SUPREME AUDIT INSTITUTION OF INDIA
लोकहितार्थ सत्यनिष्ठा
Dedicated to Truth in Public Interest

Report of the
Comptroller and Auditor General of India
on State Finances for the year 2024-25

Government of Nagaland
Report No. 2 of 2026
(State Finances Audit Report)

PLACED BEFORE THE STATE
LEGISLATURE ON 03 SEPT 2026

Report of the
Comptroller and Auditor General of India
on State Finances for the year 2024-25

Government of Nagaland

Report No. 2 of 2026

(State Finances Audit Report)

TABLE OF CONTENTS

APPENDICES

PREFACE

PREFACE

This Report has been prepared for submission to the Governor of Nagaland under Article 151(2) of the Constitution of India.

The State Finances Audit Report of the Government of Nagaland intends to assess the financial performance of the State, during the financial year 2024-25 and to provide the State Legislature with inputs, based on audit analysis of financial data. The Report contains three Chapters.

Chapter I – Overview of the Finances of the State

This Chapter describes the basis and approach to the Report and provides a broad perspective of the finances of the State. It includes a macro-fiscal analysis of key indices and State's fiscal position including deficits/surplus, debt profile and key Public Account transactions.

Chapter II - Budgetary Management

This Chapter is based on the Appropriation Accounts of the State and reviews the appropriations and allocative priorities of the State Government and reports on deviations from Constitutional provisions relating to budgetary management.

Chapter III – Financial Reporting Practices

This Chapter comments on the quality of accounts rendered by various authorities of the State Government and issues of non-compliance with prescribed financial rules and regulations by various departments of the State Government.

The Reports containing the findings of performance audit and audit of transactions in various departments and observations arising out of audit of Statutory Corporations, Boards and Government Companies and the Report containing observations on the Revenue Receipts are presented separately.

Basis and Approach to State Finances Audit Report

In terms of Article 151 (2) of the Constitution of India, the reports of the Comptroller and Auditor General of India (CAG) relating to the accounts of a State are to be submitted to the Governor of the State, who shall cause them to be laid before the Legislature of the State.

The Accountant General (Accounts and Entitlements) compiles the annual Finance Accounts and Appropriation Accounts of the State based on vouchers, challans, and initial and subsidiary accounts submitted by treasuries, offices, and departments under the control of the State Government, as well as statements received from the Reserve Bank of India. These accounts are independently audited by the Accountant General (Audit) and certified by the Comptroller and Auditor General of India.

Finance Accounts and Appropriation Accounts of the State constitute the core data for this Report. Other sources include the following:

- Budget of the State: for assessing the fiscal parameters and allocative priorities *vis-à-vis* projections, as well as for evaluating the effectiveness of its implementation and compliance with the relevant rules and prescribed procedures.
- Results of audit carried out by the Office of the Accountant General (Audit).
- Other data with departmental authorities and treasuries (accounting as well as MIS).
- GSDP data and other State related statistics.
- State's Fiscal Responsibility and Budget Management (FRBM) Act.
- Finance Commission recommendations.
- Various audit reports of the CAG of India.
- Best practices and guidelines of the Government of India (GoI).

An Entry Conference was held on 21 August 2025 with the Finance Commissioner, Government of Nagaland, wherein the audit approach followed in the preparation of the SFAR was explained. The Exit Conference was held with the Finance Commissioner, Government of Nagaland on 17 February 2026 wherein Audit findings were discussed. The responses of the Government have been incorporated in the Report appropriately.

Structure of the Government Account

The Accounts of the State Government are kept in three parts.

1. Consolidated Fund of the State (Article 266 (1) of the Constitution of India)

This Fund comprises all revenues received by the State Government, all loans raised by the State Government (market loans, bonds, loans from the Central Government, loans from Financial Institutions, Special Securities issued to National Small Savings Fund, *etc*.), Ways and Means advances extended by the Reserve Bank of India and all moneys received by the State Government in repayment of loans. No moneys can be appropriated from this Fund except in accordance with law and for the purposes and in the manner provided by the Constitution of India. Certain categories of expenditure (*e.g.,* salaries of Constitutional authorities, loan repayments *etc*.), constitute a charge on the Consolidated Fund of the State (Charged expenditure) and are not subject to vote by the Legislature. All other expenditure (Voted expenditure) is voted by the Legislature.

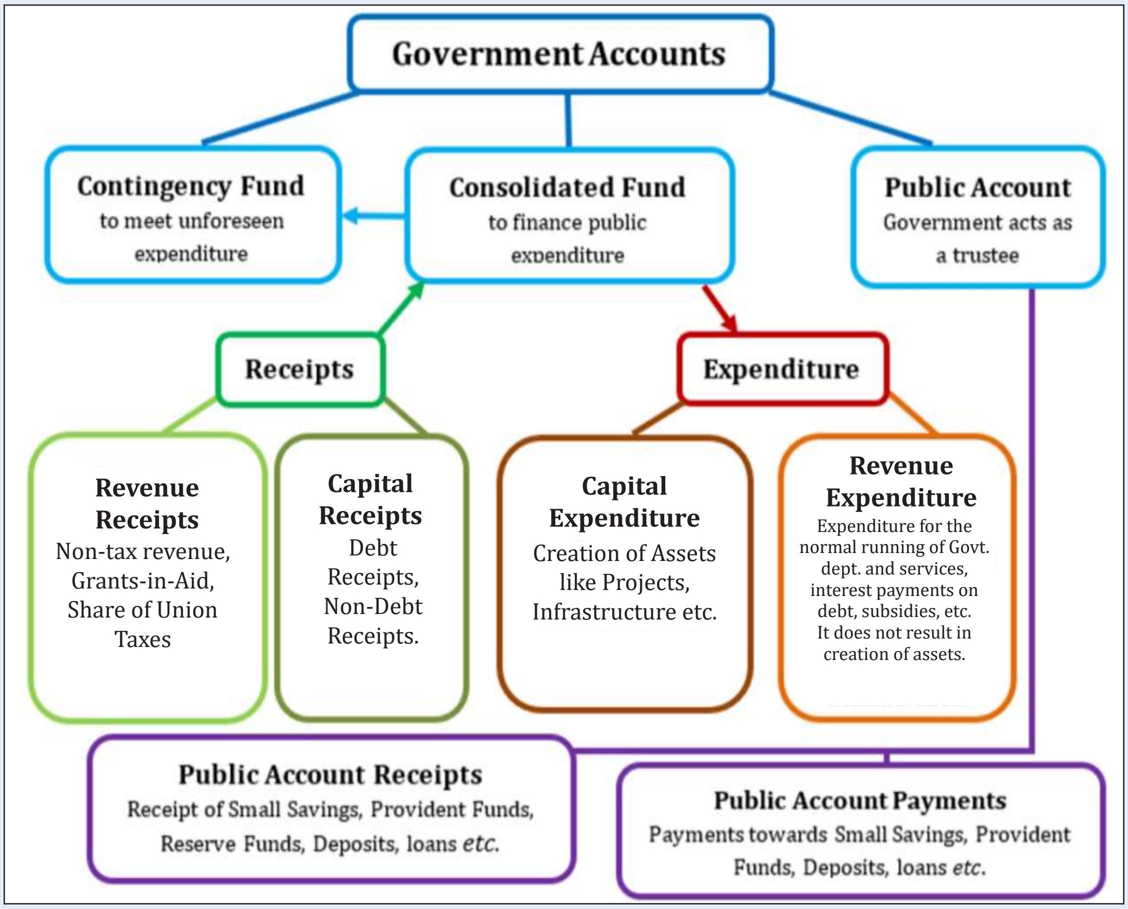
2. Contingency Fund of the State (Article 267 (2) of the Constitution of India)

This Fund is in the nature of an imprest which is established by the State Legislature by law, and is placed at the disposal of the Governor to enable advances to be made for meeting unforeseen expenditure pending authorisation of such expenditure by the State Legislature. The fund is recouped by debiting the expenditure to the concerned functional major head relating to the Consolidated Fund of the State.

3. Public Accounts of the State (Article 266 (2) of the Constitution of India)

Apart from above, all other public moneys received by or on behalf of the Government, where the Government acts as a banker or trustee, are credited to the Public Account. The Public Account includes repayables like Small Savings and Provident Funds, Deposits (bearing interest and not bearing interest), Advances, Reserve Funds (bearing interest and not bearing interest), Remittances and Suspense heads (both of which are transitory heads, pending final booking). The net cash balance available with the Government is also included under the Public Account. The Public Account is not subject to the vote of the Legislature.

Structure of Government Accounts



EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

This Report on the finances of the State of Nagaland provides an independent assessment of the fiscal position of Nagaland for FY 2024-25. It analyses the State's overall financial health and reviews its revenue and expenditure trends, assesses the State's debt position and borrowing patterns, evaluate its compliance with fiscal responsibility laws and compares its performance against fiscal health indicators.

Nagaland's economy showed moderate growth during the FY 2024-25, with GSDP registering growth of 9.39 *per cent* as against the previous financial year. The State contributed (0.14 *per cent*) to GDP of India. We observed that the revenue receipts of the State contracted (0.42 *per cent*), driven by decreased grants from the Centre despite higher tax collections, notably GST, and increased central tax devolution. However, non-tax revenue grew (0.20 *per cent*) over the previous year. The State's own revenue performance improved yet dependence on central Grants-in-Aid remained substantial.

Expenditure of the State was dominated by higher growth of revenue spending (3.47 *per cent*) particularly committed costs and subsidies (75.01 *per cent* of RE, 60.99 *per cent* of TE and 71.50 *per cent* of RR), leaving limited fiscal space for capital investment. Capital expenditure remained volatile and below budgeted levels, reflecting constraints in infrastructure investment. The State was not able to maintain the fiscal deficit within the target levels of the State FRBM Act from 2022-23 onwards, thereby rendering little room for fiscal consolidation. Moreover, the outstanding liabilities remained within the numerical targets only in 2020-21, this needs to be seen in the context of contingent liabilities through guarantees. Besides, the State Government also carried forward significant undischarged liabilities in respect of State Road Safety Fund, interest liabilities, State and Central Finance Commissions grants *etc*., to the tune of ₹26.43 crore (0.14 *per cent* of Total Expenditure) in the FY 2024-25.

