

**Report of the  
Comptroller and Auditor General of India  
on  
State Finances  
for the year ended 31 March 2016**



**GOVERNMENT OF NAGALAND**  
*Report No. 2 of the year 2016*

**REPORT OF THE  
COMPTROLLER AND AUDITOR GENERAL  
OF INDIA**

**ON**

**STATE FINANCES**

**FOR THE YEAR ENDED 31 MARCH 2016**

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## TABLE OF CONTENTS

	Reference to	
	Paragraph	Page
Preface		v
Executive Summary		vii
<b><i>CHAPTER I - FINANCES OF THE STATE GOVERNMENT</i></b>		
Profile of Nagaland		1
Gross State Domestic Product (GSDP)		1
Introduction	1.1	2
Resources of the State	1.2	6
Revenue Receipts	1.3	9
Capital Receipts	1.4	15
Public Accounts Receipts	1.5	16
Application of resources	1.6	17
Quality of Expenditure	1.7	22
Financial Analysis of Government Expenditure and Investments	1.8	24
Assets and Liabilities	1.9	29
Debt Management	1.10	33
Fiscal Imbalances	1.11	34
Follow up	1.12	37
Conclusion and recommendations	1.13	37
<b><i>CHAPTER II – FINANCIAL MANAGEMENT AND BUDGETARY CONTROL</i></b>		
Introduction	2.1	39
Summary of Appropriation Accounts	2.2	39
Financial Accountability and Budget Management	2.3	40
Non-reconciliation of Departmental figures	2.4	44
Outcome of the Review of Selected Grant	2.5	45
Advances from Contingency Fund	2.6	47
Conclusion and recommendations	2.7	47
<b><i>CHAPTER III – FINANCIAL REPORTING</i></b>		
Delay in furnishing utilisation certificates	3.1	49
Non-submission/delay in submission of Accounts	3.2	49
Delay in submission of Accounts/Audit Reports of Autonomous Bodies	3.3	50
Departmental Commercial Undertakings	3.4	51
Balances lying unspent in Civil Deposits and bank accounts	3.5	51
End use of cess	3.6	52
Misappropriation, loss, defalcation, etc.	3.7	53
Conclusion and recommendations	3.8	54

**APPENDICES**

	<b>Appendix No</b>	<b>Page</b>
Part A: Structure and Form of Government Accounts		57
Part B: Layout of Finance Accounts		58
Part C: Methodology Adopted for the Assessment of Fiscal Position		59
Part D: State Profile		61
Time series data on the State Government Finances	1.2	62
Abstract of Receipts and Disbursements for the year 2015-16	1.3	65
Summarised financial position of the Government of Nagaland as on 31.03.2016	1.4	68
Statement showing the funds transferred to the State Implementing Agencies under Programmes/Schemes outside the State budget during 2015-16	1.5	70
Statement of various grants/appropriations where saving was more than ₹ 1 crore each or more than 20 per cent of the total provision	2.1	73
Excess over provision of previous years requiring regularisation	2.2	75
Excess over provision requiring regularisation during 2015-16	2.3	76
Cases where supplementary provision (₹ 10 lakh or more in each cases) proved unnecessary	2.4	77
Statement of various grants/appropriations where supplementary provision proved insufficient by more than ₹ 1 crore each	2.5	78
Excessive/Insufficient re-appropriation of funds	2.6	79
Results of review of substantial surrenders made during the year	2.7	82
Surrender in excess of actual savings (₹ 1 crore or more)	2.8	86
Statement of various grants/appropriations in which savings occurred but no part of which had been surrendered	2.9	87
Details of saving of ₹ 2 crore and above not surrendered	2.10	88
Cases of surrender of funds in excess of ₹ 10 crore on 30 and 31 March 2016	2.11	89
Rush of Expenditure	2.12	91
Pending DCC bills for the year up to 2015-16	2.13	92
Utilisation certificates outstanding as on 31 March 2016	3.1	93
Statement showing names of Bodies and Authorities, the Accounts of which had not been received	3.2	94

	<b>Appendix No</b>	<b>Page</b>
Summarised Financial statement of Departmentally Managed Commercial Undertakings	3.3	95
Department wise/duration wise break-up of the cases of misappropriation, defalcation, etc. (Cases where final action was pending at the end of March 2015)	3.4	96
Department/category wise details in respect of cases of loss to Government due to theft, misappropriation/loss of Government material	3.5	97

## **Preface**

1. This Report has been prepared for submission to the Governor of Nagaland under Article 151(2) 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 2016. Information has been obtained from the Government of Nagaland, wherever necessary.
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. The Report containing the findings of performance audit and compliance audit in various departments, audit of Statutory Corporations, Boards, Government Companies and Revenue Receipts are presented separately.

# **EXECUTIVE SUMMARY**

## *EXECUTIVE SUMMARY*

### *Background*

This Report on the Finances of the Government of Nagaland is being brought out with a view to assess the financial performance of the State during the year 2015-16. 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 Commissions 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 2015-16. A comparison has been made to see whether the State had given adequate fiscal priority to developmental expenditure and whether the expenditure had been effectively absorbed by the intended beneficiaries.

### *The Report*

Based on the audited accounts of the Government of Nagaland for the year ending March 2016, this Report provides an analytical review of the Annual Accounts of the State Government. The Report is structured in three Chapters.

**Chapter 1** is based on the audit of Finance Accounts and makes an assessment of the Government of Nagaland's fiscal position as on 31 March 2016. It provides an insight into trends in committed expenditure, borrowing pattern and a brief account of Central funds transferred directly to the State implementing agencies through off-budget route.

**Chapter 2** 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 3** 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 Fiscal Deficit increased due to the combined effect of decrease in Revenue Surplus and marginal increase of net Capital Expenditure. As a result, the Primary Surplus during previous year turned into Primary Deficit during the current year.

**Revenue Receipts:** During 2015-16, out of the total Revenue Receipts of ₹ 8040.79 crore, 92 *per cent* of the total revenue i.e. ₹ 7358.92 crore came from the Government of India as Central transfers ₹ 2540.72 crore (32 *per cent*) and Grants-in-aid ₹ 4819.36 crore (60 *per cent*). The State did not achieve the total revenue collection target fixed by the XIV FC during 2015-16.

**Revenue Expenditure:** The overall Revenue Expenditure of the State increased by ₹ 819.51 crore (12.12 *per cent*) over the previous year. The Revenue Expenditure constituted 87.74 *per cent* of Total Expenditure while the expenditure incurred under Capital head constituted 12.26 *per cent*.

There were 373 incomplete projects (estimated cost ₹ 3004.76 crore and actual expenditure incurred ₹ 2100.61 crore) as of March 2016, pertaining to 36 departments. Out of which, 211 projects (estimated cost ₹ 2110.91 crore and actual expenditure ₹ 1091.36 crore) were due to be completed by March 2016 but remained incomplete as of October 2016 and 2 projects (estimated cost ₹ 10.93 crore and actual expenditure ₹ 10.47 crore) had been suspended/abandoned. Due to delay in completion of the projects, the intended benefits from those projects did not reach the beneficiaries in the State. The date of completion in respect of 57 projects could not be furnished by the departments.

Development expenditure of ₹ 3573.79 crore in 2011-12 had increased to ₹ 4912.31 crore in 2015-16. However, its share in aggregate expenditure had showed a fluctuating trend during 2011-16. The ratio of development expenditure as a proportion to aggregate expenditure had decreased by 0.85 *per cent* in 2015-16 as compared to the previous year.

**Government investment:** The Government had invested ₹ 290.60 crore in Statutory Corporations, Rural Banks, Joint Stock Companies and Co-operatives at the end of March 2016. The average return on this investment was NIL during the previous four years (2011-15) while there was a return of ₹ 4.95 crore during 2015-16.

**Financial management and budgetary control:** There was total saving of ₹ 2452.63 crore offset by excess of ₹ 373.60 crore. During the year, though the overall saving was ₹ 2079.03 crore, the amount surrendered was ₹ 2590.29 crore (124.59 *per cent*). This excess expenditure together with an excess expenditure of ₹ 556.03 crore

pertaining to 2000-01 and 2005-06, 2008-09 to 2010-11 and 2012-13 to 2014-15 require regularisation by the Legislature under Article 205 of the Constitution of India.

A rush of expenditure was noticed in six cases in which expenditure exceeding ₹ 10 crore or more than 50 *per cent* of the total expenditure was incurred in the last quarter of 2015-16 and in some cases in the month of March 2016.

There were 220 Abstract Contingency (AC) Bills involving ₹ 237.13 crore awaiting adjustment due to non-submission of Detailed Countersigned Contingent (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 Drawing and Disbursing Officers (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 2016, 76 utilisation certificates involving an aggregate amount of ₹ 145.98 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 overdue, these accounts were not submitted. Non-submission of accounts in time amounted to non-compliance with the financial rules.

As on 31 March 2016, 41 cases of misappropriation, defalcation etc. involving ₹ 597.63 crore in 15 Departments, private firms and various other departments were pending finalisation.

*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.*

**CHAPTER – I**  
**FINANCES OF THE STATE GOVERNMENT**

# Chapter I

## Finances of the State Government

### Profile of Nagaland

The State located in the North-Eastern region of India, is a Special Category State<sup>1</sup>. It is the twenty fifth largest State in terms of geographical area (16,579 sq. km) as well as by population (1978502). As indicated in **Appendix 1.1(D)** the State's population decreased from 19,90,036 in 2001 to 19,78,502 in 2011 recording a decadal decrease of 0.58 *per cent*. The state's literacy rate increased from 66.59 *per cent* (as per 2001 census) to 79.55 *per cent* (as per 2011 census). The per capita income of the State (source: Ministry of Home Affairs) stood at ₹ 56116 against the country's average of ₹ 60,972 in the year 2011-12. The general data relating to the State is given in **Appendix 1.1(D)**.

### Gross State Domestic Product (GSDP)

GSDP is the market value of all officially recognised final goods and services produced within the State in a given period of time. The growth of GSDP of the State is an important indicator of the State's economy as it indicates the standard of living of the State's population. A trend analysis of the growth of GDP for a period of five years at current prices indicates the performance of the Government in fiscal management of the State. The growth rate of the State GDP for the period 2011-16 compared with India's GDP is presented in the table below:

**Table 1.1: Annual growth rate of GDP and GSDP at current prices**

Year	2011-12	2012-13	2013-14	2014-15	2015-16
State's GDP (in crore)	11,839	13,619	16,612	18,414	20,524*
Growth in <i>per cent</i>	**	15.03	21.98	10.85	11.46
India's GDP (in crore)	87,36,039	99,51,344	11272,764	124,88,205	135,76,086
Growth in <i>per cent</i>	-	13.91	13.28	10.78	8.71

(Source: Central Statistical Office (CSO), Ministry of Statistics and Programme Implementation except for 2015-16)

\* Information furnished by Directorate of Economics and Statistics, Govt. of Nagaland

\*\* Growth of GSDP and GDP for the year 2011-12 has not been indicated as the base year has been revised to 2011-12.

The quantum of GDP (both State and India) is measured in terms of constant and current prices and as per their respective arithmetical calculations; these figures (both for states and India) differ from each other every year. For comparison between State and National GDPs, the GDP figure calculated on the basis of current price at factor cost with base year 2011-12 has been taken.

<sup>1</sup> The Fifth Finance Commission accorded (1969) special status to three states on basis of harsh terrain, backwardness and special problems prevailing in these states viz.-Assam, Jammu & Kashmir and Nagaland. The number of such states has increased over a period of time and now stands at 11.

## 1.1 Introduction

The annual accounts of the State Government consist of Finance Accounts and Appropriation Accounts. The Finance Accounts has been divided into two Volumes: Volume I and II. Volume I represents the financial statements of the Government in a summarised form while Volume II represents detailed financial statements, the structure and layout of which are depicted in **Appendix 1.1- Part B**.

This chapter provides a broad perspective of the finances of the Government of Nagaland during 2011-16. It analyses important changes in the major fiscal indicators compared to the previous year keeping in view the overall trends during the last five years. The analysis is based on the Finance Accounts and information obtained from the State Government. The structure of the Government Accounts and layout of the Finance Accounts have been explained in **Appendix 1.1 – Parts A and B**.

### 1.1.1 Summary of Fiscal Transactions in 2015-16

**Table 1.2** presents the summary of the State Government's fiscal transactions during the current year (2015-16) vis-à-vis the previous year (2014-15) while **Appendix 1.3** provides details of receipts and disbursements as well as overall fiscal position during the same period.

**Table 1.2 Summary of Fiscal Operations in 2015-16**

(₹ in crore)

Receipts			Disbursements				
Section-A: Revenue			Description	2014-15	2015-16		
Description	2014-15	2015-16			Non Plan	Plan	Total
<b>Revenue Receipts<sup>2</sup></b>	<b>7650.94</b>	<b>8043.57</b>	<b>Revenue Expenditure<sup>3</sup></b>	<b>6762.41</b>	<b>6459.26</b>	<b>1122.66</b>	<b>7581.92</b>
Tax Revenue	388.61	427.10	General Services	3133.24	3598.88	24.37	3623.25
Non-tax Revenue	270.61	256.39	Social Services	1855.17	1526.38	567.23	2093.61
Share of Union Taxes/ Duties	1062.68	2540.72	Economic Services	1774.00	1334.00	531.06	1865.06
Grants from Government of India	5929.04	4819.36	Grants-in-Aid and Contributions	0.00	0.00	0.00	0.00
<b>Section-B: Capital</b>							
Misc. Capital Receipts	0.00	0.00	Capital Outlay	1023.17	0.00	1059.23	1059.23
Recoveries of Loans and Advances	0.71	0.50	<b>Loans and Advances disbursed</b>	0.19	0.19	0.00	0.19
<b>Public Debt</b> receipts	2414.87	3545.94	<b>Repayment of Public Debt</b>	2306.08			2705.35
Contingency Fund	0.00	0.00	Contingency Fund	0.00			0.00
Public Account Receipts*	2661.92	3226.12	Public Account disbursements*	2895.22			3011.82
Opening Cash Balance	694.36**	435.73	Closing Cash Balance	435.73			893.35
<b>Total</b>	<b>13422.80</b>	<b>15251.86</b>	<b>Total</b>	<b>13422.80</b>			<b>15251.86</b>

\* Gross figure / \*\* the closing cash balance has been taken after rounding off.

(Source: Finance Accounts for the respective years)

<sup>2</sup> Revenue Receipts and Non-Tax Revenue are inclusive of gross receipt (₹ 13.43 crore) from State Lotteries.

<sup>3</sup> Revenue Expenditure and General Services (Non-Plan) are inclusive of expenditure (₹ 2.78 crore) on State Lotteries

The following are the significant changes during 2015-16 over the previous year:

- Revenue Receipts increased by ₹ 392.63 crore (5.13 per cent) from ₹ 7650.94 crore in 2014-15 to ₹ 8043.57 crore in 2015-16 due to increase in grants from State's share of Union Taxes and Duties (₹ 1478.04 crore) and State's Own Tax Revenue (₹ 38.49 crore) and offset by decrease in grants from Government of India (GoI) (₹ 1109.68 crore) and State's Non-tax Revenue (₹ 14.22 crore).
- Revenue Expenditure of the State, on the other hand increased by ₹ 819.51 crore (12.12 per cent) from ₹ 6762.41 crore in 2014-15 to ₹ 7581.92 crore in 2015-16 under General Services (₹ 490.01 crore), Social Services (₹ 238.44 crore) and Economic Services (₹ 91.06 crore).
- Capital Expenditure increased by 3.52 per cent from ₹ 1023.17 crore in 2014-15 to ₹ 1059.23 crore in 2015-16.
- Recoveries of Loans and Advances decreased by ₹ 0.21 crore in 2015-16 over the previous year and disbursement of Loans and Advances was the same as compared to the previous year.
- During the year 2015-16, Public Debt Receipts<sup>4</sup> increased by ₹ 1131.07 crore from ₹ 2414.87 crore in 2014-15 to ₹ 3545.94 crore in 2015-16 and repayment increased by ₹ 399.27 crore from ₹ 2306.08 crore in 2014-15 to ₹ 2705.35 crore in 2015-16.
- Public Account Receipts increased in 2015-16 over the previous year by ₹ 564.20 crore from ₹ 2661.92 crore in 2014-15 to ₹ 3226.12 crore in 2015-16 and disbursement increased by ₹ 116.60 crore from ₹ 2895.22 crore in 2014-15 to ₹ 3011.82 crore in 2015-16.

The total inflow increased by ₹ 2087.69 crore (16.40 per cent) from ₹ 12,728.44 crore in 2014-15 to ₹ 14,816.13 crore in 2015-16. The total outflow also increased by ₹ 1371.44 crore (10.56 per cent) from ₹ 12,987.07 crore in 2014-15 to ₹ 14,358.51 crore in 2015-16. The cash balance of the State at the end of 2015-16 increased by ₹ 457.62 crore (105.02 per cent) from ₹ 435.73 crore in 2014-15 to ₹ 893.35 crore in 2015-16.

### **1.1.2 Review of the fiscal situation**

With the enactment of a Fiscal Responsibility and Budget Management Act (FRBM) Act, 2005 at the centre, the Twelfth Finance Commission (XII FC) 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 State of Nagaland enacted Nagaland Fiscal Responsibility and Budget Management (NFRBM) Act in

<sup>4</sup> Public Debt Receipts includes market loans, special securities issued by RBI and loans and advances from GOI.

2005. The targets prescribed in NFRBM Act and projections made by State Government in its Medium Term Fiscal Policy Statement (MTFPS), targets proposed in the Budget, Fourteenth Finance Commission (XIV FC) targets for the State vis-a-vis achievements during the year 2014-15 is depicted in **Table 1.3**:

**Table: 1.3 Major fiscal variables provided in the budget, recommendations of the XIV FC- targets in the NFRBM Act vis-à-vis actuals for the year 2015-16.**

Fiscal variables	Targets/Projections				Actuals
	As per XIV FC	Prescribed in FRBM Act	Proposed in the Budget Estimates	made in Five Year Fiscal Plan/MTFPS	
Revenue Deficit(-)/ Surplus(+) (₹ in crore)	NA	0.00	(+) 230.32	0.00	(+) 461.65
Fiscal Deficit/GSDP (in per cent)	3.25	3.00	4.97	4.91	2.91
Ratio of total outstanding debt of the Government to GSDP (in per cent)	45.77	50.00	35.78	35.07	43.52

During 2015-16, the State Government projected zero Revenue Deficit in NFRBM and MTFPS. The State projected a Revenue Surplus of ₹ 230.32 crore in the BE for 2015-16 and actually achieved a Revenue Surplus of ₹ 461.65 crore.

For the year 2015-16 the ratio of Fiscal Deficit to GSDP was proposed at 3.25 per cent and 3.00 per cent in XIV FC and NFRBM respectively and at 4.97 per cent in MTFPS. Actual ratio of Fiscal Deficit to GSDP was 2.91 per cent which was 0.34 per cent and 0.09 per cent less than XIV FC and NFRBM projections and 2.00 per cent less than MTFPS projection.

During 2015-16, outstanding debt to GSDP ratio of 43.52 per cent was less than the projected figures as per XIV FC and NFRBM Act, however, more than the projected figures as per MTFPS and budget estimates for 2015-16.

### **1.1.3 Budget estimates and actuals**

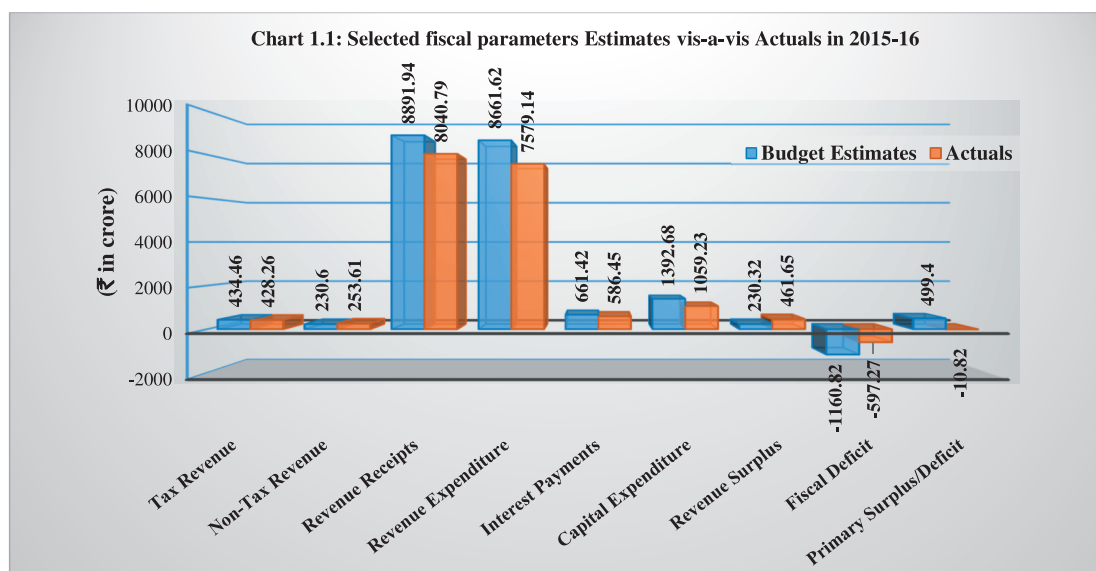
The budget presented by the State Government provide descriptions of estimations of revenue and expenditure for particular fiscal year. The importance of accuracy in the estimation of revenue and expenditure is widely accepted in the context of effective implementation of fiscal policies for overall economic management. Deviations from the budget estimates are indicative of non-attainment and non-optimisation of the desired fiscal objectives due to a variety of causes, some within the control of the Government and some beyond the control of the Government.

**Table 1.4 and Chart 1.1** represent the budget estimates and actuals for some important fiscal parameters during 2015-16.:

Table1.4: Variation in Actual Fiscal parameters over estimates

(₹ in crore)

Parameters	2014-15	2015-16		
	Actuals	Budget Estimates	Revised Estimates	Actuals
Tax Revenue	388.61	434.46	445.21	427.10
Non-tax Revenue	268.34	230.60	237.82	253.61
Revenue Receipts <sup>5</sup>	7648.67	8891.94	8993.86	8040.79
Non-debt Capital Receipts	0.71	1.94	1.94	0.50
Revenue Expenditure <sup>6</sup>	6760.14	8661.62	8782.93	7579.14
Interest Payments	555.34	661.42	658.26	586.45
Capital Expenditure	1023.17	1392.68	1371.85	1059.23
Disbursement of Loans & Advances	0.19	0.40	0.40	0.19
<b>Revenue Deficit (-)/Surplus</b>	888.53	230.32	210.93	461.65
Fiscal Deficit (-)/Surplus	(-)134.12	(-)1160.82	(-)1159.38	(-)597.27
Primary Deficit(-)/Surplus	421.22	499.40	501.12	(-)10.82



- During 2015-16, the actual Revenue Receipts was less than the budget estimates by ₹ 851.15 crore (9.57 per cent) and actual Revenue Expenditure was also lesser by ₹ 1082.48 crore (12.50 per cent) than the budget estimates resulting in attaining a Revenue Surplus which was higher by ₹ 231.33 crore as compared to the projections made in the budget estimates.
- The actual collection of Tax Revenue during the year decreased by ₹ 7.36 crore (1.69 per cent) over the budget estimates for the year.

<sup>5</sup> Revenue Receipts is net of receipts and expenditure under State Lottery from this point onwards in the Report.

<sup>6</sup> Revenue Expenditure is exclusive of expenditure (₹ 2.78 crore) on State Lotteries from this point onwards in the Report.



- The increase in Non-tax Revenue was ₹ 23.01 crore (9.98 per cent) as compared to the budget estimates for 2015-16.
- During the year 2015-16, the actual Capital Expenditure was less than the budget provision by ₹ 333.45 crore (23.94 per cent).
- Actual Fiscal Deficit decreased over the assessment made in the budget estimates by ₹ 563.55 crore (48.55 per cent) mainly due to non-achievement of Revenue Receipts projected in the budget estimates. Against the Primary Surplus of ₹ 499.40 crore projected in the BE, the State witnessed Primary Deficit of ₹ 10.82 crore in 2015-16.

#### **1.1.4 Gender Budgeting**

The Constitution of India has mandated equality for every citizen of the country as a fundamental right. GoI has made international commitments in (i) The Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW) in 1980; (ii) World Conference on Human Rights in Vienna in 1993; (iii) International Conference on Population and Development (ICPD) in Cairo in 1994; (iv) Fourth World Conference of Women in Beijing in 1995 and (v) Commonwealth Plan of Action on Gender and Development in 1995 about the action to be taken for improvement in the life of women.

One of the tools that can be used to promote women's equality and empowerment is gender-responsive budgeting, or Gender Budgeting.

Among others, Gender Budgeting serves in (i) Identifying the felt needs of women and reprioritising and/or increasing expenditure to meet these needs; (ii) Supporting gender mainstreaming in macroeconomics; (iii) Strengthening civil society participation in economics; (iv) Enhancing the linkages between economic and social policy outcomes; (v) Tracking public expenditure against gender and development policy commitments; and (vi) Contributing to the attainment of the Millennium Development Goals (MDGs).

Gender Budgeting had not been implemented in the State.

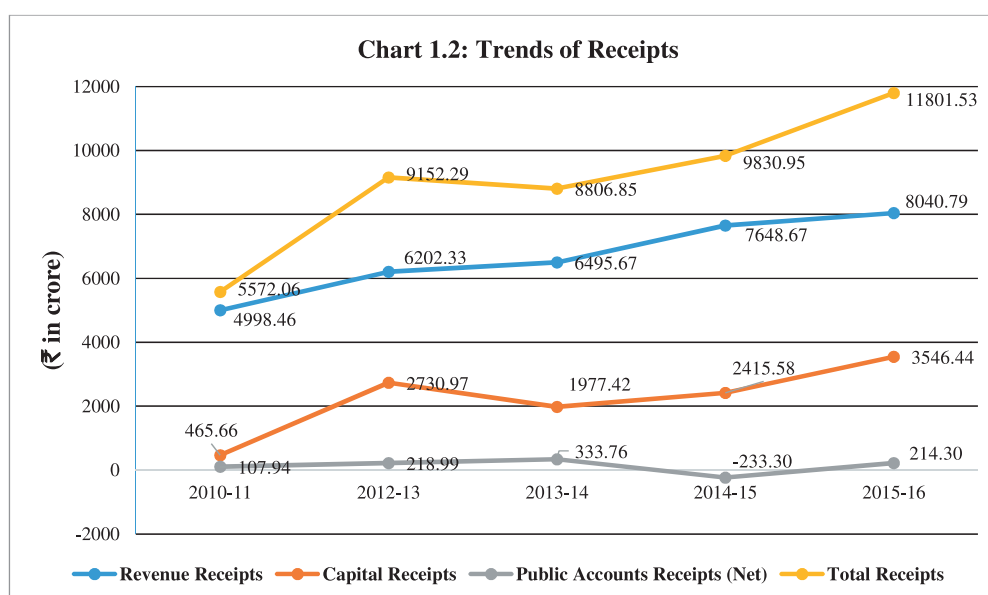
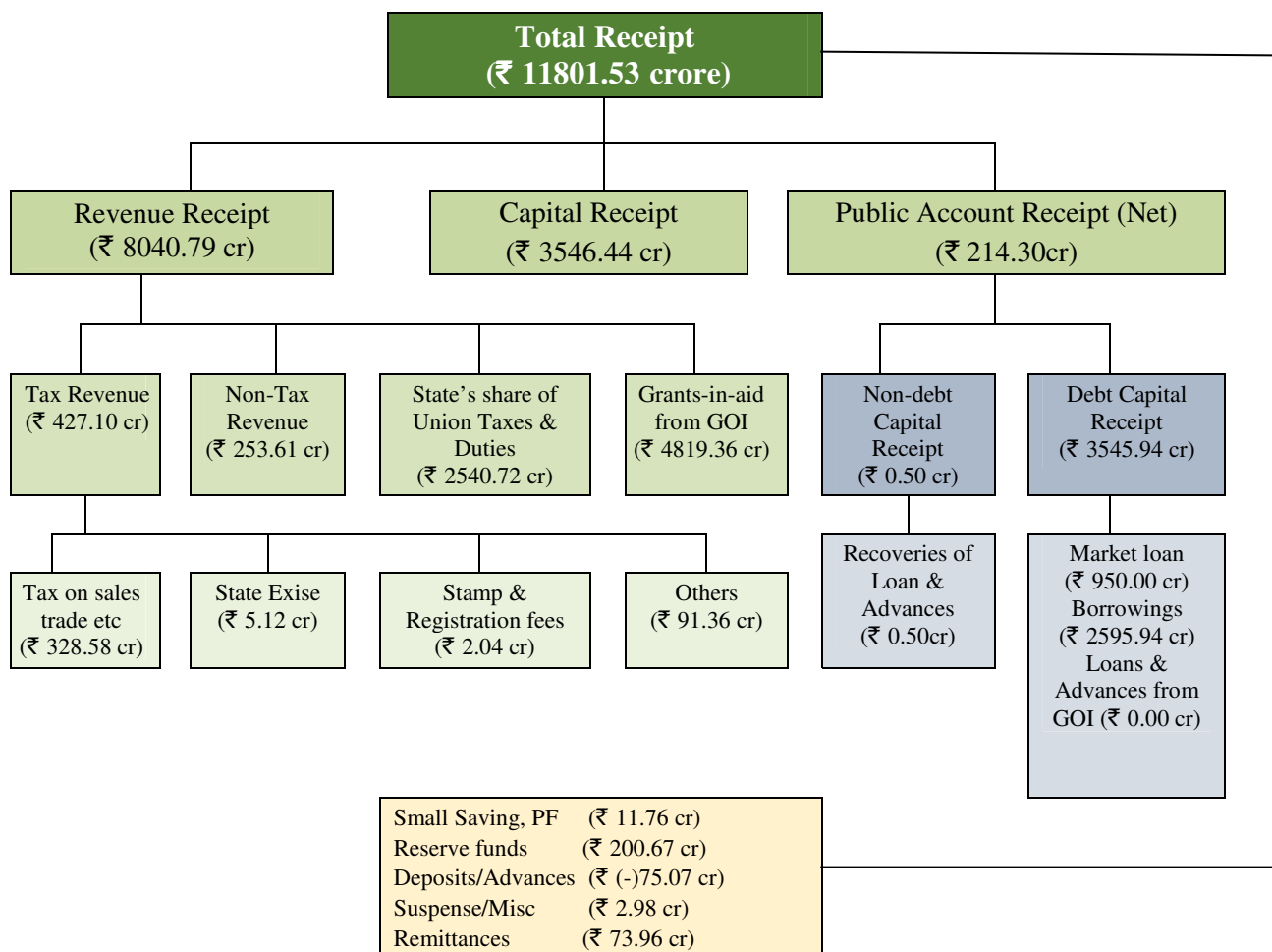
## **1.2 Resources of the State**

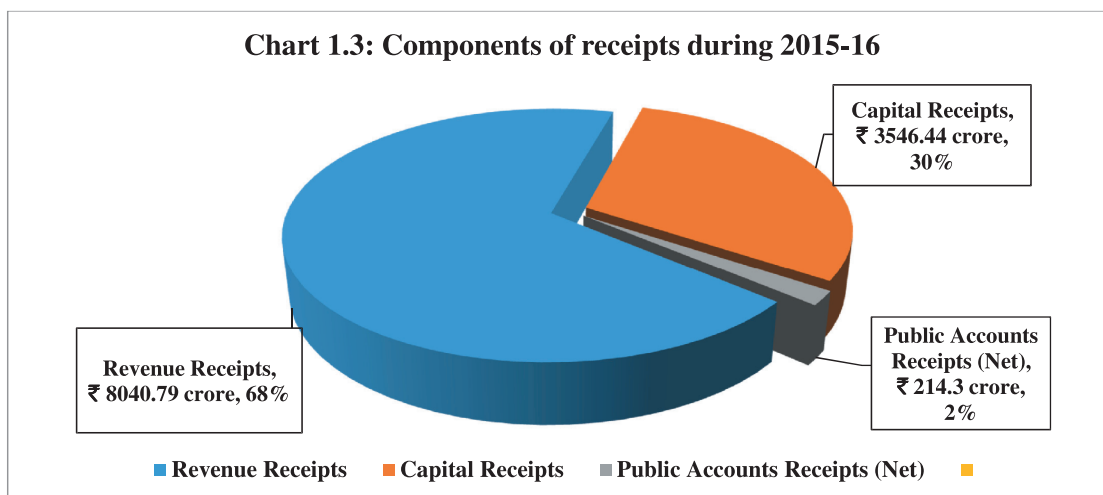
### **1.2.1 Resources of the State as per Annual Finance Accounts**

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 (GIA) from 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. Besides the funds available in the Public Accounts after disbursement is also utilised by the Government to finance its deficit.

