Total				(-)28773.87 (+)25471.97	(-)26552.48 (+)22020.44

Appendix 2.7

(Reference: Paragraph 2.3.11; Page 48)

Results of review of substantial surrenders made during the year

(Rupees in crore)

(Rupees in crore)					
Sl. No.	Number and title of Grant	Name of the scheme (Head of Account)	Total Grant/ Appropriation	Amount of Surrender	Percentage of Surrender
	Revenue (Voted)				
1	37-Municipal Administration	2217- Urban Development	7.95	4.00	50.31
	Capital (Voted)				
2.	23-Loans to Government Servants	7610-00-800 Loans to Government Servants etc.	18.65	9.65	51.74
3	27-Planning Machinery	4059-60-051(27) Planning Machinery	120.82	65.27	54.02
4	36-Urban Development	4217-60-051(14) National Urban Renewal Mission	157.94	104.72	66.30
5	57-Housing Loans	7610-201(1) HBA & AIS Officers	21.50	21.50	100.00
6	59-Irrigation & Flood Control	4702-800(5) Irrigation Project under NLCPR	10.84	8.17	75.37
7	60-Water Supply Schemes	4215 – Capital outlay on Water Supply & Sanitation (CSS)	104.26	75.75	72.65
8	82-New and Renewable Energy	4801 Capital outlay on Power Project	7.81	6.07	77.72
	Capital (Charged)				
9	75-Servicing of Debt	6003- Internal Debt of State Government	731.22	492.95	67.41
		6004- Loans & Advances from GOI	49.32	26.44	53.61
Total			1230.31	814.52	

Appendix 2.8

(Reference: Paragraph 2.3.12; Page 48)
Surrender in excess of actual savings (₹1 crore or more)

(Rupees in crore)

Sl. No.	Number and name of the grant/ appropriation	Total grant/ appropriation	Saving	Amount surrendered	Amount surrendered in excess
Revenue (Voted)					
1	26-Civil Secretariat	99.32	0.42	1.55	1.13
2	42-Rural Development	129.03	0.80	1.81	1.01
3.	65-SCERT	26.33	9.32	11.08	1.76
	Total	254.68	10.54	14.44	3.90

Appendix 2.9

(Reference Paragraph 2.3.13; Page 48)

**Statement of various grants/appropriations in which savings occurred
but no part of which had been surrendered**

(Rupees in crore)

Sl. No.	Grant No.	Name of grant/appropriation	Saving
Revenue (Voted)			
1.	34	Art and Culture and Gazetters Unit	0.04
2.	64	Housing	0.01
	Total		0.05
Capital (Voted)			
3.	13	Village Guards	0.46
4.	29	Stationary & Printing	0.15
5.	41	Labour	0.15
6.	42	Rural Development	0.06
7.	49	Soil and Water Conservation	0.03
8.	63	Science, Technology, Ecology and Environment	0.11
9.	64	Housing	0.10
10.	66	Sericulture	0.08
11.	69	Fire Service	0.16
12.	76	Women Welfare	0.37
13.	78	Technical Education	0.35
	Total		2.02
	Grand Total		2.07

Appendix 2.10

(Reference Paragraph 2.3.13; Page 48)

Details of saving of ₹ 2 crore and above not surrendered

(Rupees in crore)

Sl. No.	Number and Name of Grants/Appropriation	Saving	Surrender	Saving which remained to be surrendered
1	2	3	4	5
	Revenue (voted)			
1	18-Pension and other Retirements Benefits	160.36	96.33	64.03
2	31-School Education	73.13	44.12	29.01
3	60-Water Supply Schemes	6.77	2.20	4.57
	Capital (Voted)			
4	35-Medical, Public Health and Family Welfare	5.49	0.49	5.00
5	52-Forest	27.32	17.36	9.96
	Revenue (Charged)			
6	75-Servicing of Debt	17.40	15.10	2.30
	Total	290.47	175.60	114.87

Appendix 2.11

(Reference Paragraph 2.3.13 ; Page 48)

