



सत्यमेव जयते

**Report of the
Comptroller and Auditor General of India
on
State Finances
for the year ended 31 March 2017**



GOVERNMENT OF NAGALAND
Report No. 1 of the year 2018

PLACED BEFORE THE STATE
LEGISLATURE ON 20-09-2018

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

ON

STATE FINANCES

FOR THE YEAR ENDED 31 MARCH 2017

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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 2017. 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

The Report

This report provides an analysis of the finances of the State Government, based on the audited accounts of the Government of Nagaland for the year ended March 2017. The Report has three Chapters.

Chapter I is based on the Finance Accounts and makes an assessment of the Government's fiscal position as on 31 March 2017. It presents and analyses the State Government's resources and their application.

Chapter II is based on audit of the Appropriation Accounts and reviews the allocative priorities of the State Government and the manner in which the allocated resources were managed by the various Departments.

Chapter III gives an overview and status of the State Government's compliance with various financial rules, procedures and directives during 2016-17.

The Report has 23 appendices containing additional data collated from several sources in support of the findings.

Audit findings

Analysis of Finances of the State Government

- ❖ *State's Own Resources (Own Tax and Non-Tax Resources) were a meagre nine per cent of the total Receipts of the State.*
- ❖ *The State registered revenue surplus of ₹ 790.34 crore during 2016-17. Fiscal deficit (₹284.86 crore) stood at 1.35 per cent of Gross State Domestic Product (GSDP).*
- ❖ *There was an opening cash balance of ₹893.35 crore and a closing balance of ₹1,260.39 crore. The State raised Public Debt to the tune of ₹1,182.44 crore.*
- ❖ *Capital expenditure (₹1,076.10 crore) was less than the Budget Estimates (₹1,268.30 crore). Its ratio to total expenditure stood at 11.06 per cent which was less than the combined average (13.60 per cent) of Special Category States.*
- ❖ *There was a decline of ₹179.08 crore in the Capital Expenditure compared to 2012-13.*
- ❖ *In view of the Revenue Surplus and Cash Balances of the State during the current year, the State could have financed their Capital needs from internal sources without resorting to raising of Public Debt. This reflects poor management of the finances of the State.*

- ❖ *The State has paid an interest of ₹635.50 crore on outstanding liabilities.*
- ❖ *During the year, revenue expenditure accounted for 89 per cent of the State's aggregate expenditure, which was in the nature of current consumption, leaving only 11 per cent for investment in infrastructure and asset creation.*
- ❖ *The Development Expenditure of the State remained the same, in terms of percentages, even as the total receipt of the State has seen a substantial increase with enhanced devolution as per the recommendations of the XIV Finance Commission.*
- ❖ *Devolution to the State was enhanced to the tune of ₹1,225.93 crore during 2016-17 on the basis of XIV Finance Commission recommendations. Audit noted that additional devolution led to increase in revenue expenditure by ₹1,070.31 crore over previous year.*
- ❖ *During 2016-17, the return of the Government on its investments in Statutory Corporations, Government Companies, Joint Stock Companies and Co-operatives were NIL. These investments were funded mainly through borrowings on which it paid interest at six per cent indicating non-performing investments. Out of the five working Government Companies, accumulated losses in three Government Companies had exceeded their paid-up capital and in the remaining two Government Companies, the accumulated losses were more than 50 per cent of the paid-up capital. The current level of recovery of loans was low with a significant gap between disbursements.*
- ❖ *The maturity profile of Debt as on 31 March 2017 indicated that State has to repay 49 per cent of debt amounting to ₹3,491.45 crore within the next 7 years which might put strain on the Government budgets during that period.*

(Chapter I)

Financial Management and Budgetary Control

Sound financial management requires advance planning and accurate estimation of revenues and expenditure. There were instances of excess expenditure or substantial savings with reference to provisions made during the year, exhibiting weakness in expenditure monitoring and control.

The overall savings of ₹2,251.78 crore (16.49 per cent of budget provision) were the result of savings of ₹2,343.94 crore partially offset by an excess of ₹92.16 crore under various sections (Voted/ Charged). Out of the total savings of ₹2,251.78 crore, total surrender amounted to ₹2,401.67 crore (106.66 per cent). Out of the total savings, 84 per cent savings occurred under nine grants. In view of the final savings, the Supplementary Grant of ₹78.58 crore proved excessive. Excess surrender indicates weak controls in Financial Management.

Further, in 155 sub-heads, the surrenders amounted to more than 50 per cent of the provisions. At the close of the year 2016-17, savings in 17 grants (amounting to

₹2.31 crore) occurred which had not been surrendered by the concerned departments. Besides, in 22 cases (surrender of funds for ₹10.00 crore and above), ₹2,269.63 crore were surrendered on the last two working days of March 2017 indicating inadequate financial control. As such, these funds could not be utilised for other developmental purposes.

Excess expenditure over the allocations amounting to ₹929.63 crore pertaining to the years 2000-01, 2005-06, 2008-09 to 2010-2011, 2012-13 to 2015-16 was not regularised till October 2017. There were persistent savings under three grants. The cases of excess expenditure over grants are serious breaches and are in violation of the wish of the Legislature. It is important that responsibility is fixed in this regard.

Detailed Contingent bills were not submitted for an amount of ₹288.67 crore drawn on 276 Abstract Contingent bills. In the absence of DC bills it is not possible to ascertain whether expenditure has taken place or not. Un-adjustment of AC Bills for long periods in violation of prescribed rules and regulations was fraught with the risk of embezzlement and corruption.

(Chapter II)

Financial reporting

Audit observed various instances of non-observance of financial rules and procedures and absence of financial controls.

An amount of ₹32.18 crore was lying in Civil Deposits and ₹2.41 crore was lying in Current Account at the end of the year. In addition, an amount of ₹174.50 crore was lying in the bank accounts of 156 Drawing & Disbursing Officers. Paying interest at higher rates (nine per cent on an average) on borrowings while keeping huge amounts in Civil Deposits and Bank Accounts which did not bear any interest showed poor cash and financial management of the State Government.

Utilisation Certificates were not furnished in 286 cases involving ₹909.61 crore since the last 1 to 6 years. There were delays in submission of annual accounts by 22 Autonomous Bodies/ Authorities which diluted accountability and defeats the very purpose of preparation of accounts.

Some institutions receiving grants/ loans from Government failed to adhere to the timelines for submitting annual accounts.

As on 31 March 2017, 25 cases of misappropriation, defalcation etc. involving ₹230.33 crore were pending finalization.

(Chapter III)

CHAPTER-I

FINANCES OF THE STATE GOVERNMENT

Chapter I

Finances of the State Government

Profile of Nagaland

The State is located in North-Eastern region of India, is a Special Category State¹. It is the twenty fifth largest State in terms of geographical area (16,579 sq. km) as well as by population (19,78,502). 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 ₹ 83,621 against the country's average of ₹ 94,130 in the year 2015-16. 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. The Advance Estimates of GSDP for 2016-17 was ₹ 21,119 crore. A trend analysis of 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 2012-17 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 | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 |
|---------------------------|-----------|------------|------------|------------|--------------|
| State's GDP (₹ in crore) | 13,619 | 16,612 | 18,414 | 20,524* | 21,119 (A)** |
| Growth in <i>per cent</i> | 15.03 | 21.98 | 10.85 | 11.46 | 2.90 |
| India's GDP (₹ in crore) | 99,44,013 | 112,33,522 | 124,45,128 | 136,82,035 | 151,83,709 |
| Growth in <i>per cent</i> | 13.82 | 12.97 | 10.76 | 9.94 | 10.98 |

(Source: Central Statistical Office (CSO), Ministry of Statistics and Programme Implementation as on 1 August 2017)

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

** Information furnished by Directorate of Economics and Statistics, Govt. of Nagaland based on Advanced Estimates

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 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.

The table shows that the growth in the GSDP was ranging between 10.85 *per cent* and 21.98 *per cent* during the period 2012-13 to 2015-16, however, the Advance Estimates for GSDP for 2016-17 was projecting a growth of only 2.90 *per cent*. This has a

¹ 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 had increased over a period of time and now stands at 11.

significant favourable impact on all the ratios and buoyancy rates *vis-à-vis* GSDP. The growth rate of GSDP, at current price, showed a declining trend from 2013-14 to 2015-16, however, the growth rate of GSDP sharply decreased in 2016-17 to 2.90 *per cent* which was in contrast to the growth rate of GDP, at current price, which had fluctuated between 9.94 *per cent* in 2015-16 and 13.82 *per cent* in 2012-13 during 2012-17.

1.1 Introduction

This report provides an analysis of the finances of the State Government, based on the audited accounts of the Government of Nagaland for the year ended March 2017.

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 the period from 2012-13 to 2016-17. 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 structures 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 2016-17

Table 1.2 presents the summary of the State Government's fiscal transactions during the current year (2016-17) *vis-à-vis* the previous year (2015-16) 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 Transaction in 2016-17

(₹ in crore)

| Receipts | | | Disbursements | | | | |
|-------------------------------------|----------------|----------------|--|----------------|----------------|----------------|----------------|
| Section-A: Revenue | | | Description | 2015-16 | 2016-17 | | |
| Description | 2015-16 | 2016-17 | | | Non Plan | Plan | Total |
| Revenue Receipts² | 8043.57 | 9442.28 | Revenue Expenditure³ | 7581.92 | 6920.31 | 1731.63 | 8651.94 |
| Tax revenue | 427.10 | 510.75 | General services | 3623.25 | 3844.15 | 52.30 | 3896.45 |
| Non-tax revenue | 256.39 | 345.52 | Social services | 2093.61 | 1656.08 | 639.13 | 2295.21 |
| Share of Union Taxes/ Duties | 2540.72 | 3032.63 | Economic services | 1865.06 | 1420.08 | 1040.20 | 2460.28 |
| Grants from Government of India | 4819.36 | 5553.38 | Grants-in-aid and Contributions | 0.00 | 0.00 | 0.00 | 0.00 |
| Section-B: Capital | | | | | | | |
| Misc. Capital Receipts | 0.00 | 0.00 | Capital Outlay | 1059.23 | 0.00 | 1076.10 | 1076.10 |
| Recoveries of Loans and Advances | 0.50 | 1.09 | Loans and Advances disbursed | 0.19 | 0.19 | 0.00 | 0.19 |
| Public Debt receipts | 3545.94 | 5444.35* | Repayment of Public Debt | 2705.35 | | | 5065.03# |
| Contingency Fund | 0.00 | 0.00 | Contingency Fund | 0.00 | | | 0.00 |
| Public Account receipts* | 3226.12 | 2933.99 | Public Account disbursements* | 3011.82 | | | 2661.41 |

² Revenue Receipts and Non-tax Revenue are inclusive of gross receipt (₹ 13.64 crore) from State Lotteries.

³ Revenue expenditure and General Services (Non-Plan) are inclusive of expenditure (₹ 2.49 crore) on State Lotteries

| Receipts | | | Disbursements | | | | |
|----------------------|------------------|------------------|----------------------|------------------|----------|------|------------------|
| Section-A: Revenue | | | Description | 2015-16 | 2016-17 | | |
| Description | 2015-16 | 2016-17 | | | Non Plan | Plan | Total |
| Opening Cash Balance | 435.73 | 893.35 | Closing Cash Balance | 893.35 | | | 1260.39 |
| Total | 15,251.86 | 18,715.06 | Total | 15,251.86 | | | 18,715.06 |

* Including Ways and Means Advance of ₹4,261.65 crore Gross figure #Including Ways and Means Advance of ₹4,551.68 crore

(Source: Finance Accounts for the respective years)

The following were the significant changes during 2016-17 over the previous year:

The State's Own Resources (Tax and Non-Tax Resources) were a meagre nine per cent of the total Receipts of the State. Government of Nagaland generated a revenue surplus of ₹ 790.34 crore during 2016-17. Its fiscal deficit (₹ 284.86 crore) stood at 1.35 per cent of GSDP during the current year. The Fiscal Deficit was well within the ceiling of 3.25 per cent prescribed for 2016-17 by the XIV Finance Commission (FC) and target of three per cent under Fiscal Responsibility and Budget Management (FRBM) legislation.

Significant changes in fiscal position of the State during 2016-17 over the previous year are given below:

| | |
|----------------------------|--|
| Revenue Receipts | <ul style="list-style-type: none"> Increased by 17.39 per cent Tax Revenue increased by 19.59 per cent Share of Union Taxes/ Dutes increased by 19.36 percent Grants from GoI increased by 15.23 percent |
| Revenue Expenditure | <ul style="list-style-type: none"> Increased by 14.11 per cent |
| Capital Expenditure | <ul style="list-style-type: none"> Increased by 1.59 per cent |
| Loans and Advances | <ul style="list-style-type: none"> Recoveries increased by 118 per cent Disbursements remained same |
| Public Debt | <ul style="list-style-type: none"> Receipts increased by 53.53 per cent Repayments increased by 87.22 per cent |
| Cash Balance | <ul style="list-style-type: none"> Increased by 41.08 per cent |

The total inflow of receipts increased⁴ by ₹ 3,005.58 crore (20.29 per cent) from ₹ 14,816.13 crore in 2015-16 to ₹ 17,821.71 crore in 2016-17. The total outflow also increased by ₹ 3,096.16 crore (21.56 per cent) from ₹ 14,358.51 crore in 2015-16 to ₹ 17,454.67 crore in 2016-17. The cash balance of the State at the end of 2016-17 increased by ₹ 367.04 crore (41.09 per cent) from ₹ 893.35 crore in 2015-16 to ₹ 1,260.39 crore in 2016-17.

1.1.1 (a) Ways and Means Advances

Under an agreement with the Reserve Bank of India (RBI), the State Government has to maintain a minimum cash balance of ₹ 0.25 crore with the Bank. If the balance falls below the agreed minimum on any day, the deficiency is made good by making ordinary and special ways and means advance/ overdrafts from time to time. The ways and means advances are not sources of finance but are meant to provide support, for purely temporary difficulties that arise on account of mismatch/ shortfall in revenue or other receipts for meeting the Government liabilities.

The limit for ordinary⁵ ways and means advances to the State Government was ₹ 80.00 crore with effect from 1 April 2016. The extent to which the Government maintained the minimum cash balance with the RBI during 2016-17 is as given below:

Table 1.2 (a)

(₹ in crore)

| Sl. No. | Period | Days | Amount |
|--------------|--|------|----------------|
| 1 | No of days on which the minimum balance was maintained without taking any advance | 220 | Nil |
| 2 | No of days on which the minimum balance was maintained by taking ordinary means and advance | 46 | 974.31 |
| 3 | No of days on which the minimum balance was maintained by taking special ways and means advances | 92 | 3129.54 |
| 4 | Number of days on which there was a shortfall in minimum balance even after taking the above advances but no overdraft was taken | 0 | Nil |
| 5 | Number of days on which the overdrafts were taken | 7 | 157.80 |
| Total | | | 4261.65 |

During the year, the State Government availed Ways and Means Advances of ₹ 4,261.65 crore and discharged all Ways and Means Advances of ₹ 4,551.68 crore (including opening balance of ₹ 290.03 crore). From the above, it is clear that State resorted to heavy quantum of Special Ways and Means Advances (73.43 per cent) where the advances are provided against the pledge of Government of India which attracts higher interest rates. The State Government had to pay an interest of ₹ 6.87 crore on the Ways and Means Advances as well. The analysis of the Ways and Means revealed that:

- The Ways and Means Advances constituted 43.81 per cent of the Total Revenue and Capital Expenditure;

| | 2015-16 | 2016-17 |
|----------------|----------|----------|
| Total Receipts | 15251.86 | 18715.06 |
| Less | 35.73 | 893.35 |
| Opening cash | 14816.13 | 17821.71 |

⁵ Normal WMAs are clean advances where as Special WMA are secured advances provided against the pledge of Government of India which attracts higher interest rates.

- It constituted 45.13 *per cent* of the Total Receipts of the State;
- During the year, the Ways and Means Advances stood at 20.18 *per cent* of the GSDP; and
- The State had a closing cash balance of ₹ 1,260.39 crore and had availed market loans of ₹ 1,069.63 crore during the year. Against the budget estimates, the State had also surrendered ₹ 2,401.67 crore at the end of the year

1.1.2 Budget estimates and actuals

The budget of the State Government provide descriptions of projections or 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 of the causes are 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 2016-17.

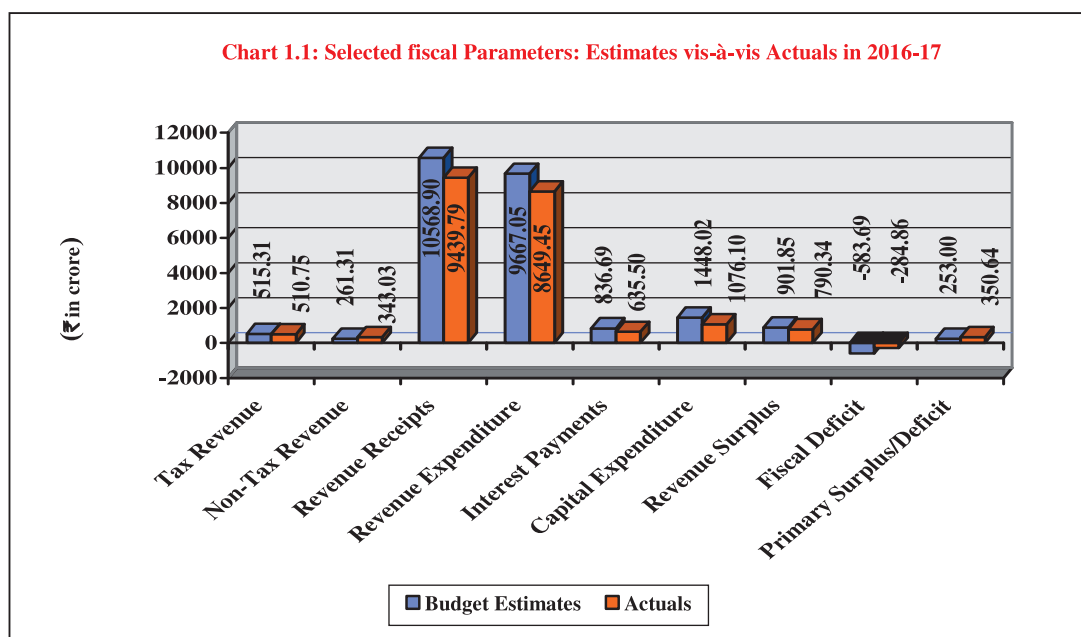
Table 1.4: Variation in Actual Fiscal parameters over estimates

(₹ in crore)

| Parameters | 2015-16 | 2016-17 | | |
|----------------------------------|-----------|------------------|-------------------|-----------|
| | Actuals | Budget Estimates | Revised Estimates | Actuals |
| Tax Revenue | 427.10 | 515.31 | 479.70 | 510.75 |
| Non-tax Revenue | 253.61 | 261.59 | 235.77 | 343.03 |
| Revenue Receipts ⁶ | 8040.79 | 10568.90 | 9355.59 | 9439.79 |
| Non-debt Capital Receipts | 0.50 | 2.88 | 1.94 | 1.09 |
| Revenue Expenditure ⁷ | 7579.14 | 9667.05 | 9530.04 | 8649.45 |
| Interest Payments | 586.45 | 836.69 | 796.23 | 635.50 |
| Capital Expenditure | 1059.23 | 1448.02 | 1268.30 | 1076.10 |
| Disbursement of Loans & Advances | 0.19 | 0.40 | 0.40 | 0.19 |
| Revenue Deficit (-)/Surplus (+) | 461.65 | 901.85 | (-)174.45 | 790.34 |
| Fiscal Deficit (-)/Surplus (+) | (-)597.27 | (-)583.69 | (-)1441.21 | (-)284.86 |
| Primary Deficit(-)/Surplus (+) | (-)10.82 | 253.00 | (-)644.98 | 350.64 |

⁶ Revenue Receipts includes State Lottery after netting off of receipts and expenditure from this point onwards in the Report.

⁷ Revenue Expenditure is exclusive of expenditure (₹ 2.49 crore) on State Lotteries from this point onwards in the Report.



- During 2016-17, the actual Revenue Receipts were less than the budget estimates by ₹ 1,129.11 crore (10.68 per cent) and actual Revenue Expenditure was also lesser by ₹ 1,017.60 crore (10.53 per cent). Revenue Surplus was lower by ₹ 111.51 crore as compared to the projections made in the budget estimates.
- The actual collection of Tax Revenue during the year decreased by ₹ 4.56 crore (0.88 per cent) over the budget estimates for the year.
- The increase in Non-tax Revenue was ₹ 81.44 crore (31.13 per cent) as compared to the budget estimates for 2016-17.
- **During the year 2016-17, the actual Capital Expenditure was less than the budget provision by ₹ 1,92.20 crore (15.15 per cent).**
- Actual Fiscal Deficit decreased over the assessment made in the budget estimates by ₹ 258.83 crore (47.61 per cent). The decrease was due to net impact of decrease in Revenue Receipts by ₹ 1,129.11 crore, decrease in Revenue Expenditure by ₹ 1,017.60 crore, decrease in capital expenditure by ₹ 371.92 crore and decrease in loans and advances by ₹ 0.21 crore as compared with the projected budget estimates for these items. Primary Surplus increased over the assessment made in the budget estimates by ₹ 97.64 crore (38.59 per cent).

1.1.3 Review of the fiscal situation

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 2005. The position of 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 2016-17 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 2016-17

| Fiscal variables | Targets/Projections | | | | |
|---|---------------------|------------------------|---------------------------------------|-------------------------------------|------------|
| | As per XIV FC | Prescribed in FRBM Act | Proposed in the Budget Estimates (BE) | Made in Five Year Fiscal Plan/MTFPS | Actuals |
| Revenue Deficit(-)/ Surplus(+) (₹ in crore) | NA | 0.00 | (+) 993.36 | 0.00 | (+) 790.34 |
| Fiscal deficit/GSDP (in per cent) | 3.25 | 3.00 | 1.71 | 1.71 | 1.35 |
| Ratio of total outstanding debt of the Government to GSDP (in per cent) | 43.76 | 33.00 | 32.82 | 32.15 | 45.25 |

The State registered revenue surplus of ₹ 790.34 crore during 2016-17. Fiscal deficit (₹ 284.86 crore) stood at 1.35 per cent of Gross State Domestic Product (GSDP). During 2016-17, the State Government projected zero Revenue Deficit in NFRBM and MTFPS. The State projected a Revenue Surplus of ₹ 993.36 crore in the BE for 2016-17 and actually achieved a Revenue Surplus of ₹ 790.34 crore (3.74 per cent of GSDP).

For the year 2016-17, the ratio of Fiscal Deficit to GSDP was proposed at 3.25 per cent, 3.00 per cent and 1.71 per cent in XIV FC, NFRBM and MTFPS respectively. Actual ratio of fiscal deficit to GSDP was 1.35 per cent which was 1.90 per cent, 1.65 per cent and 0.36 per cent less than XIV FC, NFRBM and MTFPS projection.

During 2016-17, the ratio of outstanding debt to GSDP was more than the projected figures as per XIV FC, NFRBM Act, MTFPS and budget estimates.

1.1.4 Gender Budgeting

The Constitution of India has mandated equality for every citizen of the country as a fundamental right. The Government of India 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 re-prioritising and/ or increasing expenditure to meet these needs; (ii) Supporting gender mainstreaming in macro economics; (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 was not implemented in Nagaland State.

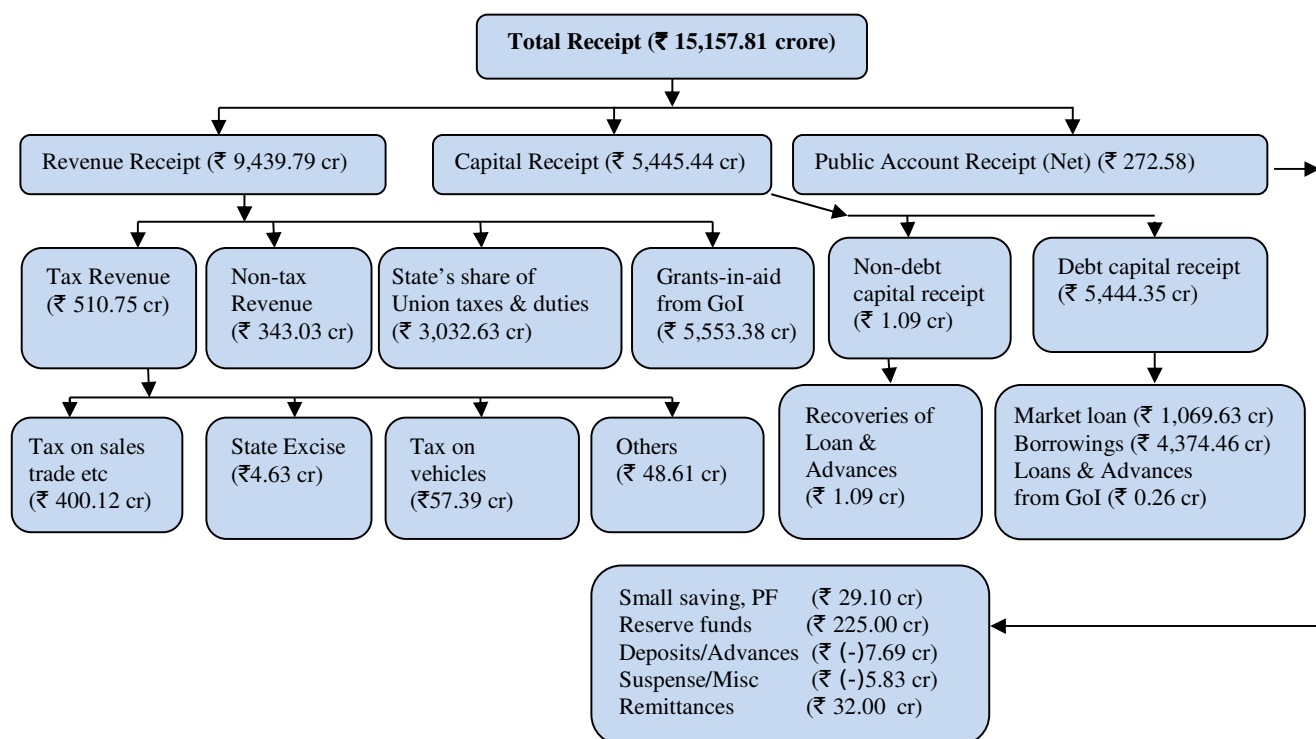
1.2 Resources of the State

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 the GoI. Capital Receipts comprise of 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.

Chart 1.2 below depicts the trends in various components of the receipts of the State during 2012-17. **Chart 1.3** depicts the composition of the receipts during 2016-17. **Table 1.5** presents the trends in growth during 2012-17 and composition of receipts for the current year 2016-17.

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



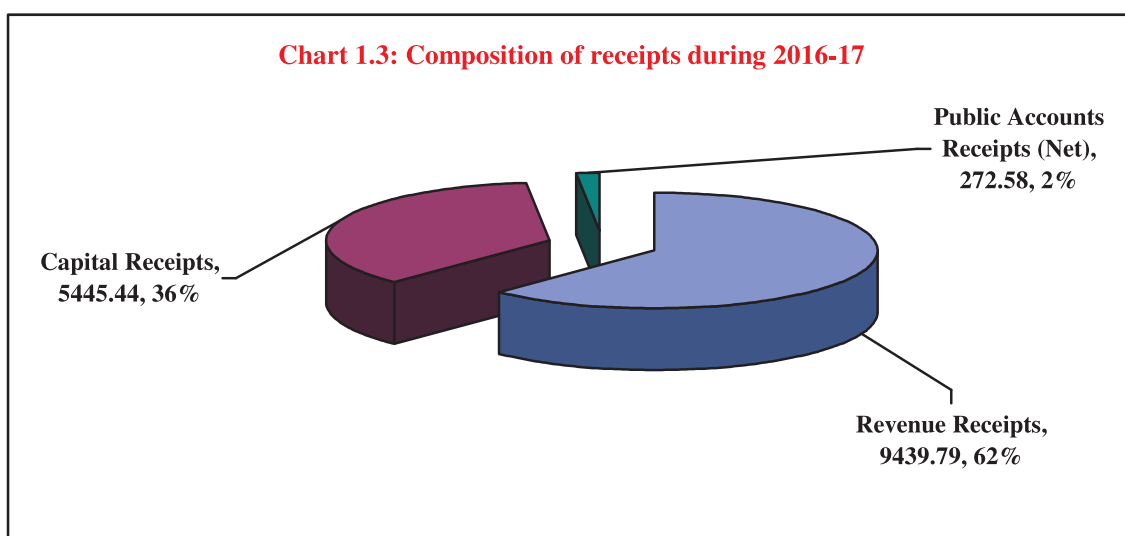
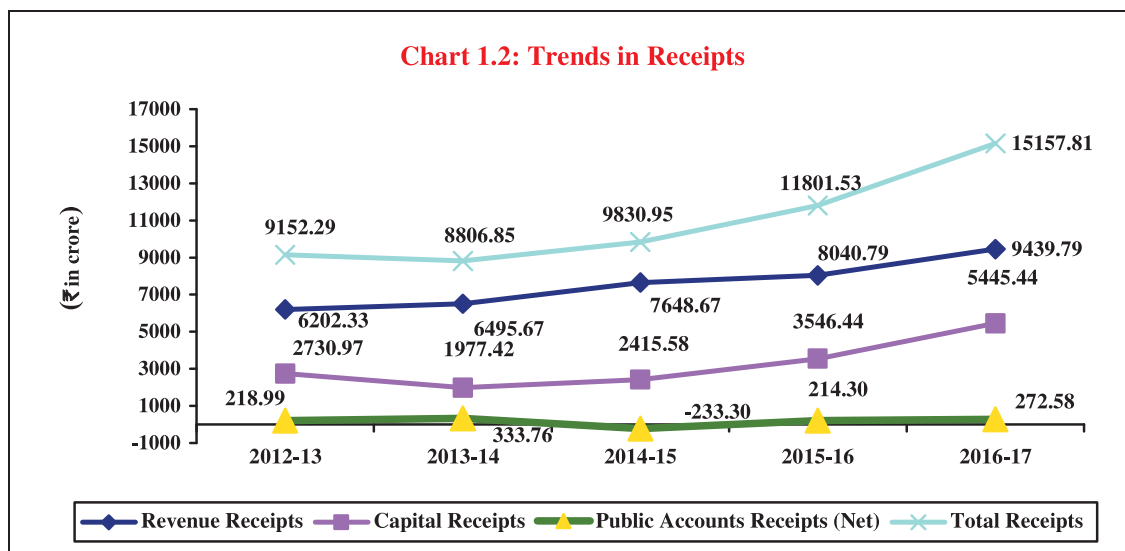


Table 1.5: Composition of receipts

(₹ in crore)

| | Sources of State receipts | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 |
|------------|--------------------------------------|----------------|----------------|----------------|------------------|------------------|
| I | Revenue Receipts | 6202.33 | 6495.67 | 7648.67 | 8040.79 | 9439.79 |
| II | Capital Receipts (CR) | 2730.97 | 1977.42 | 2415.58 | 3546.44 | 5445.44 |
| | Miscellaneous Capital Receipts | # | # | # | # | # |
| | Recovery of Loans and Advances | 0.85 | 1.01 | 0.71 | 0.50 | 1.09 |
| | Public Debt Receipts | 2730.12 | 1976.41 | 2414.87 | 3545.94 | 5444.35 |
| III | Contingency Fund | # | # | # | # | # |
| IV | Public Account Receipts (Net) | 218.99 | 333.76 | (-)233.30 | 214.30 | 272.58 |
| | Total Receipts | 9152.29 | 8806.85 | 9830.95 | 11,801.53 | 15,157.81 |

(Source: Finance Accounts of respective years) # Finance Accounts do not contain these figures

The total receipts of the State Government for the year 2016-17 were ₹ 15,157.81 crore out of which, the Revenue Receipts constituting 62.28 per cent of the total receipts were ₹ 9,439.79 crore.

The Revenue Receipts of the State increased from ₹ 8,040.79 crore in 2015-16 to ₹ 9,439.79 crore in 2016-17 at an annual growth rate of 17.40 *per cent*. The buoyancy of Revenue Receipts w.r.t. GSDP during the year was 6.00 *per cent*.

The Capital Receipts registered an increase of 99.40 *per cent* from ₹ 2,730.97 crore in 2012-13 to ₹ 5,445.44 crore in 2016-17.

Public Account receipts (net) increased by ₹ 58.28 crore (27.20 *per cent*) from ₹ 214.30 crore in 2015-16 to ₹ 272.58 crore in 2016-17.

1.2.2 Funds Transferred to State Implementing Agencies

GoI decided that transfer of funds to the State Implementing Agencies for implementation of the Centrally Sponsored Schemes would be done through the State Consolidated Fund with effect from 2014-15 (BE). Audit noticed that some funds were directly transferred to the State Implementing Agencies outside the State Budget/State Treasury System contrary to the decision taken by the GoI.

During the year 2016-17 central funds amounting to ₹ 366.77 crore were directly transferred to the State implementing agencies (**Appendix 1.5**).