**Table-1.2** presents the receipts and disbursements of the State during the last two years as recorded in its Annual Finance Accounts while **Chart 1.2** depicts the trends in various components of the receipts of the State during 2011-16. **Chart 1.3** depicts the composition of the receipts during 2015-16. **Table 1.4** presents the trends in growth and composition of receipts for the current year 2015-16.

Following flowchart shows the components and sub-components of resources.





**Table 1.5: Composition of receipts**

(₹ in crore)

	Sources of State receipts	2011-12	2012-13	2013-14	2014-15	2015-16
<b>I</b>	<b>Revenue Receipts</b>	5584.62	6202.33	6495.67	7648.67	8040.79
<b>II</b>	<b>Capital Receipts</b>	1321.29	2730.97	1977.42	2415.58	3546.44
	Miscellaneous Capital Receipts	-	-	-	-	-
	Recovery of Loans and Advances	2.44	0.85	1.01	0.71	0.50
	Public Debt receipts	1318.85	2730.12	1976.41	2414.87	3545.94
<b>III</b>	<b>Contingency Fund</b>	-	-	-	-	-
<b>IV</b>	<b>Public Account Receipts (Net)</b>	246.81	218.99	333.76	(-)233.30	214.30
	<b>Total Receipts</b>	<b>7152.72</b>	<b>9152.29</b>	<b>8806.85</b>	<b>9830.95</b>	<b>11801.53</b>

(Source: Finance Accounts of respective years)

The total receipts of the State Government for the year 2015-16 was ₹ 11,801.53 crore out of which, the Revenue Receipts was ₹ 8040.79 crore constituting 68.13 per cent of the total receipts.

The Revenue Receipts of the State increased from ₹ 7648.67 crore in 2014-15 to ₹ 8040.79 crore in 2015-16 at an annual growth rate of 5.13 per cent. The buoyancy of Revenue Receipts w.r.t. GSDP during the year was 0.45 per cent.

The Capital Receipts registered an increase of 168.41 per cent from ₹ 1321.29 crore in 2011-12 to ₹ 3546.44 crore in 2015-16.

Public Account Receipts (net) increased by ₹ 447.60 crore (191.86 per cent) from ₹ (-) 233.30 crore in 2014-15 to ₹ 214.30 crore in 2015-16.

### 1.2.2 Funds Transferred to State Implementing Agencies

As per GoI decision, transferring of funds to the State Implementing Agencies for implementation of the Centrally Sponsored Schemes shall be through the State Consolidated Fund with effect from 2014-15 (BE). Some fund was directly transferred to the State Implementing Agencies outside the State Budget/State Treasury System. The funds directly transferred to State Implementing Agencies are presented in **Appendix 1.5**.

During the year 2015-16 central funds of ₹ 110.62 crore were directly transferred to the State Implementing Agencies. The amounts released in excess of ₹ one crore for programmes assisted by GoI are presented in **Table 1.6**.

**Table-1.6: Funds Transferred Directly to State Implementing Agencies**

		(₹ in crore)
Programme/Scheme	Implementing Agency in the State	Funds transferred directly by GOI during 2015-16
Indigenous Breeds	Nagaland Livestock Development Board	3.50
MPLADS	DC, Dimapur	7.50
Swadesh Darshan Integrated Development Theme	Nagaland Tourism Board	19.47
National Handloom Development Programmes	Nagaland Weavers Associations, Kohima	2.00
Nagaland Mission on Food Processing (SAMPDA)	Kohima Municipal Council	1.50
	Mokokchung Municipal Council	3.32
Zonal Culture Centre	North East Zone Cultural Centre	15.30
North Eastern Areas	Nagaland GIS Centre	1.60
	Nagaland Bamboo Development Agency	1.26
	Director of Youth Resources and Sports	2.37
National Child Labour Project including Grants-in-aids to Voluntary Agencies	District Child Labour Project Society	1.31
GRID Interactive Renewal Power MNRE	New and Renewable Energy Development Agency (NREDA)	1.20
OFF GRID DPRS	New and Renewable Energy	5.98
Working Women Hostel (WWH)	Nagaland Handloom and Handicrafts Development Corporation	1.34
NER- Textile Promotion Scheme	Directorate of Sericulture, GON	12.50
Museums	North East Zone Cultural Centre	3.32
National Plan for Dairy Development	Nagaland State Dairy Co-operation Federation Ltd	1.00
	Nagaland Livestock Development Board	1.25
Digital India Programme	Nagaland State E-Governance Society	8.80
Others	68 other schemes/programmes	16.10
<b>Total</b>		<b>110.62</b>

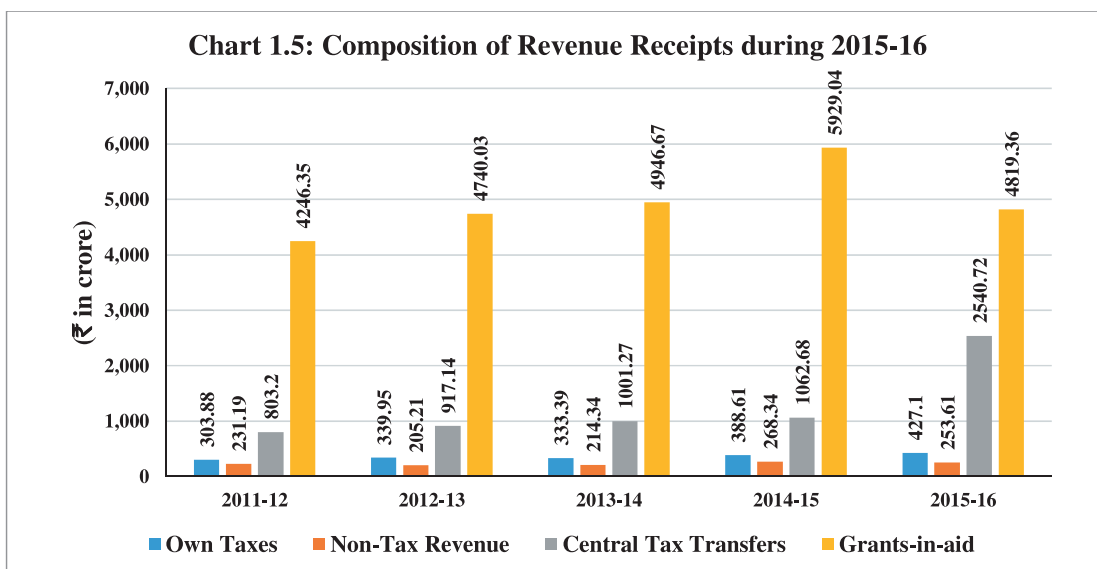
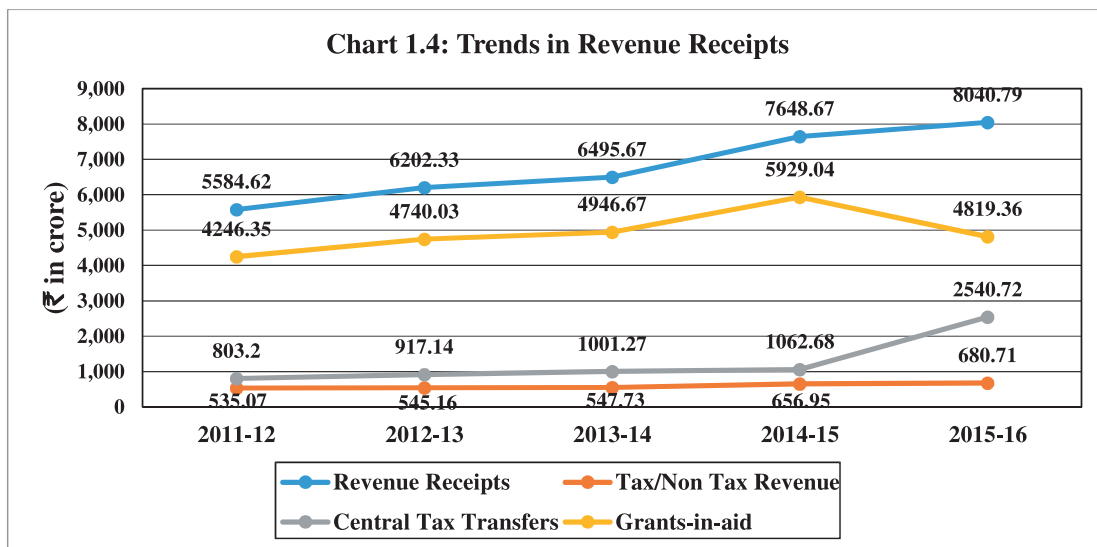
*(Source: 'Central Plan Scheme Monitoring System' portal in Controller General of Account's website)*

Out of an amount of ₹ 110.62 crore directly transferred to Implementing Agencies during the year, an amount of ₹ 19.47 crore (20 per cent) was given for Swadesh Darshan Integrated Development Theme.

### **1.3 Revenue Receipts**

**Statement-14** of the Finance Accounts details the Revenue Receipts of the State Government. The trends and composition of Revenue Receipts over the period

2011-16 are presented in **Appendix 1.2** and depicted in **Charts 1.4** and **1.5** respectively.



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 2011-16.

Tax and Non-tax Revenue Receipts together (i.e., State's Own Resources) increased by ₹ 145.64 crore (27.22 per cent) from ₹ 535.07 crore in 2011-12 to ₹ 680.71 crore in 2015-16 at a compound annual growth rate of 6.21 per cent.

The Revenue Receipts of the State increased from ₹ 5584.62 crore in 2011-12 to ₹ 8040.79 crore in 2015-16 at a compound annual growth rate of 9.54 per cent. While 8.47 per cent of the Revenue Receipts during 2015-16 have come from the State's Own Resources comprising taxes and non-taxes; Central tax transfers and GAI from GoI together contributed 91.53 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 (2011-16).

Central tax transfers to the State increased by ₹ 1478.04 crore (139.09 per cent) from ₹ 1062.68 crore in 2014-15 to ₹ 2540.72 crore in 2015-16. This quantum jump was due to change in Central tax devolution pattern in line with recommendation of XIV Finance Commission.

The trends in Revenue Receipts as well as buoyancy<sup>7</sup> ratios relative to GSDP are presented in **Table 1.7**:

**Table 1.7: Trends in Revenue Receipts and buoyancy ratios relative to GSDP**

	2011-12	2012-13	2013-14	2014-15	2015-16
<b>Revenue Receipts (RR) (₹ in crore)</b>	<b>5584.62</b>	<b>6202.33</b>	<b>6495.67</b>	<b>7648.67</b>	<b>8040.79</b>
Rate of growth of RR ( <i>per cent</i> )	11.73	11.06	4.73	17.75	5.13
RR/GSDP ( <i>per cent</i> )	47.17	45.54	39.10	41.54	39.18
<b>Buoyancy Ratios</b>					
Revenue Receipts Buoyancy w.r.t GSDP	-	0.74	0.22	1.64	0.45
State's Own Tax Buoyancy w.r.t GSDP	-	0.79	(-) 0.09	1.53	0.86

(Source: Finance Accounts of respective years)

The Revenue Receipts buoyancy with respect to GSDP which was 1.64 in 2014-15 decreased to 0.45 in 2015-16. The State's Own Tax buoyancy with respect to GSDP was 1.53 in 2014-15 which decreased to 0.86 in 2015-16, indicating that Revenue Receipts as well as State's Own Tax grew at a lesser pace than GSDP.

### 1.3.1 State's Own Resources

As the State's share in Central taxes and GIA are determined on the basis of recommendations of the Finance Commission, the State's performance in mobilisation of resources was assessed in terms of its own resources comprising revenue from its own tax and Non-tax sources.

The States actual Tax and Non-tax Receipts for the year 2015-16 vis-à-vis assessment made by XIV FC and MTFPS are given in **Table 1.8**:

**Table 1.8: Tax & Non-tax Receipts vis-à-vis assessment made by XIV FC and MTFPS**

	(₹ in crore)			
	XIV FC projections	Budget estimates	MTFP projection	Actuals
Tax Revenue	763.00	435.46	530.54	427.10
Non-tax Revenue	581.00	230.60	NA	253.61

The tax and Non-tax Revenue for the years 2014-15 and 2015-16 are detailed in **Charts 1.6** and **1.7**.

<sup>7</sup> As explained in Appendix 1.1

**1.3.1.1 Tax Revenue**

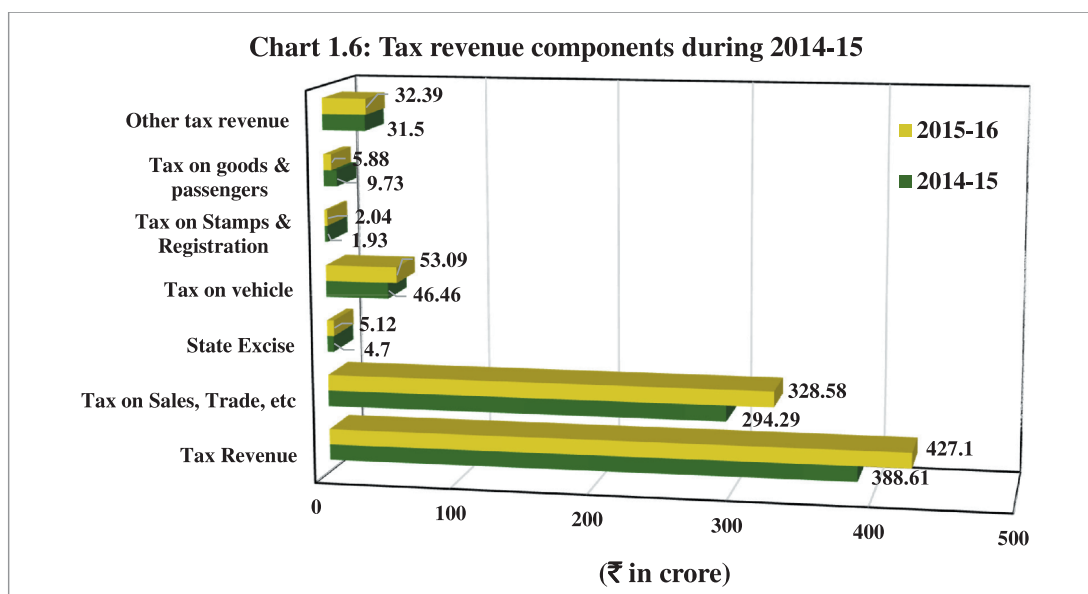
The gross collection in respect of major taxes and duties are given in **Table 1.8**.

**Table 1.9: Collection of Tax Revenue 2011-16**

(₹ in crore)

Heads	2011-12	2012-13	2013-14	2014-15	2015-16		Percentage of increase(+)/ decrease(-) in 2015-16 over 2014-15
					Budget Estimates	Actual	
Taxes on Sales	231.12	257.21	250.20	294.29	332.78	328.58	11.65
State Excise	3.37	3.73	4.86	4.70	4.90	5.12	8.94
Taxes on Vehicle	34.58	41.59	36.15	46.46	46.00	53.09	14.27
Stamps and Registration Fees	1.85	1.58	1.77	1.93	1.98	2.04	5.70
Land Revenue	0.68	0.72	0.70	0.74	0.89	0.75	1.35
Taxes on goods & Passengers	4.85	6.71	10.79	9.73	12.10	5.88	(-)39.57
Other taxes	27.43	28.41	28.92	30.76	35.81	31.64	2.86
<b>Total</b>	<b>303.88</b>	<b>339.95</b>	<b>333.39</b>	<b>388.61</b>	<b>434.46</b>	<b>427.10</b>	<b>9.90</b>

(Source: Finance Accounts of respective years)



The major contributions to the State's Tax Revenue during the year were Tax on sales, trade, etc. (₹ 328.58 crore), Taxes on vehicles (₹ 53.09 crore) and Tax on goods and passengers (₹ 5.88 crore) and State Excise (₹ 5.12 crore).

The State's Own Tax Revenue increased by ₹ 38.49 crore (9.90 per cent) from ₹ 388.61 crore in 2014-15 to ₹ 427.10 crore in 2015-16 due to increase in Tax on sales, trade, etc. (₹ 34.29 crore), Tax on vehicles (₹ 6.63 crore), Stamp duty & Registration fees (₹ 0.11 crore), State Excise (₹ 0.43 crore) and other taxes (₹ 0.88 crore) offset by decrease in Tax on goods & passengers (₹ 3.85 crore).

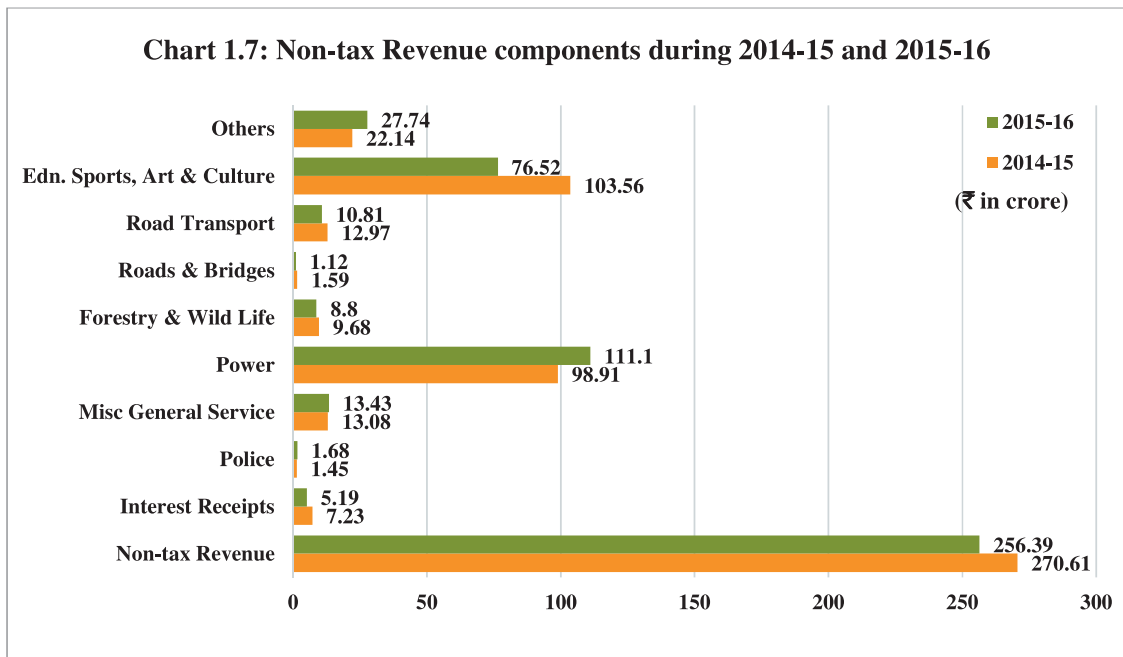
### 1.3.1.2 Non-tax Revenue

The gross collection of Non-tax Revenue is given in **Table 1.10** and the details of other Non-tax receipts are given in **Chart 1.7**:

**Table 1.10: Collection of Non-tax Revenue 2011-16**

Revenue Head						(₹ in crore)
	2011-12	2012-13	2013-14	2014-15	2015-16	Percentage increase(+)/decrease(-) in 2015-16 over 2014-15
Interest receipts	9.62	5.90	7.62	7.23	5.19	(-) 28.22
Dividends and profits	0.00	0.00	0.00	0.00	4.94	-
Other Non-tax receipts	221.57	199.31	208.95	263.38	246.26	(-) 6.50
<b>Total</b>	<b>231.19</b>	<b>205.21</b>	<b>216.57</b>	<b>270.61</b>	<b>256.39</b>	<b>(-) 5.25</b>

(Source: Finance Accounts of respective years)



Non-tax Revenue decreased by 5.25 *per cent* during 2015-16 over the previous year. Non-tax Revenue at ₹ 256.39 crore constituted 3.19 *per cent* of the Revenue Receipts.

The major contributors to Non-tax Revenue during the year included Power (₹ 111.10 crore), Miscellaneous General Services (₹ 13.43 crore), Road Transport (₹ 10.81 crore), Education, Sports, Arts & Culture (₹ 76.52 crore), Interest Receipts (₹ 5.19 crore), Dividends and Profit (₹ 4.94 crore), Forestry and Wildlife (₹ 8.80 crore), Petroleum (₹ 4.00 crore), Housing (₹ 5.36 crore), Police (₹ 1.68 crore) and Roads and Bridges (₹ 1.12 crore).



### 1.3.2 Grants-in-aid from Government of India

The break-up of Grants-in-aid (GIA) received from GoI during 2011-16 is given in the **Table 1.11**:

**Table 1.11: Grants-in-aid from Government of India**

(₹ in crore)

	2011-12	2012-13	2013-14	2014-15	2015-16
Grants for State Plan Schemes	1858.21	2174.93	2283.84	2257.17	193.05
Non-Plan Grants	1831.88	2039.07	2071.26	2068.04	3310.43
Grants for Central Plan Schemes	39.98	7.78	26.66	80.93	18.41
Grants for Centrally Sponsored Plan Schemes	431.73	393.49	445.30	1428.26	1203.85
Grants for Special Plan Schemes	84.55	124.76	119.61	94.64	93.62
<b>Total</b>	<b>4246.35</b>	<b>4740.03</b>	<b>4946.67</b>	<b>5929.04</b>	<b>4819.36</b>
Percentage of increase (+) /decrease (-) over previous year	(+)8.88	(+)11.63	(+)4.36	(+)19.86	(-)18.72

(Source: Finance Accounts of respective years)

GIA from GoI have decreased by ₹ 1109.68 crore (18.72 per cent) from ₹ 5929.04 crore in 2014-15 to ₹ 4819.36 crore in 2015-16 contributing 59.94 per cent of the total Revenue Receipts during 2015-16. This decrease was due to decrease in grants for Centrally Sponsored Plan Schemes (₹ 224.41 crore), grants for State Plan Schemes (₹ 2064.12 crore) and grants for Special Plan Schemes (₹ 1.02 crore) and grants for Central Plan Schemes (₹ 62.52 crore) offset by increase in Non-Plan grants (₹ 1242.39 crore),

There was a substantial change in the pattern devolution of funds under the recommendations of the XIV FC.

The details of the devolution of taxes as well as grants for the last four years of XIII FC (2011-15) and first year of XIV FC (2015-16) are given as follows:

**Table 1.12: Devolution of taxes as well as grants**

(₹ in crore)

	2011-12	2012-13	2013-14	2014-15	2015-16
<b>1. State share of Union taxes and duties</b>	<b>803.20</b>	<b>917.14</b>	<b>1001.27</b>	<b>1062.69</b>	<b>2540.72</b>
<b>2. Grants-in-Aid from GOI</b>	<b>4246.35</b>	<b>4740.03</b>	<b>4946.67</b>	<b>5929.04</b>	<b>4819.36</b>
2.1 Non-Plan Grants	2841.16	2039.07	2071.25	2068.04	3310.43
2.2 Grants for State Plan Schemes	985.20	2174.93	2283.84	2257.17	193.05
2.3 Grants for Central Plan Schemes	39.98	7.78	26.67	80.93	18.41
2.4 Grants for Centrally Sponsored Schemes	295.46	393.49	445.30	1428.26	1203.85
2.5 Grants for Special Plan Schemes	84.55	124.76	119.61	94.64	93.62
<b>TOTAL: (1+2)</b>	<b>5049.55</b>	<b>5657.17</b>	<b>5947.94</b>	<b>6991.73</b>	<b>7360.08</b>

### 1.3.3 Central Tax Transfers

The break-up of State's share of Union Taxes and Duties received during 2011-15 is given in the **Table 1.13**:

**Table 1.13: Central Tax Transfers**

(₹ in crore)					
Head	2011-12	2012-13	2013-14	2014-15	2015-16
Corporation Taxes	316.26	329.59	336.90	371.26	804.56
Taxes on income other than corporation tax	160.65	197.31	221.84	265.11	564.00
Tax on wealth	1.22	0.55	0.92	1.00	0.13
Customs	139.31	152.48	163.45	171.94	405.10
Union Excise Duties	90.14	103.63	115.44	97.09	332.50
Service Tax	95.62	133.58	162.72	156.28	433.27
Other Taxes and Duties on Commodities and Services	0.00	0.00	0.00	0.00	1.16
<b>Total</b>	<b>803.20</b>	<b>917.14</b>	<b>1001.27</b>	<b>1062.68</b>	<b>2540.72</b>

(Source: Finance Accounts of respective years)

State's share of Union Taxes and Duties increased by ₹ 1478.04 crore (139.09 per cent) from ₹ 1062.68 crore in 2014-15 to ₹ 2540.72 crore in 2015-16 contributing 31.60 per cent of the total Revenue Receipts during 2015-16. This increase was due to increase in Corporation tax (₹ 433.30 crore), Taxes on income other than corporation tax (₹ 298.89 crore), Customs (₹ 233.16 crore), Union Excise Duties (₹ 235.41 crore), Other Taxes and Duties on commodities and services (₹ 1.16 crore) and Service tax (₹ 276.99 crore) offset by decrease in Tax on wealth (₹ 0.87 crore). Central tax transfers during the year (₹ 2540.72 crore) was more than the assessment made in budget estimate (₹ 2411.16 crore) by ₹ 129.56 crore.

### 1.4 Capital Receipts

The Capital Receipts for the period from 2011-12 to 2015-16 is given below:

**Table No. 1.14: Capital Receipts**

	2011-12	2012-13	2013-14	2014-15	2015-16
<b>Capital Receipts (CR)</b>	<b>1321.29</b>	<b>2730.97</b>	<b>1977.42</b>	<b>2415.58</b>	<b>3546.44</b>
Miscellaneous Capital Receipts	0.00	0.00	0.00	0.00	0.00
Recovery of Loans and Advances	2.44	0.85	1.01	0.71	0.50
Public Debt Receipt	1318.85	2730.12	1976.41	2414.87	3545.94
Rate of growth of debt Capital Receipts	184.63	107.01	(-)27.61	22.18	46.84
Rate of growth of non-debt Capital Receipts	5.63	(-)65.16	18.82	(-)29.70	(-)29.58
Rate of growth of CR	183.75	106.69	(-)27.59	22.16	46.82
Debt Capital buoyancy w.r.t GSDP	-	7.09	(-)1.26	2.04	4.09
Non Debt Capital Buoyancy w.r.t GSDP	-	(-)4.33	0.86	(-)2.74	(-)2.58

(Source: Finance Accounts of respective years)

#### **1.4.1 Proceeds from disinvestment**

During the financial year 2015-16, the Government of Nagaland did not resort to any disinvestment.