Audit through its various reports have already highlighted the increased efforts to be taken by the State in realising the arrears in tax revenue, reducing the compliance risks in the taxations, recycling the capital investments made in the SPSEs and rationalising the expenditure in tune with revenue growth.

The fiscal year also continued to witness large scale savings and excess in revenue/capital, charged and voted sections of 79 grants (Revenue: 78 grants and Capital: 36 grants). The excess expenditure in FY 2024-25 requires regularisation by the legislature. Concerns also arise from delays in submission of utilisation certificates, some of which are from 2011-12, pending accounts for autonomous bodies, and substantial use of Minor Head 800-Other Receipts/Expenditure affecting transparency in financial reporting. Fund *viz*., Nagaland Electricity Regulatory Commission Fund was kept outside Government Account which violates the provisions of Article 266 of the Constitution of India.

The report notes positive steps like implementation of Single Nodal Agency (SNA) and SNA-SPARSH for better fund tracking in centrally sponsored schemes.

The increasing debt load, high committed expenditure, and limited capital investment raise concerns about fiscal sustainability. There is a need for revenue augmentation, better expenditure control, and structural reforms to ensure long-term fiscal health.

CHAPTER I
Overview of Finances of the State

Chapter I: Overview of the Finances of the State

This chapter provides a snapshot of Nagaland's finances for 2024-25, covering demographics, economic indicators, and the State's fiscal structure. It analyses trends in revenue and expenditure, debt levels, and fiscal deficits, highlighting persistent imbalances and reliance on borrowings. The chapter flags issues like high committed expenditure, low returns on investments *etc.*

1.1 Profile of the State

Nagaland, a state in north-east India, covers 16,579 sq. km. and comprises 17 districts and 1,425 villages. As of 2025, its population stood at 0.23 crore (0.16 *per cent* of India's total), with a density of 137 persons per sq. km. This section provides an overview of the State's demography, GSDP, and per capita income of the State.

1.1.1 Demography of the State

The State's demographic details *vis-à-vis* national average are presented in **Table 1.1** below.

Table 1.1: Demographic profile of the State

Demographics terms (Sources of the data)	Nagaland	National average
Rural Population (*per cent*) (As per Report of the Technical Group on Population (Figures for 2025))	51.31	64.30
Urban Population (*per cent*) (As per Report of the Technical Group on Population (Figures for 2025))	48.69	35.70
Population density (in persons per sq. km.) (Census of India, 2011(Population Projection for India and States 2011-2036, MoHFW, GoI))	137	430
Sex Ratio per 1,000 Males (Census of India, 2011(Population Projection for India and States 2011-2036, MoHFW, GoI))	939	947
Infant Mortality Rate per 1,000 Live births (Sample Registration System Bulletin September, 2025 (Ref. Year 2023))- Registrar General of India, GoI	10	25
Maternal Mortality Rate (per lakh women in the age group of 15-49) (SRS Bulletin on Maternal Mortality in India, 2021-23 (September 2025)) - Registrar General of India, GoI	NA	05
Total Fertility Rate (Children per women) (NFHS-5, 2019-21, MoHFW, GoI)	1.72	1.99
Life Expectancy at Birth (in years) (SRS Based Abridged Life Tables 2017-21 & 2019-23) - Registrar General of India, GoI	NA	70.3
Population below Poverty Line (Headcount Ratio) (in *per cent*) (Multidimensional Poverty Index, 2023, NITI Aayog)	15.43	14.96
Literacy Rate (in *per cent*) (Periodic Labour Force Survey (2023-24), Ministry of Statistics and Programme Implementation (MoSPI))	95.7	80.9

1.1.2 Economy of the State

Gross State Domestic Product (GSDP) and per capita income are important indicators of the State's economy as discussed in succeeding paragraphs.

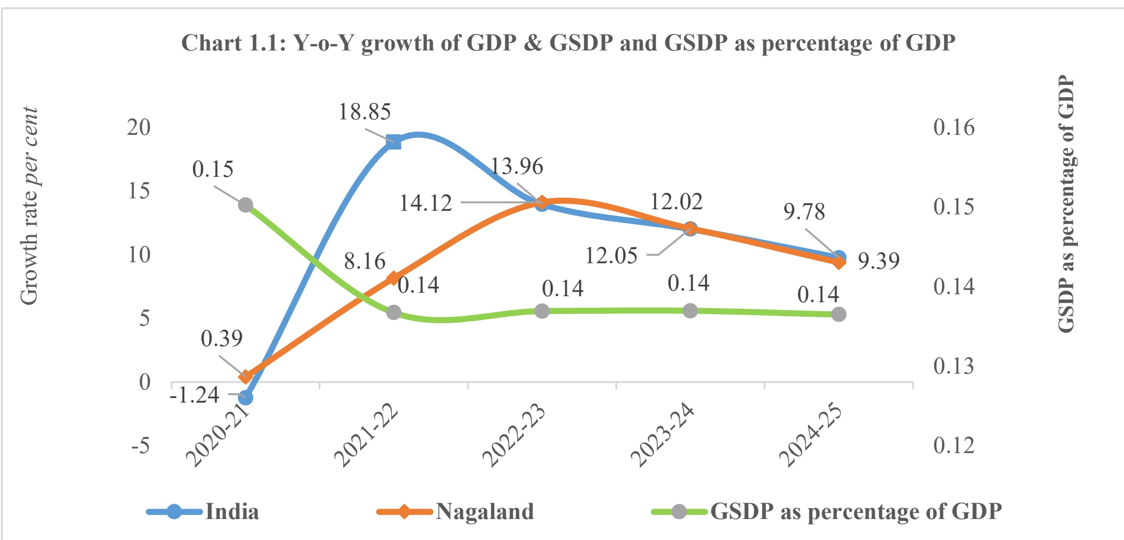
1.1.2.1 Gross State Domestic Product and Per Capita Income

Gross Domestic Product (GDP) refers to the total value of goods and services produced within a country, while GSDP measures the same at the State level, and both reflect economic development and overall progress. Trends of GSDP and GDP are given in **Table 1.2**. Year on year growth of GSDP and GDP and GSDP contribution in GDP is given in **Chart 1.1** and Per capita Income (PCI) of the country and PCI of the State is depicted in **Chart 1.2**.

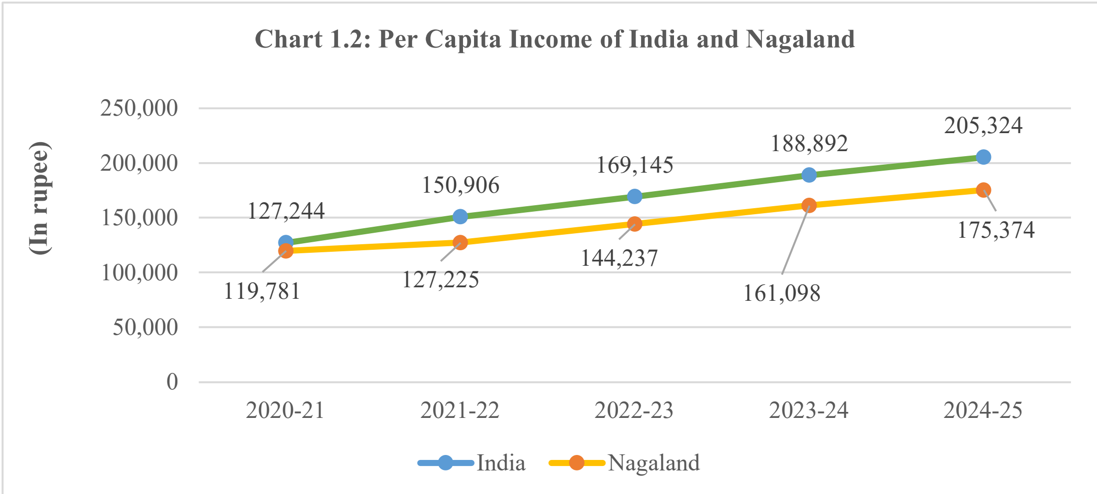
Table 1.2: Trends in GSDP compared to the GDP (at current prices)

Year	2020-21	2021-22	2022-23	2023-24	2024-25
GDP (₹ in crore)	1,98,54,096	2,35,97,399	2,68,90,473 (FE)	3,01,22,956 (FRE)	3,30,68,145 (PE)
GSDP (₹ in crore)	29,832	32,265	36,820	41,258	45,134 (AE)
PCI of India (in ₹)	1,27,244	1,50,906	1,69,145	1,88,892	2,05,324
PCI of Nagaland (in ₹)	1,19,781	1,27,225	1,44,237	1,61,098	1,75,374

Sources: National Statistics Office, MoSPI for GDP and Economics & Statistics Department (E&SD), GoN for GSDP figures
PE: Provisional Estimates; AE: Advance Estimates; FRE: First Revised Estimates, FE: Final Estimates



Sources: National Statistics Office, MoSPI for GDP and E&SD, GoN for GSDP figures