Table-1.6: Funds Transferred Directly to State Implementing Agencies

(₹ in crore)

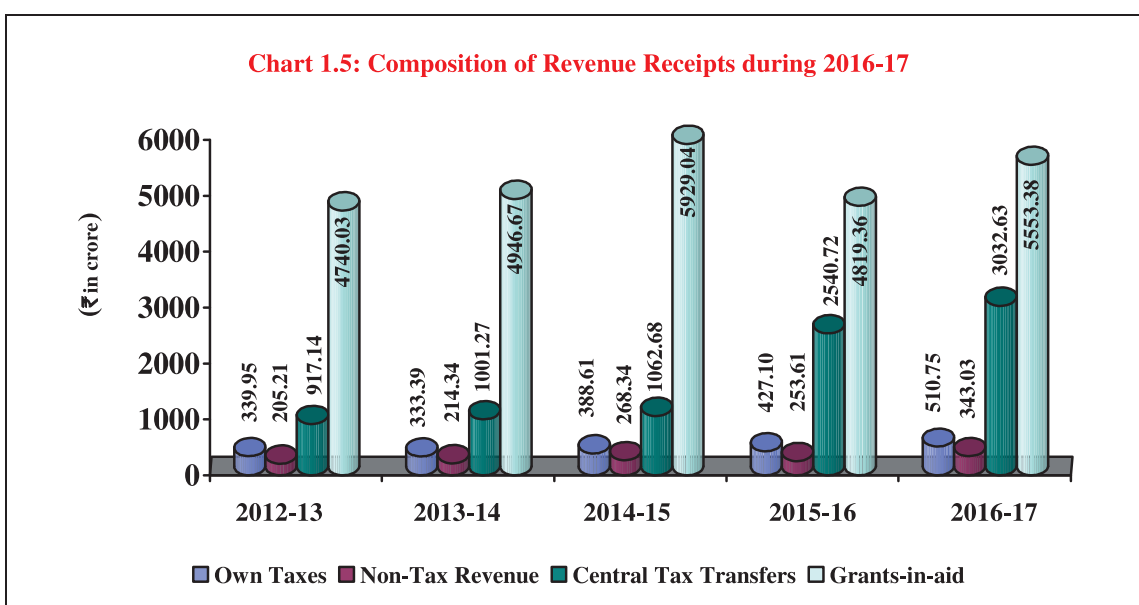
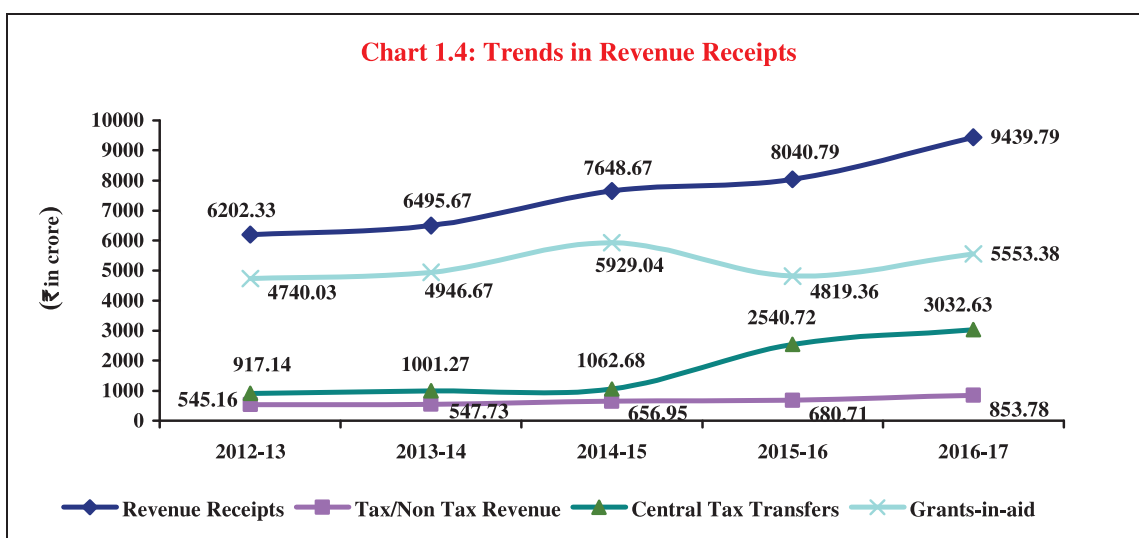
| Programme/Scheme | Implementing Agency in the State | Funds transferred directly by GOI during 2016-17 |
|--|--|--|
| National Institute of Technology | National Institute of Technology | 86.81 |
| Swadesh Darshan-Integrated Development Theme | Nagaland Tourism Board | 49.14 |
| NER Textile Promotion Scheme | Directorate of Sericulture | 23.79 |
| | Directorate of Industries & Commerce | 2.06 |
| National AIDS and STD Control | Nagaland State AIDS Control Society | 21.71 |
| National Mission on Food Processing | Kohima Municipal Council | 4.50 |
| | Mokokchung Municipal Council | 17.65 |
| Cultural Institutions | North East Cultural Centre | 17.65 |
| OFF GRID/Distributed and Decentralised | New and Renewable Energy Development Agency (NREDA) | 15.01 |
| Pradhan Mantri Kausal Vikas Yojana CS | Nagaland Skill Development Initiative Energy Development | 14.56 |
| Others | 92 other schemes/programmes and 27 other implementing agencies | 113.89 |
| Total | | 366.77 |

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

Out of an amount of ₹ 366.77 crore directly transferred to implementing agencies during the year, an amount of ₹ 86.81 crore (23.67 *per cent*) was given for National Institute of Technology.

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 2012-17 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 2012-17.

Tax and Non-tax Revenue receipts together (i.e States Own Resources) increased by ₹ 308.62 crore (56.61 per cent) from ₹ 545.16 crore in 2012-13 to ₹ 853.78 crore in 2016-17 at a compound annual growth rate of 11.87 per cent.

The Revenue Receipts of the State increased from ₹ 6,202.33 crore in 2012-13 to ₹ 9,439.79 crore in 2016-17 at a compound annual growth rate of 11.07 per cent. While 9.04 per cent of the Revenue Receipts during 2016-17 have come from the State's Own Resources comprising taxes and non-taxes, Central Tax Transfers and GIA together contributed 90.96 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 (2012-17).

Central tax transfers to the State increased by ₹ 491.91 crore (19.36 per cent) from ₹ 2,540.72 crore in 2015-16 to ₹ 3,032.63 crore in 2016-17. This was due to increase in Corporation Tax (₹ 168.72 crore), Tax on Income other than Corporation Tax (₹ 112.44 crore), Customs (₹ 13.56 crore), Union Excise Duties (₹ 145.59 crore), Service Tax (₹ 50.66 crore) and Tax on Wealth (₹ 2.09 crore) offset by decrease in Other Taxes and Duties on Commodities and Services (₹ 1.15 crore).

The trends in Revenue Receipts as well as buoyancy ratios⁸ relative to GSDP are presented in **Table 1.7**:

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

| | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 |
|---|----------------|----------------|----------------|----------------|----------------|
| Revenue Receipts (RR) (₹ in crore) | 6202.33 | 6495.67 | 7648.67 | 8040.79 | 9439.79 |
| Rate of growth of RR (per cent) | 11.06 | 4.73 | 17.75 | 5.13 | 17.40 |
| R R/GSDP (per cent) | 45.54 | 39.10 | 41.54 | 39.18 | 44.70 |
| Buoyancy Ratios | | | | | |
| Revenue receipts Buoyancy w.r.t GSDP | 0.74 | 0.22 | 1.64 | 0.45 | 6.00 |
| State's Own Tax Buoyancy w.r.t GSDP | 0.79 | (-0.09) | 1.53 | 0.86 | 6.76 |

(Source: Finance Accounts of respective years)

The Revenue Receipts buoyancy with respect to GSDP was 0.45 in 2015-16 which increased to 6.00 in 2016-17 mainly due to sharp decline in the growth of advance estimates of GSDP. The State's Own Tax buoyancy with respect to GSDP was 0.86 in 2015-16 which increased to 6.76 in 2016-17, indicating that Revenue Receipts as well as State's Own Tax grew at a faster 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 2016-17 vis-à-vis assessment made by XIV FC and MTFPS are given in the **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 | MTFPS projection | Actuals |
|-----------------|--------------------|------------------|------------------|---------|
| Tax revenue | 697.00 | 515.31 | 515.31 | 510.75 |
| Non-tax revenue | 223.00 | 261.59 | NA | 343.03 |

Actual realization of Tax Revenue was lower than the projection made by Government (0.88 per cent) and by XIV FC (26.72 per cent). Actual Non-Tax Revenue realized was higher than the estimates made by the Government (31.13 per cent) and by that of XIV FC (53.83 per cent).

The tax and Non-tax Revenue for the years 2015-16 and 2016-17 are detailed in **Charts 1.6** and **1.7**.

⁸ 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**.

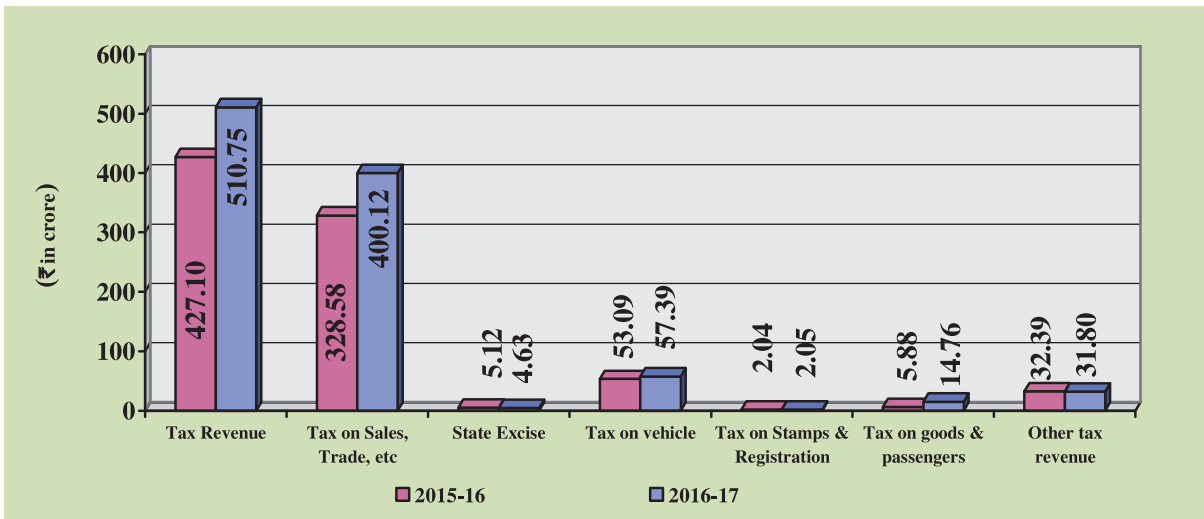
Table 1.9: Collection of Tax Revenue 2012-17

(₹ in crore)

| Heads | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 | | Percentage of increase(+)/ decrease(-) in 2016-17 over 2015-16 |
|------------------------------|---------------|---------------|---------------|---------------|------------------|---------------|--|
| | | | | | Budget Estimates | Actual | |
| Taxes on Sales, Trade, etc | 257.21 | 250.20 | 294.29 | 328.58 | 400.00 | 400.12 | 21.77 |
| State Excise | 3.73 | 4.86 | 4.70 | 5.12 | 5.40 | 4.63 | (-)9.57 |
| Taxes on Vehicle | 41.59 | 36.15 | 46.46 | 53.09 | 57.63 | 57.39 | 8.10 |
| Stamps and Registration Fees | 1.58 | 1.77 | 1.93 | 2.04 | 2.14 | 2.05 | 0.49 |
| Land Revenue | 0.72 | 0.70 | 0.74 | 0.75 | 0.98 | 0.82 | 9.33 |
| Taxes on goods & passengers | 6.71 | 10.79 | 9.73 | 5.88 | 13.31 | 14.76 | 151.02 |
| Other taxes | 28.41 | 28.92 | 30.76 | 31.64 | 35.85 | 30.98 | (-)2.09 |
| Total | 339.95 | 333.39 | 388.61 | 427.10 | 515.31 | 510.75 | 19.59 |

(Source: Finance Accounts of respective years)

Chart 1.6 : Tax Revenue component during 2015-16 and 2016-17 (₹ in crore)



The major contributions to the State’s Tax Revenue during the year were Tax on Sales, Trade, etc (₹ 400.12 crore), Taxes on vehicles (₹ 57.39 crore) and Tax on goods and passengers (₹ 14.76 crore) and State Excise (₹ 4.63 crore).

The State’s Own Tax Revenue increased by ₹ 83.65 crore (19.59 per cent) from ₹ 427.10 crore in 2015-16 to ₹ 510.75 crore in 2016-17 as per details given in **Table 1.10** below:

Table 1.10 Major increase/ decrease in current year’s Own Resource

| Sl. No. | Major Heads of Account | Increase (+)/ Decrease(-) (₹ in crore) | Main Reasons |
|---------|------------------------------------|--|---|
| 1 | 0040- Taxes on Sales, Trades, etc. | (+) 71.54 | Due to increase in volume of sales |
| 2 | 0042-Tax on goods and passengers | (+) 8.88 | |
| 3 | 0041-Tax on vehicles | (+) 4.30 | Due to increase in Motor Registration cases |
| 4 | 0020-Land revenue | (+) 0.07 | Due to increased collections over previous |
| 5 | 0030-Stamps and registration fee | (+) 0.01 | year |

| | | | |
|---|--|----------|---|
| 6 | 0028- Other taxes on income and expenditure | (+) 0.64 | |
| 7 | 0045- Other Taxes and Duties on Commodities and Services | (-)1.29 | Due to less collection under Other Receipts |
| 8 | 0039-State Excise | (-) 0.50 | |

(Source: Finance Accounts 2016-17)

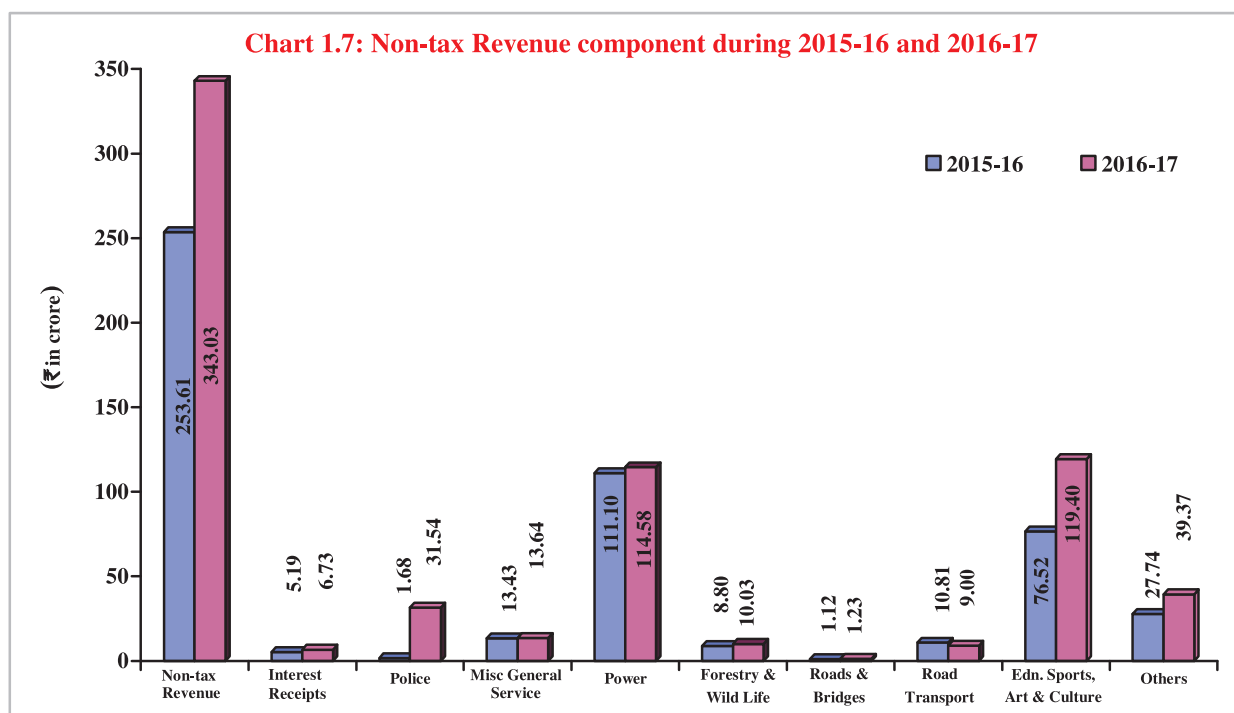
1.3.1.2 Non-tax Revenue

Non-tax revenue accounts for receipts from services rendered and supplies made by various departments of Government and interest receipts. Non-Tax Revenue constituted 3.63 per cent of the total Revenue Receipts during the year. The gross collection of Non-tax Revenue is given in **Table 1.11** and the details of Non-tax Revenue are given in **Chart 1.7**:

Table 1.11: Collection of Non-tax Revenue 2012-17

| Revenue Head | | | | | | (₹ in crore) |
|------------------------|---------------|---------------|---------------|---------------|---------------|---|
| | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 | Percentage increase(+)/decrease(-) 2016-17 over 2015-16 |
| Interest receipts | 5.90 | 7.62 | 7.23 | 5.19 | 6.73 | 29.67 |
| Dividends and profits | 0.00 | 0.00 | 0.00 | 4.94 | 0.00 | # |
| Other non-tax receipts | 199.31 | 206.72 | 261.11 | 243.48 | 336.30 | 38.12 |
| Total | 205.21 | 214.34 | 268.34 | 253.61 | 343.03 | 35.26 |

(Source: Finance Accounts of respective years) # Finance Accounts do not contains this figure



The major contributors to Non-tax Revenue during the year included Police (₹ 31.54 crore), Power (₹ 115.58 crore), Miscellaneous General Services (₹ 11.15 crore), Road Transport (₹ 9.00 crore), Education, Sports, Arts & Culture (₹ 119.40 crore), Interest Receipts (₹ 6.73 crore), Forestry and Wildlife (₹ 10.03 crore), Civil Aviation (₹ 20.76 crore), Housing (₹ 5.20 crore) and Roads & Bridges (₹ 1.23 crore).

Although, there was an increase of 35.26 per cent over previous year and it has been more than the targets projected in the Budget Estimates; yet, this increase has not been structured as major contributor to the Non-Tax Receipts comprised of other receipts.

1.3.2 Grants-in-aid from Government of India

The break-up of Grants-in-aid (GIA) received from GoI during 2012-17 is given in the Table 1.12:

Table 1.12: Grants-in-aid from Government of India

| | (₹ in crore) | | | | |
|---|----------------|----------------|----------------|----------------|----------------|
| | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 |
| Grants for State Plan Schemes | 2174.93 | 2283.84 | 2257.17 | 193.05 | 214.71 |
| Non-Plan Grants | 2039.07 | 2071.26 | 2068.04 | 3310.43 | 3545.73 |
| Grants for Central Plan Schemes | 7.78 | 26.66 | 80.93 | 18.41 | 26.84 |
| Grants for Centrally Sponsored Plan Schemes | 393.49 | 445.30 | 1428.26 | 1203.85 | 1660.65 |
| Grants for Special Plan Schemes | 124.76 | 119.61 | 94.64 | 93.62 | 105.45 |
| Total | 4740.03 | 4946.67 | 5929.04 | 4819.36 | 5553.38 |
| Percentage of increase (+) /decrease (-) over previous year | (+)11.63 | (+)4.36 | (+)19.86 | (-)18.72 | 15.23 |

(Source: Finance Accounts of respective years)

GIA from Government of India have increased by ₹ 734.02 crore (15.23 per cent) from ₹ 4,819.36 crore in 2015-16 to ₹ 5,553.38 crore in 2016-17 contributing 58.83 per cent of the total Revenue Receipts during 2016-17. This increase was due to increase in grants for Centrally Sponsored Plan Schemes (₹ 456.80 crore), grants for State Plan Schemes (₹ 21.66 crore), grants for Special Plan Schemes (₹ 11.83 crore), grants for Central Plan Schemes (₹ 8.43 crore) and Non-Plan grants (₹ 235.30 crore).

There was a substantial change in the pattern of devolution of funds under the recommendations of the Fourteenth Finance Commission (XIV FC). **Devolution to the State was enhanced to the tune of ₹ 1,225.93 crore during 2016-17 on the basis of XIV Finance Commission recommendations. Audit noted that additional devolution led to increase in revenue expenditure by ₹ 1,070.31 crore over previous year. (Also refer Para 1.6.2).**

The details of the devolution of taxes as well as grants for the last three years of XIII FC (2012-15) and first two years of XIV FC (2015-17) are given in Table 1.13:

Table 1.13: Devolution of taxes as well as grants

| | (₹ in crore) | | | | |
|--|----------------|----------------|----------------|----------------|----------------|
| | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 |
| 1. State share of Union taxes and duties | 917.14 | 1001.27 | 1062.69 | 2540.72 | 3032.63 |
| 2. Grants-in-aid from GoI | 4740.03 | 4946.67 | 5929.04 | 4819.36 | 5553.38 |
| TOTAL: (1+2) | 5657.17 | 5947.94 | 6991.73 | 7360.08 | 8586.01 |
| Revenue Receipts | | | 7648.67 | 8040.79 | 9439.79 |
| Per cent of devolution to revenue receipts | | | 91.41 | 91.53 | 90.96 |

1.3.3 Grant under XIV Finance Commission

The details of release of funds to the State on the basis of recommendations of the XIV FC during the first two years (2015-17) and expenditure are as follows:

Table 1.14: XIV Finance Commission Grants

(₹ in crore)

| Year | 2015-16 | | 2016-17 | |
|-----------------------|----------------|----------------|----------------|----------------|
| | Received | Expenditure | Received | Expenditure |
| Disaster Management | 9.00 | 10.00* | 9.00 | 10.00* |
| Revenue Deficit Grant | 3203.00 | 3203.00 | 3451.00 | 3451.00 |
| Total | 3212.00 | 3213.00 | 3460.00 | 3461.00 |

* Including State matching share

(Source: Finance Department)

From the table above, it could be seen that during 2016-17, the State received ₹ 3,460.00 crore which was ₹ 248 crore more than the previous year's grant of ₹ 3,212 crore. The Revenue Deficit grants received by the State during the first two years of XIV FC were as per the recommendations made in XIV FC. However, the Revenue Deficit Grants, being grants to cover deficit on Non-Plan Revenue account, the details of the expenditure made were not available grant-wise/ department-wise.

The details of the Revenue Receipts and its components (pre and post XIV FC), net public debt and fiscal parameters are given in **Table 1.15**:

Table 1.15: Revenue Receipts (its components), net public debt and fiscal parameters (2014-17)

(₹ in crore)

| Year | 2014-15 | 2015-16 | 2016-17 |
|--|----------------|----------------|----------------|
| Revenue Receipt | 7648.67 | 8040.79 | 9439.79 |
| Tax Revenue | 388.61 | 427.10 | 510.75 |
| Non-tax Revenue | 268.34 | 253.61 | 343.03 |
| Central transfers | 1062.68 | 2540.72 | 3032.63 |
| Grants-in-aid from GoI | 5929.04 | 4819.36 | 5553.38 |
| FC Grant out of GIA | 2023.00 | 3203.00 | 3451.00 |
| Net Public Debt | 108.79 | 840.59 | 379.31 |
| Tax and Non-tax Revenue as percentage of Revenue Receipt | 8.59 | 8.47 | 9.04 |
| Revenue deficit (-)/Surplus (+) | 888.53 | 461.65 | 790.34 |
| Fiscal Deficit (-)/Surplus (+) | -134.12 | -597.27 | -284.86 |

It can be seen from the table that Tax and Non-tax Revenue ranged between 8.47 per cent (2015-16) and 9.04 per cent (2016-17) of the Revenue Receipt during the pre and post XIV FC period (2014-17). This implied that the State hugely depended on Central transfers and GIA. It could also be seen that though FC grant had increased by 58.33 per cent from ₹ 2,023.00 crore (2014-15) to ₹ 3,203.00 crore (2015-16), the GIA was reduced by 18.72 per cent in 2015-16 as compared to the previous year.

During 2015-16, the actual Revenue Surplus (₹ 461.65 crore) was more than the budget estimates (₹ 230.32 crore) and during 2016-17 the actual Revenue Surplus (₹ 790.34 crore) was less than the budget estimates (₹ 901.85 crore). The net public debt increased in 2015-16 as compared with 2014-15 which however decreased in 2016-17 as compared with the previous year. The Fiscal Deficit increased during 2015-16 as compared with 2014-15 and it decreased during 2016-17 as compared with the previous year.

1.3.4 Central Tax Transfers

The 14th FC had recommended that the State's share of central taxes be increased to 42 *per cent* from 2015-16 onwards. Consequently, the State's share in the net proceeds of Central Taxes (excluding Service Tax) and net proceeds of Service Tax has been fixed at 0.498 *per cent* and 0.503 *per cent*, respectively. The break-up of State's share of Union Taxes and Duties received during 2012-17 is given in the **Table 1.16**:

Table 1.16: Central Tax Transfers

(₹ in crore)

| Head | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 |
|--|---------------|----------------|----------------|----------------|----------------|
| Corporation Taxes | 329.59 | 336.90 | 371.26 | 804.56 | 973.28 |
| Taxes on income other than corporation tax | 197.31 | 221.84 | 265.11 | 564.00 | 676.44 |
| Tax on wealth | 0.55 | 0.92 | 1.00 | 0.13 | 2.22 |
| Customs | 152.48 | 163.45 | 171.94 | 405.10 | 418.66 |
| Union Excise Duties | 103.63 | 115.44 | 97.09 | 332.50 | 478.09 |
| Service Tax | 133.58 | 162.72 | 156.28 | 433.27 | 483.93 |
| Other Taxes and Duties on Commodities and Services | 0.00 | 0.00 | 0.00 | 1.16 | 0.01 |
| Total | 917.14 | 1001.27 | 1062.68 | 2540.72 | 3032.63 |

(Source: Finance Accounts of respective years)

Central tax transfers during the year (₹ 3,032.63 crore) was more than the assessment made in budget estimate (₹ 3,016.31 crore) by ₹ 16.32 crore. State's share of Union Taxes and Duties increased by ₹ 491.91 crore (19.36 *per cent*) from ₹ 2,540.72 crore in 2015-16 to ₹ 3,032.63 crore in 2016-17 contributing 32.13 *per cent* of the total Revenue Receipts during 2016-17. This increase was due to increase in Corporation tax (₹ 168.72 crore), Taxes on income other than corporation tax (₹ 112.44 crore), Customs (₹ 13.56 crore), Union Excise Duties (₹ 145.59 crore), Tax on Wealth (₹ 2.09 crore) and Service tax (₹ 50.66 crore) offset by decrease in Other Taxes and Duties on commodities and services (₹ 1.15 crore).

1.4 Capital Receipts

The details of capital receipts for the period from 2012-13 to 2016-17 is given below:

Table No. 1.17: Capital Receipts

| Source of State's Receipt | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 |
|---|----------------|----------------|----------------|----------------|----------------|
| Capital Receipts (CR) | 2730.97 | 1977.42 | 2415.58 | 3546.44 | 5445.44 |
| Recovery of Loans and Advances (₹ in crore) | 0.85 | 1.01 | 0.71 | 0.50 | 1.09 |

| | | | | | |
|---|----------|----------|----------|----------|---------|
| Public Debt Receipt (₹ in crore) | 2730.12 | 1976.41 | 2414.87 | 3545.94 | 5444.35 |
| Rate of growth of Debt Capital Receipts (<i>per cent</i>) | 107.01 | (-)27.61 | 22.18 | 46.84 | 53.54 |
| Rate of growth of non-Debt Capital Receipts (<i>per cent</i>) | (-)65.16 | 18.82 | (-)29.70 | (-)29.58 | 118.00 |
| Rate of growth of CR (<i>per cent</i>) | 106.69 | (-)27.59 | 22.16 | 46.82 | 53.55 |
| Debt Capital buoyancy w.r.t GSDP | 7.09 | (-)1.26 | 2.04 | 4.09 | 18.46 |
| Non Debt Capital Buoyancy w.r.t GSDP | (-)4.33 | 0.86 | (-)2.74 | (-)2.58 | 40.69 |

(Source: Finance Accounts of respective years)

During 2016-17, the Capital Receipts had increased by ₹ 1,899.00 crore. The increase was mainly due to increase in Public Debt Receipt by ₹ 1,898.41 crore from ₹ 3,545.94 crore in 2015-16 to ₹ 5,444.35 crore in 2016-17 which constituted 99.98 *per cent* of the Capital Receipts.

1.4.1 Proceeds from disinvestment

During the financial year 2016-17, the Government of Nagaland did not resort to any disinvestment.

1.4.2 Recoveries of loans and advances

The State Government in its MTFPS for the year 2016-17 targeted recovery of Loans and Advances of ₹ 2.88 crore. During the year, the actual recovery was only ₹ 1.09 crore (37.85 *per cent*). However, recovery of loans and advances had increased by ₹ 0.59 crore over 2015-16.

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

Debt Receipts from internal sources increased by ₹ 1,898.41 crore (53.54 *per cent*) from ₹ 3,545.94 crore in 2015-16 to ₹ 5,444.35 crore in 2016-17. Debt Receipts from internal sources of ₹ 5,444.35 crore comprised of Market loans (₹ 1,069.63 crore), loans from NABARD (₹ 18.72 crore), loans from GoI (₹ 0.26 crore), loans from other Institutions (₹ 94.09 crore) and Ways and Means Advances from RBI (₹ 4,261.65 crore).

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 1.18: Net transactions under Public Account*(₹ in crore)*

| Resources under various heads | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 |
|-----------------------------------|---------------|---------------|------------------|---------------|---------------|
| Small Savings, Provident Fund etc | 72.49 | 112.07 | 55.35 | 11.76 | 29.10 |
| Reserve Fund | 24.13 | 12.15 | 41.01 | 200.67 | 225.00 |
| Deposits and Advances | (-)80.22 | 240.68 | (-)607.76 | (-)75.07 | (-)7.69 |
| Suspense and Miscellaneous | 209.22 | (-)0.76 | 0.56 | 2.98 | (-)5.83 |
| Remittances | (-)6.63 | (-)30.38 | 277.54 | 73.96 | 32.00 |
| Total | 218.99 | 333.76 | (-)233.30 | 214.30 | 272.58 |

(Source: Finance Accounts of respective years)

The net receipts from Public Account increased by ₹ 58.28 crore (27.20 per cent) from ₹ 214.30 crore in 2015-16 to ₹ 272.58 crore in 2016-17. The increase was due to increase in Small Savings, Provident Funds (₹ 17.34 crore), Reserve Fund (₹ 24.33 crore), Deposit and Advances (₹ 67.38 crore) offset by decrease in Suspense and Miscellaneous (₹ 8.81 crore) and Remittances (₹ 41.96 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.

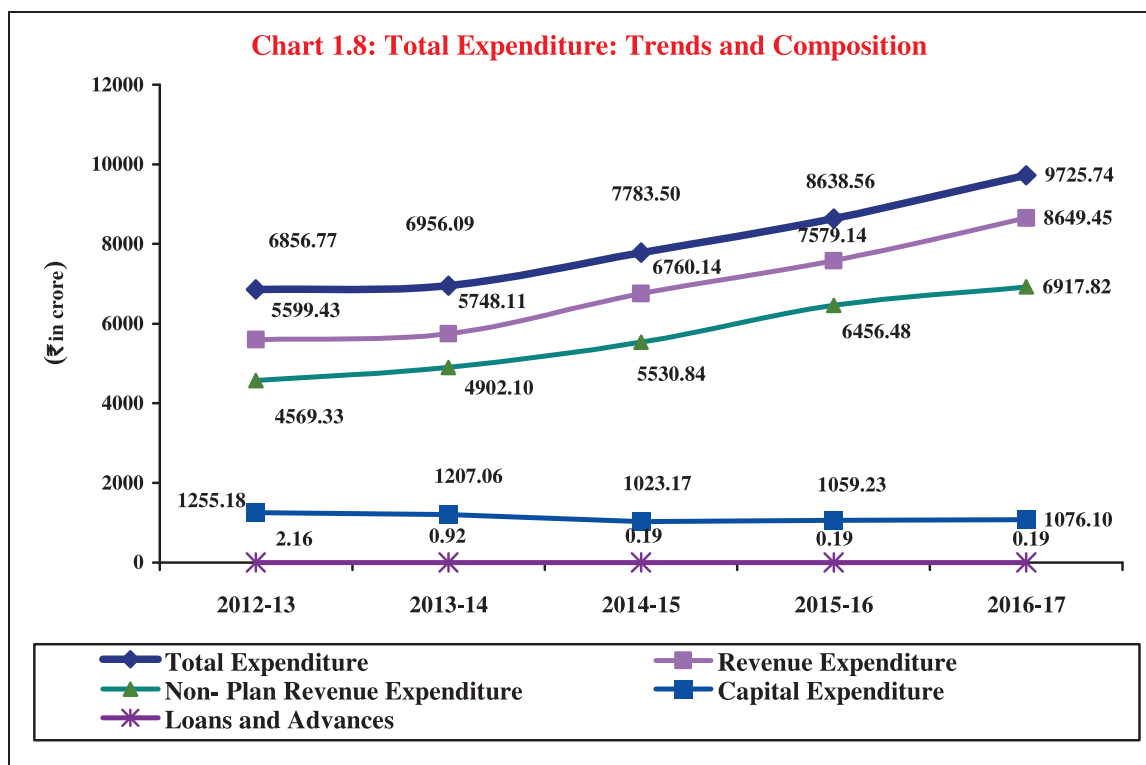
1.6 Application of resources

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.