#### **1.4.2 Recoveries of loans and advances**

The State Government in its Medium Term Fiscal Policy (MTFP) Statement targeted recovery of Loans and Advances of ₹ 1.94 crore. However, the actual recovery of ₹ 0.50 crore was only 25.77 per cent of the target set and decreased by 29.58 per cent as compared to 2014-15.

#### **1.4.3 Debt receipts from internal sources (market loans, borrowings from financial institutions, banks)**

Debt Receipts from internal sources increased by ₹ 1131.07 crore (46.84 per cent) from ₹ 2414.87 crore in 2014-15 to ₹ 3545.94 crore in 2015-16. Debt Receipts from internal sources of ₹ 3545.94 crore comprised mainly of Market loans (₹ 950.00 crore), loans from NABARD (₹ 22.83 crore), loans from other Institutions (₹ 61.26 crore) and Ways and Means Advances from RBI (₹ 2477.54 crore). Debt Receipts constituted 99.97 per cent of the total Capital Receipts.

### **1.5 Public Accounts Receipts**

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. Here the Government Acts as a banker. The balance after disbursement is the fund available with the Government for use.

**Table 1.15: Net transactions under Public Account**

	(₹ in crore)				
<b>Resources under various heads</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>
Small Savings, Provident Fund etc	36.43	72.49	112.07	55.35	11.76
Reserve Fund	29.00	24.13	12.15	41.01	200.67
Deposits and Advances	(-)133.80	(-)80.22	240.68	(-)607.76	(-)75.07
Suspense and Miscellaneous	309.64	209.22	(-)0.76	0.56	2.98
Remittances	5.54	(-)6.63	(-)30.38	277.54	73.96
<b>Total</b>	<b>246.81</b>	<b>218.99</b>	<b>333.76</b>	<b>(-)233.30</b>	<b>214.30</b>

(Source: Finance Accounts of respective years)

The net receipts from Public Account increased by ₹ 447.60 crore (191.86 per cent) from ₹ (-) 233.30 crore in 2014-15 to ₹ 214.30 crore in 2015-16. The increase was due to increase in Deposit and Advances (₹ 532.69 crore), Reserve Fund (₹ 159.67 crore) and Suspense and Miscellaneous (₹ 2.42 crore) offset by decrease in Small Savings, Provident Funds (₹ 43.60 crore) and Remittances (₹ 203.58 crore). The net availability of funds under Small Savings, Provident Funds etc. Reserve Fund and Remittances had a predominant share in financing the Fiscal Deficit.

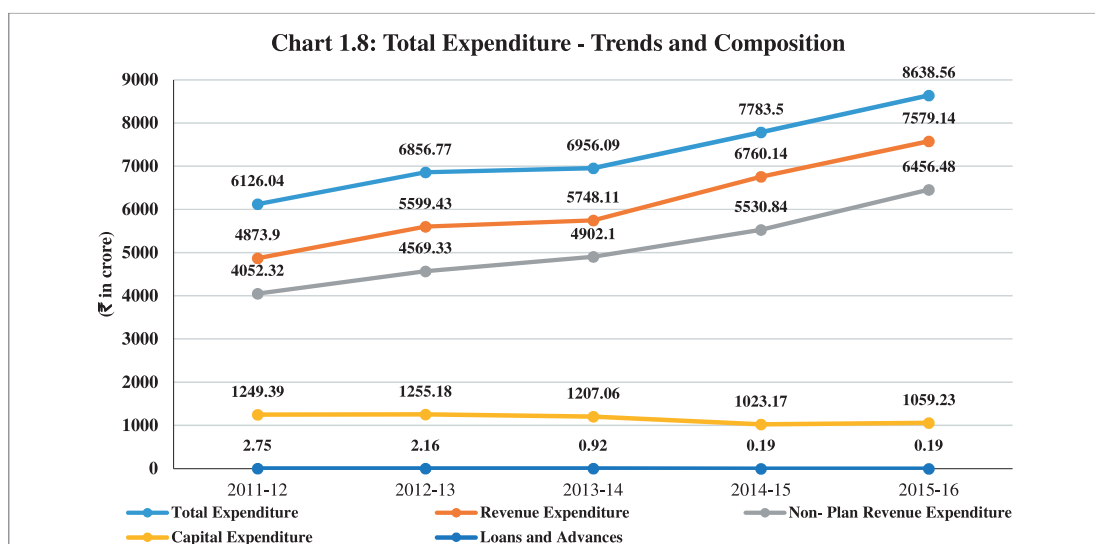
## 1.6 Application of resources

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.

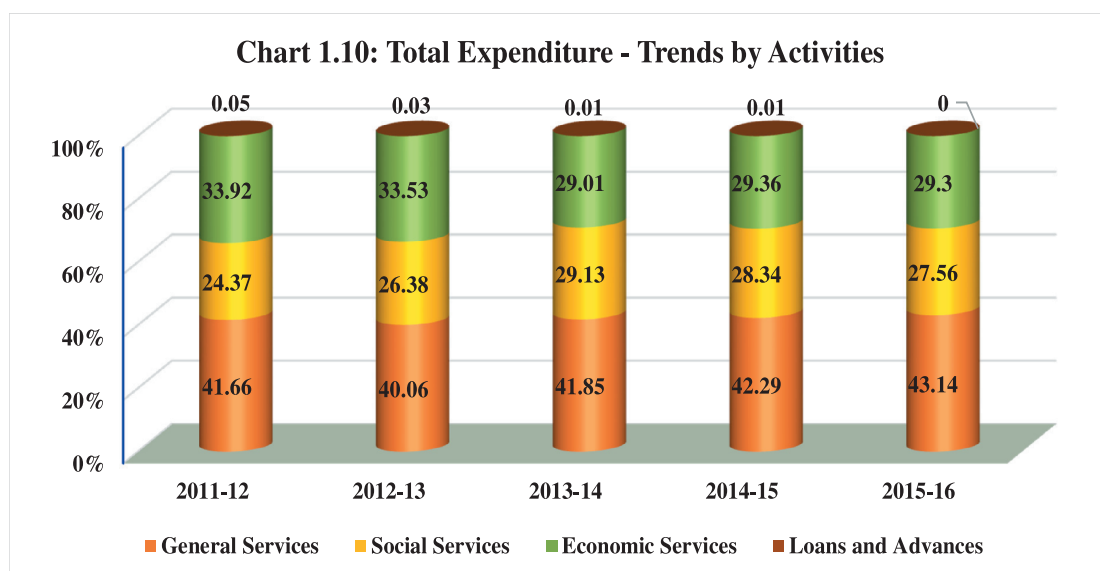
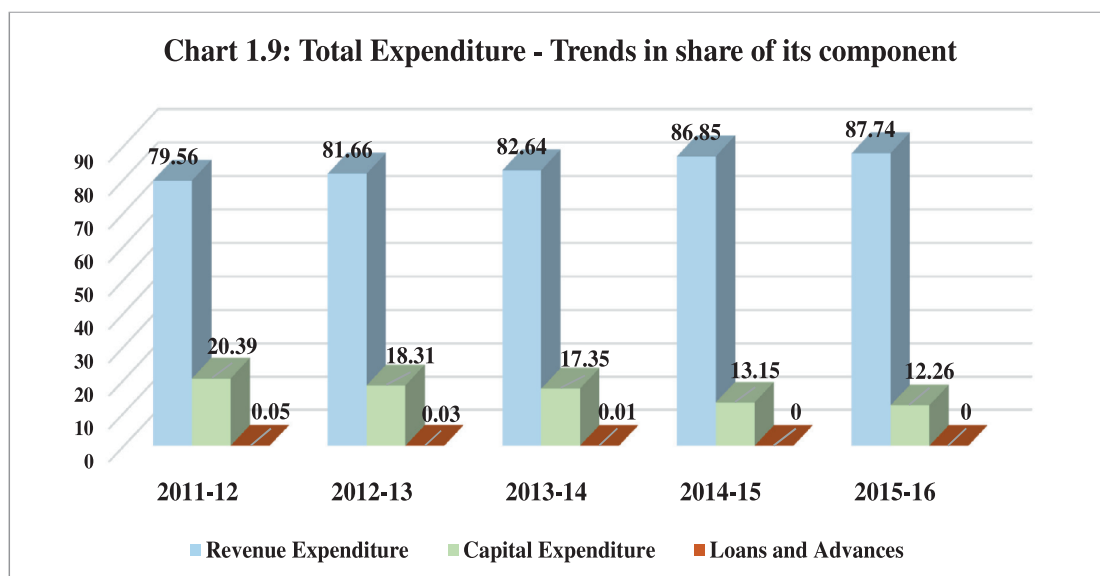
### 1.6.1 Growth and Composition of Expenditure

**Chart 1.8** presents the trends in Total Expenditure over a period of five years (2011-16) 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 15 and 16** 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.

Total Expenditure during 2015-16 at ₹ 8638.56 crore increased by ₹ 855.06 crore (10.99 per cent) over the previous year. Out of the Total Expenditure in 2015-16, Revenue Expenditure was ₹ 7579.14 crore (87.74 per cent) while Capital Expenditure was ₹ 1059.23 crore (12.26 per cent) and Loans and Advances were ₹ 0.19 crore. The increase in Total Expenditure during 2015-16 over the previous year was due to increase of Revenue Expenditure by ₹ 819.00 crore and Capital Expenditure by ₹ 36.06 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 1.16**.

**Table 1.16: Total Expenditure -basic parameters**

	2011-12	2012-13	2013-14	2014-15	2015-16
Total Expenditure (TE) (₹ in crore)	6126.04	6856.77	6956.09	7783.50	8638.56
Rate of growth of TE ( <i>per cent</i> )	15.29	11.93	1.45	11.89	10.99
TE/GSDP ratio ( <i>per cent</i> )	51.74	50.35	41.87	42.27	42.09
RR/TE ( <i>per cent</i> )	91.16	90.46	93.38	98.27	93.08
Buoyancy of Total Expenditure with reference to:					
GSDP (ratio)	-	0.79	0.07	1.10	0.96
Revenue Receipt (ratio)	1.30	1.08	0.31	0.67	2.14

(Source: Finance Accounts of respective years)

During the current year, 93.08 *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 ₹ 434.33 crore (13.19 *per cent*) from ₹ 3291.92 crore in 2014-15 to ₹ 3726.25 crore in 2015-16, Social services expenditure increased by ₹ 174.94 crore (7.35 *per cent*) and Economic services expenditure increased by ₹ 245.79 crore (9.71 *per cent*).

### 1.6.2 Revenue Expenditure

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. Revenue Expenditure had predominant share varying from 79.56 *per cent* to 87.74 *per cent* of the Total Expenditure of the State during 2011-16.

The Revenue Expenditure, its rate of growth, the ratio of Revenue Expenditure to GSDP and Revenue Receipts and buoyancy of Revenue Expenditure with reference to GSDP and Revenue Receipts is indicated in **Table 1.17**.

**Table 1.17: Revenue Expenditure-basic parameters**

	2011-12	2012-13	2013-14	2014-15	2015-16
Revenue Expenditure (RE), of which (₹ in crore)	4873.90	5599.43	5748.11	6760.14	7579.14
<b>Non-Plan</b> Revenue Expenditure (NPRE) (₹ in crore)	4052.32	4569.33	4902.10	5530.84	6456.48
Plan Revenue Expenditure (PRE) (₹ in crore)	821.58	1030.10	846.01	1229.30	1122.66
Rate of growth of RE ( <i>per cent</i> )	16.42	14.89	2.66	17.61	12.12
RE as percentage to TE	79.56	81.66	82.63	86.85	87.74
Buoyancy of RE with GSDP (ratio)	-	0.99	0.12	1.62	1.06
Buoyancy of RE with RR (ratio)	1.40	1.35	0.56	0.99	2.36

(Source: Finance Accounts of respective years)

Revenue Expenditure of the State had increased by ₹ 2705.24 crore (55.50 *per cent*) from ₹ 4873.90 crore in 2011-12 to ₹ 7579.14 crore in 2015-16 at a compound annual growth rate of 11.67 *per cent*.

The actual Revenue Expenditure vis-à-vis assessment made by XIV FC are given below:

**Table 1.18: Revenue Expenditure assessment made by XIV FC and actual**

(₹ in crore)

	Assessment made by XIV FC	Actual
Revenue Expenditure	6856.00	7579.14

The actual Revenue Expenditure exceeded the normative assessment made by XIV FC by ₹ 723.14 crore (10.55 *per cent*).

### 1.6.3 Committed Expenditure

The Committed Expenditure of the State Government on revenue account mainly consists of interest payments, expenditure on salaries and wages, pension and subsidies. **Table 1.19** and **Chart 1.11** present the trends in the expenditure on these components during 2011-16.

The Committed Expenditure (i.e., interest payment, pension, salaries and subsidies) of the State Government increased from ₹ 4734.65 crore in 2014-15 to ₹ 5303.75 crore in 2015-16. The overall percentage of Committed Expenditure to Revenue Receipts was 65.96 per cent in 2015-16.

**Table 1.19: Components of Committed Expenditure**

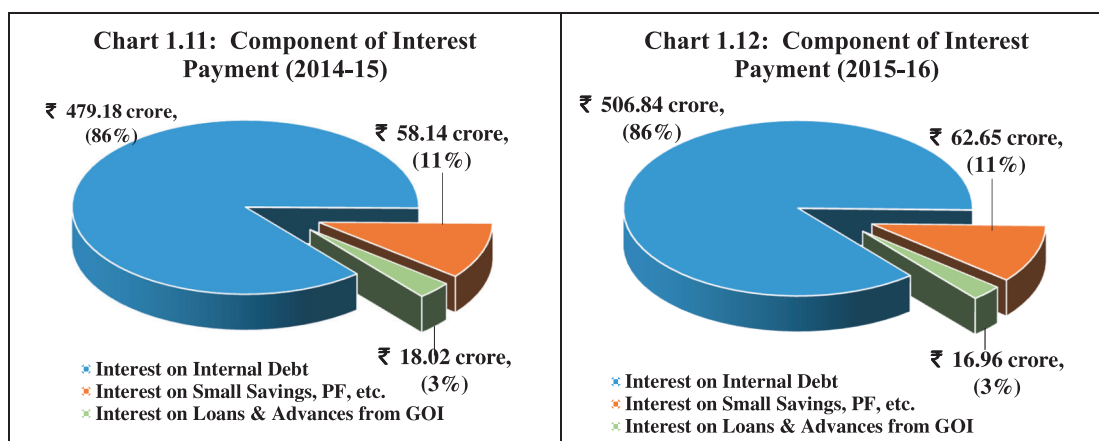
	(₹ in crore)				
	2011-12	2012-13	2013-14	2014-15	2015-16
Salaries & Wages, of which	2283.75	2603.87	2940.80	3274.16	3688.50
<i>Non-plan</i>	2246.96	2553.51	2873.31	3165.57	3503.94
<i>Plan</i>	36.79	50.36	67.49	108.59	184.56
Interest Payment	417.39	450.64	493.84	555.34	586.45
Expenditure on Pension	586.68	677.03	695.11	905.15	1028.80
<b>Total</b>	<b>3287.82</b>	<b>3731.54</b>	<b>4129.75</b>	<b>4734.65</b>	<b>5303.75</b>
As per cent of Revenue Receipts					
Salaries & Wages	40.89	41.98	45.27	42.81	45.87
Interest Payment	7.47	7.27	7.60	7.26	7.29
Expenditure on pension	10.51	10.92	10.70	11.83	12.79

#### Salaries & Wages:

Expenditure on salaries increased by ₹ 1404.75 crore (61.51 per cent) from ₹ 2283.75 crore in 2011-12 to ₹ 3688.50 crore in 2015-16 at a compound annual growth rate of 12.73 per cent. Expenditure on salaries and wages increased by ₹ 414.34 crore (12.65 per cent) over the previous year mainly due to release of dearness allowance instalments and incremental benefits. Salary and wages accounted for 45.87 per cent of the Revenue Receipts during 2015-16.

#### Pension payment:

The expenditure on pension had increased by ₹ 123.65 crore (13.66 per cent) from ₹ 905.15 crore in 2014-15 to ₹ 1028.80 crore in 2015-16. The pension payment was ₹ 131.80 crore more than the assessment made by XIV FC (₹ 897.00 crore). However, it was ₹ 15.08 crore less than the assessment made by the State Government in its MTFPS (₹ 1043.88 crore) for the year 2015-16.

**Interest payments:**

Interest payment increased by ₹ 169.06 crore (40.50 per cent) from ₹ 417.39 crore in 2011-12 to ₹ 586.45 crore in 2015-16 at a compound annual growth rate of 8.87 per cent. The interest payment increased by ₹ 31.11 crore (5.60 per cent) during 2015-16 over the previous year due to increase in interest payment on Internal Debt (₹ 27.66 crore) and Small Savings, Provident Fund etc. (₹ 4.51 crore) offset by decrease in interest on Loan and Advances from Central Government (₹ 1.06 crore).

The interest payment for the year 2015-16 was lower than the projection made by the State Government in MTFPS (₹ 661.42 crore) but higher than the projections made in XIV FC (₹ 494.00 crore).

**Subsidies:**

No subsidies were given by the State Government during the years 2011-16.

#### 1.6.4 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 1.20**.

**Table 1.20: Financial Assistance to Local Bodies etc.**

(₹ in crore)

Financial Assistance to Institutions	2011-12	2012-13	2013-14	2014-15	2015-16
Educational Institutions (Aided Schools, Aided Colleges, Universities, etc.)	6.40	51.17	30.47	10.51	9.47
Co-Operation	6.55	8.40	19.18	1.00	1.50
Municipal councils	2.98	0.00	5.98	6.34	1.62
Development Agencies	28.29	29.04	29.18	103.44	0.00
Hospitals and Other Charitable Institutions	14.70	15.50	14.46	16.42	17.31
Panchayati Raj	0.55	16.62	0.09	6.19	0.00
Special Area Programme	4.75	0.00	0.00	60.87	0.00
Other Institutions	100.51	111.77	193.75	45.83	90.73
<b>Total</b>	<b>164.73</b>	<b>232.50</b>	<b>293.11</b>	<b>250.60</b>	<b>120.63</b>
Assistance as percentage of RE	3.38	4.15	5.10	3.71	1.59

(Source: Finance Accounts of respective years)



The total assistance to local bodies etc. decreased by ₹ 129.97 crore (51.86 per cent) from ₹ 250.60 crore in 2014-15 to ₹ 120.63 crore in 2015-16. **Table 1.20** shows that the assistance decreased by ₹ 1.04 crore (9.90 per cent) from ₹ 10.51 crore in 2014-15 to ₹ 9.47 crore in 2015-16 in respect of educational institutions. During 2015-16, no financial assistance was extended in respect of Special Area Programme and Development Agencies.

## 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 Governments. Enhancing human development levels requires the States to step up their expenditure on key social services like education, health, etc. **Table 1.21** analyses the fiscal priority given by the State Government to various expenditure heads in 2012-13 and the current year viz., 2015-16 with regard to Developmental Expenditure, Social Sector expenditure and Capital Expenditure.

**Table-1.21: Fiscal priority of the State in 2012-13 & 2015-16**

Fiscal priority by the State	<i>(in per cent)</i>					
	AE/GSDP	DE/AE	SSE/AE	CE/AE	Education/AE	Health/AE
*Special Category States Average (Ratio) 2012-13	22.23**	69.92	38.42	15.53	20.86	5.58
Nagaland's Average (Ratio) 2012-13	50.36	59.92	26.37	18.30	13.87	4.26
Special Category States Average (Ratio) 2015-16	21.66**	70.41	39.78	13.95	20.63	6.41
Nagaland's Average (Ratio) 2015-16	42.09	56.87	27.56	12.26	14.79	5.38
* Exclude Jammu & Kashmir						
** Exclude Jammu & Kashmir and Manipur						
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.						
<i>(Source: For GSDP, Central Statistical Office (CSO), Ministry of Statistics and Programme Implementation website as on 29 July 2016)</i>						

A comparison of the data related to Nagaland with that of the Special Category States (SCS) revealed the following:

- Development expenditure as a proportion of aggregate expenditure has been lower in the State compared to the SCS average both during 2012-13 and 2015-16.
- Expenditure on Social Sector as a proportion of aggregate expenditure was lower than the SCS average during 2012-13 and 2015-16. The share of expenditure on

education as a proportion of aggregate expenditure was also lower than the SCS averages in both the years, though it improved in 2015-16. The share of expenditure on health as a proportion of aggregate expenditure was also less than the SCS averages in 2012-13 and 2015-16.

- It was observed that the share of Capital Expenditure of the State was higher than the SCS average in 2012-13 but lower during the year 2015-16.

### 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 goods<sup>8</sup>. 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. Apart from improving the allocation towards Developmental Expenditure, 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 1.22** 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 1.23** provides the details of Capital Expenditure and the components of Revenue Expenditure incurred on the maintenance of the selected Social and Economic Services.

**Table-1.22: Developmental Expenditure**

Components of Developmental Expenditure	2011-12	2012-13	2013-14	2014-15	2015-16	
					BE	Actual
<b>Developmental Expenditure (a to c)</b>	3573.79 (58.34)	4109.92 (59.94)	4044.65 (58.15)	4491.58 (57.71)	5981.37	4912.31 (56.86)
a. Developmental Revenue Expenditure	2557.39 (41.74)	3063.59 (44.68)	3017.86 (43.38)	3629.17 (46.63)	5042.22	3958.67 (45.83)
b. Developmental Capital Expenditure	1013.64 (16.55)	1044.17 (15.23)	1025.87 (14.75)	862.22 (11.08)	938.75	953.45 (11.04)
c. Developmental Loans and Advances	2.76 (0.04)	2.16 (0.03)	0.92 (0.01)	0.19 (0.00)	0.40	0.19 (0.00)

*Figures in parentheses indicate percentage to Total Expenditure*

<sup>8</sup> As detailed in Appendix 1.1 C

The Developmental expenditure (₹ 4912.31 crore) was lesser than the assessment made by the State Government in the budget by ₹ 1069.06 crore. The developmental revenue increased by ₹ 329.50 crore (9.08 *per cent*) and Capital Expenditure also increased by ₹ 91.23 crore (10.58 *per cent*) respectively over the previous year.

**Table 1.23 –Efficiency of Expenditure in Selected Social and Economic Services**

(₹ in crore)

Sector	2014-15			2015-16		
	Ratio of CE to TE	Revenue Expenditure		Ratio of CE to TE	Revenue Expenditure	
		Salaries & Wages	Operation & Maintenance		Salaries & Wages	Operation & Maintenance
<b>Social Services (SS)</b>						
Education, Sports, Art & Culture	4.29	871.65	192.32	3.82	1070.47	158.70
Health and Family Welfare	5.11	276.68	117.79	1.70	338.10	118.94
WS, Sanitation, & HUD	67.08	70.72	57.23	64.82	76.11	40.33
Others	9.59	86.12	182.66	5.30	96.57	194.39
<b>Total (SS)</b>	<b>15.91</b>	<b>1305.17</b>	<b>550.00</b>	<b>12.07</b>	<b>1581.25</b>	<b>512.36</b>
<b>Economic Services (ES)</b>						
Agriculture & Allied Activities	4.03	246.30	230.77	4.05	257.16	173.82
Irrigation and Flood Control	19.25	22.37	39.59	77.99	26.57	1.14
Power & Energy	12.94	95.03	249.03	14.50	93.19	279.34
Transport	51.50	202.04	59.59	38.22	221.16	189.96
Others	18.99	166.38	462.90	27.15	549.87	72.85
<b>Total (ES)</b>	<b>22.37</b>	<b>732.12</b>	<b>1041.88</b>	<b>26.31</b>	<b>1147.95</b>	<b>717.11</b>
<b>Total (SS+ES)</b>	<b>19.20</b>	<b>1797.44</b>	<b>1831.73</b>	<b>19.41</b>	<b>2729.20</b>	<b>1229.47</b>

\* CE – Capital Expenditure, TE – Total Expenditure

**Table 1.23** shows that the ratios of Capital Expenditure to Total Expenditure under Education, Sports, Art & Culture and Water Supply, Sanitation, Housing & Urban Development decreased by 0.47 *per cent* and 2.26 *per cent* respectively over the previous year. Moreover, it decreased under Health & Family Welfare by 3.41 *per cent* over the previous year. The ratio of Capital Expenditure to Total Expenditure under Social Services decreased from 15.91 *per cent* in 2014-15 to 12.07 *per cent* in 2015-16. However, that in respect of Economic Services increased from 22.37 *per cent* in 2014-15 to 26.31 *per cent* in 2015-16.

## **1.8 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 Capital Expenditure undertaken by the Government during the current year vis-à-vis previous years.

**1.8.1 Incomplete projects**

The department-wise information pertaining to incomplete projects as on 31 March 2016 is given in **Table 1.24**.

**Table 1.24: Department-wise Profile of Incomplete Projects***(₹ in crore)*

Department	No. of Incomplete Projects	Initial Budgeted Cost	Revised Cost	Cumulative expenditure as on 31-03-2016
Public Health Engineering Department	13	246.77	246.77	110.37
Public Works Department (Road & Bridges)	34	642.85	675.43	502.77
Technical Education	4	3.00	3.00	37.95
Geology and Mining	3	52.08	79.48	48.73
Department of Under Developed Area	75	83.69	83.69	23.82
State Council of Educational Research and Training	2	8.75	9.45	5.62
Transport Commissioner	10	83.37	83.71	52.74
Public Works Department (Housing)	19	346.71	346.71	203.64
Medical Engineering Division	2	26.82	26.82	2.20
Veterinary and Animal Husbandry	60	48.71	48.85	20.60
Urban Development	14	378.75	378.75	149.08
Civil Administrative Works Division	2	3.90	3.90	1.22
Power	1	19.67	19.67	13.42
Police Engineering Project	53	701.71	701.71	181.35
Directorate of Evaluation	2	1.39	1.39	1.39
Youth Resource and Sports	4	174.59	176.09	79.78
Directorate of School Education	1	2.51	2.51	0.85
Economics and Statistic	2	3.72	3.72	3.72
Social Welfare	2	47.70	47.70	30.42
Addl. Principal Chief Conservator of Forest (Development and Planning)	1	18.56	18.56	29.56
Irrigation and Flood Control	2	3.39	3.39	1.69
Employment and Craftsmen Training	2	2.63	2.63	0.00
Commissioner of Excise	2	7.74	7.74	2.42
Land Record and Survey	3	2.02	2.07	2.40
Border Affairs	1	6.30	6.30	1.32
Department of Prison	1	7.20	7.20	5.30
Director of Agriculture	1	0.17	0.17	0.16
Public Works Department (National Highways)	4	0.01	0.01	556.43
Home Guard Department	4	6.82	6.82	2.49
Women Resource Development	4	17.25	17.25	8.79
Printing and Stationery Department	1	1.50	1.50	1.32
Sericulture Department	1	4.24	4.24	3.40
Deputy Commissioner (HQ)	26	9.00	9.00	0.00
Department of Higher Education	10	24.22	24.22	8.85
Treasury and Accounts Department	4	11.32	11.32	4.96
Legal Metrology & Consumer Protection	3	5.70	5.70	1.85
<b>Total</b>	<b>373</b>	<b>3004.76</b>	<b>3067.47</b>	<b>2100.61</b>

*(Source: Finance Accounts and Departmental records)**(Note: Information on initial cost in respect of one project each in Technical Education and PWD(NH) departments awaited from State Government(August 2016))*

Out of the 373 incomplete projects as of March 2016 (estimated cost: ₹ 3004.76 crore), 211 projects (estimated cost ₹ 2110.90 crore and actual expenditure ₹ 1091.36 crore) were due to be completed by March 2016 but remained incomplete as of

October 2016 and 2 projects (estimated cost ₹ 10.93 crore and actual expenditure ₹ 10.47 crore) taken up under PWD (Road & Bridges) had been suspended without completion.

The cumulative expenditure (as of 31 March 2016) has exceeded initial Budget cost/Revised cost in respect of projects undertaken by Technical Education Department, Land Record and Survey Department and PWD (National Highways).

The cost of six incomplete projects pertaining to PWD (Roads & Bridges) (₹ 38.56 crore), Geology and Mining (₹ 26.54 crore), State Council of Educational Research and Training (₹ 4.28 crore), Veterinary and Animal Husbandry (₹ 0.30 crore) and Youth Resources and Sports (₹ 3.50 crore) had been revised and increased by ₹ 62.30 crore (85.13 per cent). The estimated cost of the 6 projects was ₹ 73.18 crore which was revised to ₹ 135.48 crore.

The date of completion in respect of 57 projects could not be furnished by the departments. Hence, it could not be ascertained in audit as to whether the 57 projects were incomplete or were in progress.

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.

### **1.8.2 Investment and returns**

As on 31 March 2016, Government had invested ₹ 290.60 crore in Statutory Corporations, Rural Banks, Joint Stock Companies and Co-operatives (Table 1.25). The average return on this investment was 'Nil' during the last four years while there was a return of ₹ 4.94 crore during the year 2015-16. The Government paid an average interest rate of 6.95 per cent on its borrowings during 2015-16.