Cases of surrender of funds in excess of ₹ 10 crore on 30 and 31 March 2011

(Rupees in crore)

Sl. No.	Grant No.	Major Head	Amount of Surrender	%age of Total Provision
1	2	3	4	5
Revenue (Voted)				
1.	11	2515-Other Rural Development Programme	15.83	(50)
2.	18	2071-Pensions and Other Retirement Benefits	96.33	(19)
3.	31	2202-General Education	44.12	(7)
4.	32	2225-Welfare of SC/ST, Other Backward Classes	21.60	(55)
5.	48	2401-Crop Husbandry	32.99	(26)
6.	49	2402-Soil and Water Conservation	22.23	(35)
7.	53	2851-Village and Small Industries	14.21	(27)
8.	59	2702- Minor Irrigation	55.48	(33)
9.	65	2202-General Education	11.08	(42)
(Revenue Charged)				
10	75	2049-Interest Payment	15.10	(4)
Capital (Voted)				
11	27	4059-Capital Outlay on Public Works	65.27	(54)
12	36	4217-Capital Outlay on Urban Development	104.72	(66)
13	43	4235-Capital Outlay Social Security and Welfare	10.70	(49)
14	52	4406-Capital Outlay on Forestry and Wild Life	17.36	(44)
15	53	4860- Capital Outlay on Consumer Industries	10.96	(28)
16	55	4801-Capital Outlay on Power Project	24.89	(30)
17	60	4215- Capital Outlay on Water Supply and Sanitation	75.75	(73)
Capital (Charged)				
18	75	6004-Loans and Advances from the Central Government	26.44	(54)
Total			665.06	

Appendix 2.12

(Reference: Paragraph 2.3.14; Page 48)

Rush of Expenditure

(Rupees in crore)

Sl. No	Grant Number and Name	Major Head	Expenditure incurred during Jan-March 2011	Expenditure incurred in March 2011	Total Expenditure	%age of total expenditure incurred during	
						Jan-Mar 2011	Mar-11
1	1 State Legislature	4059	15.00	15.00	15.00	100.00	100.00
2	4 Administration of Justice	4059	33.40	33.40	33.40	100.00	100.00
3	11 District Administration & Special Welfare schemes	2053	29.92	17.78	74.48	40.17	23.87
		2515	15.82	15.82	15.82	100.00	100.00
4	13 Village Guards	2055	11.90	9.48	18.49	64.36	51.27
5	18 Pensions and Other Retirement Benefits	2071	137.66	84.50	335.97	40.97	25.15
6	25 Land Records and Survey	2029	5.95	4.12	11.52	51.65	35.76
7	26 Civil Secretariat	2052	19.81	13.63	65.57	30.21	20.79
		3451	19.13	17.88	23.93	79.94	74.72
8	27 Planning Machinery	2575	21.84	21.79	24.40	89.51	89.30
		3451	46.91	44.18	71.95	65.20	61.40
		4059	26.94	25.28	55.55	48.50	45.51
9	28 Civil Police	2055	249.44	143.74	682.13	36.57	21.07
10	31 School Education	2202	254.96	170.38	557.27	45.75	30.57
		4202	12.82	10.80	25.31	50.65	42.67
11	33 Youth Resources & Sports	4202	34.59	34.35	39.87	86.76	86.16
12	34 Art & Cultures & Gazetteers Unit	2205	7.91	6.08	13.30	59.47	45.71
13	35 Medical, Public Health & Family Welfare	2210	64.87	25.88	188.66	34.38	13.72
		4210	33.18	20.22	39.47	84.06	51.23
14	36 Urban Development	4217	32.16	23.84	53.32	60.32	44.71
15	42 Rural Development	2515	33.86	30.65	47.37	71.48	64.70
		2575	37.04	36.99	44.73	82.81	82.70
16	43 Social Security & Welfare	2235	37.32	33.31	73.20	50.98	45.51
		2236	52.92	31.79	52.93	99.98	60.06
		4235	11.22	11.22	11.22	100.00	100.00
17	45 Co-operation	2425	9.00	7.31	14.57	61.77	50.17
18	48 Agriculture	2401	40.27	33.26	91.31	44.10	36.43
		4401	20.19	16.20	20.53	98.34	78.91
19	49 Soil & Water Conservation	2402	23.69	16.89	40.63	58.31	41.57
20	50 Animal Husbandry & Dairy Development	2403	35.09	27.50	59.89	58.59	45.92
21	51 Fisheries	2405	13.46	10.69	20.93	64.31	51.08
22	52 Forest, Ecology, Environment & Wild Life	2406	29.02	14.48	52.05	55.75	27.82
23	53 Industries	2851	16.99	11.60	37.95	44.77	30.57
		4860	21.22	17.50	27.66	76.72	63.27
24	54 Mineral Development	2853	7.97	5.88	15.09	52.82	38.97