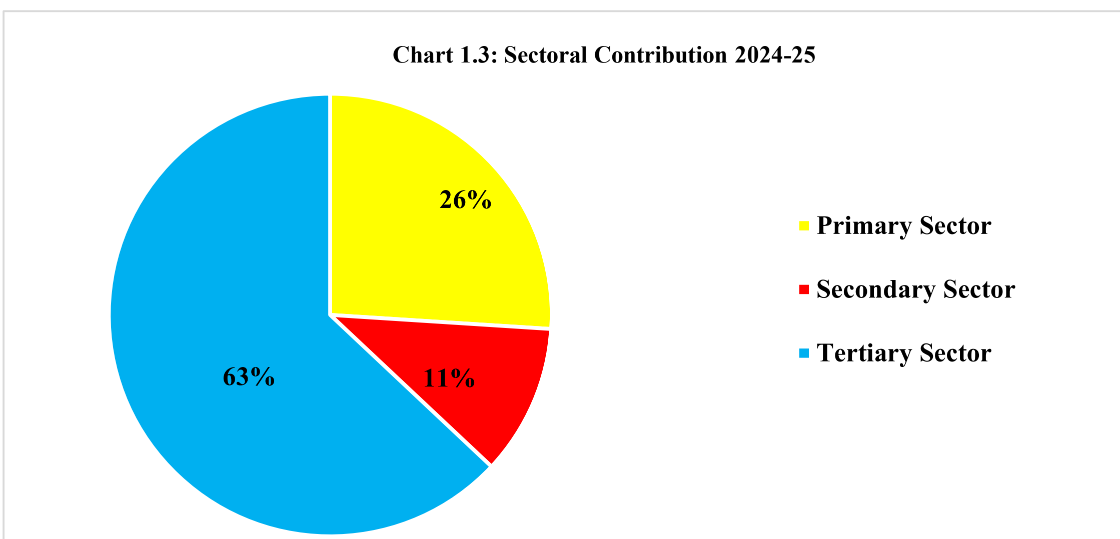


Audit assessed the State's economic performance by analysing trends in GSDP, per capita income, and the State's share in the national economy over the last five years and observed that:

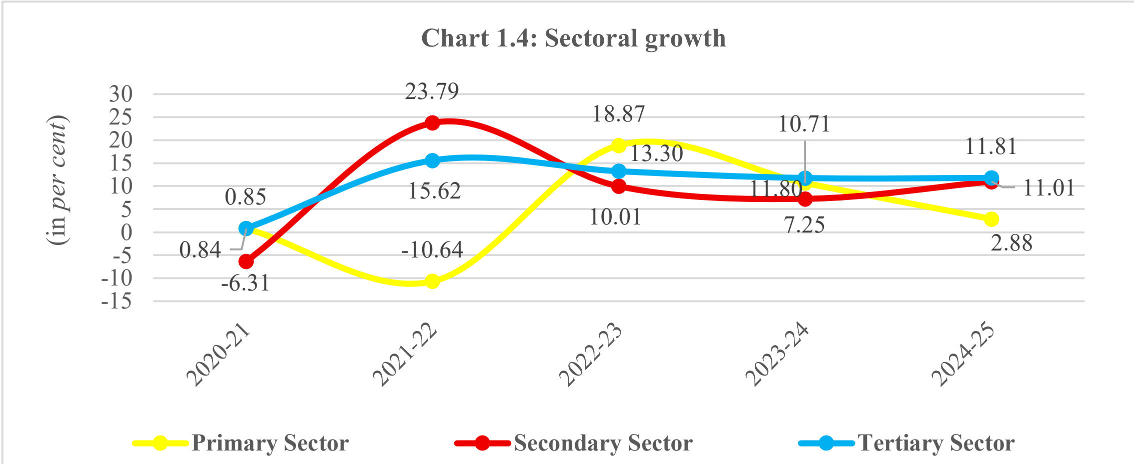
- ➢ The State's GSDP growth generally remained close to but slightly below national GDP growth, indicating a steady but not outpacing the national trend. Consequently, the State's share in national GDP appears largely unchanged, with no notable improvement in its relative economic weight.
- ➢ Nagaland's PCI has been steadily improving, suggesting that living standards in the State are rising.

1.1.2.2 Sectoral contribution to GSVA

The sectoral contribution by various sectors during 2024-25 and sectoral growth in GSDP during the last five years are depicted in **Chart 1.3** and **Chart 1.4** respectively.



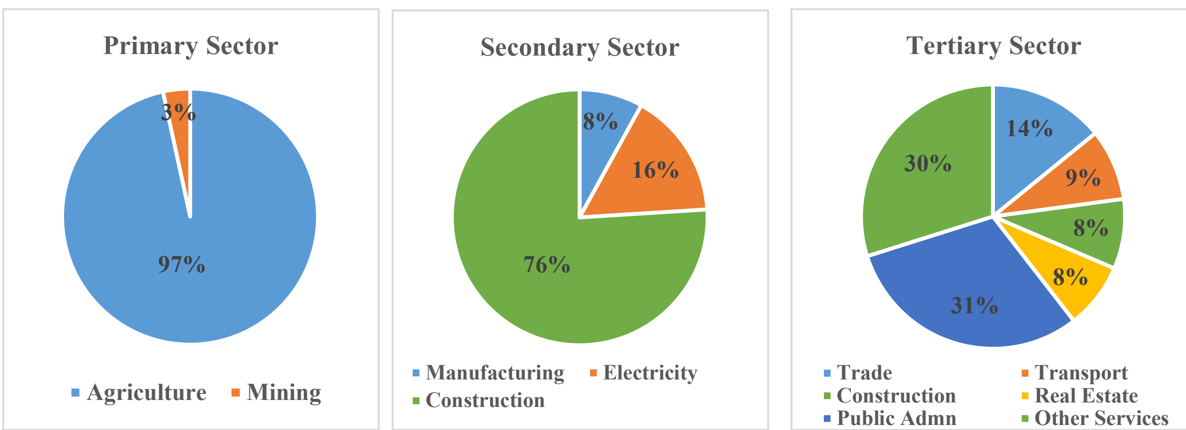
Source: E&SD, GoN



Source: E&SD, GoN

Chart 1.5 shows the composition of each sector during FY 2024-25, in terms of its major contributing segments.

Chart 1.5: Sector-wise distribution, FY 2024-25



Source: E&SD, GoN

The contribution of all three sectors fluctuated between 2020-21 and 2024-25. However, tertiary sector showed greater stability than the primary and secondary sectors.

1.1.3 Snapshot of Finances

Table 1.3 shows the details of actual financial results of the State Government of Nagaland for the years 2023-24 and 2024-25 *vis-à-vis* Budget Estimates (BE), Revised Estimates (RE) and GSDP for the year 2024-25.

Table 1.3: Snapshot of Finances

(₹ in crore)

Sl. No.	Components	2023-24 Actuals	2024-25			Percentage of Actuals to BEs	Percentage of Actuals to GSDP
			BE	RE	Actuals		
1.	Tax Revenue	8,024.91	8,727.09	9,113.27	9,031.92	103.49	20.01
	(i) Own Tax Revenue	1,598.09	1,786.53	1,790.90	1,709.55	95.69	3.79
	(ii) Share of Union taxes/duties	6,426.82	6,940.56	7,322.37	7,322.37	105.50	16.22
2.	Non-Tax Revenue	677.85	463.51	621.22	679.18	146.53	1.50

Sl. No.	Components	2023-24 Actuals	2024-25			Percentage of Actuals to BEs	Percentage of Actuals to GSDP
			BE	RE	Actuals		
3.	Grants-in-Aid and Contributions	7,452.37	88,42.91	7,512.53	6,375.43	72.10	14.13
4.	**Revenue Receipts (1+2+3)**	**16,155.13**	**18,033.51**	**17,247.02**	**16,086.53**	**89.20**	**35.64**
5.	Recovery of Loans and Advances	2.99	1.51	1.53	-0.99	-65.56	0.00
6.	Other Receipts	0.00	0.00	0.00	0.20	**NA**	0.00
7.	Borrowings and other Liabilities (a)	1,784.45	1,449.83	3,282.54	2,772.73	191.25	6.14
8.	**Capital Receipts (5+6+7)**	**1,787.44**	**1,451.34**	**3,284.07**	**2,771.94**	**190.99**	6.14
9.	**Total Receipts (4+8)**	**17,942.57**	**19,484.85**	**20,531.09**	**18,858.47**	**96.79**	41.78
10.	**Revenue Expenditure**	**14,819.70**	**16,892.87**	**16,144.96**	**15,333.81**	**90.77**	33.97
11.	Interest payments	1,068.43	1,367.35	1,193.49	1,167.70	85.40	2.59
12.	**Capital Expenditure**	**3,122.52**	**2,591.42**	**4,385.56**	**3,524.31**	**136.00**	7.81
13.	Loan and advances	0.35	0.57	0.57	0.35	61.40	0.00
14.	**Total Expenditure (10+12+13)**	**17,942.57**	**19,484.86**	**20,531.09**	**18,858.47**	**96.79**	41.78
15.	Revenue Deficit (-)/Surplus (+) (4-10)	1,335.43	1,140.64	1,102.06	752.72	65.99	1.67
16.	Fiscal Deficit (-)/Surplus (+) {(4+5+6) - 14}	(-)1,784.45	(-)1,449.84	(-)3,282.54	(-)2,772.73	191.24	-6.14
17.	Primary Surplus (+)/Deficit (-) (16-11)	(-)716.02	(-)82.49	(-)2,089.05	(-)1,605.03	1,945.67	-3.56

Source: Finance Accounts, 2024-25 and Annual Financial Statement, 2024-25

(a) Borrowings and other Liabilities: Net (Receipts-Disbursements) of Public Debt + Net of Contingency Fund + Net (Receipts-Disbursements) of Public Account + Net of Opening and Closing Cash Balance.

(Note: Revenue surplus, Fiscal deficit and Primary deficit worked out to be ₹738.67 crore, ₹2,786.78 crore and ₹1,619.08 crore after Audit.)