**Table 1.25: Return on Investment**

(₹ in crore)

Investment/Return/Cost of Borrowings	2011-12	2012-13	2013-14	2014-15	2015-16
Investment at the end of the year (a-e) (₹ in crore)	228.01	242.65	270.01	278.44	290.60
(a) Joint Stock Companies	32.11	32.10	32.10	32.10	43.10
(b) Government Companies	160.19	168.69	182.05	190.48	191.60
(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	35.67	41.82	55.82	55.82	55.86
Return (₹ in crore)	0.00	0.00	0.00	0.00	4.94
Return (per cent)	0.00	0.00	0.00	0.00	1.70
Average rate of interest on Govt. borrowing (per cent)	6.61	6.34	6.25	6.81	6.95
Difference between interest rate and return (per cent)	6.61	6.34	6.25	6.81	5.25

(Source: Finance Accounts of respective years)

Out of the total Government investment of ₹ 290.60 crore at the close of the current year, ₹ 191.60 crore was invested in five Government companies (₹ 105.19 crore), Distillery Project (₹ 0.30 crore) and Public Sector & other Undertakings (₹ 86.11 crore). The remaining amount of ₹ 99.00 crore was invested in two Joint Stock Companies (₹ 43.10 crore) and Statutory Corporations, Co-operative Bank and Co-operative Societies etc. (₹ 55.90 crore). During the current year, the Government made additional investment of ₹ 12.16 crore in Nagaland Pulp and Paper Company Ltd. (₹ 11.00 crore), State Mineral Development Corporations (₹ 1.12 crore) and Co-operatives (₹ 0.04 crore).

Out of five Government companies in the State, one company viz., Nagaland Sugar Mills Ltd. (₹ 7.29 crore-investment up to 2001-02) was non-working whose accounts were in arrears for 38 years. The four working companies - Nagaland Industrial Development Corporation Ltd. (₹ 8.39 crore), Nagaland Industrial Raw Materials & Supply Corporation Ltd., (₹ 4.05 crore), State Mineral Development Corporations (₹ 82.64 crore) and Nagaland Handloom & Handicrafts Development Corporation Ltd., (₹ 2.82 crore) were incurring losses. The accounts of the four working Government Companies were in arrears for periods ranging between two and six years. Hence, the actual financial status of the companies as of March 2016 could not be assessed.

### **1.8.3 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 1.26** presents the outstanding Loans and Advances as on 31 March 2016 and interest receipts vis-à-vis interest payments during the last three years.

**Table-1.26: Average Interest Received on Loans Advanced by the State**

Quantum of loans/interest receipts/ cost of borrowings	2011-12	2012-13	2013-14	2014-15	2015-16	
					BE	Actual
<b>Opening Balance</b>	25.80	26.11	27.42	27.33	27.78	26.81
Amount advanced during the year	2.75	2.16	0.92	0.19	0.40	0.19
Amount repaid during the year	2.44	0.85	1.01	0.71	1.94	0.50
<b>Closing Balance</b>	<b>26.11</b>	<b>27.42</b>	<b>27.33</b>	<b>26.81</b>	<b>26.24</b>	<b>26.50</b>
Net addition	0.31	1.31	(-)0.09	(-)0.52	-	(-)0.31
Interest Receipts	1.10	0.00	3.49	3.29	-	1.81
Interest receipts as <i>per cent</i> to outstanding loans and advances	4.24	0.00	12.75	12.15	-	6.79
Interest payments as <i>per cent</i> to outstanding fiscal liabilities of the State Government.	6.61	6.34	6.25	6.81	-	6.95
Difference between interest payments and interest receipts ( <i>per cent</i> )	2.37	6.34	(-)6.50	(-)5.34	-	0.16

(Source: Finance Accounts of respective years)

At the end of March 2016, the Government had outstanding Loans and Advances of ₹ 26.50 crore. The amount of loans disbursed during the year remained the same as

compared with the previous year. Out of the total amount of ₹ 26.50 crore as on 31 March 2016, the main shares of Loans and Advances were ₹ 23.21 crore (87.58 per cent) for Agriculture and Allied Activities, ₹ 1.13 crore (4.26 per cent) to government servants and ₹ 2.16 crore (8.15 per cent) for Industry & Minerals.

The recovery of Loans and Advances decreased by ₹ 0.21 crore (29.58 per cent) from ₹ 0.71 crore in 2014-15 to ₹ 0.50 crore in 2015-16. During 2015-16, 92.00 per cent (₹ 0.46 crore) loans were repaid by government servants and 6.00 per cent (₹ 0.03 crore) by Co-operatives. The interest receipts as a percentage of outstanding loans decreased from 12.15 per cent in 2014-15 to 6.79 per cent in 2015-16.

#### **1.8.4 Cash Balances and Investment of Cash balances**

A summary of the contents of Appendix A of Finance Account are given in **Table 1.27:**

**Table 1.27: Summary of contents of Appendix I of Finance Accounts**

	(₹ in crore)	
	Opening balance on 01.04.2015	Closing balance on 31.03.2016
(a) General Cash Balance		
Cash in treasuries	0.00	0.00
Deposits with Reserve Bank	(-)250.36	156.34
Deposits with other Banks	0.00	0.00
Remittances in transit- Local	0.00	0.00
<b>Total</b>	<b>(-)250.36</b>	<b>156.34</b>
Investments held in Cash Balance investment account	141.48	0.00
<b>Total (a)</b>	<b>(-)108.88</b>	<b>156.34</b>
(b) Other Cash Balances and Investments		
Cash with departmental officers viz. Public Works Department/ Officers, Forest department Officers, District Collectors	316.08	307.81
Permanent advances for contingent expenditure with departmental officers	0.00	0.00
Investment of earmarked funds	228.53	429.20
<b>Total (b)</b>	<b>544.61</b>	<b>737.01</b>
<b>Total (a) + (b)</b>	<b>435.73</b>	<b>893.35</b>

(Source: Finance Accounts)

Perusal of the table above indicates that the cash with the departmental officers viz., Public Works Departmental officers, Forest Department officers and District Collectors had decreased by ₹ 8.27 crore (2.62 per cent) from ₹ 316.08 crore in 2014-15 to ₹ 307.81 crore in 2015-16.

#### **Outstanding balances under the head 'Cheques and Bills'**

Major Head 8670 Cheques and Bills is an intermediary accounting head for initial record of transactions which are eventually to be cleared. There would normally be a credit balance outstanding under this head, representing not encashed cheques. The accounts of the State Government however, show an outstanding debit balance of ₹ two lakh as on 31 March 2016, which is yet to be reconciled by the State Government.

## 1.9 Assets and Liabilities

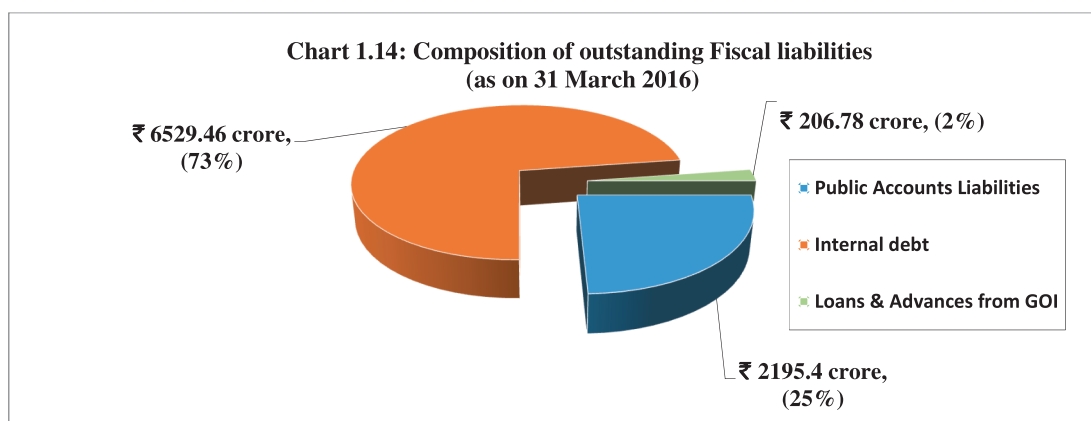
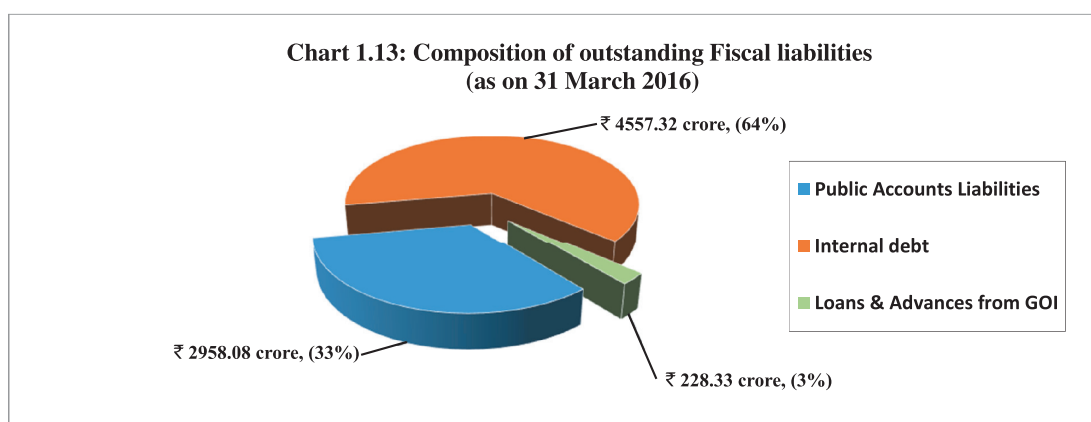
### 1.9.1 Growth and composition of Assets and Liabilities

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** gives an abstract of such liabilities and the assets as on 31 March 2016, compared with the corresponding position on 31 March 2015. While the liabilities in the 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, Loans and Advances given by the State Government and Cash Balances.

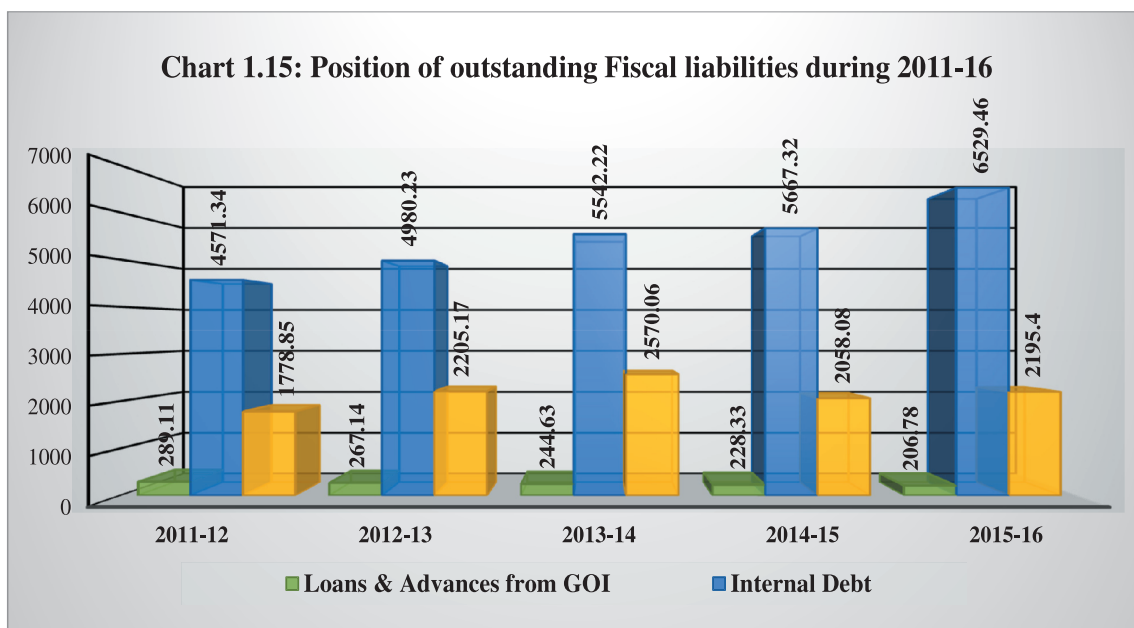
‘Total liabilities’ as defined in NFRBM Act, 2005 means the liabilities under the Consolidated Fund of the State and the Public Accounts of the State. Other liabilities, which are a part of the Public Accounts, include deposits under Small Savings scheme, Provident Fund and Other deposits.

### 1.9.2 Fiscal liabilities

The composition of fiscal liabilities during the current year vis-à-vis the previous year is presented in **Charts 1.13** and **1.14**. **Chart 1.15** gives the composition of the last five years. Moreover, **Table 1.28** represents the trend of Fiscal liabilities during







**Table 1.28 Trend of Fiscal liabilities during 2011-12 to 2015-16**

(₹ in crore)

	2011-12	2012-13	2013-14	2014-15	2015-16
<b>Fiscal liabilities</b>	<b>6759.87</b>	<b>7452.54</b>	<b>8356.91</b>	<b>7953.73</b>	<b>8931.64</b>
Revenue Receipts	5584.62	6202.33	6495.67	7648.67	8040.79
Rate of growth of Fiscal liabilities (per cent)	15.27	10.25	12.14	(-).4.82	12.29
Rate of growth of Revenue Receipts (per cent)	11.73	11.06	4.73	17.75	5.13
<b>Fiscal liabilities / Revenue Receipts (per cent)</b>	<b>121.04</b>	<b>120.16</b>	<b>128.65</b>	<b>103.99</b>	<b>111.08</b>
Buoyancy of <b>Fiscal liabilities</b> with Revenue Receipt (ratio)	1.30	0.93	2.57	(-).0.27	2.40

(Source: Finance Accounts of respective years)

### Fiscal Liability

Fiscal liabilities of the State comprise Consolidated Fund liabilities and Public Account liabilities. The growth rate of Fiscal liability was 12.29 per cent during 2015-16 over the previous year. The buoyancy of Fiscal liabilities with reference to Revenue Receipt during the year was 2.40. The Consolidated Fund liability (₹ 6736.24 crore) comprised market loan (₹ 5362.38 crore), loans from GoI (₹ 206.78 crore) and other loans (₹ 1167.08 crore). The Public Account liabilities (₹ 2195.41 crore) comprise Small Savings, Provident Funds (₹ 862.08 crore), interest bearing obligations (₹ 79.66 crore) and non-interest bearing obligations like deposits and other earmarked funds (₹ 1253.67 crore).

The ratio of Fiscal liabilities to GSDP had increased from 43.19 per cent in 2014-15 to 43.52 per cent in 2015-16. These Fiscal liabilities stood at nearly 1.11 times the

Revenue Receipts and 20.86 times of the State's Own Tax Revenue at the end of 2015-16. The Fiscal liabilities to GSDP (43.52 *per cent*) was 8.45 *per cent* more than the assessment made by the State Government in its MTFPS.

### **1.9.3 Transactions under Reserve fund**

The TFC had recommended that States should set up (i) Sinking Funds for amortisation of all loans including loans from banks, liabilities on account of National Small Savings Funds etc., which should not be used for any other purpose, except for redemption of loans and (ii) Guarantee Redemption Funds for discharge of the States' obligations on guarantees. Out of the four funds operated by the State Government, Depreciation/Renewal Reserve Fund (₹ 0.07 crore) was dormant. The total accumulated balance at the end of 31 March 2016 in those funds was ₹ 827.72 crore, of which ₹ 429.20 crore (52 *per cent*) had been invested. The remaining amount lying in the Fund has, however, not been invested as required under the guidelines of the fund. Loss of interest due to such non-investment has not been estimated. Details of significant Reserve Funds of the Government of Nagaland are given below:

#### **(a) Consolidated Sinking Fund (CSF)**

The State Government created a consolidated Sinking Fund in 2006-07, for amortisation of liabilities, with an initial corpus of ₹ 12.17 crore. As per the constitution of Consolidated Sinking Fund of Nagaland, the State Government has to contribute 1 to 3 *per cent* of the outstanding open market loans at the end of the previous years to the Fund. In terms of the revised guidelines of the Reserve Bank of India which is responsible for management of the Fund, the State Government was required to contribute a minimum of 0.5 *per cent* of its outstanding liabilities (Internal Debt + Public Account) as at the end of the previous year. During the year the State Government transferred ₹ 199.67 crore to the Fund from Revenue Account which works out to 4.19 *per cent* of total outstanding (Open Market Loans) of ₹ 4764.66 crore as on 31 March 2015 and to 2.51 *per cent* of total outstanding liability of ₹ 7953.73 crore (Internal Debt + Public Account) as on 31 March 2015. The balance in the Consolidated Sinking Fund as on 31 March 2016 was ₹ 16.17 crore.

#### **(b) Guarantee Redemption Fund (GRF)**

The State Government constituted a Guarantee Redemption Fund in 2006-07 with an initial corpus of ₹ 4.00 crore determined on the basis of guarantees invoked during the preceding five years. In terms of the Guarantee Redemption Fund Scheme of the Government of Nagaland, contributions shall be made to the Fund annually or at lesser intervals so as to reach the levels deemed sufficient to meet the amount of anticipated guarantees devolving on the Government as a result of the likely invocation of outstanding guarantees in the succeeding five years. No guarantees of the State Government were invoked from inception of the Scheme. During 2015-16, ₹ 1.00 crore was transferred by the State Government and the entire corpus of ₹ 8.34 crore as on 31 March 2016 was invested by the Reserve Bank of India in Government of India Securities.

**(c) State Disaster Response Fund (SDRF)**

The State Government commenced operation of the State Disaster Response Fund (SDRF) in 2010-11 as recommended by the XIII FC. In terms of the guidelines applicable to Special Category States like Nagaland, the Central and State Governments are required to contribute to the fund in the proportion of 90:10. Further, Central Government may provide funds from the National Disaster Response Fund (NDRF) to meet the shortfall in the SDRF to meet expenditure on natural calamities in the State during the year.

Following Central Government release of ₹ 9.00 crore in 2015-16, the State Government transferred ₹ 10.00 crore to SDRF (including State's share of ₹ 1.00 crore and Central's Share of ₹ 9.00 crore of 2015-16). During the year, the State Government incurred an expenditure of ₹ 10.00 crore on natural calamities leaving a balance of ₹ 0.86 crore in the Fund as on 31 March 2016.

**1.9.4 Contingent liabilities**

**Status of Guarantees**

Guarantees are liabilities contingent on the Consolidated Fund of the State in case of default by the borrower for whom the guarantees had been extended. As per NFRBM Act 2005, the State Government set up a Guarantee Redemption Fund in 2006-07 and decided to charge guarantee fee at the rate of one *per cent* to cover the risk in the guarantees. During the year 2015-16, the State had not extended any guarantee.

As per **Statement 20** of the Finance Accounts, the maximum amount for which guarantees were given by the State and outstanding guarantees for the last five years is given in **Table 1.29**.

**Table-1.29: Guarantees given by the Government of Nagaland**

	(₹ in crore)				
Guarantees	2011-12	2012-13	2013-14	2014-15	2015-16
Total amount of guarantees given up to	65.22	70.22	70.22	70.22	70.22
Outstanding amount of guarantees at the end of the year	65.22	70.22	70.22	70.22	70.22
Percentage of maximum amount guaranteed to total revenue receipts	1.17	1.13	1.08	0.92	0.87
Outstanding amount of guarantee as percentage of GSDP	0.55	0.52	0.42	0.38	0.34

*(Source: Finance Accounts of respective years)*

The outstanding guarantees remained the same over the previous year. The outstanding guarantees of ₹ 70.22 crore mainly pertained to Nagaland Industrial Development Corporation 48.29 *per cent* (₹ 33.91 crore) for repayment of principal and payment of interest on loan obtained. The outstanding guarantees were 0.87 *per cent* of the Revenue Receipts of the Government.

## 1.10 Debt Management

**Table 1.30** analyses the debt sustainability of the State according to the indicators like rate of growth of GSDP, rate of interest on Public Debt, ratio of interest and Revenue Receipts, ratio of debt repayment and Debt Receipts and net debt available to the State and maturity profile of the State for a period of five years beginning from 2011-12.

During 2015-16, Government raised Internal Debt of ₹ 3545.94 crore and repaid Internal Debt of ₹ 2683.80 crore and GoI loans of ₹ 21.54 crore. An amount of ₹ 586.45 crore was also paid as interest during the year. During the year 2015-16, the ratio of interest payment and Revenue Receipts was only 0.09 which was lower by 6.63 as compared to the projection of 6.72 in XIV FC recommendations.

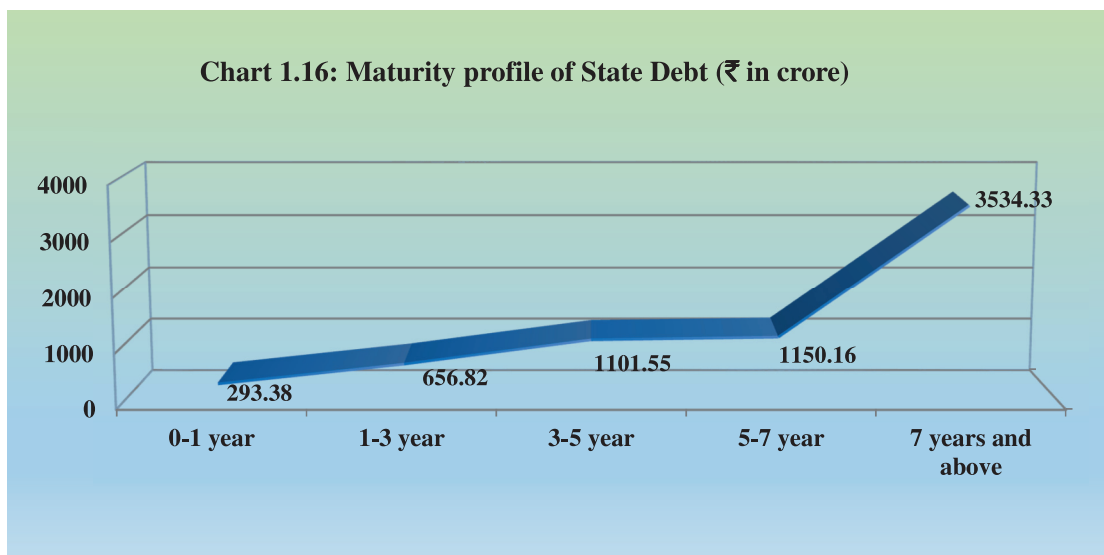
**Table 1.30: Debt Sustainability: Indicators and Trends**

(₹ in crore)

Indicators of Debt Sustainability	2011-12	2012-13	2013-14	2014-15	2015-16
Outstanding Public Debt	<b>4860.44</b>	<b>5247.37</b>	<b>5786.85</b>	<b>5895.65</b>	<b>6736.24</b>
Internal Debt	4571.33	4980.23	5542.21	5667.32	6529.46
Loans & Advances from GoI	289.11	267.14	244.64	228.33	206.78
Rate of growth of outstanding Debt	11.99	7.96	10.28	1.88	14.26
Outstanding Debt/ GSDP ( <i>per cent</i> )	41.05	38.53	34.84	32.02	32.82
Interest payment	417.39	450.64	493.84	555.34	586.45
Average interest rate of outstanding Debt	8.59	8.59	8.53	9.42	8.91
Interest/Revenue Receipt	7.47	7.27	7.60	7.26	7.29
Rate of growth of GSDP	-	15.03	21.98	10.85	11.46
Debt Repayment/Debt Receipt	0.48	0.44	0.43	0.95	0.76
Net Debt available in the State	351.57	429.30	350.33	108.80	840.60
Maturity Profile of State Debt (In Years)					
0 – 1	193.31(4)	144.56(3)	269.59(5)	326.67(5)	293.38(4)
1 – 3	303.93(6)	471.06(9)	618.61(11)	739.12(11)	656.82(10)
3 – 5	617.90(13)	738.14(14)	702.51(12)	1010.39(12)	1101.55(16)
5 – 7	702.57(14)	1032.56(20)	1123.63(19)	773.56(19)	1150.16(13)
7 and above	3042.73(63)	2861.05(54)	3072.51(53)	3045.92(53)	3534.33(53)
<b>Total</b>	<b>4860.44</b>	<b>5247.37</b>	<b>5789.85</b>	<b>5895.66</b>	<b>6736.24</b>

*Figures in the parenthesis indicate percentage to total debt.*

Maturity profile of State Debt indicates that 47.53 *per cent* of debt needs to be repaid within seven years (**Chart 1.16**).

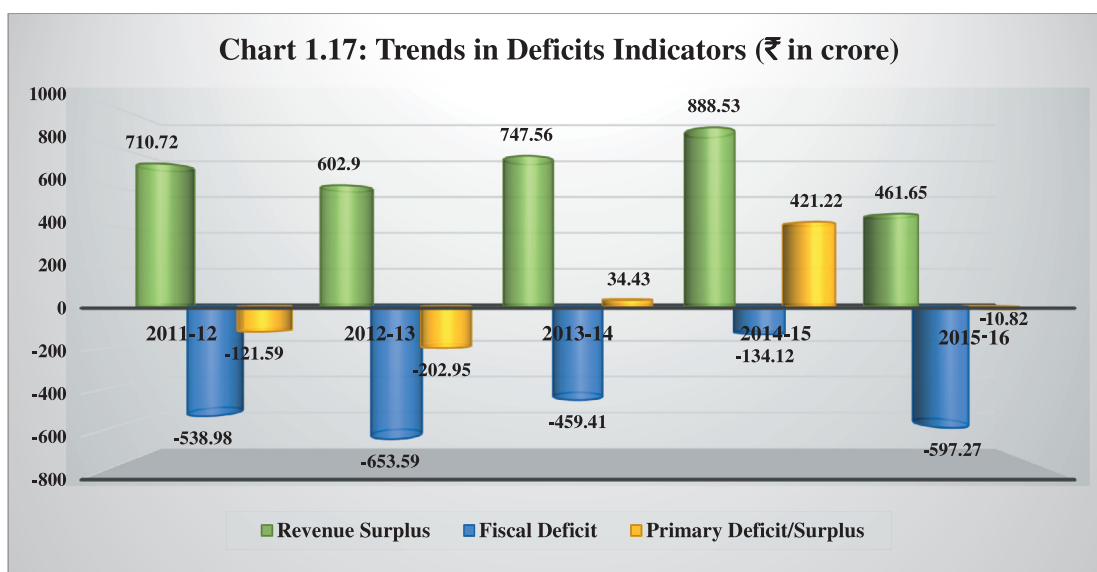


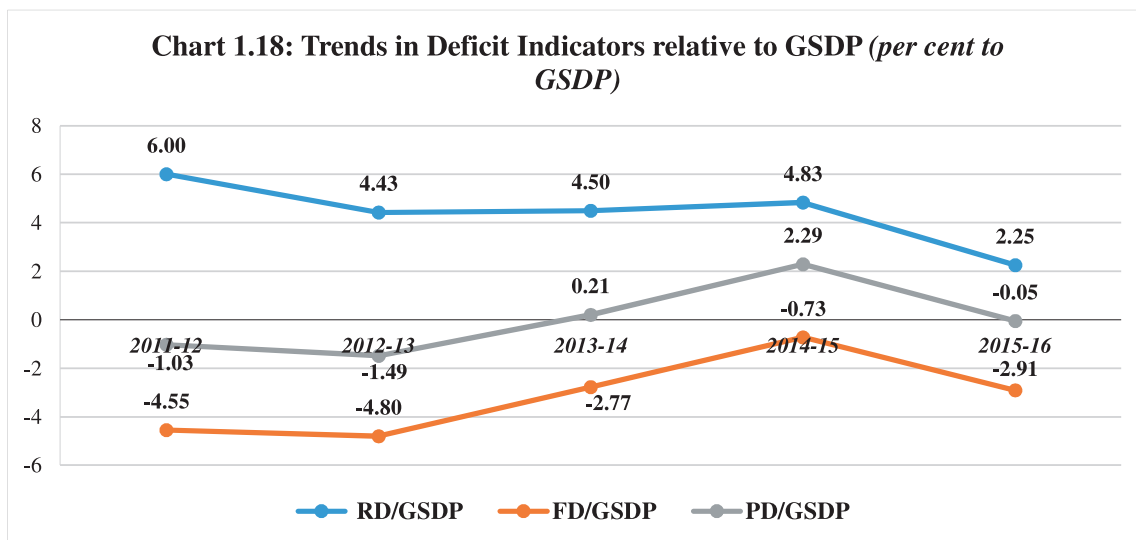
### 1.11 Fiscal Imbalances

Three key fiscal parameters - Revenue, Fiscal and Primary Deficits/Surplus - indicate the extent of overall fiscal imbalances in the finances of the State Government during a specified period. The deficit/surplus 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 2015-16.

#### 1.11.1 Trends in Deficits

Charts 1.17 and 1.18 present the trends in deficit indicators over the period 2011-16.





**Chart 1.17** reveals that the revenue account experienced a surplus of ₹ 461.65 crore during 2015-16. Revenue Surplus decreased during the current year by ₹ 426.88 crore as compared to the previous year mainly on account of increase in Revenue Expenditure by ₹ 819.00 crore (12.12 per cent) partially off-set by increase in Revenue Receipts by ₹ 392.12 crore (5.13 per cent) over the previous year and

Fiscal Deficit increased by ₹ 463.15 crore during the current year from the level of ₹ 134.12 crore in 2014-15. This was due to combination of following factors (i) decrease in Revenue Surplus (₹ 426.88 crore) (ii) marginal decrease in non-debt Capital Receipts of (₹ 0.21 crore) and (iii) increase of ₹ 36.06 crore in Capital Expenditure during 2015-16 over the previous year.

The Primary Surplus of ₹ 421.22 crore in 2014-15 changed to Primary Deficit of ₹ 10.82 crore in 2015-16. The change of Primary Surplus to Primary Deficit year was due to increase of Fiscal Deficit (₹ 463.15 crore) with increase in interest payment (₹ 31.11 crore) during the current year.

### 1.11.2 Composition of Fiscal Deficit and its financing Patterns

The financing pattern of the Fiscal Deficit has undergone a compositional shift as reflected in **Table 1.31**.