		4853	10.90	10.90	15.12	72.09	72.09
25	55 Power	2801	120.02	33.85	219.61	54.65	15.41
		4801	56.97	52.99	58.66	97.12	90.33
26	56 Road Transport	3055	10.71	4.75	35.89	29.84	13.23
27	58 Roads & Bridges	3054	53.06	50.46	81.51	65.10	61.91
		4552	31.06	25.31	31.06	100.00	81.49
		5054	208.00	125.04	310.84	66.92	40.23
28	59 Irrigation & Flood Control	2702	87.56	84.34	112.53	77.81	74.95
29	60 Water Supply	4215	26.50	22.42	28.63	92.56	78.31
30	62 Civil Administration	4216	16.43	2.55	40.95	40.12	6.23
31	64 Housing	2059	13.70	6.52	37.89	36.16	17.21
		4216	27.01	23.83	30.13	89.64	79.09
32	65 Secretariat	2202	10.48	8.73	17.01	61.61	51.32
33	66 Sericulture	2851	7.22	5.61	13.86	52.09	40.48
34	68 Police Engineering Project	4055	58.33	57.11	67.96	85.83	84.03
35	70 Horticulture	2401	9.64	5.66	16.70	57.72	33.89
36	72 Land Resource Development	2501	30.48	29.91	35.45	85.98	84.37
37	75 Servicing of Debt	2048	26.00	26.00	26.00	100.00	100.00
		2049	342.41	328.68	394.33	86.83	83.35

Appendix - 2.13

(Reference paragraph 2.4.1; Page 49)

Pending DCC bills for the year up to 2010-11

(Rupees in crore)

Sl. No.	Department	Number of AC bills	Amount
1	Election	10	4.34
2	Administration of Justice	7	0.66
3	Home	4	0.13
4	Urban Development	2	0.06
5	Governor Secretariat	3	0.08
6	Animal Husbandry & Dairy Development	1	2.80
7	Home Guards	3	7.03
8	Tourism	3	0.22
9	Planning Machinery	2	0.27
10	Civil Secretariat	27	2.60
11	Vigilance Commission	1	0.02
12	General Administration	2	0.61
13	Information & Public Relation	1	0.01
14	Civil Supply	2	0.12
15	Higher Education	2	0.06
16	SCERT	10	0.65
17	Art and Culture	1	0.55
18	Assembly Secretariat	2	1.08
19	Finance	1	0.55
20	Others	13	0.01
	Total	97	21.85

Appendix 2.14

(Reference paragraph 2.7; Page 52)