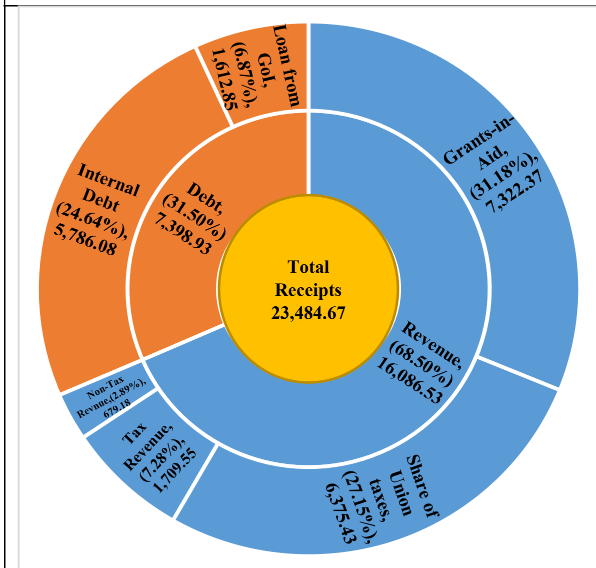
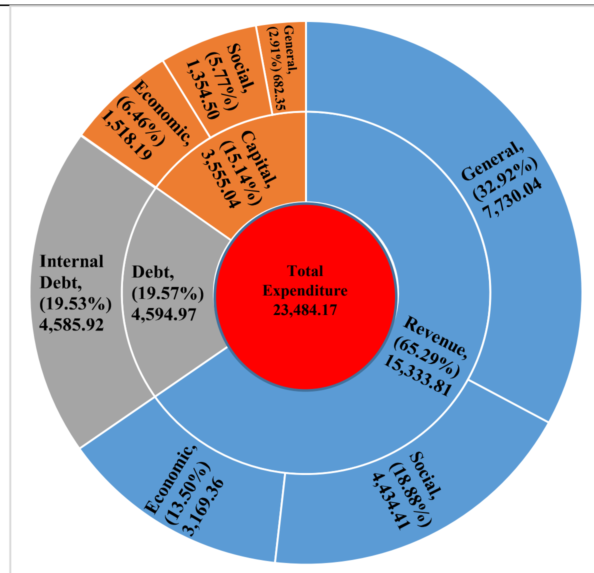
The details of State Government Finances for the FY 2020-21 to 2024-25 are given in ***Appendix 1.1***.

1.1.4 Sources and Application of Funds

Comparison of components of the sources and application of funds of the State during the current year is given in **Chart 1.6**.

Chart 1.6: Details of sources and application of funds during 2024-25

(₹ in crore)

Sources of Funds	Application of Funds
	

Source: Finance Accounts

Appendix 1.2 provides details of receipts and disbursements and the overall fiscal position of the State during current year as well as previous year.

1.1.5 Snapshot of Assets and Liabilities of the Government

Government accounts capture the financial liabilities of the Government and the assets created out of the expenditure incurred. ***Appendix 1.3*** gives an abstract of such liabilities and assets, as on 31 March 2025, compared with the corresponding position of the previous year. The liabilities consist mainly of internal borrowings, loans and advances from GoI, receipts from the Public Account and Reserve Funds. Assets comprise mainly of the Capital Expenditure, loans and advances given by the State Government and cash balances. A summarised position of assets and liabilities, for the financial years 2023-24 and 2024-25, is given in **Table 1.4**.

Table 1.4: Summarised position of Assets and Liabilities

(₹ in crore)

Liabilities					Assets				
		2023-24	**2024-25**	**Increase (in *per cent*)**			**2023-24**	**2024-25**	**Increase (in *per cent*)**
Consolidated Fund									
A	Internal Debt	13,864.31	15,064.47	9	A	Gross Capital Outlay	28,694.60	32,218.91	12
B	Loans and Advances from GoI*	2,079.75	3,683.56	77	B	Loans and Advances	36.84	38.18	4
Contingency Fund		0.35	0.35	0					
Public Account									
A	Small Savings, Provident Funds, *etc.*	1,387.12	1,344.57	-3	A	Advances	1.98	1.98	0
B	Deposits	871.58	873.99	0	B	Remittance			

Liabilities					Assets				
		2023-24	**2024-25**	**Increase (in *per cent*)**			**2023-24**	**2024-25**	**Increase (in *per cent*)**
C	Reserve Fund	1,724.29	1,961.97	14	C	Suspense and Miscellaneous	50.14	58.92	18
D	Remittances	-759.92	-707.59	-7		Cash balance (including investment in Earmarked Fund)	3,746.55	4,018.88	7
E	Cumulative excess of Receipts over Expenditure	13,362.61	14,115.53	6					
	Difference on account of rounding off		0.02						
Total		**32,530.11**	**36,336.87**	**12**			**32,530.11**	**36,336.87**	**12**

Source: Finance Accounts of respective years

**The State has not received any back-to-back loans in lieu of GST Compensation shortfall from GoI, however, the State has availed 50- year interest free Loan under Scheme for Special Assistance to State for Capital Investment, which was ₹3,577.09 crore (as on 31 March 2025).*

1.2 Consolidated Fund of the State

All revenues received by the State Government, all loans raised by the State Government, ways and means advances extended by the Reserve Bank of India and all money received by the State Government in repayment of loans forms part of the Consolidated Fund of the State.

1.2.1 Revenue Receipts

Trends and growth of revenue receipts with respect to Gross State Domestic Product (GSDP) over the five-year period (2020-25) are shown in **Table 1.5**.

Table 1.5: Trends in Revenue Receipts

(₹ in crore)

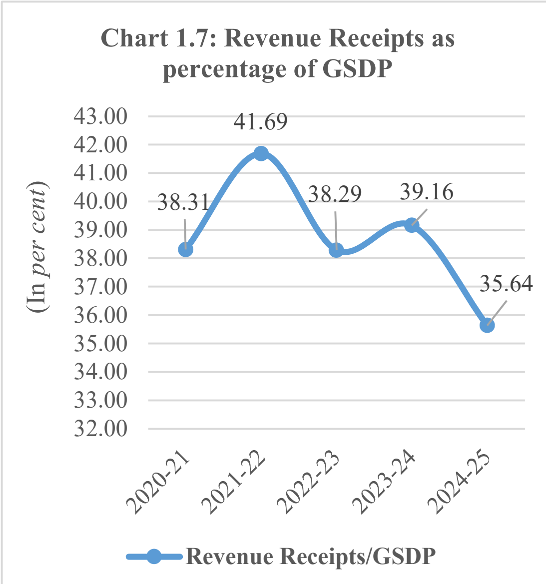
Parameters	2020-21	2021-22	2022-23	2023-24	2024-25
Revenue Receipts (RR)	**11,427.43**	**13,451.14**	**14,099.26**	**16,155.13**	**16,086.53**
Tax Revenue	**4,431.99**	**6,176.54**	**6,862.07**	**8,024.91**	**9,031.92**
Own Tax Revenue	*1,022.74*	*1,301.08*	*1,461.88*	*1,598.09*	*1,709.55*
State's share in Union taxes and duties	*3,409.25*	*4,875.46*	*5,400.19*	*6,426.82*	*7,322.37*
Non-Tax Revenue	**242.60**	**303.58**	**478.41**	**677.85**	**679.18**
Grants-in-Aid from GoI	**6,752.84**	**6,971.21**	**6,758.78**	**7,452.37**	**6,375.43**
State's Own Resources (Own Tax and Non-tax Revenue)	1,265.34	1,604.66	1,940.29	2,275.94	2,388.73
GSDP (2011-12 series)	29,831.64	32,265.38	36,820.34	41,258.00	45,133.95
Year-on-year growth rates (in *per cent*)					
Revenue Receipts	0.04	17.71	4.82	14.58	-0.42
State's Own Revenue	-2.48	26.82	20.92	17.30	4.96
GSDP	0.39	8.16	14.12	12.05	9.39
Buoyancy Ratios[1]					
State's Own Revenue buoyancy *w.r.t.* GSDP	--*	3.29	1.48	1.44	26.430.53

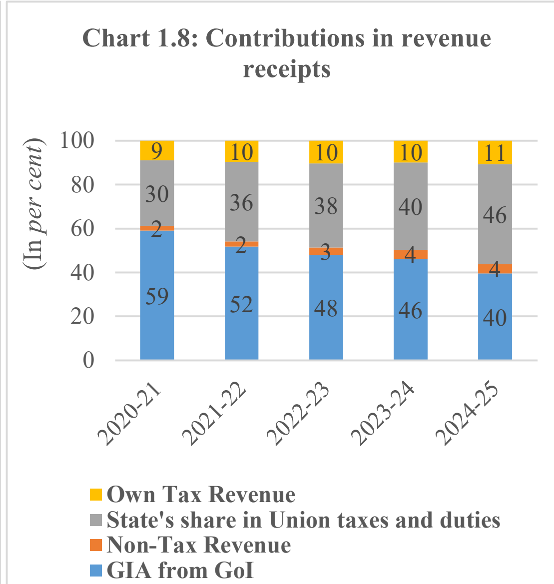
Source: Finance Accounts of respective years and E&SD, GoN for GSDP figures

**Buoyancy ratio was not calculated as Own Resources growth was negative.*

[1] Buoyancy ratio indicates the degree of responsiveness of a fiscal variable with respect to a given change in the base variable. For instance, State's Own Revenue buoyancy with respect to GSDP at 0.53 implies that Own Tax Revenue tend to increase by 0.53 percentage points, if the GSDP increased by one *per cent*.

Revenue Receipts as percentage of GSDP and contribution from various sources in revenue receipts are given in **Chart 1.7** and **Chart 1.8**.