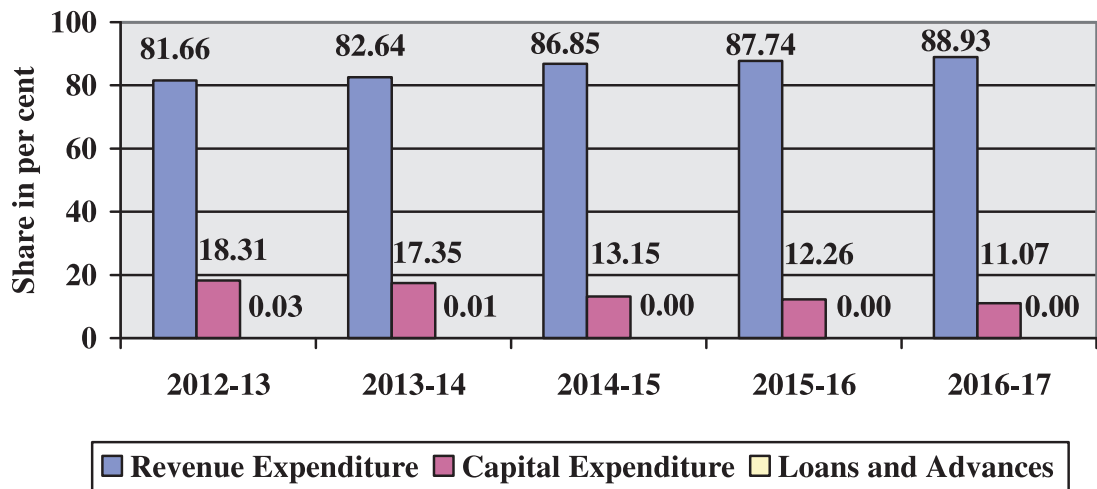
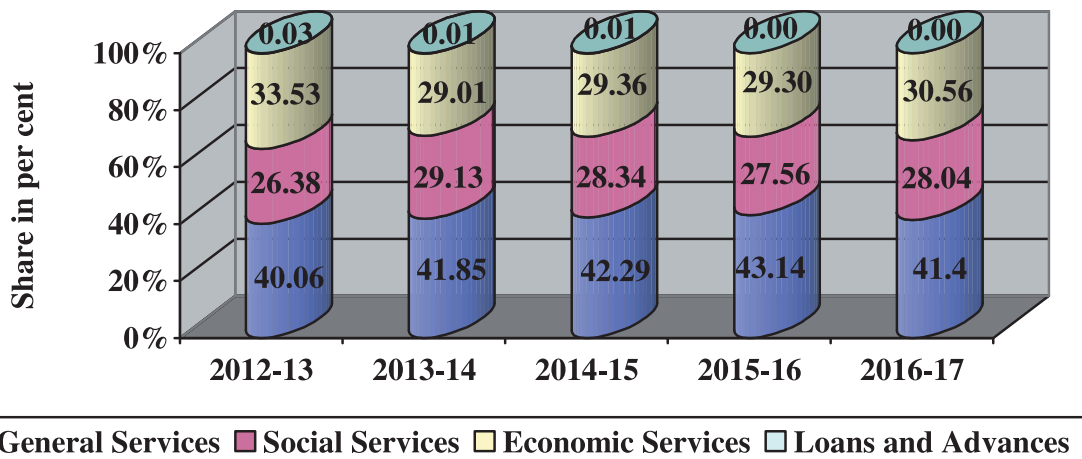
1.6.1 Growth and Composition of Expenditure

Chart 1.8 presents the trends in Total Expenditure over a period of five years (2012-17) 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 & 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 2016-17 was ₹ 9,725.74 crore as compared to an expenditure of ₹ 8,638.56 crore during 2015-16. Thus, the expenditure increased by ₹ 1,087.18 crore (12.59 per cent) over the previous year. The Total Expenditure in 2016-17 comprised of Revenue Expenditure ₹ 8,649.45 crore (88.93 per cent), Capital Expenditure ₹ 1,076.10 crore (11.07 per cent) and Loans and Advances ₹ 0.19 crore. The increase in Total Expenditure during 2016-17 over the previous year was due to increase of Revenue Expenditure by ₹ 1,070.31 crore and Capital Expenditure by ₹ 16.87 crore.

Chart 1.9: Total Expenditure: Trends in share of its Components**Chart 1.10: Total Expenditure: Trends by 'Activities'**

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 1.19**.

Table 1.19: Total expenditure-basic parameters

| | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 |
|--|---------|---------|---------|---------|---------|
| Total Expenditure (TE) (₹ in crore) | 6856.77 | 6956.09 | 7783.50 | 8638.56 | 9725.74 |
| Growth rate of TE (<i>per cent</i>) | 11.93 | 1.45 | 11.89 | 10.99 | 12.59 |
| TE/GSDP ratio (<i>per cent</i>) | 50.35 | 41.87 | 42.27 | 42.09 | 46.05 |
| RR/TE (<i>per cent</i>) | 90.46 | 93.38 | 98.27 | 93.08 | 97.06 |
| Buoyancy of Total Expenditure with reference to: | | | | | |
| GSDP (ratio) | 0.79 | 0.07 | 1.10 | 0.96 | 4.34 |
| Revenue Receipt (ratio) | 1.08 | 0.31 | 0.67 | 2.14 | 0.72 |

(Source: Finance Accounts of respective years)

During the current year, 97.06 per cent of the Total Expenditure was met from Revenue Receipts and the remaining was met from Capital Receipts and borrowed funds.

In the context of State finances, the quality of expenditure has always been an important issue. **During the current year, revenue expenditure, which is in the nature of current consumption, accounted for around 89 per cent of the State's aggregate expenditure, leaving only 11 per cent for investment in infrastructure and asset creation.**

The General Services expenditure increased by ₹ 300.26 crore (8.06 per cent) from ₹ 3,726.25 crore in 2015-16 to ₹ 4,026.51 crore in 2016-17, Social Services expenditure increased by ₹ 345.84 crore (14.52 per cent) and Economic Services expenditure increased by ₹ 441.08 crore (17.43 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 81.66 per cent to 88.93 per cent of the Total Expenditure of the State during 2012-17. The Revenue Expenditure, its rate of growth, the ratio of Revenue Expenditure to GSDP and to Revenue Receipts and its buoyancy is indicated in **Table 1.20**.

Table 1.20: Revenue Expenditure-basic parameters

| | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
| Revenue Expenditure (RE), of which (₹ in crore) | 5599.43 | 5748.11 | 6760.14 | 7579.14 | 8649.45 |
| Non-plan Revenue Expenditure (NPRE) (₹ in crore) | 4569.33 (81.60%) | 4902.10 (85.28%) | 5530.84 (81.82%) | 6456.48 (85.19%) | 6917.82 (79.98%) |
| Plan Revenue Expenditure (PRE) (₹ in crore) | 1030.10 | 846.01 | 1229.30 | 1122.66 | 1731.63 |
| Rate of growth of RE (per cent) | 14.89 | 2.66 | 17.61 | 12.12 | 14.12 |
| RE as percentage to TE | 81.66 | 82.63 | 86.85 | 87.74 | 88.93 |
| Buoyancy of RE with GSDP (ratio) | 0.99 | 0.12 | 1.62 | 1.06 | 4.87 |
| Buoyancy of RE with RR (ratio) | 1.35 | 0.56 | 0.99 | 2.36 | 0.81 |

(Source: Finance Accounts of respective years)

The Non-Plan Revenue Expenditure has come down to 80 per cent during the current year. It had ranged between 80 to 85 per cent during the last five years which indicates that the expenditure of the State is not managed efficiently.

Revenue Expenditure of the State had increased by ₹ 3,050.02 crore (54.47 per cent) from ₹ 5,599.43 crore in 2012-13 to ₹ 8,649.45 crore in 2016-17 at a compound annual growth rate of 11.48 per cent.

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

Table 1.21: Revenue Expenditure assessment made by XIV FC and actual

(₹ in crore)

| | Assessment made by FC-XIV for 2016-17 | Actual |
|--------------------------|--|---------|
| Revenue Expenditure (RE) | 7705.00 | 8649.45 |

The actual Revenue Expenditure exceeded the normative assessment made by XIV FC by ₹ 944.45 crore (12.26 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 2012-17.

The Committed Expenditure (i.e., interest payment, pension, salaries and subsidies) of the State Government increased by ₹ 175.27 crore (3.30 per cent) from ₹ 5,303.75 crore in 2015-16 to ₹ 5,479.02 crore in 2016-17. The overall percentage of Committed Expenditure to Revenue Receipts was 58.04 per cent respectively in 2016-17.

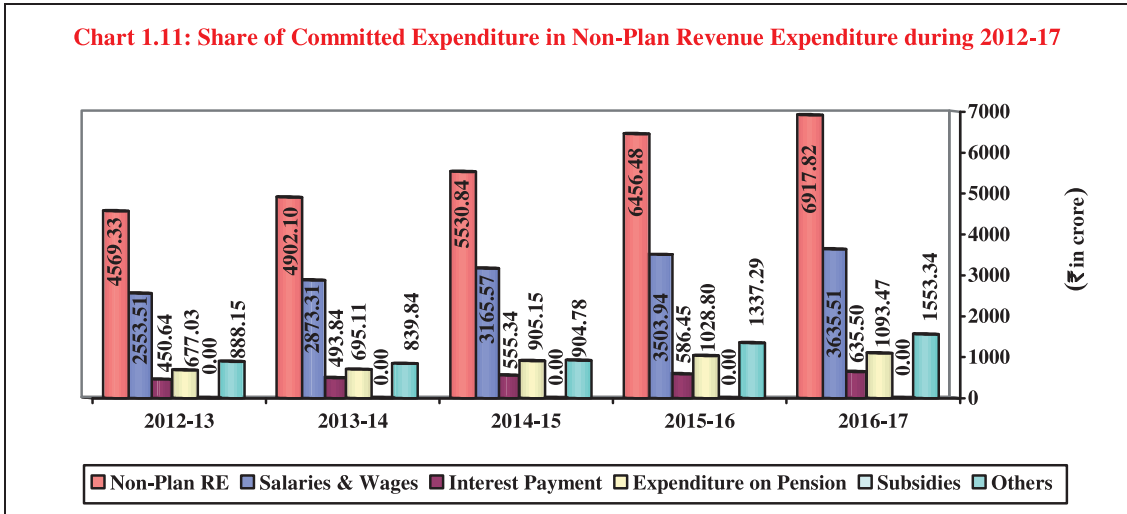
Table 1.22: Components of Committed Expenditure

(₹ in crore)

| | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 |
|--|----------------|----------------|----------------|----------------|----------------|
| Salaries & Wages, of which | 2603.87 | 2940.80 | 3274.16 | 3688.50 | 3750.05 |
| <i>Non-plan</i> | 2553.51 | 2873.31 | 3165.57 | 3503.94 | 3635.51 |
| <i>Plan</i> | 50.36 | 67.49 | 108.59 | 184.56 | 115.54 |
| Interest Payment | 450.64 | 493.84 | 555.34 | 586.45 | 635.50 |
| Expenditure on Pension | 677.03 | 695.11 | 905.15 | 1028.80 | 1093.47 |
| Total | 3731.54 | 4129.75 | 4734.65 | 5303.75 | 5479.02 |
| <i>As per cent of Revenue Receipts</i> | | | | | |
| Salaries & Wages | 41.98 | 45.27 | 42.81 | 45.87 | 39.73 |
| Interest Payment | 7.27 | 7.60 | 7.26 | 7.29 | 6.73 |
| Expenditure on pension | 10.92 | 10.70 | 11.83 | 12.79 | 11.58 |

(Source: Finance Accounts of respective years)

Chart 1.11: Share of Committed Expenditure in Non-Plan Revenue Expenditure during 2012-17



Salaries & Wages:

Expenditure on salaries increased by ₹ 1,146.18 crore (44.02 per cent) from ₹ 2,603.87 crore in 2012-13 to ₹ 3,750.05 crore in 2016-17 at a compound annual growth rate of 9.55 per cent. Expenditure on salaries and wages increased by ₹ 61.55 crore (1.67 per cent) over the previous year mainly due to release of dearness allowance installments and incremental benefits. Salary and wages accounted for 39.73 per cent of the Revenue Receipts during 2016-17.

Pension Payment:

The expenditure on pension had increased by ₹ 64.67 crore (6.29 per cent) from ₹ 1,028.80 crore in 2015-16 to ₹ 1,093.47 crore in 2016-17. The pension payment was ₹ 107.47 crore more than the assessment made by XIV FC (₹ 986.00 crore). However, it was ₹ 308.82 crore less than the assessment made by the State Government in its MTFPS (₹ 1,402.29 crore) for the year 2016-17.

Interest Payments:

Chart 1.12: Components of Interest Payment during 2015-16

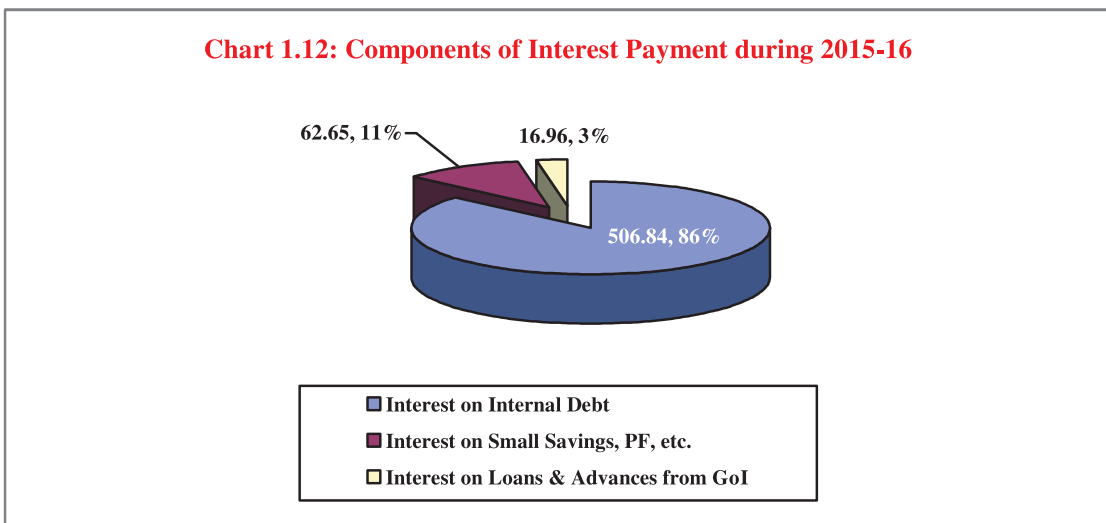
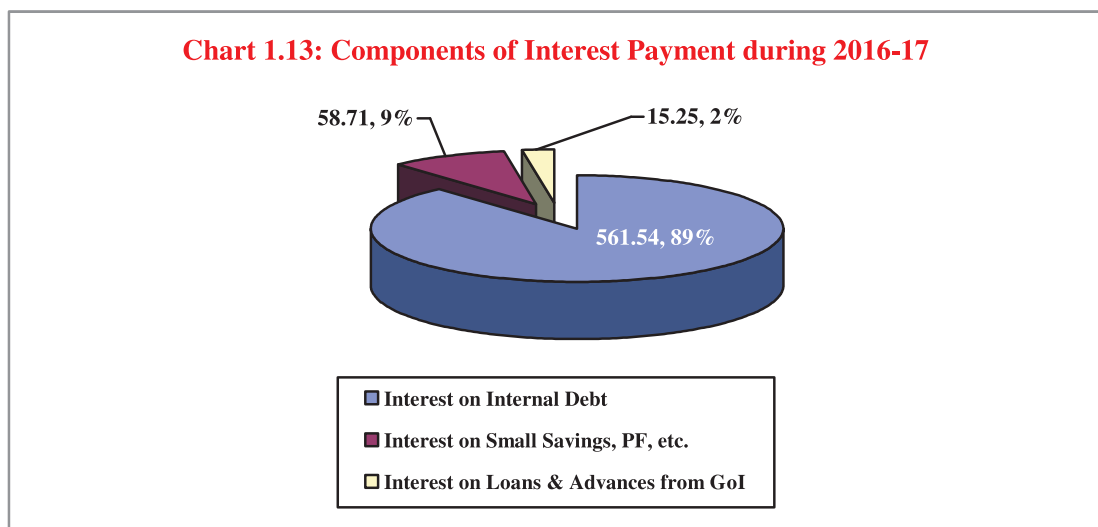


Chart 1.13: Components of Interest Payment during 2016-17

Interest payment increased by ₹ 184.86 crore (41.02 per cent) from ₹ 450.64 crore in 2012-13 to ₹ 635.50 crore in 2016-17 at a compound annual growth rate of 8.97 per cent. The interest payment increased by ₹ 49.05 crore (8.36 per cent) during 2015-16 over the previous year due to increase in interest payment on Internal Debt (₹ 54.70 crore) offset by decrease in interest payment on Small Savings, Provident Fund etc. (₹ 3.94 crore) and Loan and Advances from Central Government (₹ 1.71 crore).

The interest payment for the year 2016-17 was lower than the projection made by the State Government in MTFPS (₹ 836.69 crore) but higher than the projections made in XIV FC (₹ 542.00 crore).

Subsidies:

No subsidies were given by the State Government during the years 2012-17.

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 1.23**.

Table 1.23: Financial Assistance to Local Bodies etc.

(₹ in crore)

| Financial Assistance to Institutions | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 |
|--|---------------|---------------|---------------|---------------|---------------|
| Educational Institutions (Aided Schools, Aided Colleges, Universities, etc.) | 51.17 | 30.47 | 10.51 | 9.47 | 8.91 |
| Co-Operation | 8.40 | 19.18 | 1.00 | 1.50 | 2.00 |
| Municipal councils | 0.00 | 5.98 | 6.34 | 1.62 | 0.00 |
| Development Agencies | 29.04 | 29.18 | 103.44 | 0.00 | 10.00 |
| Hospitals and Other Charitable Institutions | 15.50 | 14.46 | 16.42 | 17.31 | 17.76 |
| Panchayati Raj | 16.62 | 0.09 | 6.19 | 0.00 | 0.00 |
| Special Area Programme | 0.00 | 0.00 | 60.87 | 0.00 | 0.00 |
| Other Institutions | 111.77 | 193.75 | 45.83 | 90.73 | 132.20 |
| Total | 232.50 | 293.11 | 250.60 | 120.63 | 170.87 |
| Assistance as percentage of RE | 4.15 | 5.10 | 3.71 | 1.59 | 1.98 |

(Source: Finance Accounts of respective years)

The total assistance to local bodies etc. increased by ₹ 50.24 crore (41.65 per cent) from ₹ 120.63 crore in 2015-16 to ₹ 170.87 crore in 2016-17. **Table 1.20** shows that the assistance decreased by ₹ 0.56 crore (5.91 per cent) from ₹ 9.47 crore in 2015-16 to ₹ 8.91 crore in 2016-17 in respect of educational institutions. In respect of Hospitals and other charitable institutions, the assistance increased by ₹ 0.45 crore (2.60 per cent) from ₹ 17.31 crore in 2015-16 to ₹ 17.76 crore in 2016-17. During 2016-17, no financial assistance was extended in respect of Special Area Programme and Municipal Councils and Panchayati Raj.

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 1.24** analyses the fiscal priority given by the Nagaland Government to various expenditure heads in 2012-13 and the current year viz., 2016-17 with regard to Developmental Expenditure, Social Sector expenditure and Capital Expenditure.

Table-1.24: Fiscal priority of the State in 2012-13 & 2016-17

| <i>(in per cent)</i> | | | | | | |
|--|----------------|--------------|---------------|--------------|---------------------|------------------|
| Fiscal priority by the State | AE/GSDP | DE/AE | SSE/AE | CE/AE | Education/AE | Health/AE |
| *Special Category States Average (Ratio) 2012-13 | 24.80 | 61.10 | 34.30 | 15.10 | 18.10 | 5.30 |
| Nagaland's (Ratio) 2012-13 | 50.36 | 59.92 | 26.37 | 18.30 | 13.87 | 4.26 |
| Special Category States Average (Ratio) 2016-17 | 27.40 | 61.50 | 34.20 | 13.60 | 16.60 | 5.40 |
| Nagaland's (Ratio) 2016-17 | 46.05 | 58.60 | 28.04 | 11.06 | 13.56 | 5.10 |
| AE: Aggregate Expenditure DE: Developmental Expenditure SSE: Social Sector Expenditure CE: Capital Expenditure # Developmental expenditure includes Developmental Revenue Expenditure, Developmental Capital Expenditure and Loans and Advances disbursed. (Source: For GSDP, Central Statistical Office (CSO), Ministry of Statistics and Programme Implementation website as on 1 August 2017) | | | | | | |

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 2016-17.
- Expenditure on Social Sector as a proportion of aggregate expenditure was lower than the SCS average during 2012-13 and 2016-17. The share of expenditure on education and health as a proportion of aggregate expenditure was also lower than the SCS averages in 2012-13 and 2016-17.

- 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 2016-17.
- **Ratio of Capital Expenditure to Aggregate Expenditure stood at 11.06 per cent which was less than the combined average of the Special Category States.**

1.7.2 Efficiency of Expenditure Use

In view of the importance of public expenditure on developmental, it is important for the State Governments to take appropriate expenditure rationalisation measures and lay emphasis on provision of core public and merit goods⁹. Apart from improving the allocation towards developmental expenditure¹⁰, 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 1.25** 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 1.26** provides the details of Capital Expenditure and the components of Revenue Expenditure incurred on the maintenance of the selected Social and Economic Services.

Table-1.25: Developmental Expenditure

| Components of Developmental Expenditure | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 | |
|---|--------------------|--------------------|--------------------|--------------------|---------|--------------------|
| | | | | | BE | Actual |
| Developmental Expenditure (a to c) | 4109.92 (59.94) | 4044.65 (58.15) | 4491.58 (57.71) | 4912.31 (56.86) | 6414.74 | 5699.23 (58.60) |
| a. Developmental Revenue Expenditure | 3063.59 (44.68) | 3017.86 (43.38) | 3629.17 (46.63) | 3958.67 (45.83) | 5425.37 | 4755.49 (48.90) |
| b. Developmental Capital Expenditure | 1044.17 (15.23) | 1025.87 (14.75) | 862.22 (11.08) | 953.45 (11.04) | 988.97 | 943.55 (9.70) |
| c. Developmental Loans and Advances | 2.16 (0.03) | 0.92 (0.01) | 0.19 (0.00) | 0.19 (0.00) | 0.40 | 0.19 (0.00) |

Figures in parentheses indicate percentage to Total Expenditure

The Developmental Expenditure (₹ 5,699.23 crore) was lesser than the assessment made by the State Government in the budget by ₹ 715.51 crore. The Developmental Revenue Expenditure increased by ₹ 796.82 crore (20.13 per cent), however, Developmental Capital Expenditure decreased by ₹ 9.90 crore (1.04 per cent) respectively over the previous year. **Overall, the development Expenditure of the State did not change much in terms of the percentages, even as the total receipt of the State has seen a substantial increase with enhanced devolutions as per recommendations of the XIV Finance Commission.**

⁹ As detailed in Appendix 1.1 Part-C

¹⁰ 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.

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 2017 is given in **Table 1.27**.

Table 1.27: Department-wise Profile of Incomplete Projects

(₹ in crore)

| Department | No. of Incomplete Projects | Initial Budgeted Cost | Revised Cost | Cumulative expenditure as on 31-03-2017 |
|--|----------------------------|-----------------------|----------------|---|
| Department of Under Developed Area | 75 | 83.69 | 83.69 | 23.82 |
| Police Engineering Project | 54 | 701.71 | 701.71 | 181.35 |
| Veterinary and Animal Husbandry | 42 | 45.38 | 45.52 | 18.5 |
| Public Works Department (Road & Bridges) | 34 | 642.85 | 675.43 | 502.77 |
| Deputy Commissioner (HQ) | 26 | 9.00 | 9.00 | 0.00 |
| Public Works Department (Housing) | 15 | 222.38 | 222.38 | 147.28 |
| Urban Development | 14 | 378.75 | 378.75 | 149.08 |
| Department of Higher Education | 10 | 24.22 | 24.22 | 8.85 |
| Technical Education | 4 | 3.00 | 3.30 | 37.95 |
| Youth Resource and Sports | 4 | 174.59 | 176.09 | 79.78 |
| Geology and Mining | 3 | 52.08 | 79.48 | 48.73 |
| 24 other Departments | 59 | 477.95 | 478.99 | 832.07 |
| Total | 340 | 2815.60 | 2878.56 | 2030.18 |

(Source: Finance Accounts and Departmental records)

(Note: Information on cumulative expenditure in respect of two projects in Employment and Craftsmen Training and on estimated cost in respect of one project in Technical Education Department awaited from State Government (August 2017))

340 projects involving an expenditure of ₹ 2,030.18 crore were incomplete as of 31 March 2017. Two projects involving an expenditure of ₹ 10.47 crore which were taken up under PWD (Road & Bridges) had been suspended. The cumulative expenditure as of March 2017 had exceeded the budget cost/revised cost in respect the projects undertaken by PWD (National Highways).

Information in respect of 303 projects out of 340 was furnished by the Department. These 303 projects, involving an expenditure of ₹ 1,818.77 crore, were stipulated to be completed by March 2017 but had remained incomplete as of October 2017. Project cost

in respect of eight incomplete projects was revised from ₹ 74.72 crore to ₹ 137.68 crore (83.85 per cent). These projects pertained to PWD (Road & B ridges) - (₹ 38.56 crore), Geology and Mining (₹ 26.54 crore), State Council of Educational Research and Training (₹ 4.28 crore), Transport (₹ 1.39 crore), Veterinary and Animal Husbandry (₹ 0.30 crore), Youth Resources and Sports (₹ 3.50 crore) and Agriculture (₹ 0.16 crore).

The date of completion in respect of 37 projects was not furnished by the departments. Hence, it could not be ascertained in audit as to whether the 37 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 2017, Government had invested ₹ 291.75 crore in Statutory Corporations, Rural Banks, Joint Stock Companies and Co-operatives (Table 1.28). The average return on this investment was 'Nil' during the four years while there was a return of ₹ 4.94 crore during the year 2015-16 which indicated non-performing investments. The Government paid an average interest rate of 6.87 per cent on its borrowings during 2016-17.

Table 1.28: Return on Investment

(₹ in crore)

| Investment/Return/Cost of Borrowings | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 |
|--|---------|---------|---------|---------|---------|
| Investment at the end of the year (a-e) (₹ in crore) | 242.65 | 270.01 | 278.44 | 290.60 | 291.75 |
| (a) Joint Stock Companies | 32.10 | 32.10 | 32.10 | 43.10 | 43.10 |
| (b) Government Companies | 168.69 | 182.05 | 190.48 | 191.60 | 192.75 |
| (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 | 41.82 | 55.82 | 55.82 | 55.86 | 55.86 |
| Return (₹ in crore) | 0.00 | 0.00 | 0.00 | 4.94 | 0.00 |
| Return (per cent) | 0.00 | 0.00 | 0.00 | 1.70 | 0.00 |
| Average rate of interest on Govt borrowing (per cent) | 6.34 | 6.25 | 6.81 | 6.95 | 6.87 |
| Difference between interest rate and return (per cent) | 6.34 | 6.25 | 6.81 | 5.25 | 6.87 |

(Source: Finance Accounts of respective years)

Out of the total Government investment of ₹ 291.75 crore at the close of the current year, ₹ 192.75 crore was invested in five Government companies (₹ 106.34 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 ₹ 1.15 crore in State Mineral Development Corporations.

Out of six Government companies in the State, one company viz., Nagaland Sugar Mills Ltd. (₹ 7.29 crore-investment upto 2000-01) was non-working whose accounts were in

arrears for 16 years. The five working companies - Nagaland Industrial Development Corporation Ltd. (₹ 8.39 crore), Nagaland Industrial Raw Materials & Supply Corporation Ltd., (₹ 4.05 crore), State Mineral Development Corporations (₹ 83.79 crore) and Nagaland Handloom & Handicrafts Development Corporation Ltd., (₹ 2.82 crore) and Nagaland Hotels Ltd were incurring losses. The accounts of the five working Government Companies were in arrears for periods ranging between one and seven years. Hence, the actual financial status of the companies as of March 2017 could not be assessed.

The capital investment and accumulated losses of the working State PSUs as per their latest finalised accounts were ₹ 33.57 crore and ₹ 58.70 crore respectively. **Out of the five working Government Companies, accumulated losses in three Government Companies had exceeded their paid-up capital and in the remaining two Government Companies the accumulated losses were more than 50 per cent of their paid-up capital.**

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 1.29** presents the outstanding Loans and Advances as on 31 March 2017 and interest receipts vis-à-vis interest payments during the last three years.

Table-1.29: Average Interest Received on Loans Advanced by the State Government

(₹ in crore)

| Quantum of loans/interest receipts/ cost of borrowings | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 | |
|---|--------------|--------------|--------------|--------------|--------------|--------------|
| | | | | | BE | Actual |
| Opening Balance | 26.11 | 27.42 | 27.33 | 26.81 | 26.24 | 26.50 |
| Amount advanced during the year | 2.16 | 0.92 | 0.19 | 0.19 | 0.40 | 0.19 |
| Amount repaid during the year | 0.85 | 1.01 | 0.71 | 0.50 | 2.88 | 1.09 |
| Closing Balance | 27.42 | 27.33 | 26.81 | 26.50 | 23.76 | 25.60 |
| Net addition | 1.31 | (-)0.09 | (-)0.52 | (-)0.31 | # | (-)0.90 |
| Interest Receipts | 0.00 | 3.49 | 3.29 | 1.81 | # | 3.11 |
| Interest receipts as <i>per cent</i> to outstanding loans and advances | 0.00 | 12.75 | 12.15 | 6.79 | # | 11.94 |
| Interest payments as <i>per cent</i> to outstanding fiscal liabilities of the State Government. | 6.34 | 6.25 | 6.81 | 6.95 | # | 6.87 |
| Difference between interest payments and interest receipts (<i>per cent</i>) | 6.34 | (-)6.50 | (-)5.34 | 0.16 | # | (-)5.07 |

(Source: Finance Accounts of respective years) # Budget documents do not contains these figures.

At the end of March 2017, the Government had outstanding Loans and Advances of ₹ 25.60 crore. The amount of loans disbursed during the year remained the same as compared with the previous year. Out of the total amount of ₹ 25.60 crore as on 31 March 2017, the main shares of Loans and Advances were ₹ 22.57 crore (88.16 *per cent*) for Agriculture and Allied Activities, ₹ 0.85 crore (3.32 *per cent*) to Government Servants and ₹ 2.18 crore (8.52 *per cent*) for Industry & Minerals.

The recovery of Loans and Advances increased by ₹ 0.59 crore (118.00 per cent) from ₹ 0.50 crore in 2015-16 to ₹ 1.09 crore in 2015-16. During 2016-17, 42.20 per cent (₹ 0.46 crore) loans were repaid by government servants and 57.80 per cent (₹ 0.63 crore) by Co-operatives. The interest receipts as a percentage of outstanding loans increased from 6.79 per cent in 2015-16 to 11.94 per cent in 2016-17.

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 1.30**:

Table 1.30: Summary of contents of Appendix I of Finance Accounts

(₹ in crore)

| | Opening balance on 01.04.2016 | Closing balance on 31.03.2017 |
|---|----------------------------------|----------------------------------|
| (a) General Cash Balance | | |
| Cash in treasuries | 0.00 | 0.00 |
| Deposits with Reserve Bank | 156.34 | 226.92 |
| Deposits with other Banks | 0.00 | 0.00 |
| Remittances in transit- Local | 0.00 | 0.00 |
| Total | 156.34 | 226.92 |
| Investments held in Cash Balance investment account | 0.00 | 35.41 |
| Total (a) | 156.34 | 262.33 |
| (b) Other Cash Balances and Investments | | |
| Cash with departmental officers viz. Public Works Dept/ Officers, Forest department Officers, District Collectors | 307.81 | 343.86 |
| Permanent advances for contingent expenditure with departmental officers | 0.00 | 0.00 |
| Investment of earmarked funds | 429.20 | 654.20 |
| Total (b) | 737.01 | 998.06 |
| Total (a) + (b) | 893.35 | 1260.39 |

(Source: Finance Accounts)

The table above indicates that the cash with the departmental officers viz., public works departmental officers, forest department officers and district collectors had increased by ₹ 36.05 crore (11.71 per cent) from ₹ 307.81 crore in 2015-16 to ₹ 343.86 crore in 2016-17.

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 cheques not encashed. The accounts of the State Government however, show an outstanding debit balance of ₹ two lakh as on 31 March 2017, which needs to be reconciled by the State Government.

1.8.4.1 Inadequate cash management

The position of availability of the cash balances and Capital Expenditure are given in the table given below:

(₹ in crore)

| | | | |
|---------------------------------|---------|--------------------------|---------|
| Opening Cash Balance | 893.35 | | |
| Net of Public Accounts Receipts | 272.58 | Capital Expenditure | 1076.10 |
| Public Debt Receipts | 1182.70 | Repayment of Public Debt | 513.35 |
| Revenue Surplus | 790.34 | Closing Cash Balance | 1260.39 |

The obligation of Capital Expenditure (₹ 1,076.10 crore) and repayment of Public Debt (₹513.35 crore) could have been managed without raising additional debt at higher interest rates (Avg. 6.87 per cent).

Analysis of the Cash Balances showed that the State had adequate funds opening cash balance of ₹ 893.35 crore. The State budget had a revenue surplus of ₹ 790.34 crore against an estimate of ₹ 901.85 crore and net Public Account Receipt of ₹ 272.58 crore (Total ₹ 1,956.27 crore). The closing Cash Balance of the State stood at ₹ 1,260.39 crore. The State could have financed their Capital needs from internal sources without resorting to raising of Public Debt.