**Table 1.31: Components of Fiscal Deficit and its Financing Pattern**

(₹ in crore)

	Particulars	2011-12	2012-13	2013-14	2014-15	2015-16
<b>Components of Fiscal Deficit</b>		<b>539</b>	<b>654</b>	<b>459</b>	<b>134</b>	<b>597</b>
		<b>(4.55)</b>	<b>(4.80)</b>	<b>(2.77)</b>	<b>(0.73)</b>	<b>(2.91)</b>
1	Revenue Deficit(+)/Surplus(-)	(-711)	(-603)	(-748)	(-889)	(-462)
2	Net Capital Expenditure	1249	1255	1207	1023	1059
3	Net Loans and Advances	1	2	0	0	0
<b>Financing Pattern of Fiscal Deficit*</b>						
1	Market Borrowings	325	469	411	452	598
2	Loans from GoI	-18	(-22)	(-23)	(-16)	(-22)
3	Special Securities Issued to National Small Savings Fund	3	(-2)	(-3)	11	26
4	Loans from Financial Institutions	210	(-58)	153	(-338)	238
5	Small Savings, PF, etc.	36	72	112	55	12
6	Deposits and Advances	310	209	241	(-608)	(-75)
7	Suspense and Miscellaneous	35	18	12	41	204
8	Remittances	(-134)	(-80)	(-30)	278	74
9	Increase (-) Decrease (+) in Cash Balances	-228	48	(-414)	259	(-458)
<i>Figures in brackets indicate the per cent to GSDP.</i>						
<i>*All these figures are net of disbursements/outflows during the year.</i>						

(Source: Finance Accounts of respective years)

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 1.31** that the Revenue Surplus decreased by ₹ 427 crore from ₹ 889 crore in 2014-15 to ₹ 462 crore in 2015-16. The decrease in Fiscal Deficit was the combined effect of decrease in Revenue Surplus and marginal increase of net Capital Expenditure.

### **1.11.3 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 1.32**) 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 1.32: Primary Deficit/Surplus – Bifurcation of factors

(₹ in crore)

Year	Non-Debt Receipts	Primary Revenue <sup>9</sup> Expenditure	Capital Expenditure	Loans and Advances	Primary Expenditure <sup>10</sup>	Primary Revenue Surplus	Primary Deficit (-) /Surplus (+)
1	2	3	4	5	6 (3+4+5)	7 (2-3)	8 (2-6)
2011-12	5587.06	4456.51	1249.39	2.75	5708.65	1130.55	(-)121.59
2012-13	6203.18	5148.79	1255.18	2.16	6406.13	1054.39	(-)202.95
2013-14	6496.68	5254.27	1207.06	0.92	6462.25	1242.41	34.43
2014-15	7649.38	6204.80	1023.17	0.19	7228.16	1444.58	421.22
2015-16	8041.29	6992.69	1059.23	0.19	8052.11	1048.60	(-)10.82

(Source: Finance Accounts of respective years)

The Non-Debt Receipts of the State during 2011-16 were sufficient to meet the Primary Revenue Expenditure. The Non-Debt Receipts increased by 43.93 *per cent* from ₹ 5587.06 crore in 2011-12 to ₹ 8041.29 crore in 2015-16 while the Primary Revenue Expenditure increased by 56.91 *per cent* from ₹ 4456.51 crore in 2011-12 to ₹ 6992.69 crore in 2015-16. During this period (2011-16) Capital Expenditure decreased by 15.22 *per cent*. The State had a Primary Deficit during 2011-12, 2012-13 and 2015-16 but maintained a Primary Surplus during 2013-14 and 2014-15.

### 1.12 Follow up

The preparation of standalone report of the State Finances had been started since 2008-09 onwards. Report of the State Finances of any year had not been discussed by the Public Accounts Committee (PAC) and hence, no recommendation by the PAC/Finance Commission had been made on the Reports of the State Finances.

### 1.13 Conclusion

The fiscal position of the State viewed in terms of the key fiscal parameters during 2015-16 revealed that the State's Revenue Surplus had decreased by ₹ 426.88 crore while the Fiscal Deficit had increased by ₹ 463.15 crore in 2015-16 relative to the previous year and the Primary Surplus had changed to Primary Deficit in 2015-16.

During 2015-16, 92 *per cent* of the total revenue came from the GoI as Central transfers (32 *per cent*) and GAI from GoI (60 *per cent*). The State did not achieve the total revenue collection targets fixed by the XIV FC during 2015-16.

During 2015-16, Revenue Expenditure was ₹ 723.14 crore (10.55 *per cent*) more than the XIV FC normative assessment. The salary expenditure of ₹ 3688.50 crore during the current year was 45.87 *per cent* of Revenue Receipts during the year.

<sup>9</sup> Primary Revenue Expenditure is Revenue Expenditure net of the interest payments.

<sup>10</sup> 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.



The overall Fiscal liabilities of the State increased at a compound annual growth rate of 5.73 per cent during 2011-16. The Fiscal liabilities increased by ₹ 978 crore (12.30 per cent) from ₹ 7954 crore in 2014-15 to ₹ 8932 crore in 2015-16.

The Government had invested ₹ 290.60 crore in Statutory Corporations, Rural Banks, Joint Stock Companies and Co-operatives at the end of March 2016.

As on 31 March 2016, there were 373 incomplete projects, out of which 211 projects (estimated cost ₹ 2110.90 crore and actual expenditure ₹ 1091.36 crore) were to be completed by March 2016 and 2 projects (estimated cost ₹ 10.93 crore and actual expenditure ₹ 10.47 crore) had been suspended/abandoned. Delay in completion of works invites the risk of escalation in the cost of the works. Besides, due to delay in completion of the projects, the intended benefits from those projects did not reach the beneficiaries in the State. The State needs to ensure timely and effective implementation of incomplete projects.

**CHAPTER – II**  
**FINANCIAL MANAGEMENT AND BUDGETARY**  
**CONTROL**

## 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 laws, relevant rules, regulations and instructions.

#### 2.2 Summary of Appropriation Accounts

The summarised position of actual expenditure during 2015-16 against 82 grants/appropriations is given in **Table 2.1**:

**Table 2.1: Summarised Position of Actual Expenditure vis-à-vis Original/Supplementary provision for the year 2015-16**

		(₹ in crore)						
	Nature of expenditure	Original grant/ appropriation	Supplementary grant/ appropriation	Total	Actual expenditure	Saving (-)/ Excess (+)	Amount surrendered	Percentage of savings surrendered by 31 March 2016 (col. 7/col.6)
	1	2	3	4	5	6	7	8
<b>Voted</b>	I Revenue	7791.93	443.63	8235.56	6814.07	(-)1421.49	1573.38	111.47
	II Capital	1393.08	426.13	1819.21	1059.23	(-)759.98	941.44	122.27
	III Loans and Advances	0.40	0.00	0.40	0.19	(-)0.21	0.22	104.76
	<b>Total Voted</b>	<b>9185.41</b>	<b>869.76</b>	<b>10055.17</b>	<b>7873.49</b>	<b>2181.68(-)</b>	<b>2515.04</b>	<b>115.28</b>
<b>Charged</b>	IV Revenue	880.19	2.29	882.48	806.88	(-)75.60	75.25	99.54
	V Capital	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	VI Public Debt- Repayment	2527.10	0.00	2527.10	2705.35	(+)178.25	0.00	NA
	<b>Total Charged</b>	<b>3407.29</b>	<b>2.29</b>	<b>3409.58</b>	<b>3512.23</b>	<b>(+)102.65</b>	<b>75.25</b>	<b>73.31</b>
	Appropriation to Contingency Fund (if any)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	<b>Grand Total</b>	<b>12592.70</b>	<b>872.05</b>	<b>13464.75</b>	<b>11385.72</b>	<b>(-)2079.03</b>	<b>2590.29</b>	<b>124.59</b>

Overall saving of ₹ 2079.03 crore was the result of saving of ₹ 2452.63 crore in 68 Grants and 6 Appropriations under Revenue Section, 43 grants under Capital Section offset by excess of ₹ 373.60 crore in 7 Grants under Revenue Section and 9 grants under Capital Section and 01 Appropriation (Public Debt-repayments). During the year, though the overall saving was ₹ 2079.03 crore only, the amount surrendered was ₹ 2590.29 crore (124.59 per cent).

The savings/excess (Detailed Appropriation Accounts for the year 2015-16) were intimated to all concerned controlling officers requesting them to explain the significant variations. Around two per cent (2 Departments) (August 2016) of the replies were obtained from various controlling officers of the State before finalisation of the Appropriation Accounts 2015-16.

## 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 52 cases, savings exceeded rupees one crore in each case or by more than 20 per cent of total provision (**Appendix 2.1**). Against the total savings of ₹ 2440.59 crore, savings of ₹ 2031.65 crore (83.24 per cent) occurred in eleven grants<sup>14</sup> as indicated in **Table 2.2**.

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

(₹ in crore)

Sl No.	Grant No.	Name of the Grant/Appropriation	Original	Supplementary	Total	Actual Expenditure	Savings	Percentage
1	2	3	4	5	6	7	8	9
<b>Revenue (Voted)</b>								
1	18	Pensions and Other Retirement Benefits	1043.88	69.26	1113.14	1028.80	84.33	8
2	27	Planning Machinery	299.85	0.00	299.85	92.95	206.90	69
3	31	School Education	1386.38	9.41	1395.78	1058.97	336.82	24
4	32	Higher Education	205.42	0.00	205.42	113.94	91.47	45
5	35	Medical, Public Health and Family Welfare	510.28	51.36	561.65	458.54	103.11	18
6	42	Rural Development	628.92	0.00	628.92	261.96	366.96	58
7	72	Land Resource Development	108.90	0.00	108.90	49.19	59.71	55
<b>Capital(Voted)</b>								
8	27	Planning Machinery	391.25	0.00	391.25	72.57	318.68	81
9	36	Urban Development	86.26	42.11	128.37	40.89	87.49	68
10	42	Rural Development	56.67	0.00	56.67	0.00	56.67	100
11	59	Irrigation and Flood Control	232.15	0.00	232.15	99.67	132.48	57
12	60	Water Supply	188.13	28.62	216.76	104.02	112.74	52
<b>Revenue (Charged)</b>								
13	75	Servicing of Debt	861.42	0.00	861.42	787.12	74.30	9
<b>Total</b>			<b>5999.50</b>	<b>200.77</b>	<b>6200.27</b>	<b>4168.62</b>	<b>2031.65</b>	<b>33</b>

<sup>14</sup> Exceeding ₹ 50 crore in each case.

The reasons for savings had not been intimated (August, 2016) by the departments mentioned above.

### 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 three cases during the last five years (Table 2.3).

**Table 2.3: List of Grants indicating Persistent Savings during 2011-16**

(₹ in crore)

Sl No.	No. and Name of the Grant	Amount of Savings				
		2011-12	2012-13	2013-14	2014-15	2015-16
<b>Capital-Voted</b>						
1	27-Planning Machinery	260.55	392.24	480.45	815.84	318.68
2	35-Medical, Public Health and Family Welfare	7.68	21.97	6.49	28.68	13.67
3	36-Urban Development	52.57	117.71	121.81	161.52	87.49

The reasons for persistent savings had not been intimated by any department (August 2016).

### 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 ₹ 39.59 crore was incurred in 19 cases as detailed in Table 2.4 without any provision in the original estimates/supplementary demand and without any re-appropriation orders to that effect.

**Table 2.4: Expenditure incurred without provision during 2015-16**

(₹ in crore)

Number and Name of		Amount of Expenditure without provision
Grants	Head of Account	
2- Head of State	2012-03-103-05(Rent, Rates and Taxes)	0.12
5-Election	4059-01-051-05(Election)	0.88
16-State Guest House	4059-60-800-16 (Construction/Renovation Works of Nagaland House(State Guest House)	1.25
31-School Education	4202-01-202-01(Repairs and Renovation)	6.08
36-Urban Development	4217-60-051-02(Construction Works)	0.38
36-Urban Development	4217-60-051-09(Special Development Fund for Nagaland and Schemes Under NLCPR)	2.43
40- Employment And Training	2230-03-800-01(Upgradation of ITI)	0.03
40- Employment And Training	2230-03-800-02(Vocational Training(World Bank))	0.10
50-Animal Husbandry and Dairy Development	4403-00-001-01(Maintenance of Asset)	8.67
52-Forest, Ecology, Environment and Wild Life	2406-01-800-08(Elephant Project(CSS))	0.42
52-Forest, Ecology, Environment and Wild Life	2406-01-070-02(Forest Roads and Bridges)	0.14
52-Forest, Ecology, Environment and Wild Life	2406-01-101-01(Non-Timber Forest Produce)	0.21
52-Forest, Ecology, Environment and Wild Life	2406-01-101-06(Maintenance of Forest under TFC Award)	2.02

Number and Name of		Amount of Expenditure without provision
Grants	Head of Account	
52-Forest, Ecology, Environment and Wild Life	2415-06-277-01(State Environment & Forest Training Institute)	0.01
55-Power	4801-05-800-11(Rural Electrification (Phase III))	13.52
58-Road and Bridges	3054-80-799-01(Stock(Dr))	0.04
58-Road and Bridges	3054-80-799-03(Misc. Advance(Dr))	0.00
58-Road and Bridges	5054-04-800-02(Special Programme Roads(Non-Lapsable Pool))	0.90
68-PoliceEngineering Project	4055-00-211-05(Modernisation of Police Force)	1.75
<b>Total</b>		<b>39.59</b>

#### **2.3.4 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, the excess expenditure amounting to ₹ 556.03 crore for the years 2000-01, 2005-06, 2008-09 to 2010-2011, 2012-13 to 2014-15 was not regularised till October 2016 (**Appendix 2.2**).

#### **2.3.5 Excess over provision during 2015-16 requiring regularisation**

**Appendix 2.3** contains the summary of total excess in 14 grants amounting to ₹ 373.60 crore over authorisation from the consolidated fund of the State during 2015-16 requiring regularisation under Article 205 of the Constitution.

#### **2.3.6 Persistent excess in Grants**

There were persistent savings of more than 10 *per cent* or more of the total grant and the excess occurred in four out of five years in two cases during the last five years (**Table 2.3**).

**Table 2.5: List of Grants indicating Persistent excess during 2011-2016**

Sl. No.	No. and Name of the grant	Amount of excess				
		2011-12	2012-13	2013-14	2014-15	2015-16
<b>Revenue Voted</b>						
1	62- Civil Administration Works	-	4.90	3.89	1.49	0.19
<b>Capital-Voted</b>						
1	50- Animal Husbandry & Dairy Development	9.26	5.23	9.11	-	8.67

#### **2.3.7 Appropriateness of supplementary provision**

Supplementary provision aggregating ₹ 270.83 crore obtained by 24 Departments, ₹ 10 lakh or more in each case, during the year proved unnecessary as the expenditure either did not come up to the level of original provision or the subsequent supplementary provision were not utilised by the concerned departments as detailed in **Appendix 2.4**.

In 9 cases, supplementary provision of ₹ 81.93 crore proved insufficient by ₹ 1 crore or above in each case leaving an aggregate uncovered excess expenditure of ₹ 183.39 crore (**Appendix 2.5**).

### **2.3.8 Excessive /Insufficient 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 resulting in savings of ₹ 65.50 crore in 49 sub-heads and excess of ₹ 410.94 crore in 48 sub-heads as detailed in **Appendix 2.6**.

### **2.3.9 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 a total of 82 grants, re-appropriation was done in 52 grants (63.41 *per cent*) on the last day of financial year without stating specific reasons for withdrawal of provision or additional provision. This re-appropriation on last day of the financial year resulted in unnecessary savings in some grants on the one hand and avoidable excess in some grants on the other hand as discussed in **Para 2.3.8** above.

### **2.3.10 Substantial surrenders**

Substantial surrenders (the cases where more than 50 *per cent* of total provision was surrendered) were made in respect of 72 Sub Heads. Out of the total provision amounting to ₹ 2543.96 crore in those Sub Heads, ₹ 1835.01 crore (72.13 *per cent*) were surrendered, which included 100 *per cent* surrender under a Sub Head (₹ 0.55 crore). The details of such cases are given in **Appendix 2.7**.

### **2.3.11 Surrender in excess of actual savings**

In 10 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 those departments. As against savings of ₹ 590.47 crore, the amount surrendered was ₹ 739.22 crore resulting in excess surrender of ₹ 148.75 crore. Details are given in **Appendix 2.8**. Departments did not furnish any reason/explanation regarding surrender in excess of actual savings.

### **2.3.12 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 2015-16, there were 17 grants in which savings occurred but no part of which had been surrendered by the concerned departments. The amount involved in those cases was ₹ 8.59 crore (**Appendix 2.9**).

An amount of ₹ 3.23 crore being savings in one grant, ₹ 2 crore and above in each case, were not surrendered, details of which are given in **Appendix 2.10**. Besides, in 32 cases (surrender of funds for ₹ 10.00 crore and above), ₹ 2410.46 crore (**Appendix 2.11**) were surrendered on the last two working days of March 2016 indicating inadequate financial control. Thus, those funds could not be utilised for other developmental purposes.

### **2.3.13 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 six Major Heads 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 was upto 100 *per cent* of the total expenditure in two cases 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 and disbursing officer has to certify in each Abstract Contingent (AC) 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 Detailed Countersigned Contingency (DCC) bills received upto the period 2015-16 was only ₹ 247.83 crore (51.00 *per cent*) against ₹ 485.90 crore drawn on AC bills leading to pendency of DCC bills of ₹ 237.13 crore as on 31 March 2016. Year wise details are given in **Table 2.6**.

**Table 2.6: Pendency in submission of detailed countersigned contingent bills against abstract contingent bills**

*(₹ in crore)*

Year	AC bills drawn		DCC bills submitted		Outstanding DCC bills	
	Number	Amount	Number	Amount	Number	Amount
Upto 2013-14	402	298.24	262	234.15	140	64.09
2014-15	52	90.69	16	11.70	36	78.05
2015-16	46	96.97	2	1.98	44	94.99
<b>Total</b>	<b>500</b>	<b>485.90</b>	<b>280</b>	<b>247.83</b>	<b>220</b>	<b>237.13</b>

As on 31 March 2016, there were 220 unadjusted AC bills involving ₹ 237.13 crore drawn by various Departments. Details are given in **Appendix 2.13**. Out of ₹ 96.97 crore drawn through AC bills in the year 2015-16, ₹ 4.91 crore was drawn in the last day of the financial year.

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.

An analysis of pending AC bills in respect of Civil Police Department showed that 35 AC bills amounting to ₹ 91.60 crore was pending regularization as follows:-



**Table 2.7: Pendency of DCC bills in respect of Civil Police Department as on 31 March 2016**

(₹ in crore)		
Year	Number of Vouchers	Amount
2011-12	5	16.26
2012-13	5	9.15
2013-14	9	24.28
2014-15	6	10.07
2015-16	10	31.84
<b>Total</b>	<b>35</b>	<b>91.60</b>

As can be seen from the above table, out of pending DCC bills of 35 vouchers of ₹ 91.60 crore as on March 2016, maximum number of pending AC bills pertained to 2015-16 involving 10 vouchers (29 per cent) of ₹ 31.84 crore (34.76 per cent). As most of the AC bills are outstanding for a long time, efforts may be made for clearance of AC bills on priority basis.

#### 2.4.2 Reconciliation of Receipts and Expenditure

As per General Financial Rules, all the Controlling Officers (COs) 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 2015-16, all 82 COs had reconciled their figures (both receipt and expenditure) in full. Thus, there was cent per cent reconciliation in respect of all 82 CCOs.

### 2.5 Outcome of the Review of Selected Grant

A review of Grant No.68- Police Engineering Project 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 2015-16.

#### 2.5.1 Budget and expenditure

The summarised position of budget provision and actual expenditure there against during 2015-16 in respect of Grant No.68- Police Engineering Project is given in **Table 2.6**.

**Table 2.6: Summarised Position of budget provision and actual expenditure**

Nature of Expenditure	Budget Provision					Actual Expenditure			Saving(-)/ Excess(+)
	Original		Supplementary		Total	Non-Plan	Plan	Total	
	Non-Plan	Plan	Non-Plan	Plan					
Revenue	17.13	0.00	0.89	0.00	18.02	17.87	0.00	17.87	(-)0.15
Capital	0.00	8.00	0.00	0.75	8.75	0.00	15.96	15.96	(+)7.21
<b>Total</b>	<b>17.13</b>	<b>8.00</b>	<b>0.89</b>	<b>0.75</b>	<b>26.77</b>	<b>17.87</b>	<b>15.96</b>	<b>33.83</b>	<b>(+)7.06</b>

The above table shows that during the year 2015-16 there was overall excess of ₹ 7.06 crore representing 26.37 per cent of the total budget provision as a result of savings under Revenue Expenditure (₹ 0.15 crore) and excess under Capital Expenditure (₹ 7.21 crore). As per financial rules, the spending departments are required to surrender the anticipated savings to the finance department as and when occurred. The department surrendered the entire savings of ₹ 0.15 crore under Revenue expenditure during the year 2015-16.

An analysis of the expenditure vis-à-vis the budget provision revealed that there was an excess of ₹ 7.21 crore under Capital Section. This was mainly due to the fact that the

Department expended ₹ 1.75 crore on account of modernisation of police force though there was no grant/provision made for it.

### 2.5.2 Savings/excess in the grant without any provision thereof

Audit review also disclosed excess ranging between ₹ 6.03 crore to ₹ 7.06 crore in 2013-14 and 2015-16 and savings ranging between ₹ 12.42 crore and ₹ 65.10 crore in 2011-13 and 2014-15 as detailed in **Table 2.7**.

**Table 2.7: Details of Excesses/Savings during 2011-16**

(₹ in crore)

Year	Budget			Expenditure			Savings(-) / Excess(+)
	Revenue	Capital	Total	Revenue	Capital	Total	
2011-12	7.58	77	<b>84.58</b>	7.57	64.59	<b>72.16</b>	<b>(-)12.42</b>
2012-13	8.06	115	<b>123.06</b>	8.34	49.62	<b>57.96</b>	<b>(-)65.10</b>
2013-14	10.17	49.17	<b>59.34</b>	10.18	55.19	<b>65.37</b>	<b>(+)6.03</b>
2014-15	10.57	69.91	<b>80.48</b>	10.37	30	<b>40.37</b>	<b>(-)40.11</b>
2015-16	18.02	8.75	<b>26.77</b>	17.87	15.96	<b>33.83</b>	<b>(+)7.06</b>

(Source: Appropriation Accounts of respective years)

The occurrence of savings in the three years out of the last five years which had not been surrendered within the due dates indicates that budgetary control was deficient in the department.

### 2.5.3 Injudicious Supplementary provision

It was noticed that during 2015-16 under the Major Head, 2055-Police against the total provision of ₹ 18.02 crore (Original: ₹ 17.13 crore and Supplementary: ₹ 0.89 crore) an expenditure of ₹ 17.87 crore was incurred. As the expenditure was less than the total provision, the Supplementary provision of ₹ 0.89 crore proved to be excessive by ₹ 0.15 crore.

Further, under the Major Head, 4055- Capital Outlay on Police against the total provision of ₹ 8.75 crore (Original: ₹ 8.00 crore and Supplementary: ₹ 0.75 crore) an expenditure of ₹ 15.96 crore was incurred. As the expenditure was more than the total provision, the supplementary provision of ₹ 0.75 crore proved to be insufficient by ₹ 7.21 crore.

### 2.5.4 Expenditure without provision of funds

The overall position of a Sub Head where there was expenditure without any provision is shown in **Table 2.8**:

**Table 2.8: Expenditure without provision during 2015-16**

(₹ in crore)

Sl No.	Sub Head (Details)	Total provision	Re-appropriation	Expenditure
<b>Capital Section</b>				
1	4055-00-211-05 Modernisation of Police Force	0.00	0.00	1.75
<b>Grand Total</b>		<b>0.00</b>	<b>0.00</b>	<b>1.75</b>

(Source: Appropriation Accounts)

## 2.6 Advances from contingency fund

The advances taken from the contingency fund are to be made only for meeting expenditure of an unforeseen and emergent character pending authorisation of such expenditure by the State Legislature. The fund is to be recouped by debiting the expenditure to the concerned functional major head in the consolidated fund of the State.

During the year no expenditure was incurred under this fund. An amount of ₹ 0.35 crore pertaining to expenditure from the contingency fund a number of years back had not been recouped till the end of the year 2015-16.

## 2.7 Conclusion and recommendations

The overall saving of ₹ 2079.03 crore was the result of saving of ₹ 2452.63 crore in 68 Grants and 6 Appropriations under Revenue Section, 43 grants under Capital Section offset by excess of ₹ 373.60 crore in 7 Grants under Revenue Section and 9 Grants under Capital Section and 1 Appropriation (Public Debt repayment). During the year, though the overall saving was ₹ 2079.25 crore only, the amount surrendered was ₹ 2590.51 crore (118.87 per cent). There was an excess expenditure of ₹ 39.59 crore in 11 grants during 2015-16. The excess expenditure together with an excess expenditure of ₹ 556.03 crore pertaining to 2000-01, 2005-06, 2008-09 to 2010-11 and 2012-13 to 2015-16 require regularisation by the Legislature under Article 205 of the Constitution. A rush of expenditure was noticed in six cases in which expenditure exceeding ₹ 10 crore or more than 50 per cent of the total expenditure was incurred in the last quarter of 2015-16 and in some cases in the month of March 2016. There were 220 AC Bills involving ₹ 237.13 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 the last five years. A close and rigorous monitoring mechanism should be put in place by the Drawing and Disbursing Officer to adjust the Abstract Contingent Bills within sixty days from the date the amounts are drawn.*

**CHAPTER – III**  
**FINANCIAL REPORTING**

# 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 242 grants in respect of 13 departments aggregating ₹ 710.13 crore paid up to 2015-16, 76 UCs (31.40 per cent) for an aggregate amount of ₹ 145.98 crore were in arrears<sup>15</sup>. The department-wise break-up of outstanding UCs is given in **Appendix 3.1** and the age-wise delay in submission of UCs is summarised in **Table 3.1**.

**Table 3.1: Age-wise arrears of utilisation certificates**

(₹ in crore)

Sl. No.	Range of delay in number of years	Total grants paid		Utilisation certificates outstanding	
		Number of cases	Amount	Number of cases	Amount
1	0 - 1	72	60.50	10	13.52
2	1 - 3	9	45.69	8	8.83
3	3 - 5	161	603.94	58	123.63
<b>Total</b>		<b>242</b>	<b>710.13</b>	<b>76</b>	<b>145.98</b>

In the absence of the UCs it could not be ascertained whether the recipients had utilised the grant for the purpose for which those 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.

<sup>15</sup> Grants-in-Aid paid during 2015-16, although not due for submission of UCs within 2015-16, were in arrears.

A total of 77 annual accounts in respect of 22 Autonomous Bodies/Authorities due up to 2015-16 had not been received as of August 2016 by the Accountant General (Audit). The details of those 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 (₹ in lakh)
1	1 – 3	15	Not Available
2	>3 – 5	4	Not Available
3	>5 – 7	3	Not Available

It is seen from the table above that delay in submission of accounts ranged between one and five years in respect of the Autonomous Bodies/Authorities.

Due to the absence of annual accounts and subsequent audit of those 22 bodies and authorities involving 77 Annual Accounts, the proper accounting/utilisation of the grants and loans disbursed to those 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 2018-19 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 period 2015-16 had not been furnished (October 2015). The status of entrustment of audit, issuance of Separate Audit Report (SAR) and its placement in respect of NKVIB in the Legislature is 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)
2011-12	2009-14	09-06-2015	NA	-
2012-13	2009-14	09-06-2015	NA	-
2013-14	2009-14	09-06-2015	NA	-
2014-15	2014-19	18-07-2016	NA	-
2015-16	2014-19	Accounts not yet received	NA	-

Nagaland Electricity Regularity Commission and Nagaland Hospital Authority were established<sup>16</sup> under the State legislative act 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. However, though the annual accounts of those Authorities/Bodies were due for submission to the Accountant General (Audit) every year, the accounts had not been furnished since their inception.

### 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 were not finalised in those undertakings are given in **Appendix 3.3**. It was noticed that:

As on 31 March 2016, 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 2012-13 about delay in preparation of proforma accounts of those undertakings. Despite this, accounts were in arrears for periods ranging from 1 to 36 years as of March 2016.

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 Balances lying unspent in Civil Deposits and Bank Accounts

The Government provides State's share to various departments/agencies for implementation of centrally sponsored/State schemes. Those departments/agencies retain such funds, outside the Government account in their bank accounts. As the funds are generally not spent fully by the implementing agencies in the financial year of their receipt, it remain unspent and kept in bank accounts and in Civil Deposits.