Statement showing Revenue expenditure incurred from Capital Outlay

Bill No. & date	Sanction Order No. & date	Drawal authority No. & Date	Major Head reference	Particulars of the bill	Amount (Rupees in lakh)
NIL	PLN/M-398/2009 Dated 21-12-2009	EXA/DA/PLN/2009-10/PK-650 Dated-19/12/09	4059- Capital Outlay on Public Works, 051(27)	R/R and procurement of equipments for Finance Department	25.27
222 Dated 26-02-2009	PLN/M-398/2009 Dated 29/03/10	EXA/DA/PLN/2009-10/TA/012 Dated- 28-03-2009	4059-Capital Outlay on Public works, 051(27)	Purchase of equipments for Finance Department	14.47
241 Dated 10-03-2009	PLN/154/07 Co-ord (Pt-IV) Dated 06-03-2009	EXA/DA/PLN/2008-09/HM-248 Dated- 13-02-2009	4059-Capital Outlay on Public works, 051(27)	Purchase of computers and peripherals for Eco & Statistics Department	57.50
241 Dated 10-03-2009	PLN/154/07 Co-ord (Pt-IV) Dated 06-03-2009	EXA/DA/PLN/2008-09/KT-171 Dated- 31-12-2009	4059-Capital Outlay on Public works, 051(27)	Computers and consumbles	9.56
332 Dated- 10-03-2009	PLN/AD/Co-ord-6/2010 Dated 31-03-2010	EXA/DA/PLN/2009-10/LE-309 Dated-31-12-2009	4059-Capital Outlay on Public works, 051(27)	Purchase of Stationery for Eco & Statistics Department	7.67
211 Dated- 05-02-2009	PLN/154/07 Co-ord (Pt-IV) Dated 03-02-2009	EXA/DA/PLN/2009-10/PK-480 Dated-28-01-2009	4059-Capital Outlay on Public works, 051(27)	Purchase of stationeries	9.99
123 Dated- 24-11-2008	PLN/113/2008 Dated 14-11-2008	EXA/DA/PLN/2008-09/AZ-250 Dated-14-11-2008	4059-Capital Outlay on Public works, 051(27)	Purchase of stationeries	21.10
314 Dated- 31-03-2010	PLN/AD/Co-ord-03 Dated 31-03-2010	EXA/DA/PLN/2009-10/KZ-309 Dated- 31-03-2010	4059-Capital Outlay on Public works, 051(27)	Purchase of stationeries	10.00
Total					155.56

Appendix – 3.1

Utilisation certificates outstanding as on 31 March, 2011

(Reference: Paragraph 3.1; Page 55)

(Rupees in lakh)

Sl. No.	Department	Year of Payment of grant	Total grants paid		Utilization Certificates			
			Number	Amount	Received		Outstanding	
					Number	Amount	Number	Amount
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
I	Art & Culture	2006-07	44	20.00	44	20.00	0	0.00
		2007-08	33	20.00	33	20.00	0	0.00
		2008-09	52	20.00	52	20.00	0	0.00
		2009-10	42	20.00	42	20.00	0	0.00
		2010-11	42	20.00	40	19.00	2	1.00
		Total	213	100.00	211	99.00	2	1.00
II	Urban Development	2006-07	10	779.06	10	779.06	0	0.00
		2007-08	16	1945.21	16	1945.21	0	0.00
		2008-09	21	3745.06	18	2379.75	3	1365.31
		2009-10	7	1273.71	5	826.83	2	446.88
		2010-11	19	6386.58	11	3253.19	8	3133.39
		Total	73	14129.62	60	9184.04	13	4945.58
III	Directorate of Rural Development	2006-07	75	4131.22	75	4131.22	0	0.00
		2007-08	84	10065.91	81	9981.11	3	84.80
		2008-09	89	33396.25	83	33136.58	6	259.67
		2009-10	88	63635.58	37	61152.67	51	2482.91
		2010-11	52	2526.00	52	2526.00	0	0.00
		Total	388	113754.96	328	110927.58	60	2827.38
IV	Directorate of Science & Technology	2006-07	4	89.00	4	89.00	0	0.00
		2007-08	4	319.00	4	319.00	0	0.00
		2008-09	3	217.00	3	217.00	0	0.00
		2009-10	3	325.00	3	325.00	0	0.00
		2010-11	3	138.97	2	50.42	1	88.55
		Total	17	1088.97	16	1000.42	1	88.55
V	Agriculture	2006-07	0	0.00	0	0.00	0	0.00
		2007-08	0	0.00	0	0.00	0	0.00
		2008-09	0	0.00	0	0.00	0	0.00
		2009-10	0	0.00	0	0.00	0	0.00
		2010-11	22	300.00	20	256.63	2	43.37
		Total	22	300.00	20	256.63	2	43.37
VI	Directorate of Veterinary & Animal Husbandry	2006-07	9	885.81	9	885.81	0	0.00
		2007-08	6	597.92	6	597.92	0	0.00
		2008-09	6	456.41	6	456.41	0	0.00
		2009-10	5	326.44	5	326.44	0	0.00
		2010-11	10	384.85	9	312.85	1	72.00
		Total	36	2651.43	35	2579.43	1	72.00
VII	PHED (SWSM)	2006-07	6	3026.68	6	3026.68	0	0.00
		2007-08	8	4157.15	8	4157.15	0	0.00