The cash management, therefore, needed to be improved to ensure optimum cost effective utilisation of available funds.

1.9 Assets and Liabilities

1.9.1 Growth and composition of Assets and Liabilities

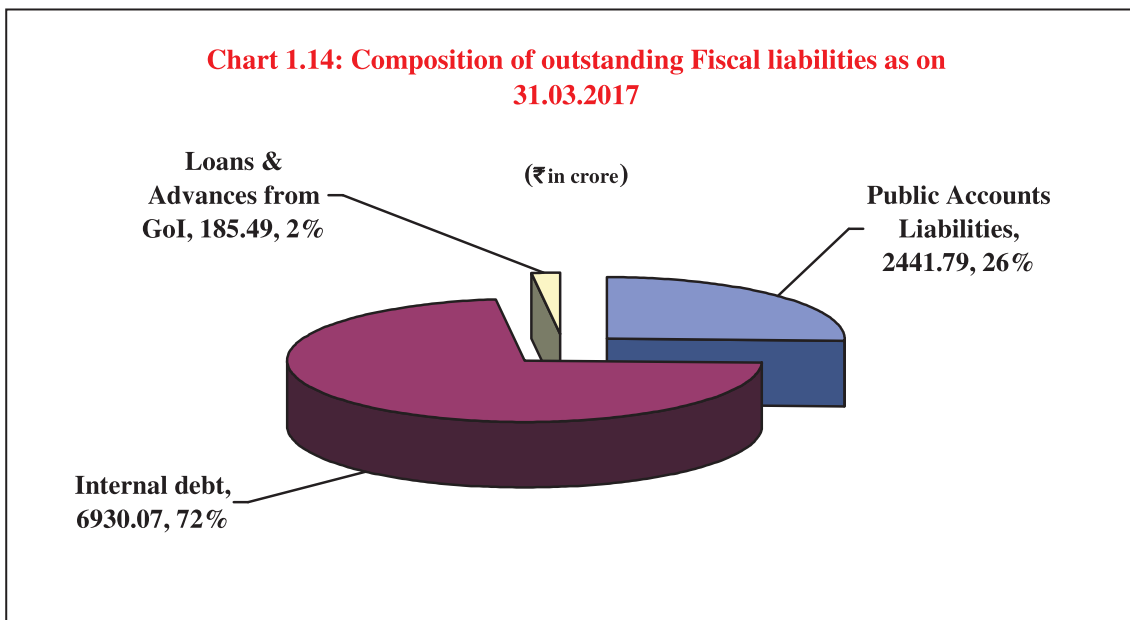
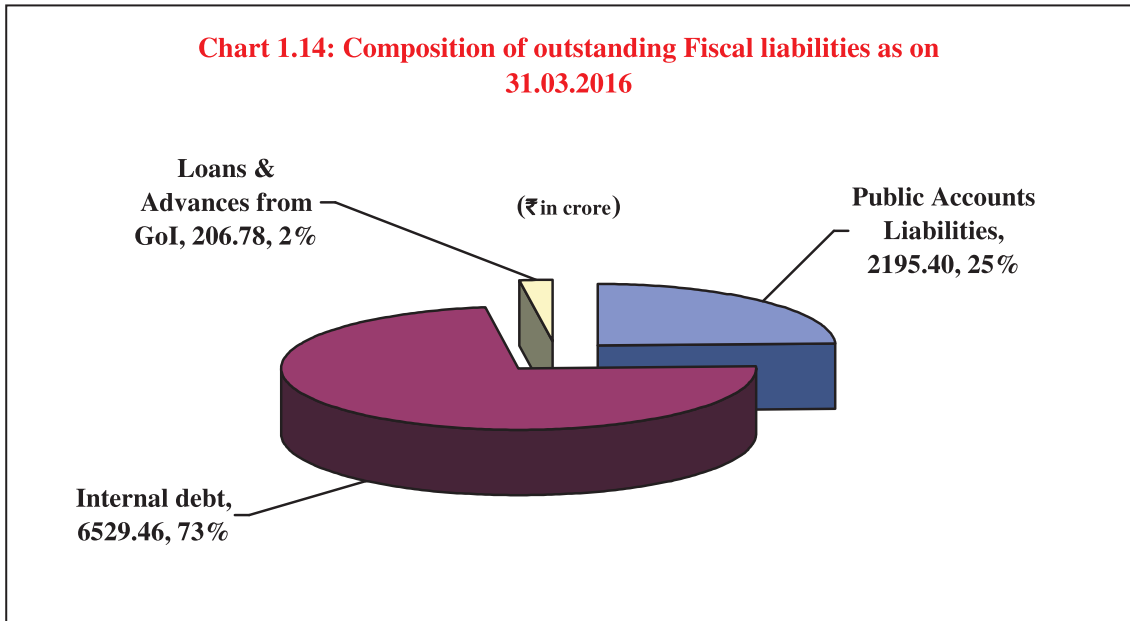
In the existing Government accounting system, comprehensive accounting of fixed assets like land and buildings owned by the Government is not done. However, the Government accounts do capture the financial liabilities of the Government and the assets created out of the expenditure incurred. **Appendix 1.4** gives an abstract of such liabilities and the assets as on 31 March 2017, compared with the corresponding position on 31 March 2016. 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 1.14** and **1.15**. **Chart 1.16** gives the position of outstanding Fiscal liabilities during the last five years. Moreover, **Table 1.31** represents the trend of Fiscal liabilities during 2012-13 to 2016-17 (**Appendix 1.2**).



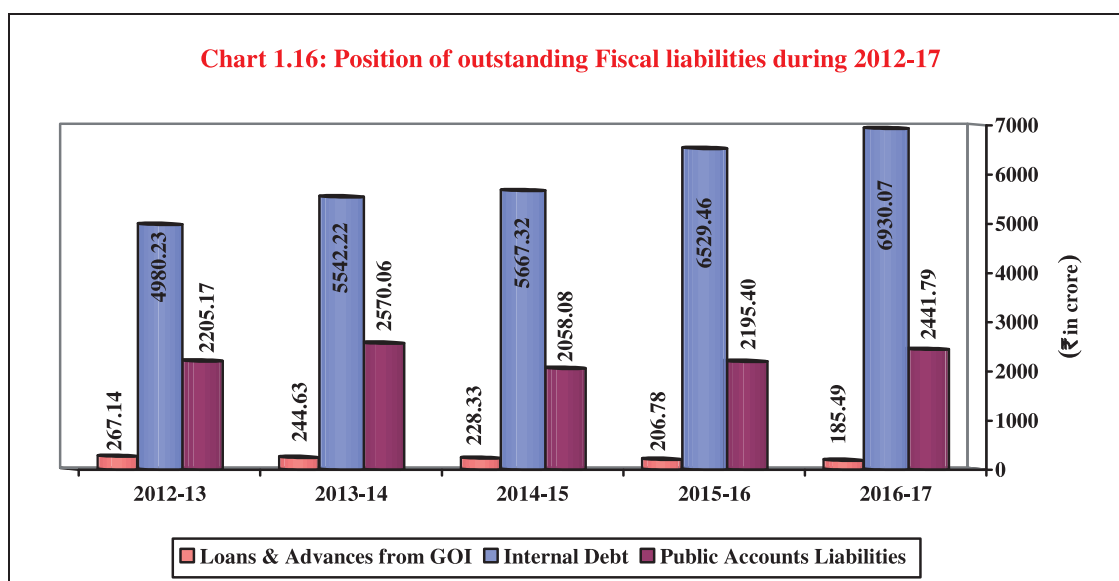


Table 1.31 Trend of Fiscal liabilities during 2012-13 to 2016-17

(₹ in crore)

| | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 |
|--|----------------|----------------|----------------|----------------|----------------|
| Fiscal liabilities | 7452.54 | 8356.91 | 7953.73 | 8931.64 | 9557.35 |
| Revenue Receipts | 6202.33 | 6495.67 | 7648.67 | 8040.79 | 9439.79 |
| Rate of growth of Fiscal liabilities (<i>per cent</i>) | 10.25 | 12.14 | (-) 4.82 | 12.29 | 7.01 |
| Rate of growth of Revenue Receipts (<i>per cent</i>) | 11.06 | 4.73 | 17.75 | 5.13 | 17.40 |
| Fiscal liabilities/ Revenue Receipts (<i>per cent</i>) | 120.16 | 128.65 | 103.99 | 111.08 | 101.25 |
| Buoyancy of Fiscal liabilities with Revenue Receipt (ratio) | 0.93 | 2.57 | (-) 0.27 | 2.40 | 0.40 |
| Own Tax Revenue /Fiscal liabilities (<i>per cent</i>) | 4.56 | 3.99 | 4.89 | 4.78 | 5.34 |

(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 7.01 *per cent* during 2016-17 over the previous year. The buoyancy of Fiscal liabilities with reference to Revenue Receipt during the year was 0.40. The Consolidated Fund liability (₹ 7,115.56 crore) comprised market loan (₹ 6,094.81 crore), loans from GoI (₹ 185.49 crore) and other loans (₹ 835.26 crore). The Public Account Liabilities (₹ 2441.79 crore) comprise Small Savings, Provident Funds (₹ 891.18 crore), interest bearing obligations (₹ 95.37 crore) and non-interest bearing obligations like deposits and other earmarked funds (₹ 1,455.24 crore).

The ratio of Fiscal liabilities to GSDP had increased from 43.52 *per cent* in 2015-16 to 45.25 *per cent* in 2016-17. These Fiscal liabilities stood at nearly 1.01 times the Revenue

Receipts and 18.71 times of the State's Own Tax Revenue at the end of 2016-17. The Fiscal liabilities to GSDP (45.25 *per cent*) were 13.10 *per cent* more than the assessment of 32.15 *per cent* made by the State Government in its Medium Term Fiscal Policy Statement (MTFPS).

1.9.3 Transactions under Reserve fund

The Thirteenth Finance Commission (XIII FC) 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 2017 in those funds was ₹ 1,277.72 crore, of which ₹ 654.20 crore (51.20 *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 CSF of Nagaland, the State Government was 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 for fund management, 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 ₹ 224.00 crore to the Fund from Revenue Account which works out to 4.18 *per cent* of total outstanding (Open Market Loans) of ₹ 5,362.39 crore as on 31 March 2016 and to 2.51 *per cent* of total outstanding liability of ₹ 8,931.65 crore (Internal Debt + Public Account) as on 31 March 2016. The balance in the Consolidated Sinking Fund as on 31 March 2017 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 ₹ four 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 since inception of the Scheme. During 2016-17, ₹ one crore was transferred by the State Government and the entire corpus of ₹ 9.34 crore as on 31 March 2017 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, Government of India 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 Government of India's release of ₹ nine crore in 2016-17, the State Government transferred ₹ 10.00 crore to SDRF increasing the SDRF to ₹ 10.86 crore (including State's share of ₹ one crore and Central's Share of ₹ nine crore of 2016-17). 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 2017.

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 2016-17, 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 1.32**.

Table-1.32: Guarantees given by the Government of Nagaland

| | (₹ in crore) | | | | |
|---|--------------|---------|---------|---------|---------|
| Guarantees | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 |
| Total amount of guarantees given upto end of the year | 70.22 | 70.22 | 70.22 | 70.22 | 81.19 |
| Outstanding amount of guarantees at the end of the year | 70.22 | 70.22 | 70.22 | 70.22 | 81.19 |
| Percentage of maximum amount guaranteed to total Revenue Receipts | 1.13 | 1.08 | 0.92 | 0.87 | 0.86 |
| Outstanding amount of guarantee as percentage of GSDP | 0.52 | 0.42 | 0.38 | 0.34 | 0.38 |

(Source: Finance Accounts of respective years)

The outstanding guarantees increased by ₹ 10.97 crore (15.62 *per cent*) during 2016-17 over the previous year. The outstanding guarantees of ₹ 81.19 crore mainly pertained to Nagaland Industrial Development Corporation 41.77 *per cent* (₹ 33.91 crore) for repayment of principal and payment of interest on loan obtained. The outstanding guarantees were 0.86 *per cent* of the Revenue Receipts of the Government.

1.10 Debt Management

1.10.1 Debt Management

The debt sustainability is defined as the ability of the State to service its debt in future. Sustainability of debt therefore, also refers to sufficiency of liquid assets to meet the current or committed obligations and the capacity to keep balance between costs of additional borrowings with returns from such borrowings. It means that rise in fiscal deficit should match with the increase in capacity to service the debt.

Apart from magnitude of debt of State Government, it is important to analyse various indicators that determine the debt sustainability of the State. This section assesses the sustainability of debt of the State Government in terms of debt/GSDP ratio, burden of interest payments (measured by interest payments to revenue receipts ratio) and maturity profile of State Government securities. The rate of growth of GSDP ranged between 2.90 *per cent* and 21.98 *per cent* during 2012-13 to 2016-17 whereas average interest rate of outstanding debt ranged between 0.09 *per cent* and 0.10 *per cent* during 2012-13 to 2016-17. GSDP growth rate was much more than the average interest paid by the State Government on Public Debt. **Table 1.33** analyses the debt sustainability of the State according to the indicators like rate of growth of GSDP, rate of interest paid 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 2012-13.

Table 1.33: Debt Sustainability: Indicators and Trends

(₹ in crore)

| Indicators of Debt Sustainability | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 |
|---|----------------|----------------|----------------|----------------|----------------|
| Outstanding Public Debt | 5247.37 | 5786.85 | 5895.65 | 6736.24 | 7115.56 |
| Internal Debt | 4980.23 | 5542.21 | 5667.32 | 6529.46 | 6930.07 |
| Loans & Advances from GoI | 267.14 | 244.64 | 228.33 | 206.78 | 185.49 |
| Rate of growth of outstanding Debt | 7.96 | 10.28 | 1.88 | 14.26 | 5.63 |
| Outstanding Debt/GSDP (<i>per cent</i>) | 38.53 | 34.84 | 32.02 | 32.82 | 33.69 |
| Interest payment | 450.64 | 493.84 | 555.34 | 586.45 | 635.50 |
| Average interest rate of outstanding Debt | 0.09 | 0.09 | 0.10 | 0.09 | 0.09 |
| Interest paid/Revenue Receipt (<i>per cent</i>) | 7.27 | 7.60 | 7.26 | 7.29 | 6.73 |
| Rate of growth of GSDP | 15.03 | 21.98 | 10.85 | 11.46 | 2.90 |
| Debt Repayment/Debt Receipt | 0.44 | 0.43 | 0.95 | 0.76 | 0.93 |
| Net Debt available in the State | 429.30 | 350.33 | 108.80 | 840.60 | 379.32 |
| Maturity Profile of State Debt (In Years) | | | | | |
| 0 – 1 | 144.56(3) | 269.59(5) | 326.67(5) | 293.38(4) | 400.49(6) |
| 1 – 3 | 471.06(9) | 618.61(11) | 739.12(11) | 656.82(10) | 1010.38(14) |
| 3 – 5 | 738.14(14) | 702.51(12) | 1010.39(12) | 1101.55(16) | 773.56(11) |
| 5 – 7 | 1032.56(20) | 1123.63(19) | 773.56(19) | 1150.16(13) | 1439.68(20) |
| 7 and above | 2861.05(54) | 3072.51(53) | 3045.92(53) | 3534.33(53) | 3491.45(49) |
| Total | 5247.37 | 5789.85 | 5895.66 | 6736.24 | 7115.56 |

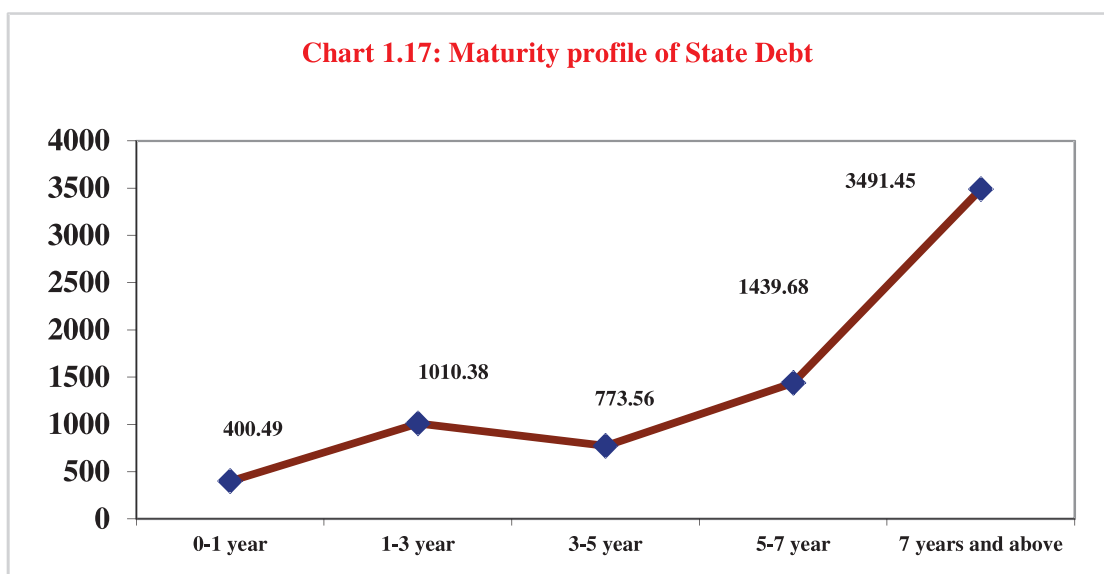
Figures in the parenthesis indicate percentage to total debt.

During the year, the State Government raised internal debt of ₹ 5,444.09 crore and Loans and Advances from Central Government amounting to ₹ 0.26 crore and discharged internal debt of ₹ 5,043.49 crore and GoI loans of ₹ 21.54 crore. The internal debt raised during the year included Ways and Means Advances amounting to ₹ 4,261.65 crore and corresponding discharges of Ways and Means Advances amounting to ₹ 4,551.68 crore. **An amount of ₹ 635.50 crore was also paid as interest during the year.** The Debt-GSDP ratio ranged between 32.02 *per cent* and 38.53 *per cent* during 2012-13 to 2016-17. During the year 2016-17, the ratio of interest payment and Revenue Receipts was only 6.73 *per cent* which was lower by 0.63 *per cent* as compared to the projection of 6.10 in XIV FC recommendations.

The debt redemption ratio during 2012-17 showed fluctuating trend and decreased to 92.17 *per cent* during 2016-17 against 97.50 *per cent* during the previous year (Appendix 1.2).

1.10.2 Debt profile

Maturity profile of outstanding stock of public debt as on 31 March 2017 indicates that out of outstanding Public Debt of ₹ 7115.56 crore, 49.06 *per cent* of debt needs to be repaid within seven years (Chart 1.17).



State may face stress in the repayment of debt which is termed as debt trap. Therefore, debt repayment and further borrowings in future should be planned in such a way that there is no bunching of repayments in any particular year as that will cause undue stress on the budget.

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. 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 2016-17.

1.11.1 Trends in Deficits

Charts 1.18 and 1.19 present the trends in deficit indicators over the period 2012-17.

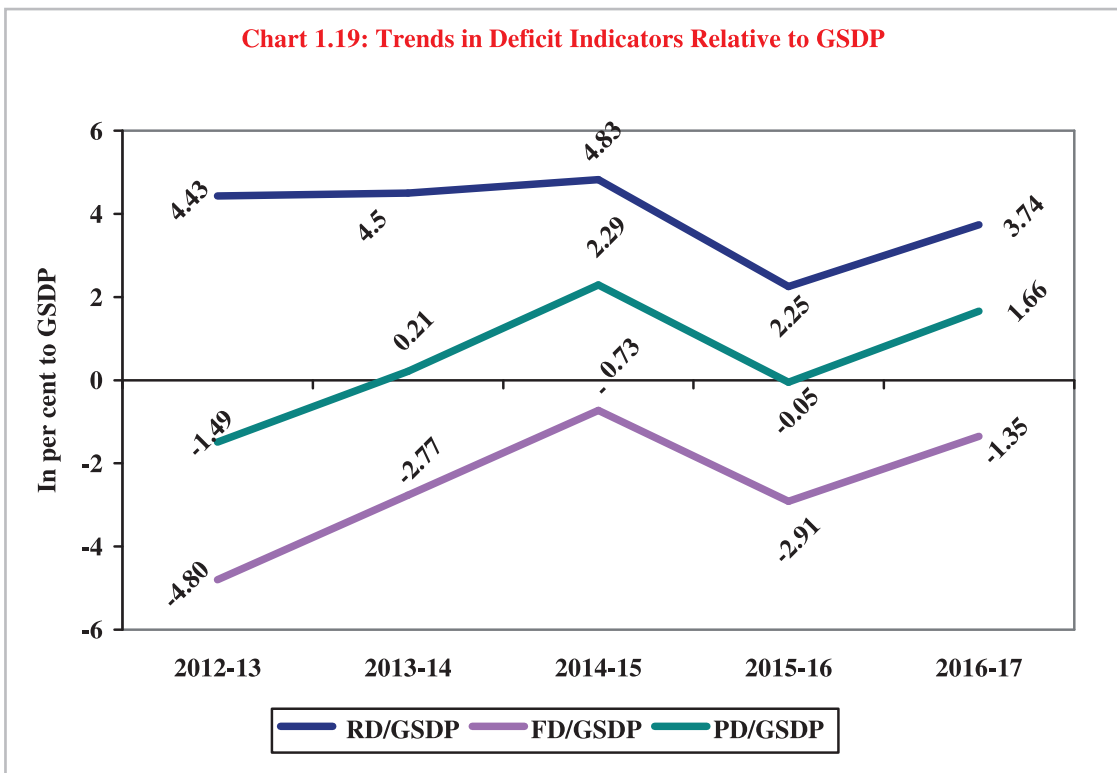
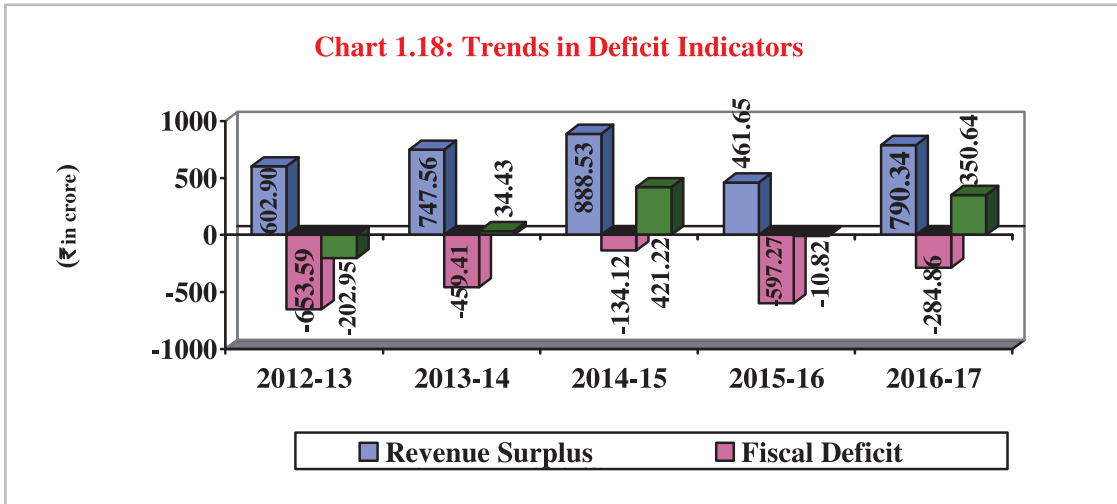


Chart 1.18 reveals that the revenue account experienced a surplus of ₹ 790.34 crore during 2016-17. Revenue Surplus increased during the current year by ₹ 328.69 crore as compared to the previous year mainly on account of increase in Revenue Receipts by ₹ 1,339.00 crore (17.40 per cent) over the previous year partially off-set by increase in Revenue Expenditure by ₹ 1,070.31 crore (14.12 per cent).

Fiscal Deficit decreased to ₹ 284.86 crore in 2016-17 from the level of ₹ 597.27 crore in 2015-16. This was due to combination of following factors (i) increase in Revenue Surplus (₹ 328.69 crore) (ii) marginal increase in non-debt Capital Receipts (₹ 0.59 crore) and (iii) increase of ₹ 16.87 crore in Capital Expenditure during 2016-17 over the previous year.

The Primary Deficit of ₹ 10.82 crore in 2015-16 changed to Primary Surplus of ₹ 350.64 crore in 2016-17. The change of Primary Deficit to Primary Surplus during the year was due to decrease of Fiscal Deficit (₹ 312.41 crore) with increase in interest payment (₹ 49.05 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 1.34**.

Table 1.34: Components of Fiscal Deficit and its Financing Pattern

| | | (₹ in crore) | | | | |
|--|--|---------------|---------------|---------------|---------------|---------------|
| | Particulars | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 |
| Components of Fiscal Deficit | | 654 | 459 | 134 | 597 | 285 |
| | | (4.91) | (2.59) | (0.67) | (2.56) | (1.35) |
| 1 | Revenue deficit(+)/Surplus(-) | (-) 603 | (-)748 | (-)889 | (-)462 | (-)791 |
| 2 | Net Capital Expenditure | 1255 | 1207 | 1023 | 1059 | 1076 |
| 3 | Net Loans and Advances | 2 | 0 | 0 | 0 | 0 |
| Financing Pattern of Fiscal Deficit* | | | | | | |
| 1 | Market Borrowings | 469 | 411 | 452 | 598 | 733 |
| 2 | Loans from GOI | (-)22 | (-)23 | (-)16 | (-)22 | (-)22 |
| 3 | Special Securities Issued to National Small Savings Fund | (-)2 | (-)3 | 11 | 26 | (-)12 |
| 4 | Loans from Financial Institutions | (-)58 | 153 | (-)338 | 238 | (-)320 |
| 5 | Small Savings, PF etc | 72 | 112 | 55 | 12 | 29 |
| 6 | Deposits and Advances | 209 | 241 | (-)608 | (-)75 | (-)8 |
| 7 | Suspense and Miscellaneous | 18 | 12 | 41 | 204 | 220 |
| 8 | Remittances | (-)80 | (-)30 | 278 | 74 | 32 |
| 9 | Increase (-) Decrease (+) in Cash Balances | 48 | (-)414 | 259 | (-)458 | (-)367 |
| <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 increased by ₹ 329 crore from ₹ 462 crore in 2015-16 to ₹ 791 crore in 2016-17. The increase in Fiscal Deficit was the combined effect of increase in Capital Expenditure along with 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 supported by any asset backup. The bifurcation of the Primary Deficit (**Table 1.35**) 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 1.35: Primary deficit/surplus – Bifurcation of factors

(₹ in crore)

| Year | Non-debt receipts | Primary revenue ¹¹ expenditure | Capital expenditure | Loans and Advances | Primary expenditure ¹² | Primary revenue surplus | Primary deficit (-) /surplus (+) |
|---------|-------------------|---|---------------------|--------------------|-----------------------------------|-------------------------|----------------------------------|
| 1 | 2 | 3 | 4 | 5 | 6 (3+4+5) | 7 (2-3) | 8 (2-6) |
| 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 |
| 2016-17 | 9440.88 | 8013.95 | 1076.10 | 0.19 | 9090.24 | 1426.93 | 350.64 |

(Source: Finance Accounts of respective years)

The Non-Debt Receipts of the State during 2012-17 were sufficient to meet the Primary Revenue Expenditure. The Non-Debt Receipts increased by 52.19 per cent from ₹ 6,203.18 crore in 2012-13 to ₹ 9,440.88 crore in 2016-17 while the Primary Revenue Expenditure increased by 55.65 per cent from ₹ 5,148.79 crore in 2012-13 to ₹ 8,013.95 crore in 2016-17. **During this period (2012-17) Capital Expenditure decreased by ₹ 179.08 crore i.e., 14.27 per cent.** The State had a Primary Deficit during 2012-13 and 2015-16 but maintained a Primary Surplus during 2013-14, 2014-15 and 2016-17.

1.12 Conclusion

The fiscal position of the State viewed in terms of the key fiscal parameters during 2016-17 revealed that the State's Revenue Surplus had increased by ₹ 328.69 crore while the Fiscal Deficit had decreased by ₹ 312.41 crore in 2016-17 relative to the previous year. The Primary Deficit of ₹ 10.82 crore in 2015-16 changed to Primary Surplus of ₹ 350.64 crore in 2016-17.

¹¹ Primary revenue expenditure is revenue expenditure net of the interest payments.

¹² 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.

During 2016-17, 91 *per cent* of the total revenue came from the GoI as Central transfers (32 *per cent*) and GIA from GoI (59 *per cent*). The State did not achieve the total revenue collection targets fixed by the XIV FC during 2016-17.

During 2016-17, Revenue Expenditure was ₹ 944.45 crore (12.26 *per cent*) more than the XIV FC normative assessment (₹ 7,705.00 crore).

The overall Fiscal liabilities of the State increased at a compound annual growth rate of 6.41 *per cent* during 2012-17. The Fiscal liabilities increased by ₹ 625 crore (7.00 *per cent*) from ₹ 8,932 crore in 2015-16 to ₹ 9,557 crore in 2016-17.

The Government had invested ₹ 291.75 crore in Statutory Corporations, Rural Banks, Joint Stock Companies and Co-operatives at the end of March 2017.

As on 31 March 2017, there were 340 incomplete projects, out of which 303 projects (estimated cost ₹ 2,447.47 crore and actual expenditure ₹ 1,818.77 crore) were due to be completed by March 2017 but remained incomplete as of October 2017 and 2 projects (estimated cost ₹ 10.93 crore and actual expenditure ₹ 10.47 crore) taken up under PWD (Road & Bridges) 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 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 authorized 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 incurred under various grants is within the authorisation given under the 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 2016-17 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 2016-17

(₹ 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 |
| Voted | I Revenue | 8597.76 | 539.19 | 9136.95 | 7788.42 | (-)1348.53 | 1445.41 | 107.18 |
| | II Capital | 1448.02 | 373.35 | 1821.37 | 1076.10 | (-)745.27 | 753.84 | 101.15 |
| | III Loans and Advances | 0.40 | 0.00 | 0.40 | 0.19 | (-)0.21 | 0.21 | 98.36 |
| | Total Voted | 10,046.18 | 912.54 | 10,958.72 | 8864.71 | (-)2094.01 | 2199.46 | 105.04 |
| Charged | IV Revenue | 1082.06 | 2.13 | 1084.19 | 881.11 | (-)203.08 | 202.21 | 99.57 |
| | V Capital | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | VI Public Debt-Repayment | 2530.50 | 2489.22 | 5019.72 | 5065.03 | (+)45.31 | 0.00 | NA |
| | Total Charged | 3612.56 | 2491.35 | 6103.91 | 5946.14 | (-)157.77 | 202.21 | 128.17 |
| | Appropriation to Contingency Fund (if any) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | Grand Total | 13,658.74 | 3403.89 | 17,062.63 | 14,810.85 | (-)2251.78 | 2401.67 | 106.66 |

Overall saving of ₹ 2,251.78 crore (16.49 per cent of budget estimates) was the result of saving of ₹ 2,343.94 crore in 71 grants and 7 Appropriations under Revenue Section, 57 grants under Capital Section offset by excess of ₹ 92.16 crore in 7 grants under Revenue Section and 02 grants under Capital Section and 01 appropriation (Public Debt-

Repayments). During the year, though the overall saving was ₹ 2,251.78 crore only, the amount surrendered was ₹ 2,401.67 crore (106.66 per cent).

The savings/excess (Detailed Appropriation Accounts for the year 2016-17) were intimated to all concerned controlling officers requesting them to explain the significant variations. Around 56 per cent (46 Departments) (August 2017) of the replies were obtained from various Controlling Officers of the State before finalisation of the Appropriation Accounts 2016-17.

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 49 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 ₹ 2,329.95 crore, savings of ₹ 1,951.71 crore (83.77 per cent) occurred in nine grants¹⁴ 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 |
| Revenue (Voted) | | | | | | | | |
| 1 | 18 | Pensions and Other Retirement Benefits | 1402.28 | 0.00 | 1402.28 | 1093.47 | 308.81 | 22 |
| 2 | 27 | Planning Machinery | 370.91 | 0.00 | 370.91 | 95.37 | 275.54 | 74 |
| 3 | 31 | School Education | 1439.89 | 0.00 | 1439.89 | 1092.77 | 347.12 | 24 |
| 4 | 32 | Higher Education | 196.08 | 0.00 | 196.08 | 134.92 | 61.17 | 31 |
| 5 | 35 | Medical, Public Health and Family Welfare | 565.31 | 16.93 | 582.24 | 483.37 | 98.87 | 17 |
| Capital(Voted) | | | | | | | | |
| 8 | 27 | Planning Machinery | 397.50 | 0.00 | 397.50 | 96.85 | 300.65 | 76 |
| 9 | 35 | Medical, Public Health and Family Welfare | 24.50 | 39.65 | 64.15 | 13.19 | 50.96 | 79 |
| 10 | 42 | Rural Development | 62.76 | 0.00 | 62.76 | 0.00 | 62.76 | 100 |
| 11 | 59 | Irrigation and Flood Control | 231.60 | 0.00 | 231.60 | 44.71 | 186.89 | 81 |
| 12 | 60 | Water Supply | 219.48 | 0.00 | 219.48 | 161.74 | 57.74 | 26 |
| Revenue (Charged) | | | | | | | | |
| 13 | 75 | Servicing of Debt | 1061.69 | 0.00 | 1061.69 | 860.50 | 201.19 | 19 |
| Total | | | 5972.01 | 56.58 | 6028.59 | 4076.89 | 1951.70 | 32 |

The reasons for savings had not been intimated (August, 2017) by the departments mentioned above.