The details of funds drawn, its utilisation and funds kept in Civil Deposit/current bank accounts in respect of 20 departments/agencies are presented in the table below:

<sup>16</sup> Nagaland Electricity Regulatory Commission (04.03.2008), Nagaland Hospital Authority (01.04.2004)

**Table 3.4: Non-utilisation of funds during the year 2015-16**

(₹ in crore)

Sl.No.	Name of the Department/Directorate	Amount drawn	Expenditure incurred	Amount kept in Civil Deposit	Amount kept in Bank Account
1	Horticulture	1.42	0.00	1.42	0.00
2	Land Records & Survey	1.18	0.51	0.50	0.17
3	Directorate of Underdeveloped Areas	52.73	44.44	7.10	1.19
4	Sericulture	0.44	0.00	0.44	0.00
5	Directorate of Labour	0.88	0.00	0.88	0.00
6	Election Department	6.49	4.59	0.88	1.02
7	State Rural Livelihood Mission	16.06	13.52	0.00	2.54
8	NEPeD	2.52	1.26	1.26	0.00
9	Information Technology & Communication	3.96	0.00	3.96	0.00
10	Directorate of Higher Education	3.70	0.00	3.70	0.00
11	CE, Irrigation & Flood Control	37.76	0.00	37.76	0.00
12	Urban Development	6.88	0.00	6.88	0.00
13	Social Welfare	27.47	0.00	27.47	0.00
14	PCCF	2.73	0.00	2.73	0.00
15	Printing and Stationery	1.32	0.00	1.32	0.00
16	Transport Commissioner	0.42	0.26	0.00	0.16
17	Directorate of Prisons	2.00	0.00	2.00	0.00
18	Art & Culture	2.81	0.00	2.81	0.00
19	Controller of Legal Metrology & Consumer Protection	3.38	0.00	3.38	0.00
20	Animal Husbandry & Veterinary Services	5.19	2.15	3.04	0.00
<b>Grand Total</b>		<b>179.34</b>	<b>66.73</b>	<b>107.53</b>	<b>5.08</b>

(Source: Departmental Figures)

The above table shows that an amount of ₹ 179.34 crore was drawn by 20 departments during the year 2015-16 for implementation of different schemes. Out of the amount drawn, the departments utilised only an amount of ₹ 66.73 crore (37.21 per cent) during the financial year. The remaining amount was kept in Civil Deposit ₹ 107.53 crore (59.96 per cent) and current bank account ₹ 5.08 crore (2.83 per cent). In addition to the above, information furnished by five banks revealed that an aggregate amount of ₹ 524.78 crore was lying in the respective bank accounts of 152 DDOs as on 31<sup>st</sup> March 2016.

### **3.6 End use of Cess**

The State Government notified (August 2011) the enforcement of levy and collection of Cess for the purpose of the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996. The levy and collection of such cess will be at a rate of 1 per cent of the cost of construction incurred by an employer. In



compliance of this notification, finance department advised and instructed the DDOs to ensure that deduction of the cess as prescribed is made against all civil construction works involving employment of labour and deposit the same to the account of the Nagaland Building and Other Construction Workers' Welfare Board (NBOCW Welfare Board) by DD/Cheque. As such the board has been receiving the cess from 2011-12 onwards.

Details of amount collected and actual expenditure incurred during the period from 2011-12 to 2015-16 are in **Table 3.5**.

**Table 3.5: Statement of cess collection and expenditure incurred during 2011-12 to 2015-16**

<i>(₹ in crore)</i>			
Year	Receipt during the year	Expenditure	Balance at the end of the year
2011-12	0.71	0.06	0.65
2012-13	3.60	0.00	4.25
2013-14	3.56	0.68	7.13
2014-15	6.17	0.42	12.88
2015-16	7.22	2.00	18.10

The Government of Nagaland has constituted the board to provide social security to the section of workers engaged in building and other construction works by implementing different welfare schemes viz. Grant for purchase of tools, medical assistance, children education allowance and maternity benefit for women beneficiaries.

During 2015-16, out of total available cess fund of ₹ 20.10 crore, the board could spend only ₹ 2.00 crore (9.95 per cent). Out of the total expenditure during the year, grant for purchase of tools was ₹ 0.12 crore (6.00 per cent), insurance coverage was ₹ 0.03 crore (1.50 per cent), medical assistance was ₹ 0.05 crore (2.50 per cent), children education scholarship was ₹ 0.29 crore (14.50 per cent) and maternity benefit for women was ₹ 0.02 crore (1.00 per cent). Moreover, an expenditure of ₹ 1.50 crore was also made in skill labour training.

### 3.7 Misappropriation, loss, defalcation, etc.

There were 41 cases of misappropriation, loss etc. involving Government money amounting to ₹ 597.63 crore up to the period 31 March 2016 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 the cases are given in **Appendix 3.5**. The age-profile of the pending cases and the number of cases pending in each category are summarised in **Table 3.6**.

**Table 3.6: Profile of Misappropriation, loss, defalcation, etc.**

Age-Profile of the Pending Cases			Nature of the Pending Cases		
Range in Years	Number of Cases	Amount Involved (₹ in crore)	Nature/Characteristics of the Cases	Number of Cases	Amount Involved (₹ in crore)
0 - 5	39	Bifurcation amount of range in years were not provided by the Deptts. Hence, only the consolidated total is shown.	Theft	3	0.04
5 - 10	2		Misappropriation/Loss	30	588.33
10 - 15	-		Defalcation	8	9.26
<b>Total</b>	<b>41</b>			<b>41</b>	<b>597.63</b>

A further analysis indicates the reasons for which the cases were outstanding as detailed in Table 3.7.

**Table 3.7: Reasons for Outstanding cases of Misappropriation, loss, defalcation, etc.**

Reasons for the Delay/ Outstanding Pending Cases		Number of Cases	Amount (₹ in crore)
i)	Awaiting departmental and criminal investigation	37	590.75
ii)	Departmental action initiated but not finalised	3	1.28
iii)	Criminal proceedings finalized but execution of certificate cases for recovery of the amount pending.	0	0
iv)	Awaiting orders for recovery or write off.	0	0
v)	Pending in the courts of law	1	5.60
<b>Total</b>		<b>41</b>	<b>597.63</b>

(Source: Vigilance & Anti-Corruption)


The highest amount of misappropriation amounting to ₹ 246.76 crore involving four cases of misappropriation occurred in rural development department, where final action had not been taken by the State Government.

### 3.8 Conclusion and recommendations

Timely submission of utilisation certificates is a major area of concern. At the end of March 2016, 76 UCs involving an aggregate amount of ₹ 145.98 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 overdue, those accounts were not submitted to Audit. Non-submission of accounts in time disclosed non-compliance with the financial rules. As on 31 March 2016, 41 cases of misappropriation, defalcation etc. involving ₹ 597.63 crore pertaining to 15 Departments, private firms and various other departments were pending finalisation.


*The accounts of Autonomous Bodies/Authorities and Departmental 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.*

**Date:**  
**Kohima**

  
**(AP Choppy)**  
**Accountant General (Audit)**

**Countersigned**

**Date:**  
**New Delhi**

  
**(Shashi Kant Sharma)**  
**Comptroller and Auditor General of India**



# APPENDICES

## **Appendix 1.1**

*(Reference: Para 1.1; Page 2)*

### **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: Para 1.1; Page 2)

**Part B: Layout of Finance Accounts**

<b>Statement</b>	<b>Layout</b>
<b>VOLUME I</b>	
	Certificate of the Comptroller and Auditor General of India
	Guide to Finance Accounts ( Introduction)
Statement No.1	Statement of Financial Position
Statement No.2	Statement of Receipts and Disbursements Annexure A. Cash Balances and Investments of Cash Balances
Statement No.3	Statement of Receipts (Consolidated Fund)
Statement No. 4	Statement of Expenditure (Consolidated Fund)
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 Investment of the Government
Statement No. 9	Statement of Guarantees given by the Government
Statement No. 10	Statement of Grants-in-aid given by the Government
Statement No. 11	Statement of Voted and Charged Expenditure
Statement No. 12	Statement of Sources and Application of Funds for Expenditure other than Revenue Account
Statement No. 13	Statement of Balances under Consolidated Fund, Contingency Fund and Public Account
	Notes to Accounts
<b>VOLUME II</b>	
<b>Part I</b>	
Statement No. 14	Detailed Statement of Revenue and Capital Receipts by Minor Heads
Statement No. 15	Detailed Statement of Revenue Expenditure by Minor Heads
Statement No. 16	Detailed Statement of Capital Expenditure by Minor Heads and Sub Heads
Statement No. 17	Detailed Statement of Borrowings and Other Liabilities
Statement No. 18	Detailed Statement on Loans and Advances made by the Government
Statement No. 19	Detailed statement of Investments of the Government
Statement No. 20	Detailed statement of Guarantees given by the Government
Statement No. 21	Detailed statement of Contingency Fund and Other Public Account Transactions
Statement No. 22	Detailed statement on Investments of Earmarked Funds
<b>PART II Appendices</b>	
I	Comparative Expenditure on Salary
II	Comparative Expenditure on Subsidy
III	Grants-in-aid/Assistance given by the State Government (Institution wise and Scheme wise)
IV	Details of Externally Aided Projects
V	Plan Scheme expenditure (Central and State Plan schemes) A. Central Schemes (Centrally Sponsored Schemes and Central Plan Schemes) B. State Plan Schemes
VI	Direct transfer of Central Scheme Funds to Implementing Agencies in the State (Funds routed outside State Budget) (Unaudited Figures)
VII	Acceptance and Reconciliation of balances (As depicted in Statement 7 and 8)
VIII	Financial results of Irrigation Works
IX	Commitments of the Government- List of Incomplete Capital Works
X	Maintenance Expenditure with segregation of Salary and Non-Salary portion
XI	Major Policy Decisions of the Government during the year or new Schemes proposed in the Budget
XII	Committed Liabilities of the Government
XIII	Re-organisation of the States- Items for which allocation of balances between/among the States has not been finalized.

## Appendix – 1.1

**Part C: Methodology Adopted for the Assessment of Fiscal Position**

The norms/ceilings prescribed by the FC-XIV for selected fiscal variable along with its projections for a set of fiscal aggregates and in other Statements required to be laid in the legislature under the Act are used to make qualitative assessment of the trends and patterns 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)**

	2011-12	2012-13	2013-14	2014-15	2015-16
Gross State Domestic Product (₹ in crore)	11839	13619	16612	18414	20524
Growth rate of GSDP	-	15.04	21.98	10.85	11.46

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 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.
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)	$[(\text{Current year Amount}/\text{Previous year Amount})-1]*100$
Development Expenditure	Social Services + Economic Services
Average interest paid by the State	$\text{Interest Payment}/[(\text{Amount of previous year's Fiscal liabilities} + \text{Current year's Fiscal Liabilities})/2]*100$
Interest received as <i>per cent</i> to Loans Outstanding	$\text{Interest Received}/[(\text{Opening balance} + \text{Closing balance of Loans and Advances})/2]*100$
Average interest rate of outstanding debt	$\text{Interest Paid}/[(\text{Opening Balance of Public Debt} + \text{Closing Balance of Public Debt})/2]$
Revenue Deficit	Revenue Receipt – Revenue Expenditure



<b>Term</b>	<b>Basis of calculation</b>
Fiscal Deficit	Revenue Expenditure + Capital Expenditure + Net Loans and Advances – Revenue Receipts – Miscellaneous Capital Receipts.
Primary Deficit	Fiscal Deficit – Interest payments
Compound Annual Growth Rate (CAGR)	The compound annual growth rate is calculated by taking the n <sup>th</sup> root of the total percentage growth rate, where n is the number of years in the period being considered. CAGR= [ending value /beginning value] <sup>1/no of years</sup> -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.
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 good, 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.

## Appendix 1.1

(Reference Page 1)

## Part D: State Profile

A. General Data					
Sl. No	Particulars	Figures			
1	Area (in sq. kms.)	16579			
2	Population				
	As per 2001 census	19,90,036			
	As per 2011 census	19,78,502			
3	Density of Population (2011) (per sq. kms.) (All India Average 382 persons per sq km)	119			
4	Below Poverty Line (BPL) (2011-12) (All India Population Below Poverty Line -29.5) (2011-12)	14.00			
5	Literacy (2011) (in per cent) (All India Average 73.00 %)	79.55			
6	Infant Mortality Rate (2014) (All India average per 1000 live births-39 (SRS Bulletin of September 2014))	14.00			
7	Life Expectancy at Birth (2015) (All India Average in years-67.50) (Economic Survey 2015-16)	73.40			
B. Financial Data					
Particulars		Figures(in per cent)			
CAGR (per cent)		2006-07 to 2014-15		2014-15 to 2015-16	
		Special Category* States (SCS)	Nagaland	SCS*	Nagaland
a.	Revenue Receipts	13.54	13.53	11.45	5.16
b.	Tax Revenue	15.47	15.94	19.80	9.90
c.	Non Tax Revenue	5.62	14.59	(-)18.75	(-)4.45
d.	Total Expenditure	15.10	12.98	2.73	11.02
e.	Capital Expenditure	12.38	4.66	(-)6.26	3.52
f.	Revenue Expenditure on Education	17.28	15.98	1.24	14.89
g.	Revenue Expenditure on Health	18.14	16.84	20.65	18.32
h.	Salary and Wages	16.86	15.69	5.19	12.65
i.	Pension	19.48	20.64	16.65	13.66

\*Exclude only Jammu &amp; Kashmir

Appendix 1.2

(Reference: Para 1.3 Pages 10)

Time series data on the State Government finances

(₹ in crore)

	2011-12	2012-13	2013-14	2014-15	2015-16
<b>Part A. Receipts</b>					
<b>1. Revenue Receipts<sup>17</sup></b>	<b>5584.62</b>	<b>6202.33</b>	<b>6495.67</b>	<b>7648.67</b>	<b>8040.79</b>
<b>(i) Tax Revenue</b>	<b>303.88(6)</b>	<b>339.95(6)</b>	<b>333.39(5)</b>	<b>388.61(5)</b>	<b>427.10(5)</b>
Taxes on Agricultural Income	-	-	-	-	-
Taxes on Sales, Trade, etc.	231.12(76)	257.21(76)	250.20(75)	294.29(76)	328.58(77)
State Excise	3.37(1)	3.73(1)	4.86(1)	4.70(1)	5.12(1)
Taxes on Vehicles	34.58(11)	41.59(12)	36.15(11)	46.46(12)	53.09(13)
Stamps and Registration fees	1.85(1)	1.58(1)	1.77(1)	1.93(1)	2.04(1)
Land Revenue	0.68(0)	0.72(0)	0.70(0)	0.74(0)	0.75(0)
Taxes on Goods and Passengers	4.85(2)	6.71(2)	10.79(3)	9.73(2)	5.88(1)
Other Taxes	27.43(9)	28.41(8)	28.92(9)	30.76(8)	31.64(7)
<b>(ii) Non Tax Revenue</b>	<b>231.19(4)</b>	<b>205.21(3)</b>	<b>214.34(3)</b>	<b>268.34(3)</b>	<b>253.61(3)</b>
<b>(iii) State's share of Union taxes and duties</b>	<b>803.20(14)</b>	<b>917.14(15)</b>	<b>1001.27(16)</b>	<b>1062.68(14)</b>	<b>2540.72(32)</b>
<b>(iv) Grants in aid from Government of India</b>	<b>4246.35(76)</b>	<b>4740.03(76)</b>	<b>4946.67(76)</b>	<b>5929.04(78)</b>	<b>4819.36(60)</b>
<b>2. Miscellaneous Capital Receipts</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>3. Recoveries of Loans and Advances</b>	<b>2.44</b>	<b>0.85</b>	<b>1.01</b>	<b>0.71</b>	<b>0.50</b>
<b>4. Total Revenue and Non debt capital receipts (1+2+3)</b>	<b>5587.06</b>	<b>6203.18</b>	<b>6496.68</b>	<b>7649.38</b>	<b>8041.29</b>
<b>5. Public Debt Receipts</b>	<b>1318.85</b>	<b>2730.12</b>	<b>1976.41</b>	<b>2414.87</b>	<b>3545.94</b>
Internal debt (excluding Ways and Means Advances and Overdrafts)	651.25	764.72	619.16	725.00	1068.40
Net transactions under Ways and Means Advances and Overdrafts	646.63	1965.40	1357.25	1689.87	2477.54
Loans and Advances from Government of India	20.97	0.00	0.00	0.00	0.00
<b>6. Total Receipts in the Consolidated Fund (4+5)</b>	<b>6905.91</b>	<b>8933.30</b>	<b>8473.09</b>	<b>10064.25</b>	<b>11587.23</b>
<b>7. Contingency Fund Receipts</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>8. Public Account Receipts</b>	<b>2611.38</b>	<b>3041.66</b>	<b>3130.09</b>	<b>2661.92</b>	<b>3226.12</b>
<b>9. Total Receipts of the State (6+7+8)</b>	<b>9517.29</b>	<b>11974.96</b>	<b>11603.18</b>	<b>12726.17</b>	<b>14813.35</b>
<b>Part B. Expenditure/Disbursement</b>					
<b>10 Revenue Expenditure</b>	<b>4873.90</b>	<b>5599.43</b>	<b>5748.11</b>	<b>6760.14</b>	<b>7579.14</b>
Plan	821.58(17)	1030.10(18)	846.01(15)	1229.30(18)	1122.66
Non Plan	4052.32(83)	4569.33(82)	4902.10(85)	5530.84(82)	6456.48
General Services (including interest payments)	2316.51(47)	2535.84(45)	2730.25(47)	3130.97(46)	3620.47
Social Services	1154.12(24)	1461.78(26)	1701.56(30)	1855.17(28)	2093.61
Economic Services	1403.27(29)	1601.81(29)	1316.30(23)	1774.00(26)	1865.06
Grants-in-aid and contributions	0.00	0.00	0.00	0.00	0.00
<b>11. Capital Expenditure</b>	<b>1249.39</b>	<b>1255.18</b>	<b>1207.06</b>	<b>1023.17</b>	<b>1059.23</b>
Plan	1249.35(100)	1249.13(99)	1187.96(98)	1022.95(100)	1059.23(100)
Non Plan	0.04(0)	6.05(1)	19.10(2)	0.22(0)	0.00(0)
General Services	235.75(19)	211.01(17)	181.19(15)	160.95(16)	105.78(10)
Social Services	338.77(27)	346.81(28)	324.47(27)	350.99(34)	287.49(27)
Economic Services	674.87(54)	697.36(55)	701.40(58)	511.23(50)	665.96(63)

<sup>17</sup> Revenue receipts are exclusive of expenditure on State Lotteries

	2011-12	2012-13	2013-14	2014-15	2015-16
<b>13. Total Expenditure(10+11+12)</b>	<b>6126.04</b>	<b>6856.77</b>	<b>6956.09</b>	<b>7783.50</b>	<b>8638.56</b>
<b>14. Repayments of Public Debt</b>	<b>798.57</b>	<b>2343.19</b>	<b>1436.92</b>	<b>2306.08</b>	<b>2705.35</b>
Internal Debt (excluding Ways and Means Advances and Overdrafts)	282.19	313.45	246.32	279.11	496.30
Net transactions under Ways and Means Advances and Overdraft	477.91	2007.77	1168.10	2005.36	2187.51
Loans and Advances from Government of India	38.47	21.97	22.50	21.61	21.54
<b>15. Appropriation to Contingency Fund</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>16. Total disbursement out of Consolidated fund (13+14+15)</b>	<b>6924.61</b>	<b>9199.96</b>	<b>8393.01</b>	<b>10089.58</b>	<b>11343.91</b>
<b>17. Contingency Fund disbursements</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>18. Public Account disbursements</b>	<b>2364.57</b>	<b>2822.67</b>	<b>2796.33</b>	<b>2895.22</b>	<b>3011.82</b>
<b>19. Total disbursement by the State (16+17+18)</b>	<b>9289.18</b>	<b>12022.63</b>	<b>11189.34</b>	<b>12984.80</b>	<b>14355.73</b>
<b>Part C. Deficits</b>					
<b>20. Revenue Deficit(-)/ Revenue surplus(+) (1-10)*</b>	<b>710.72</b>	<b>602.90</b>	<b>747.56</b>	<b>888.53</b>	<b>461.65</b>
<b>21. Fiscal Deficit(-)/ Fiscal Surplus(+) (4-13)</b>	<b>-538.98</b>	<b>-653.59</b>	<b>-459.41</b>	<b>-134.12</b>	<b>-597.27</b>
<b>22. Primary deficit(-)/Surplus(+) (21+23)</b>	<b>-121.59</b>	<b>-202.95</b>	<b>34.43</b>	<b>421.22</b>	<b>-10.82</b>
<b>Part D. Other data</b>					
<b>23. Interest Payments (included in revenue expenditure)</b>	<b>417.39</b>	<b>450.64</b>	<b>493.84</b>	<b>555.34</b>	<b>586.45</b>
<b>24. Financial assistance to local bodies etc.</b>	<b>164.73</b>	<b>232.50</b>	<b>293.11</b>	<b>250.60</b>	<b>120.63</b>
<b>25. Ways and Means Advances/ Overdraft availed (days)</b>	<b>646.63(19)</b>	<b>1965.40(109)</b>	<b>1357.25(83)</b>	<b>1689.87</b>	<b>2477.54</b>
Ways and Means Advances availed (days)	577.45(17)	1481.41(97)	812.22(60)	1329.40 (96)	2290.72(101)
Overdraft availed (days)	69.18(2)	483.99(12)	545.03(23)	360.47 (30)	186.82 (9)
<b>26. Interest on Ways and Means Advances/ Overdraft</b>	<b>0.13</b>	<b>3.07</b>	<b>2.66</b>	<b>4.00</b>	<b>3.11</b>
<b>27. Gross State domestic Product (GSDP)</b>	<b>11839</b>	<b>13619</b>	<b>16612</b>	<b>18414</b>	<b>20524</b>
<b>28. Outstanding Fiscal liabilities (year end)</b>	<b>6759.87</b>	<b>7452.54</b>	<b>8356.91</b>	<b>7953.73</b>	<b>8931.64</b>
<b>29. Outstanding guarantees (year end) (including interest)</b>	<b>65.22</b>	<b>70.22</b>	<b>70.22</b>	<b>70.22</b>	<b>70.22</b>
<b>30. Maximum amount guaranteed (year end)</b>	<b>10.00</b>	<b>5.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>31. Number of incomplete projects</b>	<b>57</b>	<b>75</b>	<b>77</b>	<b>213</b>	<b>373</b>
<b>32. Capital blocked in incomplete projects</b>	<b>326.31</b>	<b>623.85</b>	<b>702.97</b>	<b>863.09</b>	<b>2100.61</b>
<b>Part E. Fiscal Health Indicators</b>					
<b>I Resource Mobilization</b>					
Own tax revenue/GSDP	2.57	2.50	2.01	2.11	2.08
Own non-Tax Revenue/GSDP	1.95	1.51	1.29	1.46	1.24
Central Transfer/GSDP	6.78	6.73	6.03	5.77	12.38

**Audit Report on State Finances for the year ended 31 March 2016**

	2011-12	2012-13	2013-14	2014-15	2015-16
<b>II Expenditure Management</b>					
Total Expenditure/GSDP	51.74	50.35	41.87	42.27	42.09
Total Expenditure/Revenue Receipts	109.69	110.55	107.09	101.76	107.43
Capital Expenditure on Social and Economic Services/Total Expenditure.	16.55	15.23	14.75	11.08	11.04
<b>III Management of Fiscal Imbalances</b>					
Revenue deficit (surplus)/GSDP	6.00	4.43	4.50	4.83	2.25
Fiscal deficit/GSDP	-4.55	-4.80	-2.77	-0.73	-2.91
Primary Deficit (surplus)/GSDP	-1.03	-1.49	0.21	2.29	-0.05
Revenue deficit/Fiscal deficit	*	*	*	*	*
Primary Revenue Balance/GSDP	4.44	3.96	3.25	3.53	3.29
<b>IV Management of Fiscal Liabilities</b>					
Fiscal Liabilities/GSDP	57.10	54.72	50.31	43.19	43.52
Fiscal Liabilities/RR	121.04	120.16	128.65	103.99	111.08
Debt Redemption (Principal+Interest)/Total debt Receipts	103.39	96.89	115.28	110.06	97.50
<b>V Other Fiscal Health Indicators</b>					
Return on Investment	0.00	0.00	0.00	0.00	4.94
Balance from Current Revenue (Rs in crore)	-853.17	-1036.96	-1269.84	-1702.17	276.05
Financial assets/Liabilities	1.49	1.51	1.54	1.72	1.70

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

*\*The State experienced revenue surplus during all the years*

## Appendix 1.3

(Reference: Para 1.1.1; Page 2)

Abstract of Receipts and Disbursements for the year 2015-16

('₹ in crore)

Receipts				Disbursement						
2014-15			2015-16	2014-15			Non-Plan	Plan	Total	2015-16
		<i>Section A: Revenue</i>								
<b>7648.67</b>	<b>I</b>	<b>Revenue receipts</b>	<b>8040.79</b>	<b>6760.14</b>	<b>I</b>	<b>Revenue expenditure</b>	<b>6456.48</b>	<b>1122.66</b>	<b>7579.14</b>	<b>7579.14</b>
388.61		Tax revenue	427.10	3130.97		General services	3596.10	24.37	3620.47	
				1855.17		Social services	1526.38	567.23	2093.61	
268.34		Non-Tax revenue	253.61	1063.97		Education, Sports, Art and culture	990.62	238.55	1229.17	
				394.47		Health and Family Welfare	332.70	124.34	457.04	
1062.68		State's share of Union Taxes	2540.72	127.95		Water Supply, Sanitation, Housing and Urban development	100.57	15.87	116.44	
				22.94		Information and Broadcasting	26.57	0.00	26.57	
2068.04		Non-Plan grants	3310.43	25.44		Welfare of Scheduled Castes, scheduled Tribes and other Backward Classes	0.00	27.02	27.02	
2257.17		Grants for State Plan Schemes	193.05	33.86		Labour and labour Welfare	24.41	17.54	41.95	
				173.40		Social Welfare and Nutrition	36.52	143.91	180.43	
1603.83		Grants for Central and Centrally Sponsored plan Schemes	1315.88	13.14		Others	14.99	0.00	14.99	
				1774.00		Economic Services	1334.00	531.06	1865.06	
				477.07		Agriculture and Allied Activities	284.71	146.27	430.98	
				277.75		Rural Development	67.00	256.60	323.60	
				100.08		Special Areas Programmes	5.70	14.72	20.42	
				61.96		Irrigation and Flood Control	27.29	0.42	27.71	
				344.06		Energy	372.53	0.00	372.53	
				78.13		Industry and Minerals	94.68	11.84	106.52	
				261.63		Transport	410.92	0.20	411.12	
				9.15		Science, Technology and environment	3.67	4.97	8.64	
				164.17		General Economic Services	67.50	96.04	163.54	
				0.00		Grants-in-aid and Contributions	0.00	0.00	0.00	
				<b>6760.14</b>		<b>Total</b>	<b>6456.48</b>	<b>1122.66</b>	<b>7579.14</b>	
<b>0.00</b>	<b>II</b>	<b>Revenue deficit carried over to section B</b>	<b>0.00</b>	<b>888.53</b>	<b>II</b>	<b>Revenue surplus carried over to Section B</b>				<b>461.65</b>
<b>7648.67</b>		<b>Total</b>	<b>8040.79</b>	<b>7648.67</b>		<b>Total</b>				<b>8040.79</b>

**Audit Report on State Finances for the year ended 31 March 2016**

<b>Section B: Others</b>										
694.36	III	Opening Cash balance including Permanent advances and cash Balance Investment	435.73	0.00	III	Opening Overdraft from Reserve Bank of India				0.00
0.00	IV	Miscellaneous Capital receipts	0.00	1023.17	IV	Capital Outlay	0.00	1059.23	1059.23	1059.23
				160.95		General Services	0.00	105.78	105.78	
				350.99		Social services	0.00	287.49	287.49	
				47.69		Education, Sports, Art and culture	0.00	48.77	48.77	
				21.23		Health and Family Welfare	0.00	7.92	7.92	
				260.72		Water supply, Sanitation, Housing and Urban Development	0.00	214.51	214.51	
				0.00		Information and Broadcasting	0.00	1.11	1.11	
				0.00		Welfare of scheduled Castes, Scheduled Tribes and Other Backward Classes	0.00	0.00	0.00	
				20.47		Social Welfare and Nutrition	0.00	14.30	14.30	
				0.88		Others	0.00	0.88	0.88	
				511.23		Economic Services	0.00	665.96	665.96	
				20.02		Agriculture and Allied activities	0.00	18.19	18.19	
				0.00		Rural Development	0.00	0.00	0.00	
				100.10		Special Areas Programmes	0.00	209.55	209.55	
				14.77		Irrigation and Flood Control	0.00	98.18	98.18	
				51.12		Energy	0.00	63.20	63.20	
				25.57		Industry and Minerals	0.00	15.17	15.17	
				277.85		Transport	0.00	254.32	254.32	
				20.04		General Economic Services	0.00	5.47	5.47	
				1.76		Science, Technology and environment	0.00	1.88	1.88	
0.71	V	Recoveries of Loans and Advances	0.50	0.19	V	Loans and Advances disbursed	0.19	0.00	0.19	0.19
0.00		From Power Projects	0.00	0.00		For Power Projects	0.00	0.00	0.00	
0.63		From Government Servants	0.46	0.19		To Government servants	0.19	0.00	0.19	
0.08		From Others	0.04	0.00		To Others	0.00	0.00	0.00	
888.53	VI	Revenue surplus brought down	461.65		VI	Revenue Deficit brought down				0.00
2414.87	VII	Public debt receipts	3545.94	2306.08	VII	Repayment of Public debt			2705.35	2705.35
0.00		External debt	0	0.00		External debt			0	