Sl. No.	Department	Year of Payment of grant	Total grants paid		Utilization Certificates			
			Number	Amount	Received		Outstanding	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
		2008-09	6	5327.15	6	5327.15	0	0.00
		2009-10	3	2662.23	3	2662.23	0	0.00
		2010-11	5	7838.17	4	7795.93	1	42.24
		Total	28	23011.38	27	22969.14	1	42.24
VIII	Geology & Mining	2006-07	0	0.00	0	0.00	0	0.00
		2007-08	0	0.00	0	0.00	0	0.00
		2008-09	0	0.00	0	0.00	0	0.00
		2009-10	3	2601.91	3	2601.91	0	0.00
		2010-11	1	795.56	0	0.00	1	795.56
		Total	4	3397.47	3	2601.91	1	795.56
		Grand Total	781	158433.83	700	149618.15	81	8815.68

Appendix - 3.2

(Reference: paragraph 3.2; page 56)

Statement showing names of Bodies and Authorities, the Accounts of which had not been received

Sr. No.	Name of the body/authority	Year for which accounts had not been received	Grants received (Rupees in lakh)
1	District Rural Development Agency, Tuensang	2007-08 to 2010-11	NA
2	District Rural Development Agency, Mon	2009-10 to 2010-11	NA
3	District Rural Development Agency, Kohima	2010-11	NA
4	District Rural Development Agency, Wokha	2009-10 to 2010-11	NA
5	District Rural Development Agency, Longleng	2007-08 to 2010-11	NA
6	District Rural Development Agency, Peren	2010-11	NA
7	District Rural Development Agency, Kiphire	2009-10 to 2010-11	NA
8	District Rural Development Agency, Dimapur	2009-10 to 2010-11	NA
9	District Rural Development Agency, Zunheboto	2010-11	NA
10	District Rural Development Agency, Mokokchung	2010-11	NA
11	Nagaland State Legal Services Authority, Kohima	2007-08 to 2010-11	NA
12	Nagaland State Social Welfare Advisory Board	2007-08 to 2010-11	NA
13	Kohima Municipal Council, Kohima	2005-06 to 2010-11	NA
14	Dimapur Municipal Council, Dimapur	2005-06 to 2010-11	NA
15	Mokokchung Municipal Council, Mokokchung	2005-06 to 2010-11	NA

Appendix – 3.3
(Reference: Paragraph 3.4; Page 57)