¹⁴ Exceeding ₹ 50 crore in each case.

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 2012-17

(₹ in crore)

| Sl. No. | No. and Name of the Grant | Amount of Savings | | | | |
|----------------------|--|-------------------|---------|---------|---------|---------|
| | | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 |
| Capital-Voted | | | | | | |
| 1 | 27-Planning Machinery | 392.24 | 480.45 | 815.84 | 318.68 | 300.65 |
| 2 | 35-Medical, Public Health and Family Welfare | 21.97 | 6.49 | 28.68 | 13.67 | 50.96 |
| 3 | 36-Urban Development | 117.71 | 121.81 | 161.52 | 87.49 | 18.60 |

The reasons for persistent savings had not been intimated by any department (August 2017).

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 ₹ 53.35 crore was incurred in three 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 2016-17

(₹ in crore)

| Number and Name of | | Amount of Expenditure without provision |
|---|--|---|
| Grants | Head of Account | |
| 21- Relief of Distress caused by Natural Calamities | 2245-01-101-00 Gratuitous Relief | 10.00 |
| 35-Medical, Public Health and Family Welfare | 2552-35-800-06 Medical | 43.26 |
| 39-Tourism | 2552-39-800-01 Promotion of Tourism in NER | 0.09 |
| Total | | 53.35 |

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 ₹ 929.63 crore for the years 2000-01, 2005-06, 2008-09 to 2010-2011, 2012-13 to 2015-16 was not regularised till October 2017 (Appendix 2.2).**

These cases of excess expenditure over grants/provision is a very serious matter and it is violation of the wish of the legislature. Responsibility in such cases needs to be fixed at appropriate levels.

2.3.5 Excess over provision during 2016-17 requiring regularisation

Appendix 2.3 contains the summary of total excess in 10 grants amounting to ₹ 92.16 crore over authorisation from the Consolidated Fund of the State during 2016-17 requiring regularisation under Article 205 of the Constitution.

2.3.6 Persistent Excess in Grants

There were persistent savings in three grants during four years out of last five years (Table 2.5).

Table 2.5: List of Grants indicating Persistent excess during 2012-2017

(₹ in crore)

| Sl. No. | No. and Name of the Grant | Amount of excess | | | | |
|--------------------------|---------------------------------|------------------|---------|---------|---------|---------|
| | | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 |
| Revenue (Voted) | | | | | | |
| 1 | 62- Civil Administration Works | 4.90 | 3.89 | 1.49 | 0.19 | - |
| Capital (Voted) | | | | | | |
| 2 | 43- Social Security and Welfare | 2.77 | 0.94 | 2.87 | 1.04 | - |
| Capital (Charged) | | | | | | |
| 3 | 75-Servicing of Debt | 9.92 | - | 3.41 | 178.25 | 45.31 |

2.3.7 Appropriateness of supplementary provision

Supplementary provision aggregating ₹ 78.58 crore obtained by 13 Departments 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 05 cases, supplementary provision of ₹ 2,721.62 crore proved insufficient by ₹ one crore or more in each case leaving an aggregate uncovered excess expenditure of ₹ 90.63 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 ₹ 43.14 crore in 51 sub-heads and excess of ₹ 169.70 crore in 43 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 58 grants (70.73 per cent) on the last day 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 155 Sub Heads. Out of the total provision amounting to ₹ 2,700.69 crore in those Sub Heads, ₹ 2,275.45 crore (84.25 per cent) were surrendered, which included cent per cent surrender under 90 Sub Head (₹ 888.58 crore). The details of such cases are given in **Appendix 2.7**.

2.3.11 Surrender in excess of actual savings

In six cases, the amount surrendered (₹ one 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 ₹ 476.61 crore, the amount surrendered was ₹ 546.14 crore resulting in excess surrender of ₹ 69.53 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 2016-17, savings in 17 grants (amounting to ₹ 2.31 crore) occurred which had not been surrendered by the concerned departments (Appendix 2.9).**

An amount of ₹ 6.53 crore being savings in one grant, ₹ two crore and above in each case, were not surrendered, details of which are given in **Appendix 2.10**. Besides, in 22 cases (surrender of funds for ₹ 10.00 crore and above), ₹ 2,269.63 crore (**Appendix 2.11**) were surrendered on the last two working days of March 2017 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 46 grants listed in **Appendix 2.12**, the expenditure exceeded ₹ 10 crore or more than 50 per cent of the total expenditure for the year either during the last quarter or during the last month of the financial year.

In 13 cases the expenditure in the last month of last quarter of the financial year was upto 100 per cent of the total expenditure which indicated lack of effective financial control and violation of financial rules.

2.4. Pendency in submission of Detailed Countersigned Contingent Bills against Abstract Contingent Bills

As per rule 309 of Central Treasury Rules, every drawing officer has to certify in each abstract contingent bill that detailed bills for all contingent charges drawn by him prior to the first of the current month have been forwarded to the respective controlling officers for countersignature and transmission to the Accountant General (Accounts & Entitlement). **The total amount of Detailed Countersigned Contingency (DCC) bills received upto the period 2016-17 was only ₹ 345.02 crore (54.45 per cent) against ₹ 633.69 crore drawn on AC bills leading to pendency of DCC bills of ₹ 288.67 crore as on 31 March 2017. 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 2014-15 | 454 | 388.93 | 301 | 283.81 | 153 | 105.12 |
| 2015-16 | 46 | 96.97 | 6 | 44.28 | 40 | 52.69 |
| 2016-17 | 99 | 147.79 | 16 | 16.93 | 83 | 130.86 |
| Total | 599 | 633.69 | 323 | 345.02 | 276 | 288.67 |

As on 31 March 2017, there were 276 unadjusted AC bills involving ₹ 288.67 crore drawn by various Departments. Details are given in **Appendix 2.13**. Out of 83 bills (₹ 130.86 crore) drawn through AC bills pending submission of DCC bills at the end of 2016-17, 37 bills (₹ 37.48 crore) were drawn in the last month 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 Home Department showed that 61 AC bills amounting to ₹ 30.56 crore was pending regularization as follows:-

Table 2.7: Pendency of DCC bills in respect of Home Department as on 31 March 2017

(₹ in crore)

| Year | Number of Vouchers | Amount |
|--------------|--------------------|--------------|
| Upto 2014-15 | 13 | 3.98 |
| 2015-16 | 18 | 13.57 |
| 2016-17 | 30 | 13.01 |
| Total | 61 | 30.56 |

As can be seen from the above table, out of pending DCC bills of 61 vouchers of ₹ 30.56 crore as on March 2017, maximum number of pending AC bills pertained to 2016-17 involving 30 vouchers (49 per cent) of ₹ 13.01 crore (42.57 per cent). As most of the AC bills are outstanding for a long time, efforts may be made for clearance of pending AC bills on priority basis. This increases the chances of embezzlement and unhealthy practices. Responsibility needs to be fixed in this regard and a time bound programme needs to be evolved by the State Government to settle these outstanding AC/DC bills.

2.5 Reconciliation of Receipts and Expenditure

During the year 2016-17, all 82 COs had reconciled their figures (both receipt & expenditure) in full.

2.6 Outcome of the Review of Selected Grant

A review of Grant No.39- Tourism 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 2016-17.

2.6.1 Budget and expenditure

The summarised position of budget provision and actual expenditure there against during 2016-17 in respect of Grant No. 39 - Tourism is given in **Table 2.6**.

Table 2.6: Summarised position of budget provision and actual expenditure

(₹ in crore)

| Nature of Expenditure | Budget Provision | | | | Total | Actual Expenditure | | | Saving(-) / Excess(+) |
|-----------------------|------------------|--------------|---------------|-------------|--------------|--------------------|--------------|--------------|-----------------------|
| | Original | | Supplementary | | | Non-Plan | Plan | Total | |
| | Non-Plan | Plan | Non-Plan | Plan | | | | | |
| Revenue | 7.92 | 6.00 | 0.16 | 0.59 | 14.67 | 8.25 | 9.10 | 17.35 | (+) 2.68 |
| Capital | 0.00 | 15.54 | 0.00 | 0.00 | 15.54 | 0.00 | 7.27 | 7.27 | (-)8.27 |
| Total | 7.92 | 21.54 | 0.16 | 0.59 | 30.21 | 8.25 | 16.37 | 24.62 | (-)5.59 |

The above table shows that during the year 2016-17 there was overall saving of ₹ 5.59 crore representing 18.50 per cent of the total budget provision as a result of excess under Revenue expenditure (₹ 2.68 crore) and saving under Capital expenditure (₹ 8.27 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 ₹ 8.27 crore under Capital expenditure during the year 2016-17.

An analysis of the expenditure vis-à-vis the budget provision revealed that there was an excess of ₹ 2.68 crore under Revenue section. This was mainly due to the fact that the Department expended ₹ 3.34 crore under the MH-2552 though the final grant under the head was Nil.

2.6.2 Persistent Savings in the grant

Audit Review also disclosed persistent savings ranging from ₹ 3.66 crore to ₹ 14.00 crore during 2012-2017 as detailed in **Table 2.7**.

Table 2.7: Details of Excesses/Savings during 2012-17

(₹ in crore)

| Year | Budget | | | Expenditure | | | Savings(-) / Excess(+) |
|---------|---------|---------|--------------|-------------|---------|--------------|------------------------|
| | Revenue | Capital | Total | Revenue | Capital | Total | |
| 2012-13 | 17.66 | 11.07 | 28.73 | 16.70 | 1.52 | 18.22 | (-)10.51 |
| 2013-14 | 19.22 | 9.55 | 28.77 | 15.57 | 9.54 | 25.11 | (-)3.66 |
| 2014-15 | 18.47 | 34.50 | 52.97 | 19.81 | 19.16 | 38.97 | (-)14.00 |
| 2015-16 | 20.65 | 15.22 | 35.87 | 20.50 | 2.81 | 23.31 | (-)12.56 |
| 2016-17 | 14.67 | 15.54 | 30.21 | 17.35 | 7.27 | 24.62 | (-)5.59 |

(Source: Appropriation Accounts of respective years)

The occurrence of savings in the last five years indicates that budgetary control did not address this aspect of financial management in the Department.

2.6.3 Injudicious supplementary provision

It was noticed that during 2016-17 under the Major Head, 2552 (North Eastern Areas) against the total provision of ₹ 0.59 crore (Original: ₹ 0.00 crore and Supplementary: ₹ 0.59 crore) an expenditure of ₹ 3.26 crore was incurred. As the expenditure was more

than the total provision, the supplementary provision of ₹ 0.59 crore proved to be insufficient by ₹ 2.68 crore.

2.6.4 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 2016-17

(₹ in crore)

| SI No. | Sub Head (Details) | Total provision | Re-appropriation | Expenditure |
|------------------------|---|-----------------|------------------|-------------|
| Revenue Section | | | | |
| 1 | 2552-39-800-01 (Promotion of Tourism in NER) | 0.00 | 0.00 | 0.08 |
| Grand Total | | 0.00 | 0.00 | 0.08 |

(Source: Appropriation Accounts)

2.7 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 2016-17.

2.8 Conclusion

The overall saving of ₹ 2,251.87 crore in 2016-17 was the result of saving of ₹ 2,343.94 crore in 71 grants and 7 Appropriations under Revenue Section and 57 grants under Capital Section. This saving was offset by excess of ₹ 92.16 crore in seven grants under Revenue Section and two grants under Capital Section and one appropriation (Public Debt-Repayments). However, the amount surrendered exceeded overall savings by ₹ 149.67 crore.

There was an excess expenditure of ₹ 92.16 crore in 10 grants during 2016-17. This excess expenditure together with an excess expenditure of ₹ 929.63 crore pertaining to 2000-01, 2005-06, 2008-09 to 2010-11 and 2012-13 to 2015-16 required regularisation by the Legislature under Article 205 of the Constitution of India.

A rush of expenditure was noticed in 46 grants. Expenditure exceeding ₹ 10 crore or more than 50 per cent of the total expenditure was incurred in the last quarter of 2016-17. In some cases, very significant expenditure was incurred in the month of March 2017. There were 276 AC Bills involving ₹ 288.67 crore were awaiting adjustment due to non-submission of DCC Bills for long periods. The non-submission of DCC Bills was fraught with the risk of misappropriation.

CHAPTER-III

FINANCIAL REPORTING

Chapter III

Financial Reporting

This Chapter provides an overview and status of the State Government's compliance with various financial rules, procedures and directives during the current year.

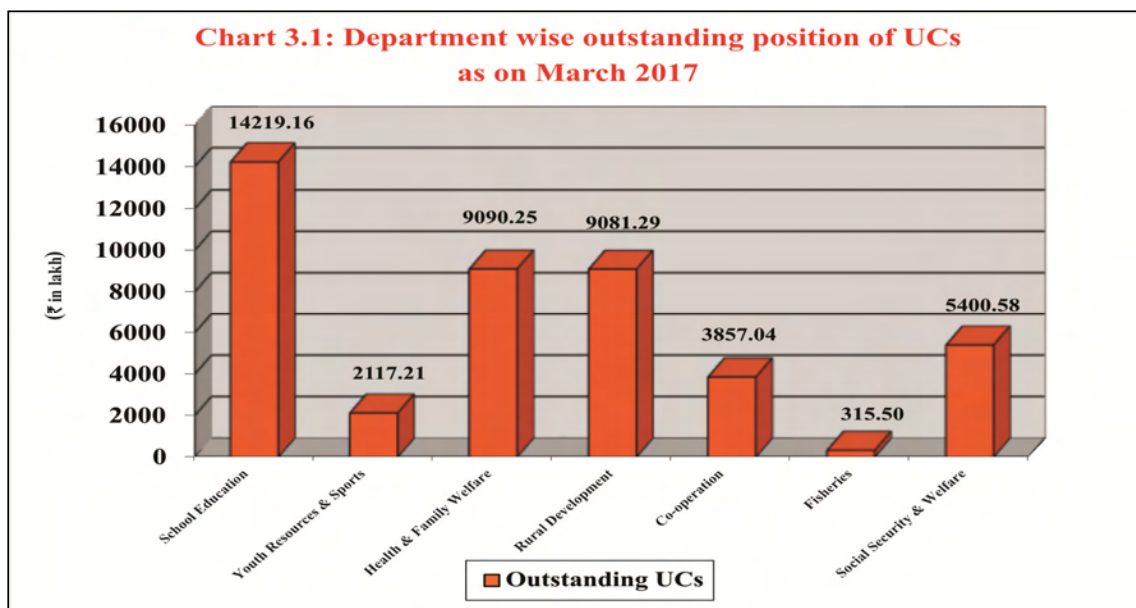
3.1 Delay in furnishing utilisation certificates

Financial Rules provide that for the grants provided for specific purposes, Utilisation Certificates (UCs) should be obtained by the departmental officers from the grantees. After verification, these should be forwarded to the Accountant General (Accounts & Entitlement) within 12 months from the date of their sanction unless specified otherwise. **As per Finance Accounts, Utilization Certificates in respect of 286 cases amounting to ₹ 909.61 crore were outstanding as on March 2017 as detailed in Table 3.1.** The department-wise break-up of outstanding UCs is given in **Chart 3.1** and **Appendix 3.1**

Table 3.1: Year-wise break up of pending Utilisation Certificates in respect of Grants-in-Aid

(₹ in crore)

| Years | Grants-in-Aid (GIA) against which UCs are awaited as of March 2017 | |
|--------------|--|---------------|
| | Number of cases | Amount |
| Upto 2011-12 | 96 | 171.95 |
| 2012-13 | 54 | 194.19 |
| 2013-14 | 52 | 204.27 |
| 2014-15 | 35 | 222.73 |
| 2015-16 | 49 | 116.47 |
| Total | 286 | 909.61 |



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

The Departments concerned provided different set of figures for outstanding Utilisation Certificates. Thus, there was a difference between the position of outstanding Utilisation Certificates furnished by the departments and that given in the Finance Accounts. This needs to be reconciled.

3.2 Non-submission/delay in submission of Accounts

In order to identify the bodies/authorities 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.

A total of 99 annual accounts in respect of 22 Autonomous Bodies/Authorities due up to 2016-17 had not been received as of August 2017 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 Lakhs) |
|----------------|---------------------------------|---------------------------------------|-------------------------------------|
| 1 | 1 – 3 | 1 | Not Available |
| 2 | >3 – 5 | 19 | 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 seven years in respect of the Autonomous Bodies/Authorities.

22 Bodies and Authorities did not submit Annual Accounts of audit. The number of pending accounts was 99 with pendency ranging between one to seven years. Thus, proper utilisation of grants and loans disbursed to these Bodies/Authorities and their accounting remained unverified in audit. **The non-submission/delay in annual accounts dilutes the accountability and defeats the very purpose of preparation of accounts.** The reasons for non-preparation of the accounts were not intimated.

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

14 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 accounts of the Board for the period 2015-17 were not furnished (August 2017). 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 | Yet to be placed | 2 |
| 2012-13 | 2009-14 | 09-06-2015 | -do- | 2 |
| 2013-14 | 2009-14 | 09-06-2015 | -do- | 2 |
| 2014-15 | 2014-19 | 18-07-2016 | -do- | 1 |
| 2015-16 | 2014-19 | Accounts not yet received | -do- | 1 |
| 2016-17 | 2018-19 | Accounts not yet received | -do- | Nil |

Nagaland Electricity Regularity Commission and Nagaland Hospital Authority were established¹⁵ 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 were not furnished since their inception.

3.4 Departmental Commercial Undertakings

Some departmental undertakings perform activities which are of quasi-commercial nature. The financial results of such departmental undertakings are in the form of performa accounts. 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 2017, 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 between 1 and 37 years as of March 2017.

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.

¹⁵ Nagaland Electricity Regulatory Commission (04.03.2008), Nagaland Hospital Authority (01.04.2004)

3.5 Balances lying unspent in Civil Deposits and Bank Accounts

The State Government provides its 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 and Civil Deposits. As the funds are generally not spent fully by the implementing agencies in the financial year of their receipt, they remained 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 14 departments/agencies are presented in the **Table 3.4:**

Table 3.4: Non-utilisation of funds during the year 2016-17

(₹ in crore)

| Sl. No. | Name of the Department/Directorate | Amount drawn | Expenditure incurred | Amount kept in Civil Deposit | Amount kept in Bank Account |
|--------------------|--|--------------|----------------------|------------------------------|-----------------------------|
| 1 | General Manager, Nagaland State Transport | 5.74 | 0.00 | 5.74 | 0.00 |
| 2 | Directorate of Science & Technology | 1.00 | 0.12 | 0.00 | 0.88 |
| 3 | Election Department | 5.22 | 3.77 | 0.84 | 0.61 |
| 4 | Directorate of Labour | 0.89 | 0.00 | 0.89 | 0.00 |
| 5 | Directorate of Urban Development | 12.73 | 0.00 | 12.73 | 0.00 |
| 6 | Youth Resources & Sports | 1.22 | 0.30 | 0.00 | 0.92 |
| 7 | Directorate of Technical Education | 0.33 | 0.00 | 0.33 | 0.00 |
| 8 | Commissioner of Taxes | 1.76 | 0.00 | 1.76 | 0.00 |
| 9 | Transport Commissioner | 0.63 | 0.00 | 0.63 | 0.00 |
| 10 | Directorate of Art & Culture | 1.77 | 0.00 | 1.77 | 0.00 |
| 11 | CE, Irrigation & Flood Control | 2.25 | 0.00 | 2.25 | 0.00 |
| 12 | Director of Sericulture | 0.55 | 0.00 | 0.55 | 0.00 |
| 13 | Directorate of Evaluation | 0.73 | 0.00 | 0.73 | 0.00 |
| 14 | Directorate Information Technology & Communication | 3.96 | 0.00 | 3.96 | 0.00 |
| Grand Total | | 38.78 | 4.19 | 32.18 | 2.41 |

(Source: Departmental Figures)

The above table shows that an amount of ₹ 38.78 crore was drawn by 14 departments during the year 2016-17 for implementation of different schemes. Out of the amount drawn, the departments utilised only an amount of ₹ 4.19 crore (10.80 per cent) during the financial year. **The remaining amount was kept in Civil Deposit ₹ 32.18 crore (82.98 per cent) and current Bank Account ₹ 2.41 crore (6.21 per cent).** In addition to the above, information furnished by six¹⁶ banks revealed that an aggregate amount of ₹ 174.50 crore was lying in the respective bank accounts of 156 DDOs as on 31 March 2017. Out of this, an amount of ₹ 156.18 crore (89.50 per cent) pertained to Private Banks viz Axis Bank (₹ 155.52 crore).

¹⁶ SBI, PNB, BoB, Vijaya Bank, HDFC & Axis Bank

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 2012-13 to 2016-17 are in **Table 3.5**.

Table 3.5: Statement of cess collection and expenditure incurred during 2012-13 to 2016-17

(₹ in crore)

| Year | Receipt during the year | Available Fund | Expenditure | Balance at the end of the year |
|---------|-------------------------|--------------------|-------------|--------------------------------|
| 2012-13 | 3.60 | 4.25 ¹⁷ | 0.00 | 4.25 |
| 2013-14 | 3.56 | 7.81 | 0.68 | 7.13 |
| 2014-15 | 6.17 | 13.30 | 0.42 | 12.88 |
| 2015-16 | 7.22 | 20.10 | 2.00 | 18.10 |
| 2016-17 | 9.23 | 27.33 | 1.40 | 25.93 |

(Source: Information furnished by NBOCW Welfare Board)

The Government of Nagaland had 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 2016-17, out of total available cess fund of ₹ 27.33 crore, the Board could spend only ₹ 1.40 crore (5.12 *per cent*). Out of the total expenditure of ₹ 1.40 crore, grant for purchase of tools was 0.15 crore (10.99 *per cent*), insurance coverage was ₹ 0.05 (3.72 *per cent*), medical assistance was ₹ 0.04 (3.11 *per cent*), children education scholarship was ₹ 0.58 crore (41.40 *per cent*) and maternity benefit for women was ₹ 0.08 crore (5.38 *per cent*). Moreover, an expenditure of 0.50 crore was also made in skill labour training.

It could be seen that the fund received under the cess had increased over the years. However, the Board could not substantially utilise the available balances.

3.7 Misappropriation, loss, defalcation, etc.

There were 25 cases of misappropriation, loss etc. involving Government money amounting to ₹ 230.33 crore up to the period 31 March 2017 on which final action was pending. The

¹⁷ Including the balance amount of ₹ 0.65 crore at the end of 2011-12

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 | 23 | Bifurcation amount of range in years were not provided by the Deptts. Hence, only the consolidated total is shown. | Theft | 1 | 0.01 |
| 5 - 10 | 2 | | Misappropriation/Loss | 21 | 221.76 |
| 10 - 15 | - | | Defalcation | 3 | 8.56 |
| Total | 25 | | | 25 | 230.33 |

(Source: Vigilance & Anti-Corruption)

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 | 19 | 221.35 |
| ii) | Departmental action initiated but not finalized. | 5 | 3.37 |
| iii) | Criminal proceedings finalized but execution of certificate cases for recovery of the amount pending. | 0 | 0.00 |
| iv) | Awaiting orders for recovery or write off. | 0 | 0.00 |
| v) | Pending in the courts of law. | 1 | 5.61 |
| Total | | 25 | 230.33 |

(Source: Vigilance & Anti-Corruption)

The highest amount of misappropriation that amounted to ₹ 74.83 crore, involved one case in Youth Resources & Sports Department, out of which an amount of ₹ 0.05 crore had been recovered so far.

3.8 Follow up action on Audit Reports

The reports of the Comptroller and Auditor General of India on State Finances in respect of the Government of Nagaland have been commencing upon Government's finances since 2008-09. These Audit Reports can achieve the desired results only if they evoke positive and adequate response from the administration itself. To ensure accountability of the executive about the issues contained in the Audit Reports, the Public Accounts Committee of Nagaland Legislative Assembly issued instructions (December 2002) for submission of *suo motu* explanatory notes by the concerned Administrative Departments within one month of presentation of the Audit Reports to the State Legislature.

The Audit Reports on State Finances for the years from 2008-09 to 2015-16 were placed before the State Legislature on 27.03.2010; 28.03.2011; 22.03.2012; 18.03.2013; 25.07.2014; 17.03.2015; 19.03.2016 and 28.03.2017 respectively, *suo motu* explanatory notes on the observations made on those Audit Reports had not been intimated by the departments.


3.9 Conclusion

Timely submission of utilisation certificates is a major area of concern. At the end of March 2017, 286 UCs involving an aggregate amount of ₹ 909.61 crore were pending for submission even after a lapse of one to six years from various departments.

The accounts of the State Autonomous Bodies and Departmental Commercial Undertakings were overdue; however, they were not submitted to Audit.

As on 31 March 2017, 25 cases of misappropriation, defalcation etc. involving ₹ 230.33 crore pertaining to 14 Departments, private firms¹⁸ and various other departments were pending finalisation.

Kohima
Dated: 01 March 2018


(A.P. CHOPHY)
Accountant General (Audit), Nagaland

Countersigned

New Delhi
Dated : 09 March 2018


(RAJIV MEHRISHI)
Comptroller and Auditor General of India

¹⁸ Details of misappropriation, defalcation etc pertaining to private firms were not furnished.

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.

Audit Report on State Finances for the year ended 31 March 2017

Appendix – 1.1

(Reference: Para 1.1; Page 2)

Part B: Layout of Finance Accounts

| Statement | Layout |
|---------------------------|--|
| VOLUME I | |
| | 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 |
| VOLUME II | |
| Part I | |
| 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 |
| PART II Appendices | |
| 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

(Reference: Para 1.7.2 & 1.10; Page 26 & 37)

Part C: Methodology Adopted for the Assessment of Fiscal Position

The norms/ceilings prescribed by the XIV FC 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)

| | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 |
|---|---------|---------|---------|---------|---------|
| Gross State Domestic Product (₹ in crore) | 13619 | 16612 | 18414 | 20524 | 21119 |
| Growth rate of GSDP | 15.04 | 21.98 | 10.85 | 11.46 | 2.90 |

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

| Term | Basis of calculation |
|---|---|
| Buoyancy of a parameter | Rate of Growth of the parameter/GSDP Growth |
| Buoyancy of a parameter (X) with respect to another parameter (Y) | Rate of Growth of parameter (X)/ Rate of Growth of parameter (Y) |
| Rate of Growth (ROG) | $[(\text{Current year Amount}/\text{Previous year Amount})-1]*100$ |
| 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 |
| Fiscal Deficit | Revenue Expenditure + Capital Expenditure + Net Loans and Advances – Revenue Receipts – Miscellaneous Capital Receipts. |
| Primary Deficit | Fiscal Deficit – Interest payments |
| Balance from Current Revenue (BCR) | Revenue Receipts minus all plan grants and Non-plan Revenue Expenditure excluding expenditure recorded under the major head 2048 – Appropriation for reduction of Avoidance of debt. |

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| | |
|------------------------------------|--|
| Compound Annual Growth Rate (CAGR) | The compound annual growth rate is calculated by taking the n^{th} root of the total percentage growth rate, where n is the number of years in the period being considered. $\text{CAGR} = \left[\frac{\text{ending value}}{\text{beginning value}} \right]^{1/\text{no of years}} - 1$ |
| GSDP | GSDP is defined as the total income of the State or the market value of goods and services produced using labour and all other factors of production at current prices. |
| Buoyancy ratio | Buoyancy ratio indicates the elasticity or degree of responsiveness of a fiscal variable with respect to a given change in the base variable. For instance, revenue buoyancy at 0.7 implies that revenue receipts tend to increase by 0.7 percentage points, if the GSDP increases by one per cent. |
| Core Public and Merit Goods | Core public goods are which all citizens enjoy in common in the sense that each individual's consumption of such goods lead to no subtractions from any other individual's consumption of the goods, e.g. enforcement of law and order, security and protection of our rights; pollution free air, other environmental 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. |
| Debt Sustainability | The Debt sustainability is defined as the ability of the State to maintain a constant debt-GSDP ratio over a period of time and also embodies the concern about the ability to service its debt. Sustainability of debt therefore also refers to sufficiency of liquid assets to meet current or committed obligations and the capacity to keep balance between costs of additional borrowings with returns from such borrowings. It means that rise in fiscal deficit should match with the increase in capacity to service the debt. |
| Debt Stabilisation | A necessary condition for stability states that if the rate of growth of economy exceeds the interest rate or cost of public borrowings, the debt-GSDP ratio is likely to be stable provided primary balances are either zero or positive or are moderately negative. Debt sustainability condition states that if the rate of growth of GSDP exceeds the rate of interest on public debt, debt would stabilize eventually. |

| | |
|------------------------------------|---|
| Non-debt receipts | Adequacy of incremental non-debt receipts of the State to cover the incremental interest liabilities and incremental primary expenditure. The debt sustainability could be significantly facilitated if the incremental non-debt receipts could meet the incremental interest burden and the incremental primary expenditure. |
| Net availability of borrowed funds | Defined as the ratio of the debt redemption (principal + interest payments) to total debt receipts and indicates the extent to which the debt receipts are used in debt redemption indicating the net availability of borrowed funds. |
| Theft | Whoever intending to take dishonestly any movable property out of the possession of any person without that person's consent, moves that property in order to such taking is said to commit theft. |
| Misappropriation | Dishonestly misappropriating or converting to own use any property, or dishonestly using or disposing of that property in violation of any direction of law prescribing the mode in which such trust is to be discharged, or of any legal contract, express or implied. |
| Defalcation | Defalcation is misappropriation of funds by a person trusted with its charge; also, the act of misappropriation, or an instance thereof. |

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) | 18.90 | | | |
| 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) | NA | | | |
| B. Financial Data | | | | | |
| Particulars | | Figures(in per cent) | | | |
| CAGR (per cent) | | 2007-08 to 2015-16 | | 2015-16 to 2016-17 | |
| | | Special Category* States (SCS) | Nagaland | SCS* | Nagaland |
| a. | Revenue Receipts | 13.40 | 13.69 | 14.44 | 17.40 |
| b. | Tax Revenue | 17.20 | 16.56 | 4.99 | 19.59 |
| c. | Non Tax Revenue | 6.58 | 10.29 | 21.61 | 35.26 |
| d. | Total Expenditure | 11.78 | 12.90 | 18.78 | 12.59 |
| e. | Capital Expenditure | 6.17 | 3.36 | 50.62 | 1.59 |
| f. | Revenue Expenditure on Education | 15.30 | 15.46 | 13.86 | 5.11 |
| g. | Revenue Expenditure on Health | 17.91 | 15.12 | 20.55 | 5.55 |
| h. | Salary and Wages | 15.95 | 16.45 | 4.41 | 1.67 |
| i. | Pension | 17.87 | 19.60 | 11.76 | 6.29 |

Appendix 1.2

(Reference: Para 1.1, 1.3 & 1.9.2; Pages 2, 10 & 33)

Time series data on the State Government finances

(`in crore)

| | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|
| Part A. Receipts | | | | | |
| 1. Revenue Receipts¹⁷ | 6202.33 | 6495.67 | 7648.67 | 8040.79 | 9439.79 |
| (i) Tax Revenue | 339.95(6) | 333.39(5) | 388.61(5) | 427.10(5) | 510.75(5) |
| Taxes on Agricultural Income | - | - | - | - | - |
| Taxes on Sales, Trade, etc. | 257.21(76) | 250.20(75) | 294.29(76) | 328.58(77) | 400.12(78) |
| State Excise | 3.73(1) | 4.86(1) | 4.70(1) | 5.12(1) | 4.62(1) |
| Taxes on Vehicles | 41.59(12) | 36.15(11) | 46.46(12) | 53.09(13) | 57.39(11) |
| Stamps and Registration fees | 1.58(1) | 1.77(1) | 1.93(1) | 2.04(1) | 2.05(0) |
| Land Revenue | 0.72(0) | 0.70(0) | 0.74(0) | 0.75(0) | 0.82(0) |
| Taxes on Goods and Passengers | 6.71(2) | 10.79(3) | 9.73(2) | 5.88(1) | 14.76(3) |
| Other Taxes | 28.41(8) | 28.92(9) | 30.76(8) | 31.64(7) | 30.99(6) |
| (ii) Non Tax Revenue | 205.21(3) | 214.34(3) | 268.34(3) | 253.61(3) | 343.03(4) |
| (iii) State's share of Union taxes and duties | 917.14(15) | 1001.27(16) | 1062.68(14) | 2540.72(32) | 3032.63(32) |
| (iv) Grants in aid from Government of India | 4740.03(76) | 4946.67(76) | 5929.04(78) | 4819.36(60) | 5553.38(59) |
| 2. Miscellaneous Capital Receipts | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 3. Recoveries of Loans and Advances | 0.85 | 1.01 | 0.71 | 0.50 | 1.09 |
| 4. Total Revenue and Non debt capital receipts (1+2+3) | 6203.18 | 6496.68 | 7649.38 | 8041.29 | 9440.88 |
| 5. Public Debt Receipts | 2730.12 | 1976.41 | 2414.87 | 3545.94 | 5444.35 |
| Internal debt (excluding Ways and Means Advances and Overdrafts) | 764.72 | 619.16 | 725.00 | 1068.40 | 1182.44 |
| Net transactions under Ways and Means Advances and Overdrafts | 1965.40 | 1357.25 | 1689.87 | 2477.54 | 4261.91 |
| Loans and Advances from Government of India | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 6. Total Receipts in the Consolidated Fund (4+5) | 8933.30 | 8473.09 | 10064.25 | 11587.23 | 14885.23 |
| 7. Contingency Fund Receipts | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 8. Public Account Receipts | 3041.66 | 3130.09 | 2661.92 | 3226.12 | 2933.99 |
| 9. Total Receipts of the State (6+7+8) | 11974.96 | 11603.18 | 12726.17 | 14813.35 | 17819.22 |
| Part B. Expenditure/Disbursement | | | | | |
| 10 Revenue Expenditure | 5599.43 | 5748.11 | 6760.14 | 7579.14 | 8649.45 |
| Plan | 1030.10(18) | 846.01(15) | 1229.30(18) | 1122.66(15) | 1731.63(20) |
| Non Plan | 4569.33(82) | 4902.10(85) | 5530.84(82) | 6456.48(85) | 6917.82(80) |
| General Services (including interest payments) | 2535.84(45) | 2730.25(47) | 3130.97(46) | 3620.47(48) | 3893.96(45) |
| Social Services | 1461.78(26) | 1701.56(30) | 1855.17(28) | 2093.61(28) | 2295.21(27) |
| Economic Services | 1601.81(29) | 1316.30(23) | 1774.00(26) | 1865.06(25) | 2460.28(28) |
| Grants-in-aid and contributions | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 11. Capital Expenditure | 1255.18 | 1207.06 | 1023.17 | 1059.23 | 1076.10 |
| Plan | 1249.13(99) | 1187.96(98) | 1022.95(100) | 1059.23(100) | 1076.10 |
| Non Plan | 6.05(1) | 19.10(2) | 0.22(0) | 0.00(0) | 0.00(0) |
| General Services | 211.01(17) | 181.19(15) | 160.95(16) | 105.78(10) | 132.55(12) |
| Social Services | 346.81(28) | 324.47(27) | 350.99(34) | 287.49(27) | 431.73(40) |
| Economic Services | 697.36(55) | 701.40(58) | 511.23(50) | 665.96(63) | 511.82(48) |