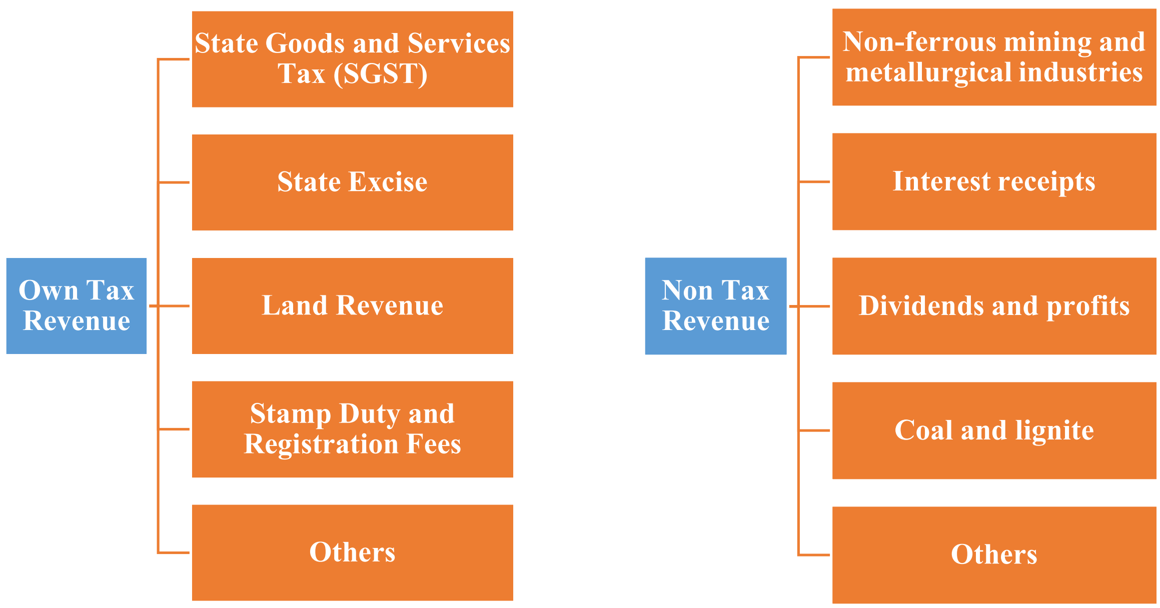
Source: Finance Accounts of respective years and E&SD, GoN for GSDP figures

The ratio of Revenue receipts to GSDP was low, with a contraction in the latest year, indicating fiscal stress. The State continues to rely heavily on Central transfers, particularly Grants-in-Aid, exposing its fiscal position to external policy decisions and reducing autonomy. Though own resources have improved, their share in Revenue receipts remains modest, and declining revenue buoyancy reflects limited responsiveness of the State's tax and non-tax revenue to economic growth.

Strengthening revenue mobilisation through expansion of the tax base, better compliance, improved non-tax revenue collection, and strategic use of Grants-in-Aid is essential to enhance fiscal resilience and reduce dependence on external transfers.

A. State's Own Resources

Chart 1.9: Details of State's Own Revenue



(i) Own Tax Revenue

Own Tax Revenue is the revenue collected by the State Government through taxes it is empowered to levy under the Constitution of India. Actuals for FY 2023-24, Budget Estimate (BE), Revised Estimate (RE), and Actuals of Own Tax Revenue for the FY 2024-25 are given in **Table 1.6**.

Table 1.6: Own Tax Revenue: 2023-24 (Actuals) and 2024-25 (BE, RE, and Actuals)

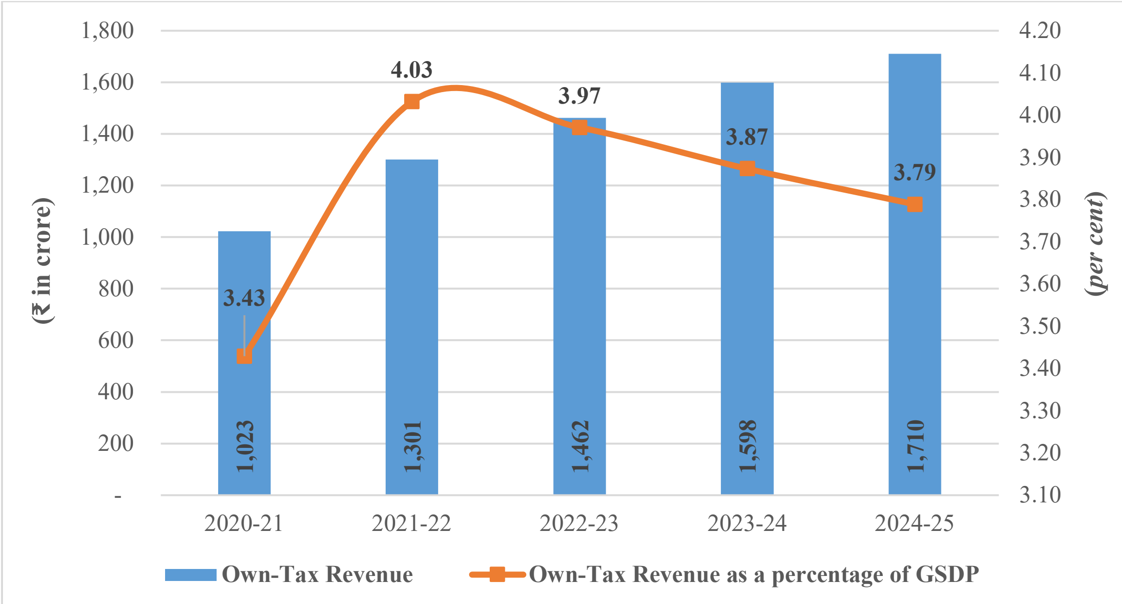
(₹ in crore)

Tax Revenue	2023-24 (Actual)	2024-25 (BE)	2024-25 (RE)	2024-25 (Actuals)
State Goods and Services Tax (SGST)	1,063	1,224	1,210	1,077
State Excise	5	5	5	5
Land Revenue	1	1	1	1
Stamp Duty and Registration Fees	4	4	4	4
Vehicle Tax	198	190	200	224
Others	327	363	371	399
Total	**1,598**	**1,787**	**1,791**	**1,710**

Source: Finance Accounts and Budget documents of the State

Trends of Own Tax Revenue and its components during the period 2020-21 to 2024-25 are shown in **Chart 1.10** and **Chart 1.11** respectively.

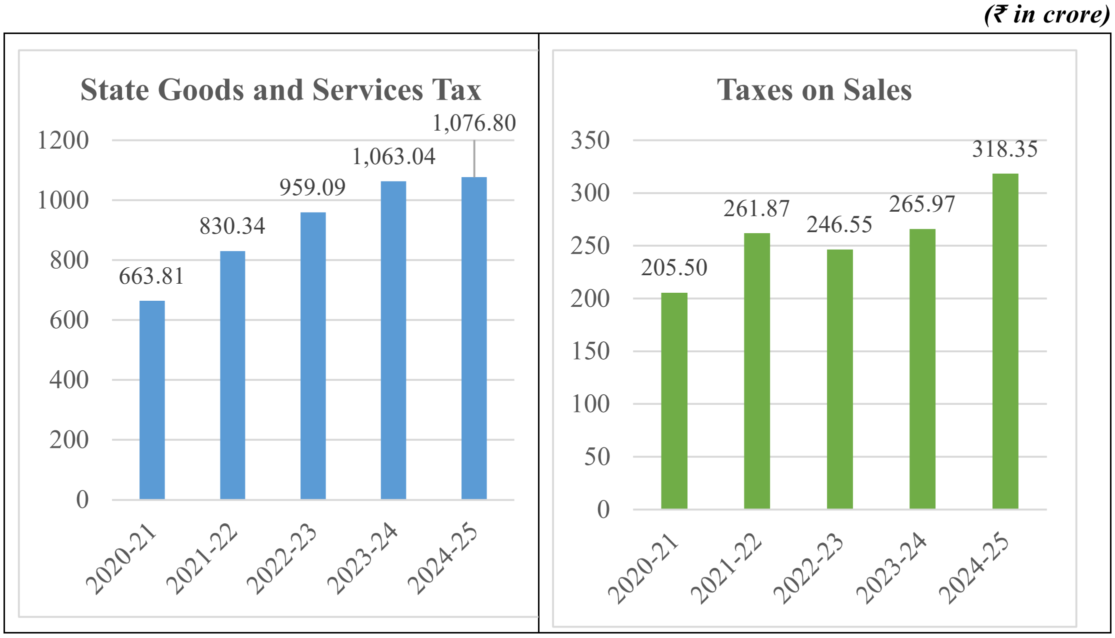
Chart 1.10: Trends of Own Tax Revenue during FY 2020-21 to FY 2024-25