Summarized Financial Statement of Departmentally Managed Commercial Undertakings

Sl. No	Name of the Undertaking	Period of accounts
1	2	3
1	Nagaland State Transport Department	2008-09 to 2010-11
2	Nagaland Power Department	2007-08 to 2010-11
3	Farms Under Agriculture Department	
	i) Potato Seed Farm, Kuthur	1999-00 to 2010-11
	ii) Medium size seed farm, Merapani	2001-02 to 2010-11
	iii) Seed Farm, Tizit	2000-01 to 2010-11
4	Changkai Valley Fruit Preservation Factory	1987-88 to 2010-11
5	Timber Treatment and Seasoning Plant, Dimapur	1998-99 to 2010-11
6	Government Cottage Industries Emporia, Kohima	1998-99 to 2010-11
7	Farms under Veterinary and Animal Husbandry Department	
	i) Cattle Breeding Farm, Medziphema	1998-99 to 2010-11
	ii) Cattle Breeding farm, Tuensang	1998-99 to 2010-11
	iii) Cattle Breeding Farm, Aliba	1998-99 to 2010-11
	iv) Chick Rearing Centre (with Hatchery Unit), Mokokchung	1998-99 to 2010-11
	v) Chick Rearing Centre (with Hatchery Unit), Dimapur	1998-99 to 2010-11
	vi) Chick Rearing Centre, Tuensang	1985-86 to 2010-11
	vii) Chick Rearing Centre, Medziphema	1985-86 to 2010-11
	viii) Pig Breeding Centre, Medziphema	1997-98 to 2010-11
	ix) Pig Breeding Centre, Tizit	1997-98 to 2010-11
	x) Pig Breeding Centre, Tuensang	1985-86 to 2010-11
	xi) Pig Breeding Centre, Tuli	1980-81 to 2010-11
	xii) Regional Rabbit Breeding Farm, Jharnapani	1998-99 to 2010-11
	xiii) Pig Breeding Centre, Merangkong	1998-99 to 2010-11
	xiv) Chick Rearing Centre, Kohima	1998-99 to 2010-11
	xv) Pig Breeding Centre, Sathuja	1998-99 to 2010-11
	xvi) Cattle Breeding farm, Baghty	1998-99 to 2010-11
	xvii) Sheep Farm, Poilwa	1998-99 to 2010-11
	xviii) Buffalo Farm, Jalukie	1998-99 to 2010-11
8	Farm under Horticulture Department	
	Fruit Canning Factory, Longnak	2006-07 to 2010-11

Appendix – 3.4

(Reference: Paragraph 3.5; page 58)

Department wise/duration wise break-up of the cases of misappropriation, defalcation, etc.

(Cases where final action was pending at the end of March 2011)

Sl. No.	Name of the Department	Up to 5 years	5 to 10 years	10 to 15 years	15 to 20 years	Total No. of Cases.
1	PWD	2	-	-	-	2
2	Higher Education	1	-	-	-	1
3	School Education	10	-	-	1	11
4	Treasuries & Accounts	1	-	-	-	1
5	Irrigation & Flood Control	1	-	-	-	1
6	Development Authority of Nagaland	1	-	-	-	1
7	Urban Development	1	-	-	-	1
8	DUDA	3	-	-	-	3
9	Food & Civil Supplies	1	-	-	-	1
10	Registrar of Co-operative Societies	1	-	-	-	1
11	Transport Commissioner	2	-	-	-	2
12	Vigilance Commissioner	0	1	-	-	1
13	Industries	1	1	-	-	2
14	PHED	1	1	-	-	2
15	Forest Range Office	1				1
16	Health & Family Welfare	1				1
	TOTAL	28	3		1	32

Appendix - 3.5
(Reference : Paragraph 3.5; Page 58)

Department/category wise details in respect of cases of loss to Government due to theft, misappropriation/loss of Government material

(Rupees in lakh)

Name of Department	Theft Cases		Misappropriation/ Loss of Government Material		Defalcation		Total	
	Number of Cases	Amount	Number of Cases	Amount	Number of Cases	Amount	Number of Cases	Amount
PWD			2	571.18			2	571.18
Higher Education			1	3.93			1	3.93
School Education	2	4.30	9	5414.24			11	5418.54
Treasuries & Accounts			0	0	1	460.88	1	460.88
Irrigation & Flood Control			1	386.00			1	386.00
Development Authority of Nagaland			1	100.00			1	100.00
Urban Development			1	37.00			1	37.00
DUDA	2	11.69	1	47.50			3	59.19
Food & Civil Supplies			1	3.55			1	3.55
Registrar of Co-operative Societies			1	10.82			1	10.82
Transport Commissioner			2	146.57			2	146.57
Vigilance Commissioner	1	1.20	0	0			1	1.20
Industries			2	1929.00			2	1929.00
PHED			2	118.90			2	118.90
Forest Range Office			1	1.32			1	1.32
Health & Family Welfare			1	14.97			1	14.97
Total	5	17.19	26	8784.98	1	460.88	32	9263.05