¹⁷ Revenue receipts are exclusive of expenditure on State Lotteries

Audit Report on State Finances for the year ended 31 March 2017

| | | | | | |
|---|---------------------|--------------------|-----------------|-----------------|-----------------|
| 12. Disbursement of Loans and Advances | 2.16 | 0.92 | 0.19 | 0.19 | 0.19 |
| 13. Total Expenditure(10+11+12) | 6856.77 | 6956.09 | 7783.50 | 8638.56 | 9725.74 |
| 14. Repayments of Public Debt | 2343.19 | 1436.92 | 2306.08 | 2705.35 | 5065.03 |
| Internal Debt (excluding Ways and Means Advances and Overdrafts) | 313.45 | 246.32 | 279.11 | 496.30 | 491.81 |
| Net transactions under Ways and Means Advances and Overdraft | 2007.77 | 1168.10 | 2005.36 | 2187.51 | 4551.68 |
| Loans and Advances from Government of India | 21.97 | 22.50 | 21.61 | 21.54 | 21.54 |
| 15. Appropriation to Contingency Fund | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 16. Total disbursement out of Consolidated fund (13+14+15) | 9199.96 | 8393.01 | 10089.58 | 11343.91 | 14790.77 |
| 17. Contingency Fund disbursements | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 18. Public Account disbursements | 2822.67 | 2796.33 | 2895.22 | 3011.82 | 2661.41 |
| 19. Total disbursement by the State (16+17+18) | 12022.63 | 11189.34 | 12984.80 | 14355.73 | 17452.18 |
| Part C. Deficits | | | | | |
| 20. Revenue Deficit(-)/ Revenue surplus(+) (1-10)* | 602.90 | 747.56 | 888.53 | 461.65 | 790.34 |
| 21. Fiscal Deficit(-)/ Fiscal Surplus(+) (4-13) | -653.59 | -459.41 | -134.12 | -597.27 | -284.86 |
| 22. Primary deficit(-)/Surplus(+) (21+23) | -202.95 | 34.43 | 421.22 | -10.82 | 350.64 |
| Part D. Other data | | | | | |
| 23. Interest Payments (included in revenue expenditure) | 450.64 | 493.84 | 555.34 | 586.45 | 635.50 |
| 24. Financial assistance to local bodies etc. | 232.50 | 293.11 | 250.60 | 120.63 | 170.87 |
| 25. Ways and Means Advances/ Overdraft availed (days) | 1965.40(109) | 1357.25(83) | 1689.87 | 2477.54 | 4261.65 |
| Ways and Means Advances availed (days) | 1481.41(97) | 812.22(60) | 1329.40 (96) | 2290.72(101) | 4103.85(138) |
| Overdraft availed (days) | 483.99(12) | 545.03(23) | 360.47 (30) | 186.82 (9) | 157.80(7) |
| 26. Interest on Ways and Means Advances/ Overdraft | 3.07 | 2.66 | 4.00 | 3.11 | 6.87 |
| 27. Gross State Domestic Product (GSDP) | 13619 | 16612 | 18414 | 20524 | 21119 |
| 28. Outstanding Fiscal liabilities (year end) | 7452.54 | 8356.91 | 7953.73 | 8931.64 | 9557.35 |
| 29. Outstanding guarantees (year end) (including interest) | 70.22 | 70.22 | 70.22 | 70.22 | 81.19 |
| 30. Maximum amount guaranteed (year end) | 5.00 | 0.00 | 0.00 | 0.00 | 26.50 |
| 31. Number of incomplete projects | 75 | 77 | 213 | 373 | 340 |
| 32. Capital blocked in incomplete projects | 623.85 | 702.97 | 863.09 | 2100.61 | 2030.18 |
| Part E. Fiscal Health Indicators | | | | | |
| I Resource Mobilization | | | | | |
| Own tax revenue/GSDP | 2.50 | 2.01 | 2.11 | 2.08 | 2.42 |
| Own non-Tax Revenue/GSDP | 1.51 | 1.29 | 1.46 | 1.24 | 1.62 |
| Central Transfer/GSDP | 6.73 | 6.03 | 5.77 | 12.38 | 14.36 |
| II Expenditure Management | | | | | |
| Total Expenditure/GSDP | 50.35 | 41.87 | 42.27 | 42.09 | 46.05 |
| Total Expenditure/Revenue Receipts | 110.55 | 107.09 | 101.76 | 107.43 | 103.03 |
| Revenue Expenditure/Total Expenditure | 81.66 | 82.63 | 86.85 | 87.74 | 88.93 |
| Expenditure on Social Services/ Total Expenditure | 26.38 | 29.13 | 28.34 | 27.56 | 28.04 |

Appendix

| | | | | | |
|--|----------|----------|----------|--------|--------|
| Expenditure on Economic services/ Total Expenditure | 33.53 | 29.01 | 29.36 | 29.30 | 30.56 |
| Capital Expenditure/Total Expenditure | 18.31 | 17.35 | 13.15 | 12.26 | 11.06 |
| Capital Expenditure on Social and Economic Services/Total Expenditure. | 15.23 | 14.75 | 11.08 | 11.04 | 9.70 |
| III Management of Fiscal Imbalances | | | | | |
| Revenue deficit (surplus)/GSDP | 4.43 | 4.50 | 4.83 | 2.25 | 3.74 |
| Fiscal deficit/GSDP | -4.80 | -2.77 | -0.73 | -2.91 | -1.35 |
| Primary Deficit (surplus)/GSDP | -1.49 | 0.21 | 2.29 | -0.05 | 1.66 |
| Revenue deficit/Fiscal deficit | * | * | * | * | * |
| Primary Revenue Balance/GSDP | 3.96 | 3.25 | 3.53 | 3.29 | 4.01 |
| IV Management of Fiscal Liabilities | | | | | |
| Fiscal Liabilities/GSDP | 54.72 | 50.31 | 43.19 | 43.52 | 45.25 |
| Fiscal Liabilities/RR | 120.16 | 128.65 | 103.99 | 111.08 | 101.25 |
| Debt Redemption (Principal+Interest)/Total debt Receipts | 96.89 | 115.28 | 110.06 | 97.50 | 92.17 |
| V Other Fiscal Health Indicators | | | | | |
| Return on Investment | 0.00 | 0.00 | 0.00 | 4.94 | 0.00 |
| Balance from Current Revenue (Rs in crore) | -1036.96 | -1269.84 | -1702.17 | 276.05 | 739.32 |
| Financial assets/Liabilities | 1.51 | 1.54 | 1.72 | 1.70 | 1.74 |

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

**The State experienced Revenue Surplus during all the years*

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Appendix 1.3

(Reference: Para 1.1.1; Page 2)

Abstract of Receipts and Disbursements for the year 2015-16

(₹ in crore)

| Receipts | | | | Disbursement | | | | | | |
|----------------|-----------|---|----------------|----------------|-----------|--|----------------|----------------|----------------|----------------|
| 2015-16 | | 2016-17 | 2015-16 | | | Non-Plan | Plan | Total | 2016-17 | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| 8040.79 | I | Revenue receipts | 9439.79 | 7579.14 | I | Revenue expenditure | 6917.82 | 1731.63 | 8649.45 | 8649.45 |
| 427.10 | | Tax revenue | 510.75 | 3620.47 | | General services | 3841.66 | 52.30 | 3893.96 | |
| | | | | 2093.61 | | Social services | 1656.08 | 639.13 | 2295.21 | |
| 253.61 | | Non-Tax revenue | 343.03 | 1229.17 | | Education, Sports, Art and culture | 1042.45 | 249.50 | 1291.95 | |
| | | | | 457.04 | | Health and Family Welfare | 345.19 | 137.22 | 482.41 | |
| 2540.72 | | State's share of Union Taxes | 3032.63 | 116.44 | | Water Supply, Sanitaitaion, Housing and Urban development | 107.48 | 47.45 | 154.93 | |
| | | | | 26.57 | | Information and Broadcasting | 27.31 | 0.00 | 27.31 | |
| 3310.43 | | Non-Plan grants | 3545.73 | 27.02 | | Welfare of Scheduled Castes, scheduled Tribes and other Backward Classes | 0.00 | 27.32 | 27.32 | |
| 193.05 | | Grants for State Plan Schemes | 214.71 | 41.95 | | Labour and labour Welfare | 26.93 | 4.72 | 31.65 | |
| | | | | 180.43 | | Social Welfare and Nutrition | 92.81 | 172.92 | 265.73 | |
| 1315.88 | | Grants for Central and Centrally Sponsored plan Schemes | 1792.94 | 14.99 | | Others | 13.91 | 0.00 | 13.91 | |
| | | | | 1865.06 | | Economic Services | 1420.08 | 1040.20 | 2460.28 | |
| | | | | 430.98 | | Agriculture and Alied Activities | 316.64 | 163.05 | 479.69 | |
| | | | | 323.60 | | Rural Development | 53.79 | 757.27 | 811.06 | |
| | | | | 20.42 | | Special Areas Programmes | 6.43 | 20.93 | 27.36 | |
| | | | | 27.71 | | Irrigation and Flood Control | 26.05 | 0.65 | 26.70 | |
| | | | | 372.53 | | Energy | 431.80 | 0.16 | 431.96 | |
| | | | | 106.52 | | Industry and Minerals | 100.77 | 2.09 | 102.86 | |
| | | | | 411.12 | | Transport | 398.48 | 0.30 | 398.78 | |
| | | | | 8.64 | | Science, Technology and environment | 5.89 | 3.54 | 9.43 | |
| | | | | 163.54 | | General Economic Services | 80.23 | 92.21 | 172.44 | |
| | | | | 0.00 | | Grants-in-aid and Contributions | 0.00 | 0.00 | 0.00 | |
| | | | | 7579.14 | | Total | 6917.82 | 1731.63 | 8649.45 | |
| 0.00 | II | Revenue deficit carried over to section B | 0.00 | 461.65 | II | Revenue surplus carried over to Section B | | | | 790.34 |
| 7648.67 | | Total | 9439.79 | 8040.79 | | Total | | | | 9439.79 |

| <i>Section B: Others</i> | | | | | | | | | | |
|--------------------------|-----|---|--------|---------|-----|--|------|---------|---------|---------|
| 435.73 | III | Opening Cash balance including Permanent advances and cash Balance Investment | 893.35 | 0.00 | III | Opening Overdraft from Reserve Bank of India | | | | 0.00 |
| 0.00 | IV | Miscellaneous Capital receipts | 0.00 | 1059.23 | IV | Capital Outlay | 0.00 | 1076.10 | 1076.10 | 1076.10 |
| | | | | 105.78 | | General Services | 0.00 | 132.55 | 132.55 | |
| | | | | 287.49 | | Social services | 0.00 | 431.73 | 431.73 | |
| | | | | 48.77 | | Education, Sports, Art and culture | 0.00 | 27.14 | 27.14 | |
| | | | | 7.92 | | Health and Family Welfare | 0.00 | 13.19 | 13.19 | |
| | | | | 214.51 | | Water supply, Sanitation, Housing and Urban Development | 0.00 | 385.42 | 385.42 | |
| | | | | 1.11 | | Information and Broadcasting | 0.00 | 2.00 | 2.00 | |
| | | | | 0.00 | | Welfare of scheduled Castes, Scheduled Tribes and Other Backward Classes | 0.00 | 0.00 | 0.00 | |
| | | | | 14.30 | | Social Welfare and Nutrition | 0.00 | 3.09 | 3.09 | |
| | | | | 0.88 | | Others | 0.00 | 0.89 | 0.89 | |
| | | | | 665.96 | | Economic Services | 0.00 | 511.82 | 511.82 | |
| | | | | 18.19 | | Agriculture and Allied activities | 0.00 | 14.89 | 14.89 | |
| | | | | 0.00 | | Rural Development | 0.00 | 0.00 | 0.00 | |
| | | | | 209.55 | | Special Areas Programmes | 0.00 | 228.90 | 228.90 | |
| | | | | 98.18 | | Irrigation and Flood Control | 0.00 | 39.62 | 39.62 | |
| | | | | 63.20 | | Energy | 0.00 | 33.31 | 33.31 | |
| | | | | 15.17 | | Industry and Minerals | 0.00 | 13.42 | 13.42 | |
| | | | | 254.32 | | Transport | 0.00 | 175.19 | 175.19 | |
| | | | | 5.47 | | General Economic Services | 0.00 | 5.49 | 5.49 | |
| | | | | 1.88 | | Science, Technology and environment | 0.00 | 1.00 | 1.00 | |

Audit Report on State Finances for the year ended 31 March 2017

| | | | | | | | | | | |
|----------------|-------------|---|----------------|----------------|-------------|---|------|------|----------------|----------------|
| 0.50 | V | Recoveries of Loans and Advances | 1.09 | 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 | |
| 0.46 | | From Government Servants | 0.46 | 0.19 | | To Government servants | 0.19 | 0.00 | 0.19 | |
| 0.04 | | From Others | 0.63 | 0.00 | | To Others | 0.00 | 0.00 | 0.00 | |
| 461.65 | VI | Revenue surplus brought down | 790.34 | | VI | Revenue Deficit brought down | | | | 0.00 |
| 2414.87 | VII | Public debt receipts | 5444.35 | 2306.08 | VII | Repayment of Public debt | | | 5065.03 | 5065.03 |
| 0.00 | | External debt | 0 | 0.00 | | External debt | | | 0 | |
| 725.00 | | Internal debt other than Ways and Means Advances and Overdrafts | 1182.44 | 279.11 | | Internal debt other than Ways and Means advances and Overdrafts | | | 491.81 | |
| 1329.4 | | Net transactions under Ways and Means Advances | 4103.85 | 1468.17 | | Net transactions under ways and Means Advances | | | 4393.88 | |
| 360.47 | | Net transactions under overdraft | 157.8 | 537.19 | | Net transactions under overdrafts | | | 157.80 | |
| 0.00 | | Repayment of Loans and Advances from Central Government | 0.26 | 21.61 | | Repayment of Loans and Advances to Central Government | | | 21.54 | |
| 0.00 | VIII | Appropriation to Contingency Fund | 0.00 | 0.00 | VIII | Appropriation to Contingency Fund | | | 0.00 | 0.00 |
| 0.00 | IX | Amount transferred to Contingency Fund | 0.00 | 0.00 | IX | Expenditure from Contingency Fund | | | 0.00 | 0.00 |
| 2661.92 | X | Public Account receipts | 2933.99 | 2895.22 | X | Public Account disbursements | | | 2661.41 | 2661.41 |
| 301.80 | | Small Savings and Provident funds | 309.65 | 246.45 | | Small Savings and Provident Funds | | | 280.55 | |
| 69.36 | | Reserve Funds | 251.08 | 28.35 | | Reserve Funds | | | 26.08 | |
| 56.36 | | Suspense and Miscellaneous | 50.3 | 55.80 | | Suspense and Miscellaneous | | | 56.13 | |
| 2062.54 | | Remittance | 1799.23 | 1785.00 | | Remittances | | | 1767.23 | |
| 171.86 | | Deposits and Advances | 523.73 | 779.62 | | Deposits and Advances | | | 531.42 | |

| | | | | | | | | | | |
|----------------|----|---|-----------------|----------------|----|--|--|--|-----------------|-----------------|
| 0.00 | XI | Closing Overdraft from Reserve Bank of India | 0.00 | 435.73 | XI | Cash Balance at end of year | | | 1260.39 | 1260.39 |
| | | | | 0.00 | | Cash in Treasuries and Local Remittances | | | 0.00 | |
| | | | | (-)250.36 | | Deposits with Reserve Bank | | | 226.92 | |
| | | | | 316.08 | | Departmental Cash Balance including permanent Advances | | | 343.86 | |
| | | | | 141.48 | | Cash Balance Investment | | | 35.41 | |
| | | | | 228.53 | | Investment in earmarked funds | | | 654.20 | |
| 6660.39 | | Total | 10063.12 | 6660.39 | | Total | | | 10063.12 | 10063.12 |

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Appendix 1.4

(Reference: Para 1.9.1; Page 32)

Summarised financial position of the Government of Nagaland as on 31.03.2017

(₹ in crore)

| As on 31.03.2016 | | Liabilities | As on 31.03.2017 | |
|------------------|------------|--|------------------|----------------|
| 6529.46 | | Internal Debt - | | 6930.07 |
| | 5362.38 | Market Loans bearing interest | 6094.75 | |
| | 0.03 | Market Loans not bearing interest | 0.03 | |
| | 20.76 | Loans from Life Insurance Corporation of India | 15.67 | |
| | 856.26 | Loans from other Institutions | 819.62 | |
| | 290.03 | Ways and Means Advances | 0.00 | |
| | 0.00 | Overdrafts from Reserve Bank of India | 0.00 | |
| 206.78 | | Loans and Advances from Central Government- | | 185.49 |
| | 0.35 | Pre 1984-85 Loans | 0.35 | |
| | 14.49 | Non-Plan Loans | 13.74 | |
| | 154.22 | Loans for State Plan Schemes | 134.19 | |
| | 0.18 | Loans for Central Plan Schemes | 0.18 | |
| | 29.13 | Loans for Centrally Sponsored Plan schemes | 28.86 | |
| | 0.00 | Ways and Means Advances | 0.00 | |
| | 8.41 | Loans for Spl. Scheme | 8.17 | |
| 0.35 | | Contingency Fund | | 0.35 |
| 862.08 | | Small Savings, Provident funds, etc. | | 891.18 |
| 934.80 | | Deposits | | 927.09 |
| 398.52 | | Reserve Funds | | 623.52 |
| 0 | | Suspense and Miscellaneous Balances | | 0 |
| (-728.21) | | Remittance Balances | | (-696.20) |
| 8203.78 | | Total | | 8861.50 |
| Assets | | | | |
| 14149.23 | | Gross Capital Outlay on Fixed Assets - | | 15225.33 |
| | 290.60 | Investments in shares of Companies, Corporations, etc. | 291.75 | |
| | 13858.63 | Other Capital Outlay | 14933.58 | |
| 26.51 | | Loans and Advances - | | 25.60 |
| | 0.00 | Loans for Power Projects | 0.00 | |
| | 25.38 | Other Development Loans | 24.74 | |
| | 1.13 | Loans to Government servants and Miscellaneous loans | 0.86 | |
| 0.00 | | Reserve Fund Investments | | 0.00 |
| 0.33 | | Advances | | 0.32 |
| 91.37 | | Suspense and Miscellaneous Balances | | 97.21 |
| 893.35 | | Cash - | | 1260.39 |
| | 0.00 | Cash in Treasuries and Local Remittances | 0.00 | |
| | 156.34 | Deposits with Reserve Bank | 226.92 | |
| | 307.81 | Departmental Cash Balance | 343.86 | |
| | 0.00 | Permanent Advances | 0.00 | |
| | 429.20 | Investment on earmarked funds | 654.20 | |
| | 0.00 | Cash Balance investments | 35.41 | |
| (-6957.01) | | Deficit on Government account - | | (-7747.35) |
| | (-461.65) | (i) Less Revenue Surplus of the current year | (-790.34) | |
| | 0.00 | (ii) Miscellaneous deficit | 0.00 | |
| | (-6495.36) | Accumulated deficit at the beginning of the year | (-6957.01) | |
| 8203.78 | | | | 8861.50 |

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 10)

Statement showing the funds transferred to the State Implementing Agencies under Programmes/Schemes outside the State budget during 2016-17

(₹ in lakh)

| Sl. No. | Programme/Scheme | Implementing Agency | 2016-17 |
|---------|---|--|---------|
| 1 | Kala Sanskriti Vikas Yojana | Abiogenesis Society | 13.92 |
| 2 | | Ayolta Human Resources Society | 0.13 |
| 3 | | Charity Welfare Society | 0.13 |
| 4 | | Indigenous Cultural Society | 4.80 |
| 5 | | Konyak Tribal Welfare Society | 449.55 |
| 6 | | Tenak Society | 0.25 |
| 7 | | Tuophema Youth Cultural Club | 2.52 |
| 8 | Statutory Institutions | Medicinal Plants Board Agency | 49.76 |
| 9 | | State Medicinal Plants Board Society | 30.00 |
| 10 | Marketing Support and Services and Expert Promotion Scheme. | Nagaland Handloom Society | 1.27 |
| 11 | | Nagaland Handloom and Handicrafts Development Corporation Ltd. | 42.55 |
| 12 | National Handloom Development Programmes. | Nagaland Apex Weavers and Artisans Co-operative Federation Ltd. (WEAFED) Dimapur | 15.00 |
| 13 | | Nagaland Handloom and Handicrafts Development Corporations | 197.80 |
| 14 | Propagation of RTI ACT. Improving | Administrative Training Institute Kohima | 17.00 |
| 15 | | Nagaland Information Commission | 3.00 |
| 16 | Training for All Support for Training Activities and Personal P.G&P | Administrative Training Institute, Kohima | 68.63 |
| 17 | Protection and Employment of Women | Administrative Training Institute, Kohima | 5.06 |
| 18 | | Longi Lenden Welfare Society | 266.94 |
| 19 | | Porbami Women Welfare Society | 63.57 |
| 20 | | Thito Elders Welfare Society | 111.97 |
| 21 | Handicraft Artisans Comprehensive Welfare | Nagaland Handloom and Handicrafts Development Corporation Ltd | 5.00 |
| 22 | Environment Protection and Monitoring | Nagaland Institute of Health, Environment and Social Welfare | 13.89 |
| 23 | Indigenous Breeds | Nagaland Live Stock Development Board | 31.91 |
| 24 | National Programme for Bovine breeding. | | 200.00 |
| 25 | National Mission on Sustainable Agriculture. | Nagaland Organic Mission | 1244.85 |
| 26 | OFF GRID/Distributed and Decentralised | Nagaland Renewable Energy Development Agency (NREDA) | 1501.26 |
| 27 | GRID Interactive Renewable Power MNRE | Charity Welfare Society | 1.00 |
| 28 | | Nagaland Renewable Energy Development Agency (NREDA) | 295.20 |
| 29 | Pradhan Mantri Kausal Vikas Yojana CS | Nagaland Skill Development Initiative Society. | 1455.60 |
| 30 | | Vacational Training Projects Implementation Society of Nagaland | 236.95 |
| 31 | Capacity Building and Publicity IT | Agape Youth Welfare Organisation-EB | 1.50 |
| 32 | | Director of Industries and Commerce | 16.54 |
| 33 | | Nagaland Tool Room and Training Centre | 26.05 |
| 34 | Atal Innovation Mission | AIM-Kohima | 0.26 |

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| | | | |
|----|---|--|---------|
| 35 | | AIM-Mon | 0.25 |
| 36 | | AIM-Tuensang | 0.25 |
| 37 | | AIM-Wokha | 0.25 |
| 38 | Digital India E-Learning | Aishe, Nagaland | 1.93 |
| 39 | Digital India Programme | Nagaland State E-Governance Society | 92.00 |
| 40 | Integrated Scheme on Agriculture | Nagaland State Agricultural Marketing Board | 447.42 |
| 41 | National AIDS and STD Control | Nagaland State AIDS Control Society | 2171.41 |
| 42 | National Plan for Dairy Development | Nagaland State Dairy Co-operation Federation LTD | 100.00 |
| 43 | National Mission for Justice Delivery | Nagaland State Legal Services Authority | 68.20 |
| 44 | | Registrar General, High Court of Guwahati, Nagaland | 157.69 |
| 45 | Centenaries and Anniversaries Celebrations | All Nagaland Zeleangrong Students Union(AMN) | 6.30 |
| 46 | | Nagaland Art and Culture | 350.00 |
| 47 | Development of Museums (Culture) | Ayolta Human Resources Society | 250.00 |
| 48 | | Director of Art and culture, Kohima | 750.00 |
| 49 | | Kipi Qomi Welfare Society | 250.00 |
| 50 | | Tenak Society | 250.00 |
| 51 | | Triabal Art and Textile Museums Society | 36.79 |
| 52 | Scheme for Prevention of Alcoholism | Ayolta Human Resources Society | 19.46 |
| 53 | | Bethesda Youth Welfare Centre DMR | 7.58 |
| 54 | | Prodigals Home | 9.45 |
| 55 | | Youth Mission | 6.99 |
| 56 | National Service Scheme NSS CS | Nagaland State NSS Cell | 33.13 |
| 57 | National Rural Livelihood Mission | Nagaland State Rural Livelihoods Mission Society (NSRLM) | 190.29 |
| 58 | Technology Development Programme | Nagaland State Science and Technology Council | 32.85 |
| 59 | Alliance and R&D Mission | Nagaland State Science and Technology Council | 156.03 |
| 60 | | State Council of Educational Research and Training | 3.60 |
| 61 | | Nagaland University | 2.64 |
| 62 | Baba sahib Ambedkar Hastshilpa Vikas Yojana | Nagaland State Welfare Board | 7.35 |
| 63 | Rashtriya Yuva Sashaktikaran Karyakram | Boji Multipurpose Society | 2.28 |
| 64 | | Indigenous Cultural Society | 3.28 |
| 65 | | Rural Farmer Association | 2.28 |
| 66 | Rashtriya Krishi Vikas Yojana (RKVY) | Central Institute of Horticulture | 3.18 |
| 67 | North Eastern Council | Central Institute of Horticulture | 594.00 |
| 68 | | Development Authority | 10.00 |
| 69 | | Directorate of Higher and Technical Education, Nagaland | 9.00 |
| 70 | | Dr. Kipfelie Angami | 0.22 |
| 71 | | Er. T. Yanger AO | 0.31 |
| 72 | | Marcofeed Limited | 245.00 |
| 73 | | Nagaland GIS Centre | 93.76 |
| 74 | | Nagaland State Biodiversity Board | 25.70 |
| 75 | | Nagaland State Rifle Association | 383.20 |
| 76 | | Nagaland University | 637.00 |
| 77 | | National Institute of Technology | 7.10 |
| 78 | | North-East Zone Cultural Centre | 16.00 |

| | | | | |
|-----|--|--|--------------------------------|-------|
| 79 | | Societies for Training and Research on Rural Development | 20.00 | |
| 80 | | Rashtriya Madhyamik Shiksha Abhiyan | 160.00 | |
| 81 | Khelo India National Programme | Nagaland State Sports Council | 44.83 | |
| 82 | Infrastructure Development Programme | Nagaland Tool Room and Training Centre | 250.00 | |
| 83 | Domestic Promotion and Publicity | Nagaland Tourism Board | 25.00 | |
| 84 | Swadesh Darshan-Integrated Development Theme | | 4914.11 | |
| 85 | Biotechnology Research and Development. | Christian Institute of Health Science and Research Society. | 2.88 | |
| 86 | | Nagaland State Science and Technology Council | 7.18 | |
| 87 | | Rural and Urban Development Association | 5.21 | |
| 88 | | Nagaland University | 47.68 | |
| 89 | National institute of Technology | National Institute of Technology | 8681.00 | |
| 90 | Regulatory Authorities | | 10.30 | |
| 91 | Internal Co-operation S&T | | 2.97 | |
| 92 | National Fellowship and Scholarship | | 0.32 | |
| 93 | Grants to States E & I form | Dr. Yongyak Konyak | 571.76 | |
| 94 | CRF. | T. Tachu & Co. | 378.32 | |
| 95 | National Action Plan on Climate Change. | Department of Environment, Forest and Climate Change. | 6.00 | |
| 96 | MPs Local Area Development Scheme (MPLADs) | Deputy Commissioner, Dimapur | 750.00 | |
| 97 | | Deputy Commissioner, Kohima | 500.00 | |
| 98 | Beti Bachao Beti Padhao | Deputy Commissioner, BBBP, Longleng | 24.05 | |
| 99 | NER Textile Promotion Scheme | Directorate of Sericulture | 2378.72 | |
| 100 | | Directorate of Industries & Commerce | 206.16 | |
| 101 | | Nagaland Handloom and Handicrafts Development Corporation | 39.25 | |
| 102 | Scheme for RGI including National Population | Directorate of Economics and Statistics | 34.66 | |
| 103 | National Building Organisation(NBO) | | 15.00 | |
| 104 | National Child Labour Project | District Child Labour Project | 156.68 | |
| 105 | Technology Upgradation and Quality | Doshehe Village Council | 49.84 | |
| 106 | Research Education Training and Outreach | Government Polytechnic Kohima | 1.50 | |
| 107 | | Nagaland University | 3.00 | |
| 108 | Seismological and geosciences (SAGE) | Nagaland University | 4.00 | |
| 109 | Science and Technology Programme | Government Polytechnic Kohima | 4.50 | |
| 110 | | Nagaland Institute of Health, Environment and Social Welfare | 6.22 | |
| 111 | | Nagaland State Science and Technology Council | 265.58 | |
| 112 | | Uzho Cultural Society | 29.89 | |
| 113 | | Health Care Laboratory and Research Centre | Naga Hospital Authority Kohima | 66.55 |
| 114 | | | | |
| 115 | National Hydrology Project | Irrigation and Flood Control | 84.00 | |
| 116 | National Education Mission (Saakshar) | Jan Shiksham Sansthan, Dimapur | 26.22 | |

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| | | | |
|--------------|---|--|-----------------|
| 117 | National Mission on Food | Kohima Municipal Council | 450.00 |
| 118 | Processing | Mokokchung Municipal Council | 442.91 |
| 119 | Cultural Institutions | North East Cultural Centre | 1765.00 |
| 120 | International Co-operation | | 8.26 |
| 121 | Design and Technical Up-gradation Scheme | Prodigal's Home | 5.69 |
| 122 | Human Resources Development | Prodigal's Home | 3.45 |
| | Handicrafts | Weaving Industrial Centre Kohima | 3.41 |
| 124 | Nirbhaya Scheme WCD | Sakhi One Stop Centre, Dimapur | 6.73 |
| 125 | | Women Helpline Nagaland | 29.12 |
| 126 | Management Support to RD Programmes. | State Institute of Rural Development Nagaland. | 331.93 |
| 127 | Deen Dayal Disabled Rehabilitation Scheme | Tabitha Enabling Society | 0.01 |
| 128 | Assistance to IHMS FCIS ETC | Global Open University, Nagaland | 25.00 |
| 129 | Grants-in-Aid/Assistance to Voluntary | Women Welfare Society, Atoizu Town, Zunheboto Nagaland | 24.48 |
| Total | | | 36677.40 |

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

Appendix 2.1

(Reference: Para 2.3.1; Page 44)

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

(₹ in crore)

| Sl. No. | Grant No | Name of the Grant/Appropriation | Total Grant/Appropriation | Savings | Percentage |
|------------------------|----------|---|---------------------------|---------|------------|
| 1 | 2 | 3 | 4 | 5 | 6 |
| Revenue (Voted) | | | | | |
| 1 | 11 | District Administration & Special Welfare Schemes | 121.53 | 2.28 | 2 |
| 2 | 18 | Pensions and Other Retirement Benefits | 1402.29 | 308.81 | 22 |
| 3 | 26 | Civil Secretariat | 150.80 | 18.72 | 12 |
| 4 | 27 | Planning Machinery | 370.92 | 275.55 | 74 |
| 5 | 29 | Stationery and Printing | 19.78 | 1.37 | 7 |
| 6 | 31 | School Education | 1439.89 | 347.12 | 24 |
| 7 | 32 | Higher Education | 196.08 | 61.17 | 31 |
| 8 | 33 | Youth Resources and Sports | 32.18 | 3.66 | 11 |
| 9 | 35 | Medical, Public Health and Family Welfare | 582.24 | 98.87 | 17 |
| 10 | 37 | Municipal Administration | 31.55 | 22.30 | 71 |
| 11 | 40 | Employment and Training | 71.08 | 47.89 | 67 |
| 12 | 43 | Social Security and Welfare | 237.85 | 15.50 | 7 |
| 13 | 46 | Statistics | 34.42 | 6.25 | 18 |
| 14 | 47 | Legal Metrology and Consumer Protection | 9.52 | 1.49 | 16 |
| 15 | 49 | Soil and Water Conservation | 58.31 | 3.31 | 6 |
| 16 | 50 | Animal Husbandry and Diary Development | 104.18 | 19.85 | 19 |
| 17 | 51 | Fisheries | 35.59 | 3.77 | 11 |
| 18 | 52 | Forest, Ecology, Environment and Wild Life | 80.66 | 3.47 | 4 |
| 19 | 53 | Industries | 67.57 | 7.25 | 11 |
| 20 | 56 | Road Transport | 72.50 | 1.03 | 1 |
| 21 | 59 | Irrigation and Flood Control | 30.57 | 3.87 | 13 |
| 22 | 60 | Water Supply | 89.66 | 7.88 | 9 |
| 23 | 66 | Sericulture | 24.28 | 8.78 | 36 |
| 24 | 67 | Home Guards | 22.90 | 4.73 | 21 |
| 25 | 70 | Horticulture | 77.17 | 41.64 | 54 |
| 26 | 72 | Land Resource Development | 120.82 | 44.30 | 37 |
| 27 | 73 | State Institute of Rural Development | 8.05 | 4.16 | 52 |
| 28 | 78 | Technical Education | 16.90 | 2.48 | 15 |
| 29 | 81 | Information Technology and Communication | 13.73 | 6.55 | 48 |