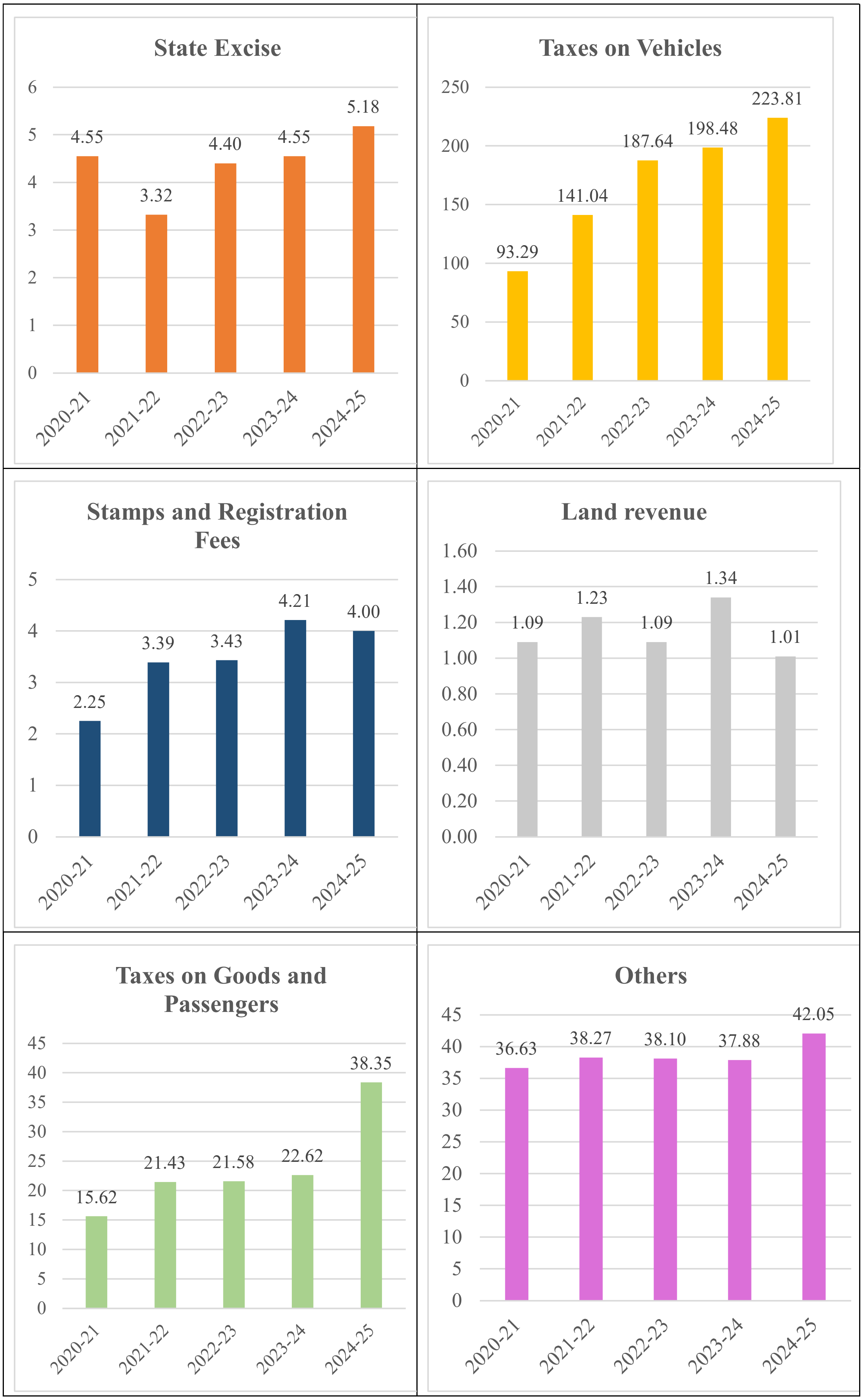


Source: Finance Accounts of respective years

Chart 1.11: Major components of State's Own Tax Revenue

(₹ in crore)





Source: Finance Accounts of respective years

Own Tax Revenue of the State increased from ₹1,598 crore in 2023-24 to ₹1,710 crore in 2024-25 due to increase/expansion in the tax base, and improvement in compliance level by the department under SGST. Further, Taxes on Vehicles also increased due to levy and collection of one-time cess *i.e.,* Nagaland Road Safety Fund on every motor vehicle used or kept for use in the State despite decrease in registration number of vehicles.

(ii) Non-Tax Revenue

Non-Tax Revenue of a State refers to the rent, fees, royalties and other receipts of the State Government from sources other than taxes.

Actuals for FY 2023-24, Budget Estimate (BE), Revised Estimate (RE), and Actuals of Non-Tax Revenue for the FY 2024-25 are given in **Table 1.7**.

Table 1.7: Major Non-Tax Revenue: 2023-24 (Actuals) and 2024-25 (BE, RE, and Actuals)

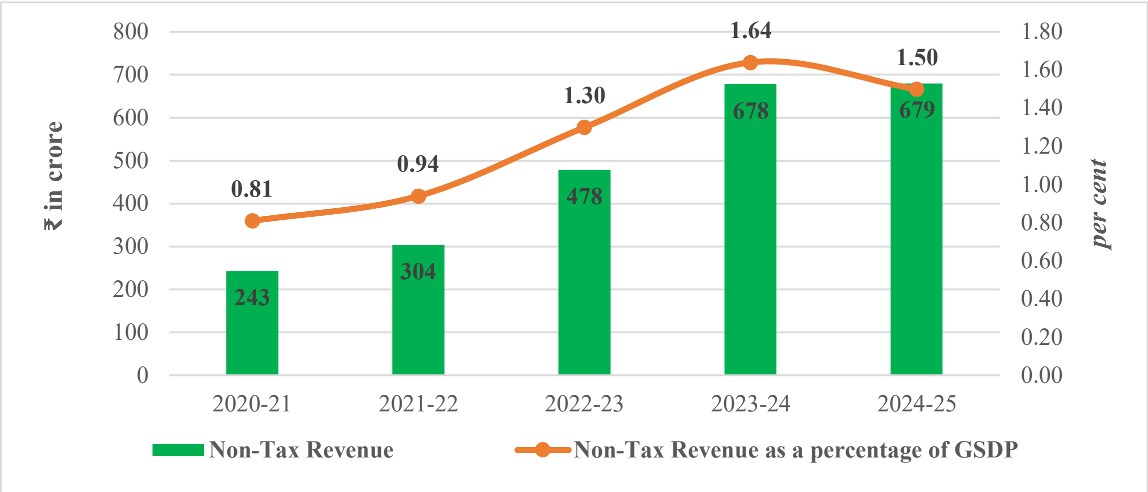
(₹ in crore)

Non-Tax Revenue	2023-24 (Actual)	2024-25 (BE)	2024-25 (RE)	2024-25 (Actuals)
Interest Receipts	15.68	10.00	12.50	11.76
Dividends and Profits	4.94	3.00	3.05	2.62
User Charges	8.58	7.56	24.27	23.88
Power	282.78	350.00	360.00	411.38
Others	365.87	92.95	221.40	229.54
Total	**677.85**	**463.51**	**621.22**	**679.18**

Source: Finance Accounts and Budget documents of the State

Trends of Non-Tax Revenue and its components during the period 2020-21 to 2024-25 are shown in **Chart 1.12** and **Chart 1.13** respectively.

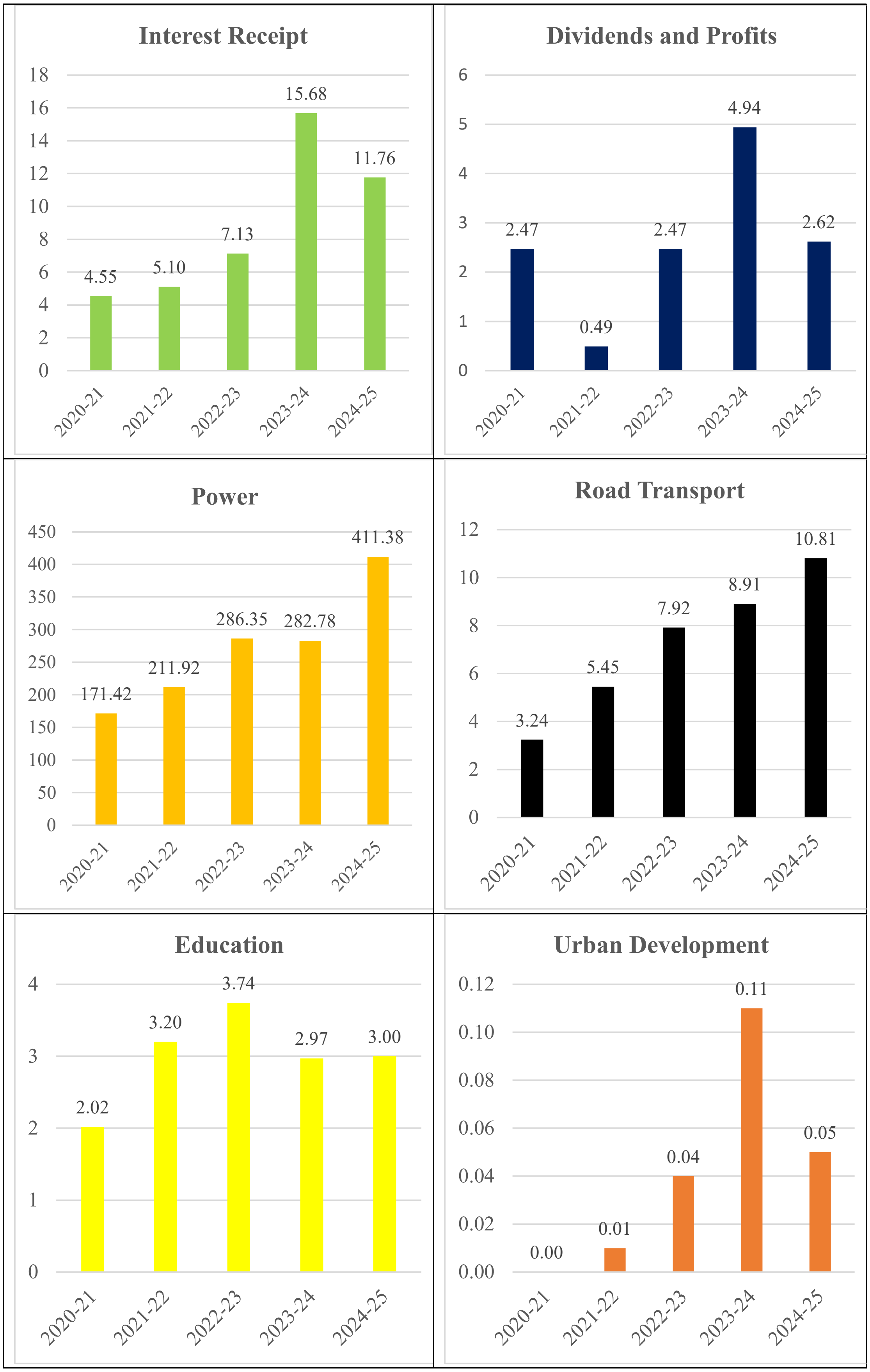
Chart 1.12: Trends in Non-Tax Revenue

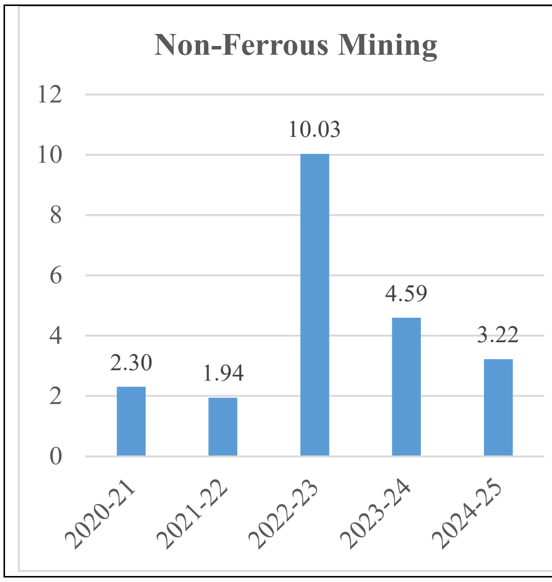


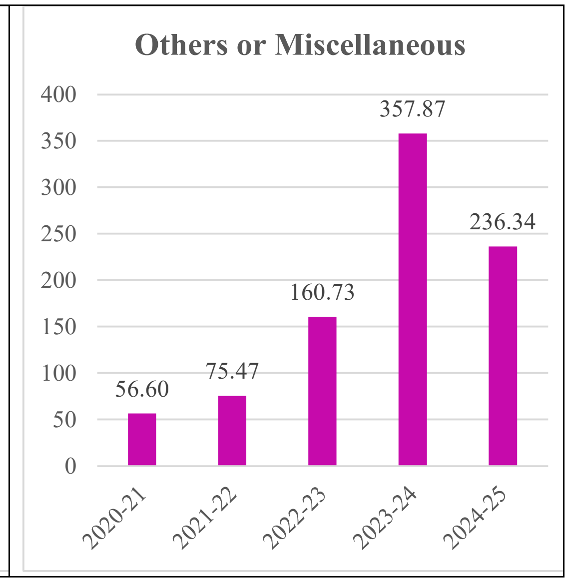
Source: Finance Accounts of respective years