725.00		Internal debt other than Ways and Means Advances and Overdrafts	1068.40	279.11		Internal debt other than Ways and Means advances and Overdrafts		496.30	
1329.4		Net transactions under Ways and Means Advances	2290.72	1468.17		Net transactions under ways and Means Advances		2000.69	
360.47		Net transactions under overdraft	186.82	537.19		Net transactions under Overdrafts		186.82	
0.00		Repayment of Loans and Advances from Central Government	0.00	21.61		Repayment of Loans and Advances to Central Government		21.54	
<b>0.00</b>	<b>VIII</b>	<b>Appropriation to Contingency Fund</b>	<b>0.00</b>	<b>0.00</b>	<b>VIII</b>	<b>Appropriation to Contingency Fund</b>		<b>0.00</b>	<b>0.00</b>
<b>0.00</b>	<b>IX</b>	<b>Amount transferred to Contingency Fund</b>	<b>0.00</b>	<b>0.00</b>	<b>IX</b>	<b>Expenditure from Contingency Fund</b>		<b>0.00</b>	<b>0.00</b>
<b>2661.92</b>	<b>X</b>	<b>Public Account receipts</b>	<b>3226.12</b>	<b>2895.22</b>	<b>X</b>	<b>Public Account disbursements</b>		<b>3011.82</b>	<b>3011.82</b>
301.80		Small Savings and Provident funds	279.68	246.45		Small Savings and Provident Funds		267.92	
69.36		Reserve Funds	210.67	28.35		Reserve Funds		10.00	
56.36		Suspense and Miscellaneous	62.98	55.80		Suspense and Miscellaneous		60.00	
2062.54		Remittance	1987.77	1785.00		Remittances		1913.81	
171.86		Deposits and Advances	685.02	779.62		Deposits and Advances		760.09	
<b>0.00</b>	<b>XI</b>	<b>Closing Overdraft from Reserve Bank of India</b>	<b>0.00</b>	<b>435.73</b>	<b>XI</b>	<b>Cash Balance at end of year</b>		<b>893.35</b>	<b>893.35</b>
				0.00		Cash in Treasuries and Local Remittances		0.00	
				(-)250.36		Deposits with Reserve Bank		156.34	
				316.08		Departmental Cash Balance including permanent Advances		307.81	
				141.48		Cash Balance Investment		0.00	
				228.53		Investment in earmarked funds		429.20	
<b>6660.39</b>		<b>Total</b>	<b>7669.94</b>	<b>6660.39</b>		<b>Total</b>			<b>7669.94</b>



**Appendix 1.4**

(Reference: Para 1.9.1; Page 29)

**Summarised financial position of the Government of Nagaland as on 31.03.2016**

As on 31.03.2015		Liabilities	As on 31.03.2016	
5667.32		Internal Debt -		6529.46
	4764.62	Market Loans bearing interest	5362.38	
	0.03	Market Loans not bearing interest	0.03	
	28.22	Loans from Life Insurance Corporation of India	20.76	
	874.45	Loans from other Institutions	856.26	
	0.00	Ways and Means Advances	290.03	
	0	Overdrafts from Reserve Bank of India	0	
228.32		Loans and Advances from Central Government-		206.78
	0.35	Pre 1984-85 Loans	0.35	
	15.25	Non-Plan Loans	14.49	
	174.51	Loans for State Plan Schemes	154.22	
	0.18	Loans for Central Plan Schemes	0.18	
	29.38	Loans for Centrally Sponsored Plan schemes	29.13	
	0.00	Ways and Means Advances	0.00	
	8.65	Loans for Spl. Scheme	8.41	
0.35		Contingency Fund		0.35
850.33		Small Savings, Provident funds, etc.		862.08
1009.90		Deposits		934.80
197.85		Reserve Funds		398.52
0		Suspense and Miscellaneous Balances		0
(-802.16)		Remittance Balances		-728.21
<b>7151.91</b>		<b>Total</b>		<b>8203.78</b>

As on 31.03.2015		Assets	As on 31.03.2016	
13089.99		Gross Capital Outlay on Fixed Assets -		14149.23
	278.44	Investments in shares of Companies, Corporations, etc.	290.60	
	12811.55	Other Capital Outlay	13858.63	
26.82		Loans and Advances -		26.51
	0.00	Loans for Power Projects	0.00	
	25.43	Other Development Loans	25.38	
	1.39	Loans to Government servants and Miscellaneous loans	1.13	
0.00		Reserve Fund Investments		0.00
0.36		Advances		0.33
94.37		Suspense and Miscellaneous Balances		91.37
0.00		Cash -		893.35
	0.00	Cash in Treasuries and Local Remittances	0.00	
	(-)250.36	Deposits with Reserve Bank	156.34	
	316.08	Departmental Cash Balance	307.81	
	0.00	Permanent Advances	0.00	
	228.53	Investment on earmarked funds	429.20	
	141.48	Cash Balance investments	0.00	
(-)6495.36		Deficit on Government account -		-6957.01
	(-)888.53	(i) Less Revenue Surplus of the current year	-461.65	
	0.00	(ii) Miscellaneous deficit	0.00	
	(-)5606.83	Accumulated deficit at the beginning of the year	-6495.36	
<b>7151.91</b>				<b>8203.78</b>

*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: Para 1.2.2; Page 8)

**Statement showing the funds transferred to the State Implementing Agencies under Programmes/Schemes outside the State budget during 2015-16**

(₹ in lakh)

Sl. No.	Programme/Scheme	Implementing Agency	2015-16
1	Medicinal Plants	State Medicinal Plants Boards Agency	19.58
2	Support to State	Nagaland Renewable Energy Development Agency (NREDA)	3.00
3	Scheme for Art and culture and Centenary	Abiogenesis Society	3.85
4		Ayolta Human Resources Society	0.37
5		Charity Welfare Society	0.37
6		Good Will Society	0.50
7		North-East-Zone Culture Centre	29.09
8		Tenak Society	0.75
9	Human Resource Development	Nagaland Handloom and Handicrafts Development Corporation Ltd.	4.13
10	Training for all support for training activities and personal, P.G. & P	Administrative Training Institute, Kohima	48.84
11	Deen Dayal disabled Rehabilitation Scheme, SJE	Baseleia Misson Organization	0.41
12	Hospitals and dispensaries	Director General of Police, Govt. of Nagaland	66.00
13	Indigenous Breeds	Nagaland Livestock Development Board	350.10
14	SECC	NREGA Commissionerate of Nagaland	10.19
15	Support to NGO's institution /SRC's for Adult Education and Skill	Jan Shikshan Sansthan, Dimapur	29.49
16	Science and Technology Programme for Socio Eco. Development	Nagaland State Science & Technology Council	84.60
17		Nagaland Institute of Health, Environment and Social Welfare	4.90
18		Uzho Cultural Society	24.00
19		Nagaland Bamboo Development Agency	0.90
20	State Science & Technology Programme	State Science & Technology Programme	68.90
21	Biotechnology Clusters	Nagaland State Science & Technology Council	83.43
22	MPLADs	DC, Dimapur	750.00
23	Swadesh Darshan Integrated Dev. theme	Nagaland Tourism Board	1,947.20
24	National Handloom Development Programmes	Chakaba Multipurpose Co-operative Society Ltd,	60.07
25		Director of Industries and Commerce	15.00
26		Nagaland Handloom and Handicrafts Dev. Corporation Ltd,	30.35
27		Nagaland Weavers Associations, Kohima	199.91
28		Nokden Multipurpose Co-operative Society Ltd.	60.41

Sl. No.	Programme/Scheme	Implementing Agency	2015-16
29	Capacity Building and Publicity – I.T.	Director of Industries and Commerce	46.35
30		Nagaland Tool Room Training	87.97
31	Nagaland Mission on food Processing (SAMPDA)	Kohima Municipal Council	150.00
32		Mokokchung Municipal Council	332.18
33		State Council of Education Research and Training	4.75
34	Zonal Culture Centre	North East Zone Cultural Centre	1,530.10
35	North Eastern Areas	Nagaland GIS Centre	160.00
36		Nagaland Bamboo Development Agency	126.09
37		Nagaland Board of School Education	24.63
38		Director of Youth Resources and Sports	236.58
39	Environment Information Education and Awareness	Nagaland Pollution Control Board	71.89
40		Nagaland Institute of Health, Environment and Social Welfare(Environment and Forest)	13.01
41		Charity Welfare Society	1.20
42	National Child Labour Project including Grants-in-aid to Voluntary Agencies	District Child Labour Project Society, Dimapur	131.45
43	GRID Interactive Renewable Power MNRE	Nagaland Renewable Energy Development Agency (NREDA)	120.00
44		Nagaland Empowerment of people through Energy Development	33.00
45	OFF GRID DRPS	Nagaland Empowerment of People through Energy Development	27.00
46		New and Renewable Energy	597.88
47	Advocacy and Publicity	North East Zone Cultural Centre	40.95
48	Assistance to Voluntary Organization for Social Defense	Good Samaritan Women Society	8.10
49		Youth Mission Agency	13.96
50		Bethesda Youth Welfare Centre, Dimapur	7.21
51		Prodigal Homes, Dimapur	14.92
52	WWH Working Women Hostel	Nagaland Handloom and Handicrafts Development Corporation	134.21
53		Sharon Welfare Agency	46.83
54	Marketing Support and Services and Export Promotion Scheme	Nagaland Handloom and Handicrafts Development Corporation Ltd.	40.85
55		Nagaland Industrial Development Corporation	2.25
56		Dunyis Multipurpose Society	8.09
57	Scheme for the Welfare of Working Children in need of care and Protection	Kilo Old Welfare Society	9.33
58		Sun rise Welfare Society	9.33
59	NER- Textile Promotion Scheme	Nagaland handloom and Handicrafts Development Corporation Ltd.	58.00
60		Directorate of Sericulture, Govt. of Nagaland	1250.46
61	National Programme for Youth and Adolescent Development	GoodWill Society	1.15
62		Hills of the backward People	1.17

**Audit Report on State Finances for the year ended 31 March 2016**

Sl. No.	Programme/Scheme	Implementing Agency	2015-16
63		Ayolta Human Resources Society	2.28
64		Iepthori Organisation	1.96
65		Needy People Society	1.17
66		Generation Promoter	2.28
67	Museums	North East Zone Council Centre	331.82
68		Naga Hospital, Kohima	46.35
69		Nagaland State Science & Technology Council	13.82
70	National Rural Livelihood Mission	Nagaland State Rural Livelihoods Mission Society (NSRLM)	36.20
71	Village entrepreneurship 'START-UP' Programme	Nagaland State Rural Livelihoods Mission Society (NSRLM)	60.00
72	Nagaland Tool Room & Training Centre	Quality of technology Support Institutions and Industry	7.83
73	National Plan for Diary Development	Nagaland State Dairy Co-operation Federation Ltd.	100.00
74		Nagaland Livestock Development Board	125.00
75	Digital India Programme	Nagaland State E-Governance Society	880.37
76	Baba Saheb Ambedkar Hastshilpa Vikas Yojana	Nagaland Handloom & Handicrafts Dev. Corp	3.45
77		Sanu Multipurpose Co-operative Society Ltd.	0.53
78	Design and Technical Upgradation Scheme	Weaving Industrial Centre, Kohima	5.64
79		Heto Artisans Association, Natsumi	2.70
80		Nagaland Handloom and Handicrafts Development Corporation Ltd.	14.83
81	Comprehensive Scheme for combating Trafficking	School of Social work	25.17
82	Propogation of RTI Act- Improving Transparency	Nagaland Information Commission	3.00
83		Administrative Training Institute, Kohima	14.89
84	Infrastructure Development and Capacity Building	Director of Industries and Commerce	35.51
85	National Mission for Justice and Legal Services	Nagaland State Legal Services Authority	68.20
86	Higher Education Statistics and Public Information	Aishe, Nagaland	1.93
87	Science and Technology Mines	Directorate of Geology and Mining	39.90
<b>GRAND TOTAL</b>			<b>11062.06</b>

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

## Appendix 2.1

(Reference: Para 2.3.1; Page 40)

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

(₹ in crore)

Sl. No.	Grant No	Name of the Grant/Appropriation	Total Grant/Appropriation	Savings	Percentage
1	2	3	4	5	6
<b>Revenue (Voted)</b>					
1	12	Treasury And Accounts Administration	35.18	3.36	10
2	16	State Guest House	17.27	1.47	9
3	18	Pensions and Other Retirement Benefits	1113.14	84.33	8
4	21	Relief of Distress Caused by Natural Calamities	36.40	26.12	72
5	26	Civil Secretariat	160.02	26.32	16
6	27	Planning Machinery	299.85	206.90	69
7	28	Civil Police	1119.54	11.58	1
8	31	School Education	1395.78	336.82	24
9	32	Higher Education	205.42	91.47	45
10	33	Youth Resources and Sports	31.23	3.77	12
11	35	Medical, Public Health and Family Welfare	561.65	103.11	18
12	37	Municipal Administration	16.13	12.26	76
13	40	Employment And Training	64.07	29.59	46
14	42	Rural Development	628.92	366.96	58
15	43	Social Security And Welfare	200.76	43.42	22
16	46	Statistics	34.71	6.47	19
17	49	Soil And Water Conservation	47.45	2.02	4
18	50	Animal Husbandry And Dairy Development	91.28	15.75	17
19	51	Fisheries	40.34	8.76	22
20	52	Forest, Ecology, Environment and Wild Life	76.49	9.31	12
21	53	Industries	64.38	1.87	3
22	55	Power	381.81	11.37	3
23	60	Water Supply	85.84	7.05	8
24	65	SCERT	29.83	2.01	7
25	66	Sericulture	25.59	5.80	23
26	67	Home Guards	18.90	1.58	8
27	70	Horticulture	76.01	31.75	42
28	72	Land Resource Development	108.90	59.71	55
29	73	State Institute of Rural Development	7.91	4.20	53
30	78	Technical Education	17.05	3.12	18
31	81	Information Technology and Communication	13.75	7.00	51

**Audit Report on State Finances for the year ended 31 March 2016**

Sl. No.	Grant No	Name of the Grant/Appropriation	Total Grant/ Appropriation	Savings	Percentage
1	2	3	4	5	6
<b>Capital (Voted)</b>					
32	4	Administration of Justice	33.89	22.00	65
33	7	State Excise	1.50	0.56	37
34	22	Civil Supplies	2.75	2.25	82
35	27	Planning Mahinery	391.25	318.68	81
36	31	School Education	22.56	4.49	20
37	35	Medical, Public Health and Family Welfare	44.89	13.67	30
38	36	Urban Development	128.37	87.49	68
39	37	Municipal Administration	47.04	32.44	69
40	39	Tourism	15.22	12.41	82
41	42	Rural Development	56.67	56.67	100
42	48	Agriculture	9.79	4.09	42
43	53	Industries	16.02	4.02	25
44	57	Housing Loans	0.22	0.22	100
45	58	Roads and Bridges	313.33	9.51	3
46	59	Irrigation and Flood Control	232.15	132.48	57
47	60	Water Supply	216.76	112.74	52
48	70	Horticulture	7.00	5.92	85
49	74	Mechanical Engineering	2.00	1.00	50
50	77	Development of Under Developed Areas	66.16	5.98	9
51	78	Technical Education	17.77	14.45	81
<b>Revenue (Charged)</b>					
52	75	Servicing of Debt	861.42	74.30	9
<b>Total</b>			<b>9492.37</b>	<b>2440.59</b>	<b>26</b>

## Appendix 2.2

(Reference: Para 2.3.4; Page 42)

### Excess over provision of previous years requiring regularization

(₹ 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
2005-06	23	2	64.96	Not yet regularised
2008-09	16	0	43.52	Not yet regularised
2009-10	24	1	61.77	Not yet regularised
2010-11	17	0	90.55	Not yet regularised
2012-13	23	0	166.13	Not yet regularised
2013-14	21	0	38.51	Not yet regularised
2014-15	9	1	38.78	Not yet regularised
<b>Total</b>			<b>556.03</b>	



### Appendix 2.3

(Reference: Para 2.3.5; Page 42)

#### Excess over provision requiring regularisation during the year 2015-16

(₹ in crore)

Sl. No.	Number and title of grant/appropriation		Total grant appropriation	Expenditure	Excess
<b>Revenue (Voted)</b>					
1	47	Legal Metrology and Consumer Protection	9.16	11.54	2.38
2	48	Agriculture	130.35	131.10	0.75
3	56	Road Transport	73.05	73.27	0.22
4	58	Roads and Bridges	260.04	366.04	106.00
5	62	Civil Administration Works	8.01	8.20	0.19
6	64	Housing	99.19	100.59	1.40
<b>Total- Revenue (Voted)</b>			<b>579.80</b>	<b>690.74</b>	<b>110.94</b>
<b>Capital(Voted)</b>					
1	5	Election	0.00	0.88	0.88
2	16	State Guest House	0.00	1.25	1.25
3	33	Youth Resources and Sports	7.65	8.71	1.06
4	43	Social Security and Welfare	11.96	13.00	1.04
5	50	Animal Husbandry and Dairy Development	0.00	8.67	8.67
6	55	Power	37.52	62.83	25.31
7	62	Civil Administration Works	11.04	22.32	11.28
8	64	Housing	28.22	55.93	27.71
9	68	Police Engineering Project	8.75	15.96	7.21
<b>Total- Capital (Voted)</b>			<b>105.14</b>	<b>189.55</b>	<b>84.41</b>
<b>Capital (Charge)</b>					
1	75	Servicing of Debt	2527.10	2705.35	178.25
<b>Total - Capital(Charged)</b>			<b>2527.10</b>	<b>2705.35</b>	<b>178.25</b>
<b>Grand Total</b>			<b>3212.04</b>	<b>3585.64</b>	<b>373.60</b>

## Appendix 2.4

(Reference: Para 2.3.7 ; Page 42)

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

(₹ in lakhs)

Sl. No.	Number and Name of the Grant	Original Provision	Actual Expenditure	Savings out of Original provision	Supplementary provision
<b>Revenue (Voted)</b>					
1	13- Village Guards	3134.98	3107.38	27.60	11.26
2	18-Pensions and other Retirement Benefits	104387.58	102880.15	1507.43	6926.00
3	22-Civil Supplies	1894.75	1880.59	14.16	45.71
4	25-Land Records and Survey	1701.05	1691.47	9.58	67.90
5	31-School Education	138637.71	105896.58	32741.13	940.68
6	33-Youth Resources and Sports	2807.07	2745.92	61.15	316.10
7	35-Medical, Public Health and Family Welfare	51028.42	45853.56	5174.86	5136.10
8	37-Municipal Administration	1592.69	387.41	1205.28	20.44
9	40-Employment and Training	6381.98	3447.25	2934.73	24.73
10	43-Social Security and Welfare	17428.07	15733.89	1694.18	2647.69
11	46-Statistics	3233.32	2824.32	409.00	238.15
12	52-Forest, Ecology, Environment and Wild Life	7401.23	6717.56	683.67	247.66
13	60-Water Supply	8177.42	7879.25	298.17	406.88
14	66-Sericulture	2351.69	1978.86	372.83	207.22
15	67-Home Guards	1812.63	1732.49	80.14	77.64
16	70-Horticulture	7544.83	4426.37	3118.46	56.54
17	73-State Institute of Rural Development	771.08	371.24	399.84	20.22
18	77-Development of Under Developed Areas	331.00	327.87	3.13	19.57
19	78-Technical Education	1581.87	1392.97	188.90	122.83
20	81-Information Technology and Communication	1340.94	675.88	665.06	34.45
<b>Total Revenue (Voted)</b>		<b>363540.31</b>	<b>311951.01</b>	<b>51589.30</b>	<b>17567.77</b>
<b>Capital (Voted)</b>					
1	4-Administration of Justice	2800.00	1188.88	1611.12	588.88
2	36-Urban Development	8626.02	4088.87	4537.15	4211.38
3	37-Municipal Administration	3799.00	1460.02	2338.98	904.60
4	48-Agriculture	570.00	570.00	0.00	408.75
5	53-Industries	1563.00	1200.00	363.00	39.32
6	60-Water Supply	18813.48	10402.32	8411.16	2862.38
7	70-Horticulture	200.00	108.00	92.00	500.00
<b>Total-capital (Voted)</b>		<b>36371.50</b>	<b>19018.09</b>	<b>17353.41</b>	<b>9515.31</b>
<b>Grand Total</b>		<b>399911.81</b>	<b>330969.10</b>	<b>68942.71</b>	<b>27083.08</b>

**Appendix 2.5**

*(Reference: Para 2.3.7 ; Page 43)*

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

*(₹ in crore)*

Sl. No.	Grant Number	Name of the Grants and Appropriation	Original Provision	Supplementary provision	Total	Expenditure	Excess
<b>Revenue (Voted)</b>							
1	47	Legal Metrology and Consumer Protection	7.13	2.03	9.16	11.54	2.38
2	58	Roads and Bridges	246.41	13.63	260.04	366.04	106.00
3	64	Housing	91.45	7.74	99.19	100.59	1.40
<b>Total Revenue (Voted)</b>			<b>344.99</b>	<b>23.40</b>	<b>368.39</b>	<b>478.17</b>	<b>109.78</b>
<b>Capital (Voted)</b>							
4	33	Youth Resources and Sports	2.50	5.15	7.65	8.71	1.06
5	43	Social Security and Welfare	0.00	11.96	11.96	13.00	1.04
6	55	Power	7.11	30.41	37.52	62.83	25.31
7	62	Civil Administration Works	10.00	1.04	11.04	22.32	11.28
8	64	Housing	19.00	9.22	28.22	55.93	27.71
9	68	Police Engineering Project	8.00	0.75	8.75	15.96	7.21
<b>Total Capital (Voted)</b>			<b>46.61</b>	<b>58.52</b>	<b>105.13</b>	<b>178.74</b>	<b>73.61</b>
<b>Grand Total</b>			<b>391.60</b>	<b>81.92</b>	<b>473.52</b>	<b>656.91</b>	<b>183.39</b>

## Appendix 2.6

(Reference: Para 2.3.8 ; Page 43)  
Excessive /Insufficient re-appropriation of funds

(₹ in lakh)

Sl. No.	Grant No.	Description	Head of Account	Re-appropriation	Final	
					Excess(+)	Saving (-)
<b>Revenue (Voted)</b>						
1	1	Assembly Secretariat	2011-02-103-01	(-) 50.99		18.01
2	4	Legal Remembrancer,advocate General, Government advocate & standing Counsels	2014-00-114-01	(+)297.93		24.70
3	4	Nagaland Legal Services Authority	2014-00-800-01	(-)20.07		2.76
4	4	Village Customary Court	2014-00-800-04	(+) 90.77		0.30
5	5	Chief Electoral Officers-Establishment	2015-00-102-01	(-)27.49	0.16	
6	5	Sub-ordinate Establishment	2015-00-102-02	(-) 10.14		0.32
7	8	Direction	2040-00-001-01	(+)79.06		96.98
8	8	Empowered Committee	2040-00-001-02	(-)3.00	3.00	
9	8	Computerisation of Commercial Taxes	2040-00-800-01	(-)70.00	93.99	
10	14	Direction	2056-00-001-01	(+) 182.71		0.22
11	14	Other Jails	2056-00-101-02	(-)191.94		1.88
12	16	Nagaland House, New Delhi	2070-00-115-01	(+)18.82		22.47
13	16	Nagaland House, Kolkata	2070-00-115-02	(-)125.40		10.00
14	22	Direction	2408-01-001-01	(-)123.11	0.18	
15	22	Subordinate Establishment	2408-01-001-02	(+)117.43		0.16
16	27	Direction	3451-00-101-01	(+)272.70		0.15
17	28	Nagaland Armed Police Battalion	2055-00-104-01	(-)12197.28	228.53	
18	28	District Police Establishment	2055-00-109-01	(+)4329.29	214.91	
19	31	Rashtriya Madhyamik Shiksha Abhiyan (CSS)	2202-02-109-15	(+)4649.30		0.30
20	31	Direction	2202-02-001-01	(-)6084.84		4.98
21	31	Government Schools	2202-02-109-01	(-)133.15	985.44	
22	32	Research Scholarship	2202-03-107-01	(+)4.35	3.96	
23	32	Merit Scholarship	2202-03-107-02	(-)4.41		3.96
24	35	Subordinate Establishment	2210-01-001-02	(+)1935.18	1820.31	
25	37	State Election Commission	2015-00-109-01	(-)0.32		1.00
26	40	Employment Exchange	2230-02-101-01	(-)150.70		14.62
27	41	Direction	2230-01-001-01	(+)52.21		10.59
28	41	Welfare Centres	2230-01-103-01	(-)53.65	5.00	
29	44	Direction (Evaluation)	3451-00-092-01	(+)29.43		75.00
30	44	Subordinate Establishment (Evaluation)	3451-00-092-02	(+)24.03	20.00	
31	44	Evaluation Studies	3451-00-092-03	(-)55.00	55.00	
32	45	Audit	2425-00-101-01	(+)2.45		2.45
33	47	State Consumer Dispute Redressal Commission & District Consumer Forum	3475-00-800-03	(-)147.60	238.00	
34	48	Sub-ordinate Establishment (Agriculture)	2401-00-001-02	(+)311.72	181.41	
35	48	Seed Farms	2401-00-103-01	(-)40.33	21.73	
36	48	Demonstration Farm	2401-00-104-02	(+)15.60		0.53

**Audit Report on State Finances for the year ended 31 March 2016**

Sl. No.	Grant No.	Description	Head of Account	Re-appropriation	Final	
					Excess(+)	Saving (-)
37	48	Establishment of Manure and Fertiliser	2401-00-105-01	(+)18.82	4.09	
38	48	Demonstration and Supply of plant Protection Chemicals and Equipment	2401-00-107-01	(-)14.57		0.18
39	48	Sugarcane Development & Research	2401-00-108-01	(-)152.63	0.22	
40	48	Farmers Training	2401-00-109-01	(+)5.99		0.33
41	48	Agriculture Statistics	2401-00-111-01	(-)10.34	0.89	
42	48	Agricultural Engineering Superintendence	2401-00-113-01	(-)153.95	0.81	
43	48	High yielding Varieties Programme	2401-00-800-01	(+)104.00		54.71
44	48	Agriculture marketing and Quality Control	2401-00-800-02	(-)52.60	73.43	
45	48	Chemistry Laboratory	2415-01-004-01	(-)102.51	20.33	
46	48	State Agriculture Research Station	2415-01-004-02	(+)25.92	6.23	
47	48	Plant Protection Laboratory	2415-01-004-03	(+)51.82		2.46
48	50	National Livestock Health and Diseases Control Programme (CSS)	2403-00-101-14	(-)508.40		1.41
49	50	National Livestock Health and Diseases Control Programme	2403-00-101-04	(+)5.56	1.41	
50	51	Direction	2405-00-001-01	(-)224.02		0.18
51	51	Subordinate Establishment	2405-00-001-02	(+)262.31	0.14	
52	52	Intensification of Forest Management	2406-01-800-01	(-)177.40	35.70	
53	52	Direction	2406-01-001-01	(-)205.90		774.99
54	52	Subordinate Establishment	2406-01-001-02	(+)205.90	977.74	
55	55	Generation and Transmission	2801-01-001-01	(-)128.15		98.98
56	55	Operation and Maintenance of Likimro Hydro Electric Project	2801-01-800-02	(-)18.42		166.97
57	55	Direction Transmission	2801-05-001-01	(+)63.40		33.44
58	55	Transmission	2801-05-800-01	(+)34.00	2118.38	
59	55	Work Charged Establishment	2801-80-800-02	(+)28.55		1194.80
60	56	Operation	3055-00-800-02	(+)62.85	21.69	
61	58	National Highways	3054-01-800-01	(-)1.04	242.25	
62	58	Workcharge Establishment	3054-03-103-01	(-)3.00		758.73
63	58	Direction	3054-80-001-01	(-)1124.37		2.43
64	58	Superintending Engineer's Establishment	3054-80-001-03	(-)268.03		0.50
65	58	Execution	3054-80-001-04	(+)1392.73	0.15	
66	59	Agriculture Workshops	2702-80-800-04	(-)0.13		0.32
67	60	Urban Water supply Programme	2215-01-101-01	(+)50.00	32.19	
68	60	Operation and Maintenance	2215-01-102-01	(+)20.00		32.19
69	62	Civil Administration Works Division	2059-80-001-11	(-)17.80	11.80	
70	62	Work Charged Establishment	2059-80-053-02	(+)17.80	7.57	
71	64	Execution	2059-80-001-22	(+)1595.40		79.35
72	64	Estate Management	2216-05-800-01	(-)640.35	80.00	
73	65	State Council of Educational Research and Training	2202-02-004-01	(+)48.07		1.71
74	66	Catalytic Development Programme under Sericulture	2851-00-107-05	(-)245.00		322.76
75	74	Direction (Mechanical Engineering)	2059-80-001-31	(-)202.55	3.66	
76	74	Superintending Engineer's Establishment	2059-80-001-32	(-)3.08		3.66

Sl. No.	Grant No.	Description	Head of Account	Re-appropriation	Final	
					Excess(+)	Saving (-)
77	78	Direction	2203-00-001-01	(-)23.58	3.79	
<b>Capital(Voted)</b>						
78	7	Works under State Excise	4059-01-051-07	(-)0.57		55.43
79	8	Works under Sales Tax	4216-01-106-08	(+)100.00		23.60
80	29	Works under Printing & Stationery	4059-60-051-29	(-)0.86		17.16
81	31	Works under School Education	4552-31-800-31	(-)24.63	258.84	
82	33	Infrastructure for Sports and Youth Affairs Activities	4202-03-800-02	(+)10.18	105.73	
83	35	Upgradation of Hospitals	4210-01-110-01	(+)344.48	247.63	
84	35	Upgradation of Hospitals	4552-35-800-01	(+)110.62	330.62	
85	55	Transmission Scheme	4552-55-800-01	(-)45.10		1978.27
86	55	Other Micro Hydel Schemes	4801-01-800-02	(+)3.64	482.68	
87	55	Transmission Scheme	4801-05-800-01	(+)41.46	1177.49	
88	58	PMGSY	5054-04-337-01	(-)5600.00		205.20
89	58	Major District Roads	5054-04-337-02	(+)6098.18	8423.37	
90	58	Bridges	5054-04-337-03	(-)1351.75	598.45	
91	62	Construction of Residences	4216-01-106-62	(+)58.00	1128.30	
92	64	Functional Buildings	4059-80-051-64	(+)900.34		231.31
93	64	Housing	4216-01-106-64	(-)900.61	3002.39	
94	65	Works under SCERT (CSS)	4202-01-201-11	(-)46.90	0.10	
<b>Revenue (Charged)</b>						
95	2	Establishment of Controller of Household	2012-03-103-01	(-)1.15		11.58
<b>Capital (Charged)</b>						
96	75	Market Loans bearing Interest	6003-00-101-01	(-)583.17		206.01
97	75	Ways and Means Advances	6003-00-110-01	(+)926.56	17824.57	
<b>Total</b>				<b>(+)24999.56</b> <b>(-)29793.05</b>	<b>41094.26</b>	<b>6550.04</b>