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| Capital (Voted) | | | | | |
|--------------------------|----|--|----------------|----------------|-----------|
| 30 | 22 | Civil Supplies | 3.34 | 2.34 | 70 |
| 31 | 27 | Planning Machinery | 397.50 | 300.65 | 76 |
| 32 | 31 | School Education | 13.30 | 1.13 | 8 |
| 33 | 32 | Higher Education | 5.29 | 1.85 | 35 |
| 34 | 35 | Medical, Public Health and Family Welfare | 64.15 | 50.96 | 79 |
| 35 | 36 | Urban Development | 88.68 | 18.60 | 21 |
| 36 | 39 | Tourism | 15.54 | 8.27 | 53 |
| 37 | 42 | Rural Development | 62.76 | 62.76 | 100 |
| 38 | 44 | Evaluation Unit | 1.97 | 0.95 | 48 |
| 39 | 53 | Industries | 14.49 | 9.99 | 69 |
| 40 | 57 | Housing Loans | 0.22 | 0.22 | 100 |
| 41 | 58 | Roads and Bridges | 253.02 | 36.69 | 15 |
| 42 | 59 | Irrigation and Flood Control | 231.60 | 186.89 | 81 |
| 43 | 60 | Water Supply | 219.48 | 57.74 | 26 |
| 44 | 63 | Science, Technology, Ecology and Environment | 2.00 | 1.00 | 50 |
| 45 | 64 | Housing | 56.91 | 2.06 | 4 |
| 46 | 66 | Sericulture | 1.60 | 0.38 | 24 |
| 47 | 78 | Technical Education | 12.22 | 11.22 | 92 |
| Revenue (Charged) | | | | | |
| 48 | 4 | Administration of Justice | 6.62 | 1.01 | 15 |
| 49 | 75 | Servicing of Debt | 1061.69 | 201.19 | 19 |
| Total | | | 8035.40 | 2329.95 | 29 |

Appendix 2.2

(Reference: Para 2.3.4; Page 45)

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 |
| 2015-16 | 16 | 1 | 373.60 | Not yet regularised |
| Total | | | 929.63 | |

Appendix 2.3

(Reference: Para 2.3.5; Page 45)

Excess over provision requiring regularisation during the year 2016-17

(₹ in crore)

| Sl. No. | Number and title of grant/appropriation | | Total grant appropriation | Expenditure | Excess |
|---------------------------------|---|--------------------------------------|---------------------------|----------------|--------------|
| Revenue (Voted) | | | | | |
| 1 | 4 | Administration of Justice | 23.94 | 24.80 | 0.86 |
| 2 | 14 | Jails | 37.71 | 38.21 | 0.50 |
| 3 | 25 | Land Records and Survey | 17.76 | 17.82 | 0.06 |
| 4 | 28 | Civil Police | 1182.77 | 1211.18 | 28.41 |
| 5 | 39 | Tourism | 14.67 | 17.35 | 2.68 |
| 6 | 41 | Labour | 8.35 | 8.46 | 0.11 |
| 7 | 42 | Rural Development | 775.88 | 776.96 | 1.08 |
| Total- Revenue (Voted) | | | 2061.08 | 2094.78 | 33.70 |
| Capital(Voted) | | | | | |
| 1 | 55 | Power | 30.46 | 30.47 | 0.01 |
| 2 | 77 | Development of Under Developed Areas | 59.10 | 72.24 | 13.14 |
| Total- Capital (Voted) | | | 89.56 | 102.71 | 13.15 |
| Capital (Charge) | | | | | |
| 1 | 75 | Servicing of Debt | 5019.72 | 5065.03 | 45.31 |
| Total - Capital(Charged) | | | 5019.72 | 5065.03 | 45.31 |
| Grand Total | | | 7170.36 | 7262.52 | 92.16 |

Appendix 2.4

(Reference: Para 2.3.7 ; Page 46)

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 |
|--------------------------------|---|--------------------|--------------------|-----------------------------------|-------------------------|
| Revenue (Voted) | | | | | |
| 1 | 17- State Lotteries | 254.02 | 249.04 | 4.98 | 17.51 |
| 2 | 26- Civil Secretariat | 14672.01 | 13207.16 | 1464.85 | 407.51 |
| 3 | 33- Youth Resources and Sports | 2991.21 | 2851.64 | 139.57 | 226.33 |
| 4 | 35- Medical, Public Health and Family Welfare | 56531.22 | 48336.80 | 8194.42 | 1692.89 |
| 5 | 37- Municipal Administration | 2597.69 | 924.58 | 1673.11 | 557.07 |
| 6 | 47- Legal Metrology and Consumer Protection | 887.02 | 802.79 | 84.23 | 64.60 |
| 7 | 51- Fisheries | 3187.39 | 3181.52 | 5.87 | 371.59 |
| 8 | 59- Irrigation and Flood Control | 2992.55 | 2669.14 | 323.41 | 64.08 |
| 9 | 67- Home Guards | 1914.19 | 1816.71 | 97.48 | 375.43 |
| Total Revenue (Voted) | | 86027.30 | 74039.38 | 11987.92 | 3777.01 |
| Capital (Voted) | | | | | |
| 1 | 22- Civil Supplies | 322.00 | 100.01 | 221.99 | 12.00 |
| 2 | 35- Medical, Public Health and Family Welfare | 2450.00 | 1319.46 | 1130.54 | 3965.20 |
| 3 | 44- Evaluation Unit | 182.00 | 101.77 | 80.23 | 15.00 |
| Total-capital (Voted) | | 2954.00 | 1521.24 | 1432.76 | 3992.20 |
| Revenue (Charged) | | | | | |
| 1 | 4- Administration of Justice | 607.49 | 561.10 | 46.39 | 54.57 |
| 2 | 10- Public Service Commission | 553.47 | 541.47 | 12.00 | 34.15 |
| Total Revenue (Charged) | | 1160.96 | 1102.57 | 58.39 | 88.72 |
| Grand Total | | 90142.26 | 76663.19 | 13479.07 | 7857.93 |

Appendix 2.5

(Reference: Para 2.3.7 ; Page 46)

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 |
|--------------------------------|--------------|--------------------------------------|--------------------|-------------------------|----------------|----------------|--------------|
| Revenue (Voted) | | | | | | | |
| 1 | 28 | Civil Police | 1089.23 | 93.54 | 1182.77 | 1211.18 | 28.41 |
| 2 | 39 | Tourism | 13.92 | 0.75 | 14.67 | 17.35 | 2.68 |
| 3 | 42 | Rural Development | 644.87 | 131.01 | 775.88 | 776.96 | 1.08 |
| Total Revenue (Voted) | | | 1748.02 | 225.30 | 1973.32 | 2005.49 | 32.17 |
| Capital (Voted) | | | | | | | |
| 4 | 77 | Development of Under Developed Areas | 52.00 | 7.10 | 59.10 | 72.24 | 13.14 |
| Total Capital (Voted) | | | 52.00 | 7.10 | 59.10 | 72.24 | 13.14 |
| Capital (Charged) | | | | | | | |
| 5 | 75 | Servicing of Debt | 2530.50 | 2489.22 | 5019.71 | 5065.03 | 45.32 |
| Total Capital (Charged) | | | 2530.50 | 2489.22 | 5019.71 | 5065.03 | 45.32 |
| Grand Total | | | 4330.52 | 2721.62 | 7052.14 | 7142.76 | 90.63 |

Appendix 2.6
(Reference: Para 2.3.8 ; Page 46)
Excessive /Insufficient re-appropriation of funds

(₹ in lakh)

| Sl. No. | Grant No. | Description | Head of Account | Re-appropriation | Final | |
|------------------------|-----------|---|-----------------|------------------|-----------|------------|
| | | | | | Excess(+) | Saving (-) |
| Revenue (Voted) | | | | | | |
| 1 | 2 | Emoluments of the Governor | 2012-03-101-01 | (+)1.14 | | 0.02 |
| 2 | 3 | Pay and Allowances | 2013-00-101-01 | (-)140.78 | | 0.57 |
| 3 | 3 | Council of Ministers' Establishment | 2013-00-800-01 | (+)132.00 | | 0.44 |
| 4 | 4 | District & Session Judge Establishment | 2014-00-105-01 | (-)198.42 | | 3.63 |
| 5 | 4 | Legal, Remembrancer, Advocate General, Govt. Advocate & Standing Counsels | 2014-00-114-01 | (+)350.17 | 2.55 | |
| 6 | 5 | Chief Electoral Officers- Establishment | 2015-00-102-01 | (-)13.37 | | 1.48 |
| 7 | 5 | Sub-ordinate Establishment | 2015-00-102-02 | (+)3.71 | | 1.48 |
| 8 | 7 | Sub-ordinate Establishment | 2039-00-001-02 | (-)7.65 | 0.05 | |
| 9 | 12 | Direction | 2054-00-095-01 | (-)14.39 | 0.01 | |
| 10 | 14 | Other Jails | 2056-00-101-02 | (-)68.26 | 52.09 | |
| 11 | 16 | Nagaland House, New Delhi | 2070-00-115-01 | (-)16.64 | | 0.17 |
| 12 | 16 | Nagaland House, Kolkatta | 2070-00-115-02 | (+)2.98 | | 3.26 |
| 13 | 16 | Nagaland House, Guwahati | 2070-00-115-05 | (+)1.59 | | 1.91 |
| 14 | 16 | Nagaland House, Shillong | 2070-00-115-03 | (-)1.39 | | 0.01 |
| 15 | 22 | Direction | 2408-01-001-01 | (-)153.55 | | 0.02 |
| 16 | 22 | Sub-ordinate Establishment | 2408-01-001-02 | (+)138.98 | 0.09 | |
| 17 | 25 | National Land Records Modernisation Programme | 2029-00-800-02 | (+)28.58 | 6.43 | |
| 18 | 26 | Secretariat Transport Special Pool | 2052-00-090-02 | (+)77.18 | | 57.62 |
| 19 | 26 | Nagaland Civil Secretariat | 2052-00-090-01 | (-)47.65 | 0.01 | |
| 20 | 26 | Helicopter Charges | 2052-00-090-11 | (-)0.01 | 57.61 | |
| 21 | 27 | Direction | 3451-00-101-01 | (+)732.86 | | 479.13 |
| 22 | 27 | Sub-ordinate Establishment | 3451-00-102-01 | (-)721.50 | 612.72 | |
| 23 | 28 | Police and Other Forces (CSS) | 2055-00-115-11 | (+)168.52 | 233.00 | |
| 24 | 28 | Police Headquarters | 2055-00-001-01 | (+)1038.60 | 3104.67 | |
| 25 | 28 | Central Workshop | 2055-00-001-02 | (-)40.29 | 18.87 | |
| 26 | 28 | Repairs of Vehicles (SRE) | 2055-00-001-05 | (-)9.00 | 50.00 | |
| 27 | 28 | Police Training School | 2055-00-003-01 | (+)1118.32 | | 1243.29 |
| 28 | 28 | Nagaland Armed Police Battalion | 2055-00-104-01 | (-)9184.25 | 165.57 | |
| 29 | 28 | Indian Reserve Battalion | 2055-00-104-02 | (+)2510.51 | 249.90 | |
| 30 | 28 | District Police Establishment | 2055-00-109-01 | (+)4341.74 | 324.05 | |
| 31 | 28 | Police Welfare | 2055-00-113-01 | (+)5.16 | | 5.00 |
| 32 | 28 | Police Telecommunication | 2055-00-114-01 | (+)226.23 | | 85.40 |
| 33 | 31 | Primary Schools | 2202-01-101-01 | (+)1287.84 | 0.21 | |
| 34 | 31 | Direction | 2202-02-001-01 | (-)6296.09 | 0.91 | |
| 35 | 31 | Sub-ordinate Establishment (SDEO) | 2202-02-001-02 | (+)133.41 | 6403.23 | |

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| | | | | | | |
|----|----|---|----------------|------------|--------|--------|
| 36 | 31 | Education Technological Cell | 2202-02-109-03 | (-)2.25 | 0.01 | |
| 37 | 32 | Government Colleges | 2202-03-103-01 | (+)1478.97 | | 0.02 |
| 38 | 33 | Direction | 2204-00-001-01 | (+)62.57 | 0.03 | |
| 39 | 35 | Direction | 2210-01-001-01 | (-)1342.34 | 2.82 | |
| 40 | 35 | Sub-ordinate Establishment | 2210-01-001-02 | (+)4139.61 | 347.68 | |
| 41 | 35 | Primary Health Centres | 2210-03-103-01 | (-)145.18 | | 0.02 |
| 42 | 39 | Promotion of Tourism in NER | 2552-39-800-01 | (-)59.18 | 325.16 | |
| 43 | 40 | Direction | 2230-02-001-01 | (-)39.07 | 4.04 | |
| 44 | 40 | Employment Exchange | 2230-02-101-01 | (-)175.16 | | 4.46 |
| 45 | 41 | Direction | 2230-01-001-01 | (+)26.42 | | 10.00 |
| 46 | 41 | Sub-ordinate Establishment | 2230-01-001-02 | (+)24.02 | 37.05 | |
| 47 | 41 | Welfare Centres | 2230-01-103-01 | (-)58.71 | 10.00 | |
| 48 | 43 | Sub-ordinate Establishment | 2235-02-001-02 | (-)48.30 | 187.37 | |
| 49 | 43 | I.C.D. Scheme | 2235-02-102-01 | (+)197.14 | | 77.59 |
| 50 | 43 | Supplementary Nutrition Scheme | 2235-02-101-01 | (+)20.11 | 0.10 | |
| 51 | 45 | Direction | 2425-00-001-01 | (+)23.47 | | 2.00 |
| 52 | 45 | Co-operative Training Centre | 2425-00-003-01 | (-)22.20 | | 2.00 |
| 53 | 47 | Direction | 3475-00-106-01 | (-)44.94 | 10.00 | |
| 54 | 47 | Sub-ordinate Establishment | 3475-00-106-02 | (+)56.66 | | 10.00 |
| 55 | 48 | Direction | 2401-00-001-01 | (+)375.38 | | 1.79 |
| 56 | 48 | Sub-ordinate Establishment | 2401-00-001-02 | (+)219.02 | | 0.01 |
| 57 | 49 | Direction | 2402-00-001-01 | (-)47.24 | | 106.76 |
| 58 | 48 | Sub-ordinate Establishment | 2402-00-001-02 | (+)175.14 | 106.76 | |
| 59 | 50 | Direction | 2403-00-001-01 | (+)154.53 | | 0.23 |
| 60 | 50 | Sub-ordinate Establishment | 2403-00-001-02 | (+)512.31 | 0.01 | |
| 61 | 51 | Direction | 2405-00-001-01 | (+)60.43 | | 0.51 |
| 62 | 52 | Sub-ordinate Establishment | 2406-01-001-02 | (+)429.10 | 3.51 | |
| 63 | 52 | National Afforestation Programme | 2406-04-101-01 | (+)52.05 | | 1.21 |
| 64 | 53 | Direction | 2851-00-001-01 | (+)40.36 | | 0.44 |
| 65 | 54 | Establishment for Survey & Mapping | 2853-02-101-01 | (-)71.42 | 10.43 | |
| 66 | 55 | Transmission Execution | 2801-05-001-03 | (+)169.89 | | 0.20 |
| 67 | 56 | Direction | 3053-00-001-01 | (-)282.41 | | 0.29 |
| 68 | 58 | Direction | 3054-80-001-01 | (-)1383.28 | | 0.92 |
| 69 | 58 | Superintending Engineer's Establishment | 3054-80-001-03 | (-)469.41 | 0.10 | |
| 70 | 58 | Execution | 3054-80-001-04 | (+)1764.18 | | 10.71 |
| 71 | 59 | Agriculture Engineering Superintendence | 2702-80-800-01 | (-)77.20 | | 2.58 |
| 72 | 60 | Execution | 2215-01-001-02 | (+)272.94 | | 8.00 |
| 73 | 60 | Urban Water Supply | 2215-01-101-01 | (+)80 | | 9.41 |
| 74 | 64 | Execution | 2059-80-001-22 | (+)1736.64 | | 0.89 |
| 75 | 64 | Estate Management | 2216-05-800-01 | (-)505.38 | | 0.03 |
| 76 | 65 | Teachers Education | 2202-01-105-01 | (-)0.10 | 0.10 | |

Appendix

| | | | | | | |
|--------------------------|----|--|----------------|--|-----------------|----------------|
| 77 | 65 | State Council of Educational Research and Training | 2202-02-004-01 | (-)37.08 | 0.13 | |
| 78 | 66 | Integrated Silk Development Programme | 2851-00-107-17 | (+)755.00 | | 755.00 |
| 79 | 66 | Direction | 2851-00-107-01 | (+)86.23 | | 0.40 |
| 80 | 66 | Sericulture Farms & Gardens | 2851-00-107-03 | (-)154.58 | 103.00 | |
| 81 | 70 | Direction (Horticulture) | 2401-00-001-11 | (+)36.53 | 6.00 | |
| 82 | 70 | Sub-ordinate Establishment (Horticulture) | 2401-00-001-12 | (+)8.00 | | 6.00 |
| 83 | 72 | Direction | 2501-05-101-01 | (+)8.58 | | 0.02 |
| 84 | 74 | Direction | 2059-80-001-31 | (-)224.03 | 1.42 | |
| 85 | 74 | Superintending Engineer's Establishment | 2059-80-001-32 | (-)1.08 | | 1.43 |
| 86 | 74 | Execution | 2059-80-001-33 | (+)163.67 | | 0.22 |
| Capital(Voted) | | | | | | |
| 87 | 8 | Works under Sales Tax | 4216-01-106-08 | (+)100.00 | | 33.70 |
| 88 | 32 | Buildings | 4202-01-203-01 | (-)228.63 | | 34.51 |
| 89 | 44 | Works under Evaluation | 4059-01-051-44 | (-)15.00 | | 80.23 |
| 90 | 55 | Transmission Scheme | 4801-05-800-01 | (+)989.55 | 1.08 | |
| 91 | 58 | Non lapsable Central Pool of Resources | 5054-80-800-01 | (-)1621.52 | | 1179.38 |
| 92 | 60 | National Rural Drinking Water Programme | 4215-01-800-27 | (-)6366.48 | | 89.32 |
| Revenue (Charged) | | | | | | |
| 93 | 2 | Governor's Secretariat | 2012-03-090-01 | (-)13.35 | 0.02 | |
| Capital (Charged) | | | | | | |
| 94 | 75 | Ways and Means Advance | 6003-00-110-01 | (+)1714.33 | 4531.61 | |
| Total | | | | (+)28232.40 (-)30348.80 | 16970.40 | 4313.71 |

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Appendix 2.7

(Reference: Para 2.3.10 ; Page 47)

Results of review of substantial surrenders made during the year 2016-17

(₹ 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) | | | |
| Revenue (Voted) | | | | | |
| 1 | 2- Head of State | 2012-03-103-02 (Furnishing of the Official residence of Governor) | 0.09 | 0.05 | 57.53 |
| 2 | | 2012-03-106-01 (Entertainment) | 0.02 | 0.02 | 100.00 |
| 3 | 4- Administration of Justice | 2014-00-105-01 (District & Session Judge Establishment) | 2.73 | 1.98 | 72.76 |
| 4 | | 2014-00-114-01 (Legal Remembrancer, Advocate General, Govt. Advocate & Standing Committee) | 6.07 | 3.50 | 57.69 |
| 5 | | 2014-00-800-01 (Nagaland Legal Services Authority) | 0.66 | 0.43 | 65.05 |
| 6 | 6-Land Revenue | 2029-00-101-01 (Collection) | 0.06 | 0.06 | 100.00 |
| 7 | 8- Sales Tax | 2040-00-800-01 (Computerisation of Commercial Taxes) | 1.00 | 1.00 | 100.00 |
| 8 | 11-District Administration | 2053-00-800-01 (Land Rent for Accomodation of Security Forces) | 0.03 | 0.03 | 100.00 |
| 9 | 14- Jails | 2056-00-102-01 (Jail Industries) | 0.05 | 0.05 | 100.00 |
| 10 | 18- Pensions and Other Retirement Benefits | 2071-01-117-01 (National Pension System) | 95.00 | 59.12 | 62.23 |
| 11 | 22- Civil Supplies | 2408-01-001-11 (Direction) | 0.56 | 0.56 | 100.00 |
| 12 | 26- Civil Secretariat | 2052-00-090-13 (Reservation Cell) | 0.02 | 0.02 | 100.00 |
| 13 | 27 – Planning Machinery | 2210-04-200-01 (National Mission on Ayush Including Mission on Medicinal Plants) | 3.67 | 3.67 | 100.00 |
| 14 | | 2401-00-119-10 (Mission for Integrated Development of Horticulture) | 16.95 | 16.95 | 100.00 |
| 15 | | 2552-27-101-01 (Pool for Schemes under North Eastern Council) | 117.06 | 116.44 | 99.47 |
| 16 | | 3451-00-102-01 (Sub-ordinate Establishment) | 7.22 | 7.22 | 100.00 |
| 17 | | 3451-00-102-04 (Monitoring Cell) | 0.28 | 0.28 | 100.00 |
| 18 | | 3451-00-101-02 (Pool for State Share) | 160.00 | 159.48 | 99.67 |
| 19 | 28- Civil Police | 2055-00-115-01 (National Scheme for modernisation of Police and other Forces) | 0.50 | 0.50 | 100.00 |
| 20 | 31- School | 2202-01-111-11 (Sharva Shiksha Abhiyan) | 345.41 | 238.15 | 68.95 |

Appendix

| | | | | | |
|----|---|---|--|--------|--------|
| 21 | Education | 2202-01-112-11 (National Programme for Nutritional Support to Primary Education) | 30.95 | 19.89 | 64.26 |
| 22 | | 2202-01-111-01 (Sarva Shiksha Abhiyan) | 110.00 | 110.00 | 100.00 |
| 23 | | 2202-02-001-01 (Direction) | 111.25 | 62.96 | 56.59 |
| 24 | | 2202-02-109-05 (Rashtriya Madhyamik Shiksha Abhiyan) | 11.00 | 11.00 | 100.00 |
| 25 | | 2202-02-110-01 (Non-Government High & Higher Secondary Schools) | 0.50 | 0.50 | 100.00 |
| 26 | | 2202-05-102-01 (Hindi Training Institute) | 2.31 | 1.31 | 56.42 |
| 27 | | 32- Higher Education | 2202-03-800-11 (Rashtriya Ucchata Shiksha Abhiyan) | 75.89 | 53.17 |
| 28 | 2202-03-001-01 (Direction) | | 23.67 | 14.98 | 63.26 |
| 29 | 2202-03-107-02 (Merit Scholarship) | | 6.37 | 5.39 | 84.71 |
| 30 | 33- Youth Resources and Sports | 2204-00-800-04 (Rajiv Gandhi Khel Abhiyan) | 3.50 | 3.05 | 87.19 |
| 31 | 34- Art and Culture and Gazetteers Unit | 2205-00-104-01 (Art and Culture) | 0.40 | 0.40 | 100.00 |
| 32 | 35- Medical, Public Health and Family Welfare | 2210-06-800-02(National Mental Health Programme) | 1.50 | 1.50 | 100.00 |
| 33 | | 2210-06-800-03(Prevention and Control of Cancer, Diabetes, Cardiovascular and Stroke) | 5.50 | 5.33 | 96.91 |
| 34 | | 2210-06-800-05 (National Programme for Control of | 3.18 | 3.18 | 100.00 |
| 35 | | 2210-06-800-06 (National Iodine Deficiency Disease Control Programme) | 0.55 | 0.55 | 100.00 |
| 36 | | 2210-06-800-08 (National Vector Borne Disease) | 14.54 | 10.34 | 71.11 |
| 37 | | 2210-06-800-09 (Revised National TB Control Programme) | 8.50 | 4.69 | 55.13 |
| 38 | | 2210-06-800-10 (Integrated Disease Surveillance Programme) | 4.83 | 3.41 | 70.50 |
| 39 | | 2210-06-800-11 (National Urban Health Mission) | 11.37 | 11.37 | 100.00 |
| 40 | | 2210-06-800-12 (Pulse Polio Immunisation) | 1.20 | 1.20 | 100.00 |
| 41 | | 2210-06-800-13 (Routine Immunization) | 0.87 | 0.81 | 93.03 |
| 42 | | 2210-06-800-14 (Mission Flexi Pool) | 65.15 | 33.17 | 50.91 |
| 43 | | 2210-06-800-17 (National Leprosy Control Programme) | 3.50 | 2.11 | 60.20 |
| 44 | | 2210-06-800-24 (National Tobacco Control Programme) | 5.65 | 5.65 | 100.00 |
| 45 | | 2210-01-001-05 (Worked Charged Establishment) | 0.39 | 0.39 | 100.00 |
| 46 | | 2210-01-110-02 (Mental Hospital) | 1.73 | 1.73 | 100.00 |

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| | | | | | |
|----|--------------------------------------|--|-------|-------|--------|
| 47 | | 2210-01-110-04 (Drug De-addiction Clinic) | 0.97 | 0.55 | 56.71 |
| 48 | | 2210-01-110-05 (Artificial Limb Centre) | 0.85 | 0.68 | 79.62 |
| 49 | | 2210-01-200-01 (Goitres & Nutrition Programmes) | 0.18 | 0.18 | 100.00 |
| 50 | | 2210-01-200-02 (Health Intelligence Bureau) | 0.27 | 0.27 | 100.00 |
| 51 | | 2210-02-102-01 (Homeopathy Establishment) | 0.96 | 0.78 | 81.81 |
| 52 | | 2210-03-102-01 (Rural Subsidiary Health Centres) | 9.26 | 5.15 | 55.60 |
| 53 | | 2210-06-107-01 (Food Testing Laboratory) | 2.18 | 2.18 | 100.00 |
| 54 | | 2210-06-800-05 (National Programme for Control) | 0.80 | 0.72 | 89.78 |
| 55 | | 2210-06-800-06 (National Iodine Deficiency Disease Control Programme) | 0.32 | 0.32 | 100.00 |
| 56 | | 2210-06-800-07 (National Leprosy Control Programme) | 8.22 | 5.25 | 63.94 |
| 57 | | 2210-06-101-03 (National AIDS Control Programme) | 32.36 | 32.36 | 100.00 |
| 58 | | 2211-00-001-01 (Direction) | 29.22 | 27.78 | 95.07 |
| 59 | | 2211-00-101-01 (Family Welfare Sub-Centres) | 0.91 | 0.91 | 100.00 |
| 60 | | 2211-00-103-01 (Universal Immunisation Programme) | 1.14 | 1.14 | 100.00 |
| 61 | 37- Municipal Administration | 2217-80-191-01 (Grants under Finance Commission) | 21.94 | 21.94 | 100.00 |
| 62 | 38- Information and Public Relations | 2220-60-106-01 (Field Publicity Establishment) | 0.68 | 0.52 | 76.67 |
| 63 | 39- Tourism | 2552-39-800-01 (Promotion of Tourism in NER) | 0.59 | 0.59 | 100.00 |
| 64 | 40- Employment and Training | 2230-03-800-15 (Skill Development Mission) | 50.06 | 50.06 | 100.00 |
| 65 | | 2230-03-800-02 (Vocational Training) | 0.08 | 0.08 | 100.00 |
| 66 | 41- Labour | 2230-01-103-11 (Welfare Centres) | 0.02 | 0.02 | 100.00 |
| 67 | | 2230-01-101-02 (Enforcement of Factories Act & Boilers) | 0.18 | 0.18 | 100.00 |
| 68 | | 2230-01-103-01 (Welfare Centres) | 0.59 | 0.59 | 100.00 |
| 69 | 42-Rural Development | 2515-00-800-11 (Promotion of Micro Financing) | 0.50 | 0.50 | 100.00 |
| 70 | 43- Social Security and Welfare | 2235-02-102-16 (Integrated Child Protection Scheme) | 33.00 | 29.17 | 88.40 |
| 71 | | 2235-02-103-04 (Women Helpline) | 1.50 | 1.50 | 100.00 |
| 72 | | 2235-02-103-31 (Rajiv Gandhi Scheme for Empowerment of Adolescent Girls) | 3.17 | 2.05 | 64.64 |
| 73 | | 2235-03-103-01 (National Mission for Empowerment of Women) | 1.65 | 1.65 | 100.00 |

Appendix

| | | | | | |
|----|--|--|--|--------|--------|
| | | including Indira Gandhi Matritva Sahyog Yojana) | | | |
| 74 | 43- Social Security and Welfare | 2235-02-102-02(Establishment of Children's Parks and Children's Wards) | 0.57 | 0.51 | 88.64 |
| 75 | 44- Evaluation Unit | 3451-00-092-03 (Evaluation Studies) | 0.40 | 0.40 | 100.00 |
| 76 | 46- Statistics | 3454-02-111-06 (Urban Statistics for Human Resources and Assessment) | 0.05 | 0.05 | 100.00 |
| 77 | | 3454-02-111-05 (Support for Statistical Strengthening) | 6.80 | 6.80 | 100.00 |
| 78 | 47- Legal Metrology and Consumer Protection | 3475-00-800-03 (State Consumer Dispute Redressal Commission & District Consumer Forum) | 1.48 | 1.48 | 100.00 |
| 79 | | 3475-00-800-01 (Consumer Forum) | 0.13 | 0.13 | 100.00 |
| 80 | 48-Agriculture | 2401-00-103-23 (Integrated Seed Development) | 1.30 | 1.30 | 100.00 |
| 81 | | 2401-00-109-03 (National Mission on Agriculture Extension and Technology) | 13.20 | 13.20 | 100.00 |
| 82 | | 2401-00-800-06 (Organic Farming Programme) | 1.50 | 1.50 | 100.00 |
| 83 | | 2401-00-109-02 (Agriculture Information and Publicity) | 0.37 | 0.34 | 91.85 |
| 84 | | 2401-00-113-01 (Superintendence) | 3.81 | 2.03 | 53.19 |
| 85 | | 2401-00-800-02 (Agriculture Marketing and Quality Control) | 1.04 | 0.89 | 86.09 |
| 86 | | 2415-01-004-01 (Chemistry Laboratory) | 2.25 | 1.41 | 62.67 |
| 87 | | 2415-01-277-01 (Integrated Extension Training Centre) | 0.05 | 0.05 | 100.00 |
| 88 | | 49- Soil and Water Conservation | 2402-00-103-08 (Integrated Land Development) | 1.35 | 1.35 |
| 89 | 2552-49-101-03 (Plantation of Lime) | | 1.50 | 1.50 | 100.00 |
| 90 | 2403-00-102-31 (Cattle Development) | | 3.30 | 3.30 | 100.00 |
| 91 | 2403-00-106-11 (National Livestock Management Programme) | | 10.00 | 5.35 | 53.48 |
| 92 | 2403-00-101-02 (Rinderpest Eradication) | | 1.24 | 0.87 | 70.54 |
| 93 | 2403-00-101-03 (Disease Investigation) | | 1.99 | 1.99 | 100.00 |
| 94 | 2403-00-104-01 (Sheep & Goat Farm) | | 0.53 | 0.41 | 76.74 |
| 95 | 2403-00-102-01 (Cattle Development) | | 0.15 | 0.15 | 100.00 |
| 96 | 2404-00-102-12 (National Plan) | | 3.76 | 3.76 | 100.00 |
| 97 | 2404-00-102-22 (Persuasion) | 7.70 | 7.70 | 100.00 | |