Chart 1.13: Major components of State's Non-Tax Revenue

(₹ in crore)







Source: Finance Accounts of respective years

Non-Tax Revenue in 2024-25 surpassed the Budget Estimates substantially and remained marginally higher than the previous year's actuals. The growth was primarily driven by buoyant receipts under Power and User Charges which offset the decline in dividends and interest and other non-tax receipts. Major increase/decrease in the components of Non-Tax Revenue is discussed below:

- During 2024-25, there was a marginal increase of ₹1.33 crore (0.20 *per cent*) in total Non-Tax Revenue over the previous year which was mainly due to increase of ₹128.60 crore under Power and ₹15.30 crore in User charges offset by decrease of ₹142.57 crore in Interest Receipts, Dividends & Profits and other non-tax receipts. The increase in Non-Tax Revenue under Power was mainly due to implementation of smart prepaid metering system in the State.
- User Charges, a key component of Non-Tax Revenue, showed a significant increase in 2024-25, with actual collection of ₹23.88 crore compared to ₹8.58 crore in the previous year. This rise reflects improved recovery of service costs and better collection efficiency across services such as water supply, transport, public health laboratories, and other State-provided facilities.

B. State's share in Union Taxes and Duties

Trends in the components of State's share in Union taxes and duties are shown in **Table 1.8**.

Table 1.8: State's share in Union taxes and duties

(₹ in crore)

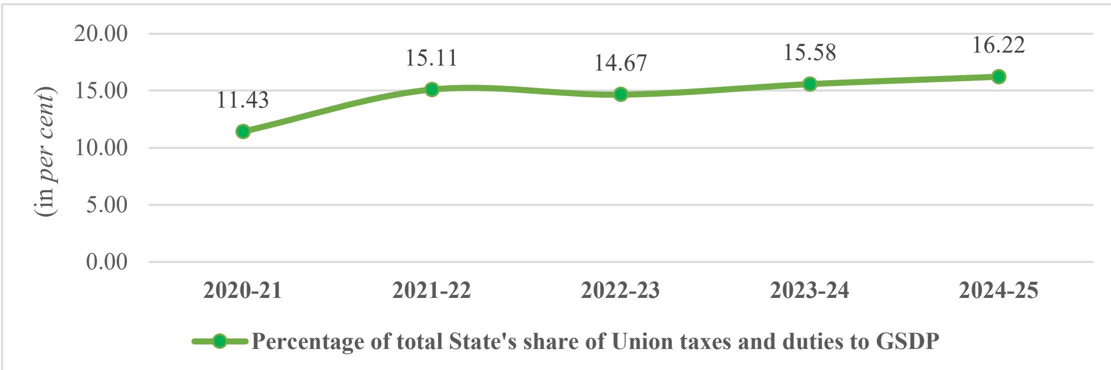
Head	2020-21	2021-22	2022-23	2023-24	2024-25
Central Goods and Services Tax	1,019.70	1,446.30	1,526.79	1,950.45	2,138.61
Corporation Tax	1,023.92	1,460.64	1,808.50	1,929.06	2,077.77
Taxes on Income other than Corporation Tax	1,049.12	1,467.36	1,768.56	2,227.81	2,649.71
Customs	185.46	314.44	212.40	225.21	372.55
Union Excise Duties	115.23	144.33	66.63	85.22	71.72

Head	2020-21	2021-22	2022-23	2023-24	2024-25
Service Tax	13.61	37.29	8.42	1.18	0.26
Other Taxes and Duties on Commodities and Services	2.21	5.10	8.89	7.89	11.75
Total	**3,409.25**	**4,875.46**	**5,400.19**	**6,426.82**	**7,322.37**

Source: Finance Accounts of respective years

Percentage of total State's share in Union taxes and duties to GSDP is given in **Chart 1.14**.

Chart 1.14: Percentage of total State's share in Union taxes and duties to GSDP



Source: Finance Accounts and E&SD, GoN for GSDP figures

During 2020-21 to 2024-25, the composition of central tax transfer in total Revenue receipts constituted between 29.83 to 45.52 *per cent*.

C. Grants-in-Aid from Government of India

Trend of Grants-in-Aid (GIA) from GoI and its components are shown in **Table 1.9.**

Table 1.9: Grants-in-aid from Government of India

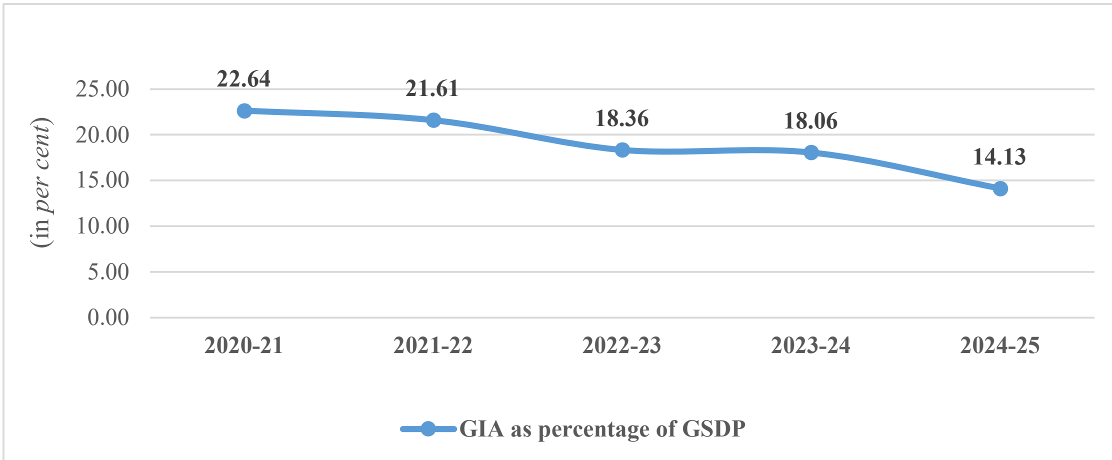
(₹ in crore)

Head	2020-21	2021-22	2022-23	2023-24	2024-25
Finance Commission Grants	4,694.75	4,706.77	4,630.79	4,534.89	4,121.77
Grants for Centrally Sponsored Schemes	2,008.24	2,184.18	1,992.30	2,917.48	2,071.85
Other transfers/Grants to States/Union Territories with legislature	49.85	80.26	135.69	0.00	181.81
Total	**6,752.84**	**6,971.21**	**6,758.78**	**7,452.37**	**6,375.43**

Source: Finance Accounts of respective years

Percentage of Grants-in-Aid from Government of India to GSDP is given in **Chart 1.15**.

Chart 1.15: Percentage of Grants-in-Aid from Government of India to GSDP



Source: Finance Accounts of respective years and E&SD, GoN for GSDP figures

(i) Grants for Centrally Sponsored Schemes

Out of the Grants of ₹2,071.85 crore for Centrally Sponsored Schemes during 2024-25, major allocations were made to the schemes shown in **Table 1.10**.

Table 1.10: Major Schemes receiving grants

Name of the Scheme	2024-25 Amount (₹ in crore)	2023-24 Amount (₹ in crore)	Percentage change over previous year
National Rural Employment Guarantee Scheme (NREGS)	150.13	218.33	-31.24
National Rural Livelihood Mission (NRLM)	124.04	127.33	-2.58
Rashtriya Krishi Vikash Yojana (RKVY)	136.19	188.33	-27.69
Krishonnati Yojana	191.86	114.62	67.39
Flexible Pool for RCH and Health System Strengthening	156.77	118.49	32.31
Saksham Anganwadi Poshan 2.0 (ICDS)	124.14	262.91	-52.78
Samagra Shiksha	234.80	231.25	1.54
Additional Central Assistance for EAP Grants	145.19	0.00	(+)100

Source: Finance Accounts

(ii) Fifteenth Finance Commission Grants

The Fifteenth Finance Commission (15th FC) grants were provided to the States for local bodies and State Disaster Response Fund (SDRF), State Disaster Mitigation Fund (SDMF) and health sector grants. Details of grants provided by GoI are given in **Table 1.11**.