**Appendix 2.7**

(Reference: Para 2.3.10 ; Page 43)

**Results of review of substantial surrenders made during the year 2015-16**

(₹ in crore)

Sl. No.	Number and title of Grant	Name of the Scheme	Total Grant/ Appropriation	Amount of Surrender	Percentage of Surrender
		(Head of Account)			
<b>Revenue (Voted)</b>					
1	4. Administration of Justice	2014-00-105-01 (District & Session Judge Establishment)	2.71	2.05	75.65
2	6. Land Revenue	2029-00-101-01 (Collection)	0.06	0.05	83.33
3	18. Pensions and other Retirement benefits	2071-01-117-01 (National Pension System)	46.09	24.39	52.92
4	21. Relief of Distress caused by Natural Calamities	2245-05-101-01 (Central share to State Disaster Response Fund)	35.40	26.40	74.58
5	26. Civil Secretariat	3451-00-090-01 (Secretariat Economic Services Establishment)	14.17	13.18	93.01
6	27. Planning Machinery	2552-27-101-01 (Pool for Schemes under North Eastern Council)	117.06	116.48	99.50
7		3451-00-101-02 (Pool for State Share)	93.25	91.68	98.32
8	31. School Education	2202-01-111-11 (Sarva Shiksha Abhiyan, CSS)	314.01	230.14	73.29
9		2202-01-111-01 (Sarva Shiksha Abhiyan)	119.41	66.19	55.43
10		2202-02-001-01 (Direction)	106.15	60.85	57.32
11		2202-02-800-01 (Engineering Division)	8.09	5.75	71.08
12		2202-05-102-01 (Hindi Training Institute)	2.31	1.37	59.31
13		32. Higher Education	2202-03-800-11 (Rashtriya Uchchata Shiksha Abhiyan, CSS)	75.64	70.85
14	2202-03-001-01 (Direction)		26.91	19.04	70.75
15	35. Medical, Public Health & Family Welfare	2210-01-110-21 (Nagaland Health Project-CSS)	7.45	6.01	80.67
16		2210-06-800-11 (National Urban Health Mission-CSS)	8.65	6.12	70.75
17		2210-06-800-13 (Routine Immunisation)	0.87	0.77	88.51
18		2210-06-800-21 (National Health Mission - CSS)	53.74	33.07	61.54
19		2210-01-110-04 (Drug De-Addiction Clinic)	0.97	0.64	65.98
20		2210-01-110-05 (Artificial Limb Centre)	0.85	0.68	80.00
21		2210-01-110-08 (Dietary Charges)	1.86	1.08	58.06
22		2210-02-102-01 (Homeopathy Establishment)	0.96	0.68	70.83

Sl. No.	Number and title of Grant	Name of the Scheme	Total Grant/ Appropriation	Amount of Surrender	Percentage of Surrender
		(Head of Account)			
23		2210-06-800-05 (National Programme for Control of)	0.80	0.65	81.25
24	38. Information and Public Relations	2220-60-106-01 (Field Publicity Establishment)	0.68	0.51	75.00
25	40. Employment & Training	2230-03-800-15 (Skill Development Mission - CSS)	45.51	29.77	65.41
26	41. Labour	2230-01-103-01 (Welfare Centres)	0.91	0.54	59.34
27	42-Rural Development	2216-03-800-11 (Indira Awaz Yojana)	22.00	11.32	51.45
28		2501-06-800-11 (National Rural Livelihood Mission-CSS)	20.53	14.15	68.92
29		2505-02-101-11 (Employment Scheme-CSS)	518.24	341.16	65.83
30	43-Social Security and Welfare	2235-02-103-31 (Rajiv Gandhi Scheme for Empowerment of Adolescent Girls - CSS)	3.07	2.49	81.11
31		2235-02-102-02 (Establishment of Children's Parks and Children's Wards)	0.57	0.51	89.47
32		2236-02-101-01 (Supplementary Nutrition Schemes)	0.28	0.23	82.14
33	44. Evaluation Unit	3451-00-092-03 (Evaluation Studies)	0.55	0.55	100.00
34	46.Statistics	3454-02-111-05 (Support for Statistical Strengthening)	6.80	6.66	97.94
35	48-Agriculture	2401-00-800-28 (RKVY-CSS)	20.12	15.69	77.98
36		2401-00-109-02 (Agriculture Information and Publicity)	0.35	0.32	91.43
37		2401-00-800-02(Agriculture Marketing and Quality Control)	0.99	0.53	53.54
38	49. Soil and Water Conservation	2552-49-101-01 (Watershed Treatment for Flood Mitigation and Livelihood)	1.41	0.82	58.16
39	50. Animal husbandry and dairy development	2403-00-101-14 (National Livestock Health and Diseases Control Programme - CSS)	7.74	5.08	65.63
40		2403-00-106-11 (National Livestock Management Programme - CSS)	10.00	5.46	54.60
41		2403-00-113-12 (Sample Survey - CSS)	0.32	0.22	68.75
42		2403-00-101-02 (Rinderpest Eradication)	0.87	0.65	74.71
43		2404-00-102-01 (Rural Dairy Centre)	1.34	1.04	77.61
44	51. Fisheries	2405-00-120-01 (National Welfare Scheme for Fishermen)	13.29	10.79	81.19
45	52. Forest Bcology, Bnvironment and wild life	2406-01-800-01(Intensification of Forest Management)	3.00	1.77	59.00
46	53. Industries	2851-00-103-02 (Handloom Development Scheme-CSS)	0.80	0.63	78.75



**Audit Report on State Finances for the year ended 31 March 2016**

Sl. No.	Number and title of Grant	Name of the Scheme	Total Grant/ Appropriation	Amount of Surrender	Percentage of Surrender
		(Head of Account)			
47		2851-00-103-02 (Handloom Development Scheme)	0.80	0.63	78.75
48		2851-00-200-01 (Beekeeping Farm)	0.87	0.58	66.67
49		2851-00-800-06 (Nagaland Forest Product Ltd)	0.15	0.11	73.33
50	55. Power	2801-80-003-01(Linemen Training Centre)	0.83	0.43	51.81
51	60. Water Supply	2215-01-102-12(National Rural Water Drinking Programme-CSS)	8.11	6.97	85.94
52	64. Housing	2059-80-001-21 (Direction)	16.44	9.56	58.15
53	70. Horticulture	2401-00-119-50 (Mission for Integrated Development of Horticulture - CSS)	59.00	31.75	53.81
54	72. Land Resources Development	2501-05-101-13 (Integrated Watershed Management Programme - CSS)	103.05	74.01	71.82
55	78. Technical Education	2203-00-107-02 (Multisectoral Development Programme for Minorities)	3.20	3.14	98.13
56	81. Information Technology and Communication	3425-60-001-02 (National E-Governance Action Plan)	11.18	6.96	62.25
<b>Capital (Voted)</b>					
57	31. School Education	4202-01-800-01 (Direction & Administration)	21.83	12.91	59.14
58	36. Urban Development	4217-60-051-23 (Jawaharlal Nehru National Urban Renewal Mission-CSS)	47.61	46.47	97.61
59		4217-60-051-25 (Swachh Bharat Mission - CSS)	10.00	9.57	95.70
60		4217-60-051-27 (Atal Mission-Service Level Improvement - CSS)	1.50	1.00	66.67
61		4217-01-051-01 (Additional Central Assistance to Externally Aided Projects)	37.55	26.31	70.07
62		4217-60-051-02 (Construction Works)	2.00	1.00	50.00
63	37. Municipal Administration	4217-04-800-01 (Rajiv Awas Yojana)	2.23	1.28	57.40
64	39. Tourism	5452-01-101-01 (Infrastructure Development for Destination & Circuits)	13.22	12.17	92.06
65	58. Road and Bridges	5054-04-337-01(PMGSY)	60.00	56.00	93.33
66		5054-80-800-02 (Roads and Bridges Financed from Central Road Fund)	15.04	9.09	60.44
67		5054-80-800-03 (Economic and Importance for States and Uts from Central Road Fund)	9.37	6.75	72.04

Sl. No.	Number and title of Grant	Name of the Scheme	Total Grant/ Appropriation	Amount of Surrender	Percentage of Surrender
		(Head of Account)			
68		5054-80-800-58 (Non Lapsable Central Pool of Resources)	56.55	47.87	84.65
69	59. Irrigation and Flood Control	4702-00-800-15 (Accelerated Irrigation Benefit and Flood Management Programme - CSS)	230.00	140.61	61.13
70	60. Water Supply	4215-02-102-11(Swachh Bharat - CSS)	88.20	77.37	87.72
71	64. Housing	4216-01-106-64 (Housing)	11.48	9.01	78.48
72	78-Technical Education	4202-02-104-11(Building Government Polytechnic-CSS)	16.97	14.45	85.15
<b>Total</b>			<b>2543.96</b>	<b>1835.01</b>	<b>72.13</b>

**Appendix 2.8**

(Reference: Para 2.3.11; Page 43)

**Surrender in excess of actual savings ( ₹ 1 crore or more)**

( ₹ in crore)

Sl. No.	Number and name of the grant/ appropriation	Total grant/ appropriation	Savings	Amount surrendered	Amount surrendered in excess
<b>Revenue (Voted)</b>					
1	28- Civil Police	1119.54	11.58	16.01	4.43
2	31-School Education	1395.78	336.82	347.12	10.30
3	35-Medical, Public Health and Family Welfare	561.65	103.11	121.31	18.20
4	52-Forest, Ecology, Environment and Wild Life	76.49	9.31	13.21	3.90
5	55-Power	381.81	11.37	17.31	5.94
6	78-Technical Education	17.05	3.12	3.16	0.04
<b>Total</b>		<b>3552.32</b>	<b>475.31</b>	<b>518.12</b>	<b>42.81</b>
<b>Capital (Voted)</b>					
7	31-School Education	22.56	4.49	13.15	8.66
8	35-Medical, Public Health and Family Welfare	44.89	13.67	19.45	5.78
9	36-Urban Development	128.37	87.49	89.92	2.43
10	58-Roads and Bridges	313.33	9.51	98.58	89.07
<b>Total</b>		<b>509.15</b>	<b>115.16</b>	<b>221.10</b>	<b>105.94</b>
<b>Grand Total</b>		<b>4061.47</b>	<b>590.47</b>	<b>739.22</b>	<b>148.75</b>

## Appendix 2.9

(Reference Para 2.3.12; Page 43)

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

(₹ in crore)

Sl. No.	Grant No.	Name of grant/appropriation	Saving
<b>Revenue(Voted)</b>			
1	14	Jails	0.02
2	82	New and Renewable Energy	0.02
<b>Total</b>			<b>0.04</b>
<b>Capital (Voted)</b>			
3	1	State Legislature	0.38
4	8	Sales Tax	0.24
5	9	Taxes on Vehicles	0.06
6	14	Jails	0.24
7	30	Administrative Training Institute	0.06
8	34	Art and Culture and Gazetteers Unit	0.01
9	38	Information and Public Relations	0.14
10	40	Employment and Training	0.04
11	41	Labour	0.12
12	44	Evaluation Unit	0.24
13	47	Legal Metrology and Consumer Protection	0.15
14	63	Science, Technology, Ecology and Environment	0.12
15	67	Home Guards	0.12
16	77	Development of Under Developed Areas	5.98
17	79	Border Affairs	0.12
18	82	New and Renewable Energy	0.18
<b>Total</b>			<b>8.20</b>
<b>Revenue (Charged)</b>			
19	4	Administration of Justice	<b>0.35</b>
<b>Grand Total</b>			<b>8.59</b>

### Appendix 2.10

(Reference Para 2.3.12; Page 43)

#### Details of saving of ₹ 2 crore and above not surrendered

(₹ in crore)

Sl. No.	Number and Name of Grants/Appropriation	Saving	Surrender	Saving which remained to be surrendered
1	2	3	4	5
<b>Revenue (Voted)</b>				
1	66-Sericulture	5.80	2.57	3.23
<b>Total</b>		<b>5.80</b>	<b>2.57</b>	<b>3.23</b>
<b>Grand Total</b>		<b>5.80</b>	<b>2.57</b>	<b>3.23</b>

## Appendix 2.11

(Reference Para 2.3.12; Page 43)

## Cases of surrender of funds in excess of ₹ 10 crore on 30 and 31 March 2016

(₹ in crore)

Sl. No.	Grant No.	Major Head	Amount of Surrender	Total Provision	Percentage of Total Provision
1	2	3	4	5	6
<b>Revenue (Voted)</b>					
1	18	2071-Pensions and other Retirement Benefits	84.33	1113.14	7.58
2	21	2245-Relief on Account of Natural Calamities	26.12	36.40	71.76
3	26	3451-Secretariat Economic Services	12.94	19.03	68.00
4	27	2552-North Eastern Areas	116.48	117.06	99.50
5	27	3451-Secretariat Economic Services	90.41	182.79	49.46
6	28	2055-Police	16.01	1119.54	1.43
7	31	2202-General Education	347.12	1395.78	24.87
8	32	2202-General Education	88.01	174.33	50.48
9	35	2210-Medical and Public Health	119.27	535.72	22.26
10	37	2217-Urban Development	12.24	15.95	76.74
11	40	2230-Labour and Employment	29.58	64.07	46.17
12	42	2501-Special Programmes for Rural Development	13.11	20.53	63.86
13	42	2505-Rural Employment	321.96	518.24	62.13
14	42	2515-Other Rural Development Programmes	24.61	68.15	36.11
15	43	2235-Social Security and Welfare	25.98	145.52	17.85
16	43	2236-Nutrition	17.44	55.23	31.58
17	50	2403-Animal Husbandry	10.49	80.50	13.03
18	52	2406-Forestry and Wild Life	13.21	76.49	17.27
19	55	2801-Power	17.22	380.43	4.53
20	70	2401-Crop Husbandry	31.75	75.10	42.28
21	72	2501-Special Programmes for Rural Development	62.98	108.90	57.83
<b>Total</b>			<b>1481.27</b>	<b>6302.89</b>	<b>23.50</b>
<b>Capital (Voted)</b>					
21	4	4059-Capital Outlay on Public Works	22.00	31.67	69.47
22	27	4059-Capital Outlay on Public Works	343.29	370.50	92.66
23	31	4202-Capital Outlay on Education, Sports, Art and Culture	12.91	21.83	59.14
24	35	4210-Capital Outlay on Medical and Public Health	20.56	26.00	79.08

<b>Sl. No.</b>	<b>Grant No.</b>	<b>Major Head</b>	<b>Amount of Surrender</b>	<b>Total Provision</b>	<b>Percentage of Total Provision</b>
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>
25	36	4217-Capital Outlay on Urban Development	89.92	128.37	70.05
26	37	4217-Capital Outlay on Urban Development	32.44	47.04	68.96
27	39	5452-Capital Outlay on Tourism	12.41	15.22	81.54
28	42	4575-Capital Outlay on other Special Areas Programmes	56.67	56.67	100.00
29	59	4702-Capital Outlay on Minor Irrigation	136.89	232.15	58.97
30	60	4215-Capital Outlay on Water Supply and Sanitation	112.69	215.93	52.19
31	78	4202-Capital Outlay on Education, Sports, Art and Culture	14.45	17.77	81.32
<b>Total</b>			<b>854.22</b>	<b>1163.15</b>	<b>73.44</b>
<b>Revenue (Charged)</b>					
32	75	2049-Interest Payment	74.97	661.42	11.34
<b>Grand Total</b>			<b>2410.46</b>	<b>8127.46</b>	<b>29.66</b>

## Appendix 2.12

(Reference Para 2.3.13;Page 44)

## Rush of Expenditure

(₹ in crore)

Sl. No	Head of Account	Description	Expenditure incurred during Jan-March 2016	Expenditure incurred in March 2016	Total Expenditure	Percentage of total expenditure incurred during	
						Jan.-March 2016	March 2016
1	2047	Other Fiscal Services	0.05	0.05	0.05	100.00	100.00
2	2236	Nutrition	21.29	16.01	30.51	69.78	52.47
3	4059	Capital outlay on Public Works	66.83	47.32	74.91	89.21	63.17
4	4202	Capital outlay on Education, Sports, Arts & Culture	49.42	44.39	50.91	97.07	87.19
5	4235	Capital outlay on Social Security & Welfare	13.11	13.11	13.11	100.00	100.00
6	4702	Capital outlay on Minor Irrigation	70.20	66.27	70.20	100.00	94.40
<b>Total</b>			<b>220.90</b>	<b>187.15</b>	<b>239.69</b>	<b>92.16</b>	<b>78.08</b>



**Appendix 2.13**

*(Reference Para 2.4.1;Page 44)*

**Pending DCC bills for the year upto 2015-16**

*(₹ in crore)*

<b>Sl. No.</b>	<b>Department</b>	<b>Number of AC bills</b>	<b>Amount</b>
1	Civil Police	35	91.60
2	Social Security and Welfare	16	41.91
3	Home	68	45.90
4	Election	9	16.08
5	School Education	38	14.23
6	Others	54	27.41
<b>Total</b>		<b>220</b>	<b>237.13</b>

## Appendix 3.1

(Reference Para 3.1; Page 49)

## Utilisation certificates outstanding as on 31 March, 2016

₹ 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
1	Urban Development	2015-16	49	4984.60	45	4296.37	4	688.23
		<b>Total</b>	<b>49</b>	<b>4984.60</b>	<b>45</b>	<b>4296.37</b>	<b>4</b>	<b>688.23</b>
2	Agriculture	2010-11	22	300.00	20	256.63	2	43.37
		<b>Total</b>	<b>22</b>	<b>300.00</b>	<b>20</b>	<b>256.63</b>	<b>2</b>	<b>43.37</b>
3	PHED	2010-11	5	7838.17	4	7795.93	1	42.24
		2011-12	8	8950.87	7	8803.95	1	146.92
		<b>Total</b>	<b>13</b>	<b>16,789.04</b>	<b>11</b>	<b>16,599.88</b>	<b>2</b>	<b>189.16</b>
4	Planning & Co-ordination	2010-11	48	14,950.34	40	12,536.22	8	2414.12
		2011-12	76	22,344.43	30	12,628.28	46	9716.15
		<b>Total</b>	<b>124</b>	<b>37,294.77</b>	<b>70</b>	<b>25,164.50</b>	<b>54</b>	<b>12,130.27</b>
5	Registrar of Co-operative Societies	2015-16	17	428.20	16	301.20	1	127.00
		<b>Total</b>	<b>17</b>	<b>428.20</b>	<b>16</b>	<b>301.20</b>	<b>1</b>	<b>127.00</b>
6	Information & Public Relations	2013-14	2	79.16	0	36.24	2	42.92
		<b>Total</b>	<b>2</b>	<b>79.16</b>	<b>0</b>	<b>36.24</b>	<b>2</b>	<b>42.92</b>
7	Technical Education	2013-14	1	40.00	0	0.00	1	40.00
		<b>Total</b>	<b>1</b>	<b>40.00</b>	<b>0</b>	<b>0.00</b>	<b>1</b>	<b>40.00</b>
8	Home Department	2015-16	2	23.00	0	0.00	2	23.00
		<b>Total</b>	<b>2</b>	<b>23.00</b>	<b>0</b>	<b>0.00</b>	<b>2</b>	<b>23.00</b>
9	Information Technology	2015-16	2	414.33	0	0.00	2	414.33
		<b>Total</b>	<b>2</b>	<b>414.33</b>	<b>0</b>	<b>0.00</b>	<b>2</b>	<b>414.33</b>
10	Science & Technology	2015-16	2	200.00	1	100.00	1	100.00
		<b>Total</b>	<b>2</b>	<b>200.00</b>	<b>1</b>	<b>100.00</b>	<b>1</b>	<b>100.00</b>
11	Youth Resources & Sports	2014-15	1	200.00	0	0.00	1	200.00
		<b>Total</b>	<b>1</b>	<b>200.00</b>	<b>0</b>	<b>0.00</b>	<b>1</b>	<b>200.00</b>
12	Directorate of Underdeveloped Areas	2013-14	3	402.50	0	0.00	3	402.50
		<b>Total</b>	<b>3</b>	<b>402.50</b>	<b>0</b>	<b>0.00</b>	<b>3</b>	<b>402.50</b>
13	Director General of Police	2010-11	1	3188.07	1	3188.07	0	0.00
		2011-12	1	2822.17	1	2822.17	0	0.00
		2012-13	1	546.00	1	546.00	0	0.00
		2013-14	1	3301.00	0	3103.50	1	197.50
		<b>Total</b>	<b>4</b>	<b>9857.24</b>	<b>3</b>	<b>9659.74</b>	<b>1</b>	<b>197.50</b>
<b>Grand Total</b>			<b>242</b>	<b>71,012.84</b>	<b>166</b>	<b>56,414.56</b>	<b>76</b>	<b>14,598.28</b>

**Appendix 3.2**

(Reference Para 3.2;Page 50)

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

<b>Sr. No.</b>	<b>Name of the body/authority</b>	<b>Year for which accounts had not been received</b>	<b>Grants received (₹ in lakh)</b>
1	DRDA, Tuensang	2013-14, 2014-15, 2015-16	NA
2	DRDA, Mon	2013-14, 2014-15, 2015-16	NA
3	DRDA, Kohima	2013-14, 2014-15, 2015-16	NA
4	DRDA, Wokha	2012-13, 2013-14, 2014-15, 2015-16	NA
5	DRDA, Longleng	2013-14, 2014-15, 2015-16	NA
6	DRDA, Peren	2010-11, 2011-12, 2012-13, 2013-14, 2014-15, 2015-16	NA
7	DRDA, Kiphire	2013-14, 2014-15, 2015-16	NA
8	DRDA, Zunheboto	2013-14, 2014-15, 2015-16	NA
9	DRDA, Dimapur	2013-14, 2014-15, 2015-16	NA
10	DRDA, Mokokchung	2013-14, 2014-15, 2015-16	NA
11	DRDA, Phek	2013-14, 2014-15, 2015-16	NA
12	NSLS Authority, Kohima	2013-14, 2014-15, 2015-16	NA
13	NBSE, Kohima	2013-14, 2014-15, 2015-16	NA
14	SIRD, Kohima	2012-13, 2013-14, 2014-15, 2015-16	NA
15	DAN, Dimapur	2012-13, 2013-14, 2014-15, 2015-16	NA
16	KVIC, Dimapur	2012-13, 2013-14, 2014-15, 2015-16	NA
17	NPCB, Dimapur	2010-11, 2011-12, 2012-13, 2013-14, 2014-15, 2015-16	NA
18	NB & OCWWB, Kohima	2014-15, 2015-16	NA
19	NSAMB, Dimapur	2011-12, 2012-13, 2013-14, 2014-15, 2015-16	NA
20	NHK, Kohima	2013-14, 2014-15, 2015-16	NA
21	KMC, Kohima	2013-14, 2014-15, 2015-16	NA
22	MMC, Mokokchung	2013-14, 2014-15, 2015-16	NA

## Appendix 3.3

(Reference Para 3.4;Page 51)

## Summarised Financial Statement of Departmentally Managed Commercial Undertakings

Sl. No.	Name of the Undertaking	Period of accounts
1	2	3
1	Nagaland State Transport Department	2013-14 to 2015-16
2	Nagaland Power Department	2011-12 to 2015-16
3	Farm Under Agriculture department	
	(a) Potato seed Farm, Kuthur	1999-01 to 2015-16
	(b) Medium Size Seed Farm, Merapani	2001-02 to 2015-16
	(c) Seed Farm, Tizit	2000-01 to 2015-16
4	Changki Valley Fruit Preservation Factory	2006-07 to 2015-16
5	Timber Treatment and Seasoning Plant, Dimapur	1998-99 to 2015-16
6	Government Cottage Industries Emporia, Kohima	1998-99 to 2015-16
7	Farms under Veterinary and Animal Husbandry Department	
	(a) Cattle Breeding Farm, Medziphema	1998-99 to 2015-16
	(b) Cattle Breeding Farm, Tuensang	1998-99 to 2015-16
	(c) Cattle Breeding Farm, Aliba	1998-99 to 2015-16
	(d) Chick Rearing Centre, (with Hatchery unit), Mokokchung	1998-99 to 2015-16
	(e) Chick Rearing Centre ( with Hatchery unit), Dimapur	1998-99 to 2015-16
	(f) Chick Rearing Centre, Tuensang	1985-86 to 2015-16
	(g) Chick Rearing Centre, Medziphema	1985-86 to 2015-16
	(h) Pig Breeding Centre, Medziphema	1997-98 to 2015-16
	(i) Pig Breeding Centre, Tizit	1997-98 to 2015-16
	(j) Pig Breeding Centre, Tuensang	1985-86 to 2015-16
	(k) Pig Breeding Centre, Tuli	1980-81 to 2015-16
	(l) Regional Rabbit Breeding Farm, Jharnapani	1998-99 to 2015-16
	(m)Pig Breeding Centre, Merangkong	1998-99 to 2015-16
	(n) Chick Rearing Centre, Kohima	1998-99 to 2015-16
	(o) Pig Breeding Centre, Sathuja	1998-99 to 2015-16
	(p) Cattle Breeding Farm, Baghty	1998-99 to 2015-16
	(q) Sheep Farm, Poilwa	1998-99 to 2015-16
	(r) Buffalo Farm, Jalukie	1998-99 to 2015-16
8	Farm under Horticulture Department	
	(a) Regional Progeny Orchard, Lonnak	1987-88 to 2015-16

**Appendix 3.4**

*(Reference Para 3.7;Page 54)*

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

**(Cases where final action was pending at the end of March 2016)**

<b>Sl. No.</b>	<b>Name of the Department</b>	<b>Up to 5 years</b>	<b>5 to 10 years</b>	<b>10 to 15 years</b>	<b>15 to 20 years</b>	<b>Total No. of Cases</b>
1	School Education	1	2	0	0	3
2	Power	1	0	0	0	1
3	Rural Development	4	0	0	0	4
4	PWD	2	0	0	0	2
5	Transport	1	0	0	0	1
6	Forest	1	0	0	0	1
7	PHED	2	0	0	0	2
8	Youth Resource	2	0	0	0	2
9	Medical	9	0	0	0	9
10	DMC	1	0	0	0	1
11	Industries & Commerce	1	0	0	0	1
12	Irrigation & Flood Control	5	0	0	0	5
13	Municipal Affairs	1	0	0	0	1
14	Higher Education	1	0	0	0	1
15	Private firms	4	0	0	0	4
16	Land Records and Survey	1	0	0	0	1
17	Various Departments	2	0	0	0	2
<b>Total</b>		<b>39</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>41</b>

*(Source: Vigilance & Anti-Corruption)*

## Appendix 3.5

(Reference Para 3.7;Page 54)

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

(₹ 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	Number of Cases	Amount	Amount recovered
School Education	1	0.82	1	3.90	1	463.00	0	0.00	3	467.72	0.00
Power	0	0.00	1	2100.00	0	0.00	0	0.00	1	2100.00	0.00
Rural Development	0	0.00	4	24,676.02	0	0.00	0	0.00	4	24,676.02	0.00
PWD	0	0.00	0	0.00	2	160.89	0	0.00	2	160.89	0.00
Transport	0	0.00	0	0.00	1	3.58	0	0.00	1	3.58	2.47
Forest	0	0.00	0	0.00	0	0.00	1	80.00	1	80.00	0.00
PHED	0	0.00	2	20,239.27	0	0.00	0	0.00	2	20,239.27	0.00
Youth Resources	0	0.00	1	7483.00	0	0.00	1	38.31	2	7521.31	0.00
Health & Family Welfare (Medical)	1	3.18	3	293.00	2	1100.00	3	319.00	9	1715.18	3.18
DMC Food & Civil	0	0.00	1	560.46	0	0.00	0	0.00	1	560.46	0.00
Industries & Commerce	1	0.50	0	0.00	0	0.00	0	0.00	1	0.5	0.00
Irrigation & Flood Control	0	0.00	2	77.97	0	0.00	3	489.00	5	566.97	54.85
Municipal Affairs	0	0.00	1	300.00	0	0.00	0	0.00	1	300.00	0.00
Higher Education	0	0.00	1	1.55	0	0.00	0	0.00	1	1.55	1.04
Private firms	0	0.00	0	0.00	4	950.92	0	0.00	4	950.92	0.00
Land Records	0	0.00	1	124.00	0	0.00	0	0.00	1	124.00	0.00
Various Departments	0	0.00	0	0.00	2	294.87	0	0.00	2	294.87	0.00
<b>Total</b>	<b>3</b>	<b>4.50</b>	<b>18</b>	<b>55,859.17</b>	<b>12</b>	<b>2973.26</b>	<b>8</b>	<b>926.31</b>	<b>41</b>	<b>59,763.24</b>	<b>61.54</b>

(Source: Vigilance &amp; Anti-Corruption)

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