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| | | | | | |
|-----|---|---|-------|-------|--------|
| 98 | | 2404-00-105-01 (Integrated Piggery Production) | 3.83 | 1.99 | 51.96 |
| 99 | | 2404-00-102-01 (Rural Dairy Centre) | 1.71 | 1.40 | 81.84 |
| 100 | 51- Fisheries | 2405-00-103-01 (Development of Marine Fisheries) | 2.00 | 2.00 | 100.00 |
| 101 | | 2405-00-120-01 (National Welfare Scheme for Fishermen) | 4.85 | 4.22 | 87.08 |
| 102 | | 2405-00-001-01 (Direction) | 0.15 | 0.15 | 100.00 |
| 103 | 52- Forest, Ecology, Environment and Wild Life | 2406-01-800-21 (Intensification of Forest Management) | 5.50 | 3.80 | 69.09 |
| 104 | | 2406-02-110-08 (Elephant Project) | 0.83 | 0.63 | 75.81 |
| 105 | | 2406-04-101-11 (National Afforestation Programme) | 11.00 | 5.80 | 52.68 |
| 106 | | 2406-01-070-01 (Buildings) | 1.72 | 1.00 | 58.26 |
| 107 | 53- Industries | 2851-00-103-12 (Handloom Development Scheme) | 2.00 | 2.00 | 100.00 |
| 108 | | 2851-00-800-03 (National Mission on Food Processing) | 4.40 | 4.40 | 100.00 |
| 109 | | 2851-00-001-03 (Exhibition & Fairs) | 1.10 | 0.80 | 72.68 |
| 110 | | 2851-00-101-01 (Industrial Estate) | 0.24 | 0.18 | 74.55 |
| 111 | | 2851-00-001-01 (Direction) | 1.00 | 1.00 | 100.00 |
| 112 | 54- Mineral Development | 2853-02-101-02 (Operational Expenses) | 0.16 | 0.16 | 100.00 |
| 113 | 55- Power | 2801-05-001-02 (Direction Distribution & Revenue) | 9.11 | 6.32 | 69.30 |
| 114 | | 2801-80-003-01 (Lineman Training Centre) | 0.84 | 0.44 | 52.64 |
| 115 | 59- Irrigation and Flood Control | 2702-80-800-05 (Statistical Cell) | 0.57 | 0.32 | 56.49 |
| 116 | 60- Water Supply | 2215-01-102-12 (National Rural Drinking Water Programme) | 8.12 | 7.07 | 87.17 |
| 117 | 64- Housing | 2059-80-001-21 (Direction) | 20.13 | 12.53 | 62.25 |
| 118 | 65-State Council of Educational Research and Training | 2202-02-109-11 (Rastriya Shiksha Abhiyan) | 1.00 | 1.00 | 100.00 |
| 119 | 66-Sericulture | 2851-00-107-05 (Catalytic Development Programme under Sericulture) | 10.00 | 10.00 | 100.00 |
| 120 | 67-Home Guards | 2245-80-102-01 (Contingency Plans in Disaster Prone Areas) | 1.54 | 1.54 | 100.00 |
| 121 | 70- Horticulture | 2401-00-119-50 (Mission for Integrated Development of Horticulture) | 59.00 | 44.00 | 74.58 |
| 122 | 73- State Institute of Rural Development | 2575-02-800-01 (Backward Region Grant Fund) | 4.20 | 4.20 | 100.00 |
| 123 | 78- Technical Education | 2203-00-107-02 (Multisectoral Development Programme for | 3.20 | 3.17 | 99.04 |

Appendix

| | | | | | |
|------------------------|---|--|--------|--------|--------|
| | | Minorities) | | | |
| 124 | 81- Information Technology and Communication | 3425-60-001-02 (National e-Governance Action Plan) | 11.18 | 8.64 | 77.25 |
| Capital (Voted) | | | | | |
| 125 | 18-Pensions and Other Retirement Benefits | 4059-01-051-08 (Works under Sales Tax) | 1.00 | 1.00 | 100.00 |
| 126 | 22- Civil Supplies | 4408-02-800-11 (Construction of Godowns in Different Districts) | 2.00 | 2.00 | 100.00 |
| 127 | | 4408-02-800-01 (Storage & Warehousing) | 0.65 | 0.65 | 100.00 |
| 128 | 27-Planning Machinery | 4059-80-800-01 (Externally Aided Projects) | 115.00 | 115.00 | 100.00 |
| 129 | | 4059--80-800-02 (Non lapsable Central Pool of Resources) | 230.00 | 230.00 | 100.00 |
| 130 | 33-Youth Resources and Sports | 4552-33-800-01 (Development & Promotion of Sports & Youth Affairs Activities in N.E. Region) | 1.14 | 1.14 | 100.00 |
| 131 | 35- Medical, Public Health and Family Welfare | 4210-03-105-01 (Medicl College) | 51.39 | 50.96 | 99.16 |
| 132 | 36- Urban Development | 4217-60-051-23 (Jawaharlal Nehru National Urban Renewal Mission) | 27.61 | 27.61 | 100.00 |
| 133 | 37- Municipal Administration | 4217-04-800-02 (National Urban Livelihood Mission) | 11.00 | 9.00 | 100.00 |
| 134 | 39- Tourism | 5452-01-101-01 (infrastructure Development for Destination & Circuits) | 14.54 | 11.36 | 78.14 |
| 135 | | 5452-01-102-01 (Tourist Centre) | 1.00 | 1.00 | 100.00 |
| 136 | 42- Rural Development | 4575-02-060-01 (Backward Region Grant Fund) | 62.76 | 62.76 | 100.00 |
| 137 | 53- Industries | 4860-05-190-01 (Nagaland Pulp and Paper Company) | 8.00 | 8.00 | 100.00 |
| 138 | | 5453-80-800-01 (Developing Export Infrastructure & Allied Activities) | 3.99 | 3.99 | 100.00 |
| 139 | 55- Power | 4552-55-800-01 (Transmission Scheme) | 10.94 | 10.94 | 100.00 |
| 140 | | 4801-05-800-02 (Sub-Transmission Scheme) | 1.96 | 1.96 | 100.00 |
| 141 | 57- Housing Loans | 7610-00-201-01 (HBA to AIS officers) | 0.22 | 0.22 | 100.00 |
| 142 | 58- Roads and Bridges | 5054-04-337-01 (PMGSY) | 66.00 | 57.95 | 87.80 |
| 143 | | 5054-80-800-02 (Roads and Bridges Financed from Central Road Fund) | 16.54 | 16.54 | 100.00 |
| 144 | | 5054-80-800-04 (Inter State Connectivity) | 15.00 | 15.00 | 100.00 |
| 145 | | 5054-04-337-03 (Bridges) | 8.00 | 4.10 | 51.27 |
| 146 | 59- Irrigation and Flood Control | 4702-00-800-15 (Accelerated Irrigation Benefit and Flood | 230.00 | 211.51 | 91.96 |

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| Management Programme) | | | | | |
|--------------------------|---|--|----------------|----------------|--------------|
| 147 | 60-Water Supply | 4215-01-800-26 (National Lake Conservation Plan) | 2.00 | 2.00 | 100.00 |
| 148 | | 4215-01-800-27 (National Rural Drinking Water Programme) | 103.46 | 63.66 | 61.53 |
| 149 | 63-Science, Technology, Ecology and Environment | 5425-00-800-01 (Construction) | 2.00 | 1.00 | 50.00 |
| 150 | 78- Technical Education | 4202-02-104-12 (Building of Govt. Polytechnic, Kohima) | 0.42 | 0.42 | 100.00 |
| 151 | | 4202-02-104-01 (Rashtriya Uchhtar Shiksha Abhiyan) | 10.80 | 10.80 | 100.00 |
| Revenue (Charged) | | | | | |
| 152 | 75- Servicing of Debt | 2049-01-101-02 (On Power Bonds) | 0.18 | 0.18 | 100.00 |
| 153 | | 2049-01-200-03 (On NCDC Loans) | 3.00 | 1.80 | 59.89 |
| 154 | | 2049-01-305-02 (Premium for Setting of Old Debt) | 0.01 | 0.01 | 100.00 |
| Capital (Charged) | | | | | |
| 155 | 75- Servicing of Debt | 6003-00-101-03 (Power Bonds) | 3.95 | 3.95 | 100.00 |
| Total | | | 2700.69 | 2275.45 | 84.25 |

Appendix 2.8

(Reference: Para 2.3.11; Page 47)

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 |
|------------------------------|--|----------------------------|---------------|--------------------|------------------------------|
| Revenue (Voted) | | | | | |
| 1 | 31- School Education | 1439.89 | 347.12 | 411.16 | 64.04 |
| 2 | 35-Medical, Public Health and Family Welfare | 582.24 | 98.87 | 102.81 | 3.94 |
| 3 | 43- Social Security and Welfare | 237.85 | 15.50 | 16.60 | 1.10 |
| 4 | 51- Fisheries | 35.59 | 3.77 | 3.82 | 0.05 |
| 5 | 52- Forest, Ecology, Environment and Wild Life | 80.66 | 3.47 | 3.49 | 0.02 |
| 6 | 60- Water Supply | 89.66 | 7.88 | 8.26 | 0.38 |
| Total Revenue (Voted) | | 2465.89 | 476.61 | 546.14 | 69.53 |
| Grand Total | | 2465.89 | 476.61 | 546.14 | 69.53 |

Appendix 2.9

(Reference Para 2.3.12; Page 47)

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

(₹ in lakh)

| Sl. No. | Grant No. | Name of grant/appropriation | Saving |
|------------------------|-----------|---|---------------|
| Revenue(Voted) | | | |
| 1 | 48 | Agriculture | 1.73 |
| Total | | | 1.73 |
| Capital (Voted) | | | |
| 2 | 1 | State Legislature | 34.50 |
| 3 | 4 | Administration of Justice | 23.01 |
| 4 | 8 | Sales Tax | 33.70 |
| 5 | 9 | Taxes on Vehicles | 8.63 |
| 6 | 13 | Village Guards | 11.50 |
| 7 | 14 | Jails | 17.60 |
| 8 | 29 | Stationery and Printing | 5.75 |
| 9 | 40 | Employment and Training | 8.63 |
| 10 | 41 | Labour | 11.50 |
| 11 | 45 | Co-Operation | 18.67 |
| 12 | 46 | Statistics | 7.40 |
| 13 | 47 | Legal Metrology and Consumer Protection | 11.50 |
| 14 | 67 | Home Guard | 11.50 |
| 15 | 72 | Land Resource Development | 3.45 |
| 16 | 74 | Mechanical Engineering | 12.36 |
| 17 | 79 | Border Affairs | 9.50 |
| Total | | | 229.20 |
| Grand Total | | | 230.93 |

Appendix 2.10*(Reference Para 2.3.12; Page 47)***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 |
| Revenue (Voted) | | | | |
| 1 | 66-Sericulture | 8.78 | 2.25 | 6.53 |
| Total | | 8.78 | 2.25 | 6.53 |
| Grand Total | | 8.78 | 2.25 | 6.53 |

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Appendix 2.11

(Reference Para 2.3.12; Page 47)

Cases of surrender of funds in excess of ₹ 10 crore on 30th and 31st March 2017

(₹ in crore)

| Sl. No. | Grant No. | Major Head | Amount of Surrender | Total Provision | Percentage of Total Provision |
|--------------------------|-----------|--|---------------------|-----------------|-------------------------------|
| 1 | 2 | 3 | 4 | 5 | 6 |
| Revenue (Voted) | | | | | |
| 1 | 18 | 2071- Pensions and Other Retirement Benefits | 308.81 | 1402.29 | 22.02 |
| 2 | 26 | 2401- Crop Husbandry | 11.11 | 143.19 | 7.76 |
| 3 | 27 | 2552- North Eastern Areas | 116.44 | 211.85 | 54.96 |
| 4 | 27 | 3451- Sectt Economic Services | 159.06 | 254.48 | 62.51 |
| 5 | 31 | 2202- General Education | 411.16 | 1439.89 | 28.56 |
| 6 | 32 | 2202- General Education | 53.17 | 188.08 | 28.27 |
| 7 | 35 | 2210- Medical and Public Health | 99.41 | 578.84 | 17.17 |
| 8 | 37 | 2217- Urban Development | 21.94 | 31.55 | 69.55 |
| 9 | 40 | 2230- Labour & Employment | 47.88 | 71.08 | 67.37 |
| 10 | 43 | 2236- Nutrition | 16.60 | 78.31 | 21.20 |
| 11 | 50 | 2404- Dairy Development | 11.46 | 95.80 | 11.96 |
| 12 | 70 | 2401- Crop Husbandry | 41.64 | 77.18 | 53.95 |
| 13 | 72 | 2501- Special programmes for rural development | 44.30 | 120.82 | 36.67 |
| Total | | | 1342.98 | 4693.36 | 28.61 |
| Capital (Voted) | | | | | |
| 14 | 27 | 4059- Capital Outlay on Public Works | 300.65 | 397.50 | 75.63 |
| 15 | 35 | 4210- Capital Outlay on Medical & Public Health | 50.95 | 64.14 | 79.43 |
| 16 | 36 | 4217- Capital Outlay on Urban Development | 18.60 | 88.68 | 20.98 |
| 17 | 42 | 4575- Capital Outlay on other Spl Areas Prog. | 62.76 | 62.76 | 100.00 |
| 18 | 58 | 5054- Capital Outlay on Roads and Bridges | 35.66 | 251.99 | 14.15 |
| 19 | 59 | 4702- Capital Outlay on Minor Irrigation | 186.77 | 231.60 | 80.65 |
| 20 | 60 | 4215- Capital Outlay on Water Supply and Sanitation | 58.85 | 221.48 | 26.57 |
| 21 | 78 | 4202- Capital Outlay on Education, Sports, Art & Culture | 11.22 | 12.22 | 91.81 |
| Total | | | 725.46 | 1330.37 | 54.53 |
| Revenue (Charged) | | | | | |
| 22 | 75 | 2049- Interest Payment | 201.19 | 1061.69 | 18.95 |
| Grand Total | | | 2269.63 | 7085.42 | 32.03 |

Appendix 2.12

(Reference Para 2.3.13; Page 47)

Rush of Expenditure

(₹ in crore)

| 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 2017 | March 2017 |
| 1-State Legislature | 4059 | 2.66 | 2.66 | 2.66 | 100.00 | 100.00 |
| 4-Administrative of Justice | 2014 | 10.86 | 7.32 | 29.22 | 37.18 | 25.06 |
| | 4059 | 11.44 | 11.44 | 27.84 | 41.07 | 41.07 |
| 9-Taxes on Vehicles | 4059 | 0.66 | 0.66 | 0.66 | 100.00 | 100.00 |
| 11-District Administration | 2053 | 36.15 | 18.51 | 119.23 | 30.32 | 15.53 |
| 12-Treasury and Accounts Administration | 2030 | 0.58 | 0.16 | 0.58 | 100.00 | 27.58 |
| | 2054 | 10.12 | 5.48 | 31.93 | 31.71 | 17.18 |
| 13-Village Guards | 4055 | 0.89 | 0.89 | 0.89 | 100.00 | 100.00 |
| 14-Jails | 2056 | 12.05 | 7.40 | 38.21 | 31.53 | 19.37 |
| 18-Pensions and Other Retirement Benefits | 2071 | 258.00 | 117.46 | 1093.47 | 23.59 | 10.74 |
| 24-Small Savings | 2047 | 0.05 | 0.05 | 0.05 | 100.00 | 100.00 |
| 26-Civil Secretariat | 2251 | 13.24 | 0.05 | 13.91 | 95.18 | 0.35 |
| | 3451 | 15.80 | 13.79 | 19.49 | 81.03 | 70.74 |
| | 4059 | 15.35 | 15.12 | 30.74 | 49.93 | 49.19 |
| | 4575 | 32.90 | 32.90 | 66.11 | 49.77 | 49.77 |
| 28-Civil Police | 2055 | 335.59 | 166.00 | 1211.18 | 27.71 | 13.71 |
| 30-Administrative Training Institute | 4059 | 0.44 | 0.44 | 0.50 | 88.50 | 88.50 |
| 31-School Education | 2202 | 293.92 | 156.59 | 1091.96 | 26.92 | 14.34 |
| 32-Higher Education | 2202 | 42.75 | 12.95 | 105.39 | 40.56 | 12.29 |
| | 4202 | 3.43 | 3.43 | 3.43 | 100.00 | 100.00 |
| 33-Youth Resources and Sports | 4202 | 3.58 | 2.25 | 5.03 | 71.15 | 44.78 |
| 35-Medical, Public Health and Family Welfare | 2210 | 131.04 | 66.24 | 456.59 | 28.70 | 14.51 |
| 36-Urban Development | 4217 | 18.72 | 17.28 | 70.08 | 26.71 | 24.65 |
| 39-Tourism | 2552 | 2.18 | 2.10 | 3.34 | 65.40 | 62.75 |
| 40-Employment and Training | 4216 | 0.66 | 0.66 | 0.66 | 100.00 | 100.00 |
| 42-Rural Development | 2216 | 41.61 | 0.00 | 46.30 | 89.89 | 0.00 |
| | 2515 | 49.62 | 43.49 | 83.78 | 59.22 | 51.91 |
| 43-Social Security and Welfare | 2235 | 46.19 | 30.47 | 97.48 | 47.39 | 31.25 |
| | 2236 | 103.20 | 103.20 | 124.87 | 82.64 | 82.64 |
| 44-Evaluation | 4059 | 0.89 | 0.89 | 1.02 | 86.96 | 86.96 |
| 46-Statistics | 5475 | 1.29 | 1.29 | 1.43 | 90.69 | 90.69 |
| 48-Agriculture | 2401 | 59.49 | 48.87 | 151.11 | 39.37 | 32.34 |

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| | | | | | | |
|---|------|--------|-------|--------|--------|--------|
| 50-Animal Husbandry and Dairy Development | 2403 | 29.65 | 15.36 | 76.07 | 38.98 | 20.19 |
| 52-Forest, Ecology, Environment and Wildlife | 2406 | 24.57 | 13.76 | 77.09 | 31.87 | 17.85 |
| | 2415 | 0.10 | 0.00 | 0.10 | 100.00 | 0.00 |
| 53-Industries | 2851 | 15.67 | 10.03 | 60.32 | 25.98 | 16.63 |
| 54-Mineral Development | 4853 | 10.58 | 0.49 | 12.20 | 86.71 | 4.02 |
| 55-Power | 2045 | 1.09 | 0.47 | 1.65 | 65.78 | 28.13 |
| | 2801 | 138.60 | 35.64 | 428.42 | 32.35 | 8.32 |
| 58-Roads and Bridges | 3054 | 91.39 | 30.66 | 327.31 | 27.92 | 9.37 |
| | 5054 | 42.70 | 8.10 | 164.05 | 26.03 | 4.94 |
| 59-Irrigation and Flood Control | 4552 | 3.05 | 0.54 | 5.09 | 59.89 | 10.55 |
| 60-Water Supply | 2215 | 21.41 | 8.67 | 81.08 | 26.40 | 10.70 |
| 62-Civil Administrative Works | 4216 | 0.47 | 0.47 | 10.17 | 4.60 | 4.60 |
| 63-Science, Technology, Ecology and Environment | 3425 | 1.74 | 1.47 | 2.25 | 77.44 | 65.55 |
| 64-Housing | 2059 | 20.76 | 8.55 | 92.49 | 22.45 | 9.25 |
| | 4059 | 14.89 | 0.49 | 23.41 | 63.58 | 2.08 |
| 65-State Council of Educational Research and Training | 2202 | 17.38 | 13.96 | 35.28 | 49.27 | 39.58 |
| 67-Home Guards | 4059 | 0.88 | 0.88 | 0.88 | 100.00 | 100.00 |
| 70-Horticulture | 2401 | 23.24 | 19.02 | 34.98 | 66.44 | 54.37 |
| | 4401 | 1.60 | 1.60 | 1.60 | 100.00 | 100.00 |
| 72-Land Resource Development | 2501 | 36.31 | 35.32 | 76.51 | 47.46 | 46.16 |
| | 4406 | 0.27 | 0.27 | 0.27 | 100.00 | 100.00 |
| 73-State Institute of Rural Development | 4059 | 1.33 | 1.33 | 1.33 | 100.00 | 100.00 |
| 74-Mechanical Engineering | 2059 | 10.24 | 3.52 | 38.07 | 26.89 | 9.24 |
| 75-Servicing of Debt. | 2048 | 150.00 | 0.00 | 225.00 | 66.67 | 0.00 |
| | 2049 | 161.40 | 88.38 | 635.50 | 25.40 | 13.91 |
| 76-Women Welfare | 2235 | 7.08 | 4.77 | 12.07 | 58.69 | 39.49 |
| | 4235 | 2.89 | 2.89 | 3.09 | 93.52 | 93.52 |
| 77-Development of Under Developed Areas | 4575 | 16.20 | 16.20 | 72.24 | 22.43 | 22.43 |
| 79-Border Affairs | 4059 | 0.44 | 0.44 | 0.44 | 100.00 | 100.00 |
| | 5054 | 0.46 | 0.46 | 0.46 | 100.00 | 100.00 |
| 82-New and Renewable Energy | 4059 | 1.15 | 1.15 | 1.15 | 100.00 | 100.00 |

Appendix 2.13*(Reference Para 2.4; Page 48)***Pending DCC bills for the year upto 2016-17****(₹in crore)**

| Sl. No. | Department | Number of AC bills | Amount |
|----------------|---------------------------|---------------------------|---------------|
| 1 | Civil Police | 42 | 140.77 |
| 2 | Social Security & Welfare | 19 | 28.78 |
| 3 | Home | 61 | 30.56 |
| 4 | SCERT | 36 | 16.90 |
| 5 | Others | 118 | 71.66 |
| Total | | 276 | 288.67 |

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Appendix 3.1

(Reference Para 3.1;Page51)

Utilisation certificates outstanding as on 31 March, 2017

(₹ in lakh)

| Sl. No. | Department | Year of Payment of grant | Outstanding Utilization Certificates | |
|---------|---------------------------|--------------------------|--------------------------------------|--------------------|
| | | | Number | Amount (₹ in lakh) |
| 1 | School Education | Upto 2011-12 | 9 | 1152.03 |
| | | 2012-13 | 8 | 8022.45 |
| | | 2013-14 | 6 | 3047.42 |
| | | 2014-15 | 4 | 1050.55 |
| | | 2015-16 | 4 | 947.19 |
| | | Total | 31 | 14219.64 |
| 2 | Youth Resources & Sports | Upto 2011-12 | 5 | 451.00 |
| | | 2012-13 | 2 | 475.00 |
| | | 2013-14 | 2 | 270.00 |
| | | 2014-15 | 2 | 440.00 |
| | | 2015-16 | 4 | 481.21 |
| | | Total | 15 | 2117.21 |
| 3 | Health & Family Welfare | Upto 2011-12 | 5 | 2728.73 |
| | | 2012-13 | 2 | 1541.78 |
| | | 2013-14 | 3 | 1446.07 |
| | | 2014-15 | 3 | 1642.47 |
| | | 2015-16 | 2 | 1731.20 |
| | | Total | 15 | 9090.25 |
| 4 | Rural Development | Upto 2011-12 | 2 | 2959.00 |
| | | 2012-13 | 1 | 2904.00 |
| | | 2013-14 | 1 | 2918.00 |
| | | 2014-15 | 0 | 0.00 |
| | | 2015-16 | 1 | 300.29 |
| | | Total | 5 | 9081.29 |
| 5 | Co-operation | Upto 2011-12 | 2 | 999.04 |
| | | 2012-13 | 1 | 840.00 |
| | | 2013-14 | 1 | 1918.00 |
| | | 2014-15 | 1 | 100.00 |
| | | 2015-16 | 0 | 0.00 |
| | | Total | 5 | 3857.04 |
| 6 | Fisheries | Upto 2011-12 | 3 | 199.50 |
| | | 2012-13 | 1 | 66.00 |
| | | 2013-14 | 1 | 50.00 |
| | | 2014-15 | 0 | 0.00 |
| | | 2015-16 | 0 | 0.00 |
| | | Total | 5 | 315.50 |
| 7 | Social Security & Welfare | Upto 2011-12 | 3 | 1822.41 |
| | | 2012-13 | 4 | 371.14 |
| | | 2013-14 | 5 | 417.47 |
| | | 2014-15 | 2 | 150.29 |
| | | 2015-16 | 6 | 2639.27 |
| | | Total | 20 | 5400.58 |

| | | | | |
|--------------------|--------|--------------|-----------------|-----------------|
| 8 | Others | Upto 2011-12 | 67 | 6883.02 |
| | | 2012-13 | 35 | 5199.18 |
| | | 2013-14 | 33 | 10359.71 |
| | | 2014-15 | 23 | 18890.16 |
| | | 2015-16 | 32 | 5547.84 |
| | | Total | 190 | 46879.91 |
| Grand Total | | 286 | 90961.42 | |

Appendix 3.2

(Reference Para 3.2; Page 52)

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

| Sr. No. | Name of the body/authority | Year for which accounts had not been received | Grants received (₹ in lakh) |
|----------------|-----------------------------------|---|------------------------------------|
| 1 | DRDA, Tuensang. | 2013-14, 2014-15, 2015-16, 2016-17 | NA |
| 2 | DRDA, Mon. | 2013-14, 2014-15, 2015-16, 2016-17 | NA |
| 3 | DRDA, Kohima. | 2013-14, 2014-15, 2015-16, 2016-17 | NA |
| 4 | DRDA, Wokha | 2012-13, 2013-14, 2014-15, 2015-16, 2016-17 | NA |
| 5 | DRDA, Longleng. | 2013-14, 2014-15, 2015-16, 2016-17 | NA |
| 6 | DRDA, Peren | 2010-11, 2011-12, 2012-13, 2013-14, 2014-15, 2015-16, 2016-17 | NA |
| 7 | DRDA, Kiphire | 2013-14, 2014-15, 2015-16, 2016-17 | NA |
| 8 | DRDA, Zunheboto | 2013-14, 2014-15, 2015-16, 2016-17 | NA |
| 9 | DRDA, Dimapur | 2013-14, 2014-15, 2015-16, 2016-17 | NA |
| 10 | DRDA, Mokokchung | 2013-14, 2014-15, 2015-16, 2016-17 | NA |
| 11 | DRDA, Phek | 2013-14, 2014-15, 2015-16, 2016-17 | NA |
| 12 | NSLS Aut., Kohima | 2013-14, 2014-15, 2015-16, 2016-17 | NA |
| 13 | NBSE, Kohima | 2013-14, 2014-15, 2015-16, 2016-17 | NA |
| 14 | SIRD, Kohima | 2012-13, 2013-14, 2014-15, 2015-16, 2016-17 | NA |
| 15 | DAN, Dimapur | 2012-13, 2013-14, 2014-15, 2015-16, 2016-17 | NA |
| 16 | KVIC, Dimapur | 2012-13, 2013-14, 2014-15, 2015-16, 2016-17 | NA |
| 17 | NPCB, Dimapur | 2010-11, 2011-12, 2012-13, 2013-14, 2014-15, 2015-16, 2016-17 | NA |
| 18 | NB & OCWWB, Kohima | 2014-15, 2015-16, 2016-17 | NA |
| 19 | NSAMB, Dimapur | 2011-12, 2012-13, 2013-14, 2014-15, 2015-16, 2016-17 | NA |
| 20 | NHK, Kohima | 2013-14, 2014-15, 2015-16, 2016-17 | NA |
| 21 | KMC, Kohima | 2013-14, 2014-15, 2015-16, 2016-17 | NA |
| 22 | MMC, Mokokchung | 2013-14, 2014-15, 2015-16, 2016-17 | NA |

Appendix 3.3

(Reference Para 3.4; Page 54)

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 2016-17 |
| 2 | Nagaland Power Department | 2015-16 to 2016-17 |
| 3 | Farm Under Agriculture department | |
| | (a) Potato seed Farm, Kuthur | 1999-01 to 2016-17 |
| | (b) Medium Size Seed Farm, Merapani | 2001-02 to 2016-17 |
| | (c) Seed Farm, Tizit | 2000-01 to 2016-17 |
| 4 | Changki Valley Fruit Preservation Factory | 2006-07 to 2016-17 |
| 5 | Timber Treatment and Seasoning Plant, Dimapur | 1998-99 to 2016-17 |
| 6 | Government Cottage industries emporia, Kohima | 1998-99 to 2016-17 |
| 7 | Farms under Veterinary and Animal Husbandry Department | |
| | (a) Cattle breeding farm, Medziphema | 1998-99 to 2016-17 |
| | (b) Cattle breeding farm, Tuensang | 1998-99 to 2016-17 |
| | (c) Cattle breeding farm, Aliba | 1998-99 to 2016-17 |
| | (d) Chick Rearing Centre, (with Hatchery unit), Mokokchung | 1998-99 to 2016-17 |
| | (e) Chick Rearing Centre (with Hatchery unit), Dimapur | 1998-99 to 2016-17 |
| | (f) Chick rearing centre, Tuensang | 1985-86 to 2016-17 |
| | (g) Chick Rearing centre, Medziphema | 1985-86 to 2016-17 |
| | (h) Pig breeding centre, Medziphema | 1997-98 to 2016-17 |
| | (i) Pig Breeding centre, Tizit | 1997-98 to 2016-17 |
| | (j) Pig Breeding centre, Tuensang | 1985-86 to 2016-17 |
| | (k) Pig Breeding centre, Tuli | 1980-81 to 2016-17 |
| | (l) Regional Rabbit Breeding Farm, Jharnapani | 1998-99 to 2016-17 |
| | (m) Pig Breeding centre, Merangkong | 1998-99 to 2016-17 |
| | (n) Chick Rearing centre, Kohima | 1998-99 to 2016-17 |
| | (o) Pig Breeding centre, sathuja | 1998-99 to 2016-17 |
| | (p) Cattle breeding farm, Baghty | 1998-99 to 2016-17 |
| | (q) Sheep farm, Poilwa | 1998-99 to 2016-17 |
| | (r) Buffalo farm, Jalukie | 1998-99 to 2016-17 |
| 8 | Farm under Horticulture Department | |
| | (a) Regional Progeny Orchard, Lonnak | 1987-88 to 2016-17 |

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Appendix 3.4

(Reference Para 3.7; Page 56)

**Department wise/duration wise break-up of the cases of misappropriation, defalcation, etc.
(Cases where final action was pending at the end of March 2017)**

| Sl. No. | Name of the Department | Up to 5 years | 5 to 10 years | 10 to 15 years | 15 to 20 years | Total No. of Cases |
|---------|---|---------------|---------------|----------------|----------------|--------------------|
| 1 | School Education | 2 | 1 | 0 | 0 | 3 |
| 2 | Power | 1 | 0 | 0 | 0 | 1 |
| 3 | Rural Development | 0 | 1 | 0 | 0 | 1 |
| 4 | Public Works Department (Roads & Bridges) | 1 | 0 | 0 | 0 | 1 |
| 5 | Youth Resources | 1 | 0 | 0 | 0 | 1 |
| 6 | Medical | 6 | 0 | 0 | 0 | 6 |
| 7 | Tourism | 1 | 0 | 0 | 0 | 1 |
| 8 | Nagaland State Transport | 1 | 0 | 0 | 0 | 1 |
| 9 | Irrigation & Flood Control | 2 | 0 | 0 | 0 | 2 |
| 10 | Municipal Affairs | 1 | 0 | 0 | 0 | 1 |
| 11 | Higher Education | 1 | 0 | 0 | 0 | 1 |
| 12 | Taxes | 2 | 0 | 0 | 0 | 2 |
| 13 | Land Records & Survey | 1 | 0 | 0 | 0 | 1 |
| 14 | Private Firms | 1 | 0 | 0 | 0 | 1 |
| 15 | Dimapur Municipal Council | 1 | 0 | 0 | 0 | 1 |
| 16 | Various Department | 1 | 0 | 0 | 0 | 1 |
| | Total | 23 | 2 | 0 | 0 | 25 |

(Source: Vigilance & Anti-Corruption)

Appendix 3.5

(Reference Para 3.7; Page 56)

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

(₹ in lakhs)

| 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 | 2 | 8279.50 | 0 | 0.00 | 0 | 0.00 | 3 | 8280.32 | 40.62 |
| Power | 0 | 0.00 | 1 | 2548.00 | 0 | 0.00 | 0 | 0.00 | 1 | 2548 | 0.00 |
| Rural Development | 0 | 0.00 | 1 | 30.82 | 0 | 0.00 | 0 | 0.00 | 1 | 30.82 | 0.00 |
| PWD (R&B) | 0 | 0.00 | 1 | 78.51 | 0 | 0.00 | 0 | 0.00 | 1 | 78.51 | 0.00 |
| Youth Resources | 0 | 0.00 | 1 | 7483.00 | 0 | 0.00 | 0 | 0.00 | 1 | 7483.00 | 4.83 |
| Medical | 0 | 0.00 | 3 | 205.00 | 2 | 1106.00 | 1 | 301.00 | 6 | 1612.00 | 1.00 |
| Tourism | 0 | 0.00 | | 0.00 | 0 | 0.00 | 1 | 500.00 | 1 | 500.00 | 0.00 |
| Nagaland State Transport | 0 | 0.00 | 1 | 3.58 | 0 | 0.00 | 0 | 0.00 | 1 | 3.58 | 2.47 |
| Irrigation & Flood Control | 0 | 0.00 | 1 | 346.00 | 0 | 0.00 | 1 | 55.24 | 2 | 401.24 | 55.24 |
| 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 | 1.55 |
| Taxes | 0 | 0.00 | 0 | 0.00 | 2 | 105.13 | 0 | 0.00 | 2 | 105.13 | 0.00 |
| Land Records & Survey | 0 | 0.00 | 1 | 124.00 | 0 | 0.00 | 0 | 0.00 | 1 | 124.00 | 0.00 |
| Private Firms | 0 | 0.00 | 0 | 0.00 | 1 | 723.00 | 0 | 0.00 | 1 | 723.00 | 0.00 |
| DMC | 0 | 0.00 | 1 | 560.46 | 0 | 0.00 | 0 | 0.00 | 1 | 560.46 | 0.00 |
| Various Department | 0 | 0.00 | 0 | 0.00 | 1 | 281.00 | 0 | 0.00 | 1 | 281.00 | 72.29 |
| Total | 1 | 0.82 | 15 | 19960.42 | 6 | 2215.13 | 3 | 856.24 | 25 | 23032.61 | 178.00 |

(Source: Vigilance & Anti-Corruption)

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