Table 1.11: Recommended amount, actual release and transfers of Grants-in-Aid

(₹ in crore)

Transfers		Recommendation of 15th FC for 2024-25	Actual release by GoI during 2024-25	Release by State Government (Total percentage of the amount released by GoI)
(i) Grants to PRIs		**102.00**	**19.20**	**19.20 (100)**
(a) Performance/Tied Grants #		61.20		
(b) Untied Grants		40.80	19.20	19.20 (100)
(ii) Grants to ULBs		**53.00**	**5.77**	**0.07* (0.00)**
(a) Non-Million Plus Cities (Performance/Tied Grant)		31.80		
(b) Non-Million Plus Cities (General Basic/Untied Grant)		21.20	5.77	0.07*(0.00)
(iii) Grant for Health Sector		**63.00**	**18.50**	**18.50 (100)**
Total for Local Bodies (i+ii+iii)		**218.00**	**43.47**	**37.77 (87)**
State Disaster Response Fund (SDRF)	Central Share	38.40	38.40	38.40 (100)
	State Share	4.00	4.00	4.00 (100)
State Disaster Mitigation Fund (SDMF)	Central Share	9.60	9.60	9.60 (100)
	State Share	1.00	1.50	1.50 (100)
Total for SDRMF		**53.00**	**53.50**	**53.50 (100)**
Post Devolution Deficit Grant		**4,073.77**	**4,073.77**	**4,073.77 (100)**

Source: 15th FC Report and Information furnished by Finance Department, GoN

PRIs - Panchayati Raj Institutions and ULBs - Urban Local Bodies

 # For drinking water, rainwater harvesting, SWS and Sanitation

**Penal interest pertaining to FC grants for 2021-22 due to delayed release of funds to the implementing departments for ULBs*

- An amount of ₹19.20 crore was released by GoI during 2024-25 under Grants to PRIs. However, this amount pertained to 15th FC recommendation for the year 2022-23.

- An amount of ₹5.77 crore was released by GoI during 2024-25 under Grants to ULBs. However, this amount pertained to 15th FC recommendation for the year 2021-22 for 25 ULBs in Nagaland. Against this release, the State did not release ₹5.77 crore to the implementing departments during 2024-25. This non-transfer of 15th FC grants to local bodies led to un-discharged liabilities to the State Government. Further, it also led to an overstatement of the revenue surplus and understatement of the fiscal deficit for the year 2024-25.

- GoI did not release the whole recommended amount of ₹63.00 crore under Grant for Health Sector as the State failed to submit Utilisation Certificate of 50 *per cent* of the fund released to the State as one of the implementing departments could not utilise the grants in time.

The non-release and delayed release of crucial grants highlight gaps in fiscal management, fund utilisation, and compliance. Immediate structural reforms and enhanced fiscal discipline are required to ensure optimal utilisation of Finance Commission Funds for economic development and service delivery in Nagaland.

1.2.2 Capital Receipts

Capital receipts comprise miscellaneous capital receipts such as proceeds from disinvestments, recoveries of loans and advances, debt receipts from internal sources (market loans, borrowings from financial institutions/commercial banks) and loans and advances from GoI.

Trends of capital receipts and their components during 2020-21 to 2024-25 are shown in **Table 1.12**.

Table 1.12: Trends in growth and composition of capital receipts

(₹ in crore)

Sources of State's Receipts	2020-21	2021-22	2022-23	2023-24	2024-25
Capital Receipts	**1,532.17**	**760.26**	**2,287.44**	**2705.24**	**2,803.18**
Miscellaneous Capital Receipts	0.00	0.00	450.00	0.00	0.20
Recovery of Loans and Advances	1.23	1.88	3.04	2.99	-0.99
Public Debt Receipts	**1,530.94**	**758.38**	**1,834.40**	**2702.25**	**2,803.97**
*Internal Debt**	1,344.21	463.73	1,338.59	1,730.85	1,200.17
Loans and advances from GoI#	186.73	294.65	495.81	971.40	1,603.80
Year-on Year growth rates (in percent)					
GSDP	0.39	8.16	14.12	12.05	9.39
Capital Receipts	52.66	-50.38	200.88	18.26	3.62
Debt Capital Receipts	52.70	-50.46	141.88	47.31	3.76
Internal Debt	32.07	-65.50	188.66	29.30	-30.66
Loans and advances from GoI	1,327.68	57.79	68.27	95.92	65.10

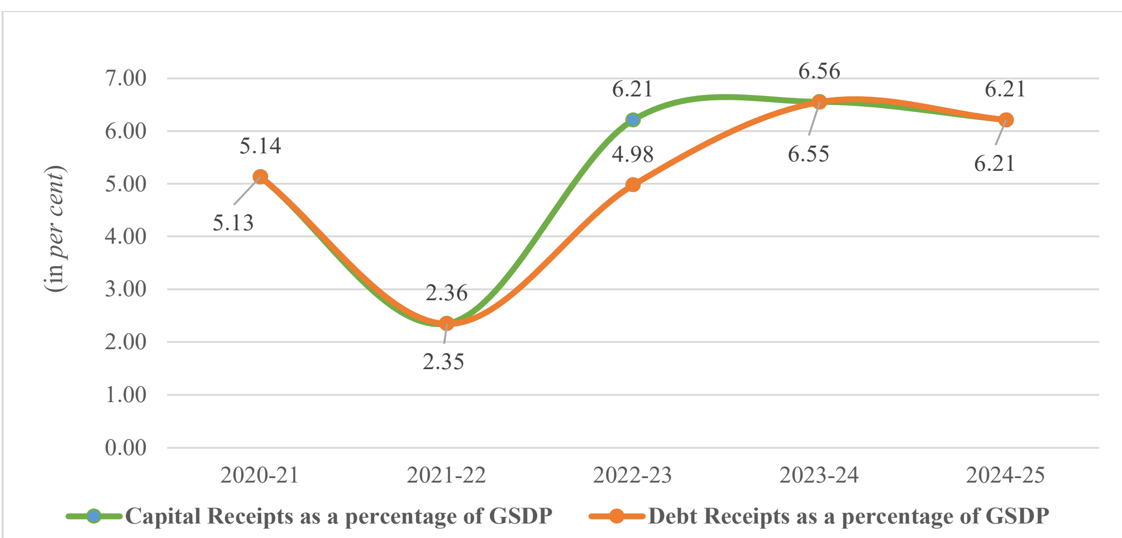
Source: Finance Accounts and E&SD, GoN for GSDP figures

* Including net figure under Ways and Means Advances/Overdraft/Special Drawing Facility

#Including 50-year interest free Loan under Scheme for Special Assistance to State for Capital Investment, received from 2020-21 onwards.

Capital Receipts as percentage of GSDP is depicted in **Chart 1.16**.

Chart: 1.16: Capital Receipts as percentage of GSDP



Source: Finance Accounts and E&SD, GoN for GSDP figures

Capital receipts have increasingly been driven by Public Debt receipts signaling rising fiscal reliance on borrowing. Internal debt has fluctuated, while loans from the Government of India have steadily surged mainly due to 50 years interest-free loan under Scheme for Special Assistance to States for Capital Investment, reflecting growing dependence on external support. However, it will not have implications on forthcoming interest payments, as it is a 50-year interest-free loan. Minimal recovery of past loans and advances adds little relief to the debt burden. Overall, the trends point to heightened interest obligations and potential risks to fiscal sustainability, underscoring the need for stronger resource mobilisation and disciplined debt management.

1.2.3 Finance Commission Projections and Actuals

The projected revenue, deficits and GSDP by the 15th Finance Commission and actuals for the FY 2020-21 to FY 2024-25 are given in **Table 1.13**.

Table 1.13: 15th FC Projection *vis-à-vis* actuals

	2020-21		2021-22		2022-23		2023-24		2024-25	
	Projection	Actual	Projection	Actual	Projection	Actual	Projection	Actual	Projection	Actual
GSDP (2011-12 Series - Current Prices)	32,892.00	29,831.64	35,366.00	32,265.38	39,433.00	36,820.34	44,165.00	41,258.00	49,664.00	45,133.95
Own Revenue Receipts	1,290.00	1,265.34	1,189.00	1,604.66	1,369.00	1,940.29	1,586.00	2,275.94	1,847.00	2,388.73
State's Own Tax Revenue	954.00	1022.74	1,065.00	1,301.08	1,227.00	1,461.88	1,422.00	1,598.09	1,656.00	1,709.55
State's Own Non-Tax Revenue	336.00	242.60	124.00	303.58	142.00	478.41	164.00	677.85	191.00	679.18
State's share in Union Taxes/Duties	4,900	3,409.25	3,747	4,875.27	4,169	5,400.19	4,691	6,426.82	5,329	7,322.37
Revenue surplus (+) as percentage of GSDP	0.00	0.62	0.00	4.73	0.00	1.61	0.00	3.10	0.00	1.64
Fiscal Deficit (-) as percentage of GSDP	-4.50	-4.87	-4.00	-1.07	-3.50	-4.45	-3.00	-4.43	-3.00	-6.17

Source: 15th FC Report and Finance Accounts of respective years

1.2.4 Expenditure

Government expenditure is classified into revenue expenditure, capital expenditure, and loans and advances. Revenue expenditure includes costs for maintenance, repairs, and day-to-day functioning of departments, including administrative and establishment expenses. Capital expenditure relates to the initial construction of projects and sanctioned improvements or additions to assets. Loans and advances comprise funds provided by the Government to Public Sector Undertakings and other entities, which are recoverable over time. Details of expenditure, total expenditure as percentage of GSDP and share of its components are given in **Table 1.14**, **Chart 1.17** and **Chart 1.18** respectively.

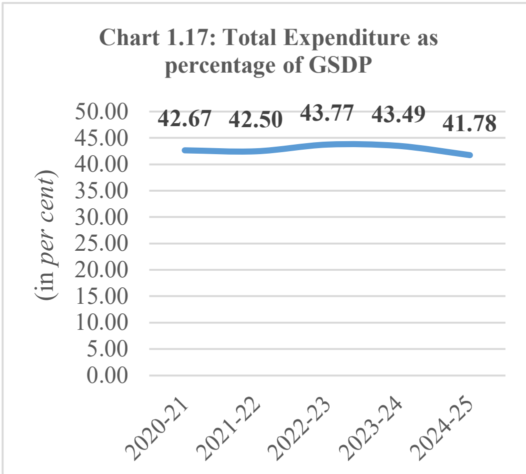
Table 1.14: Total expenditure and its composition

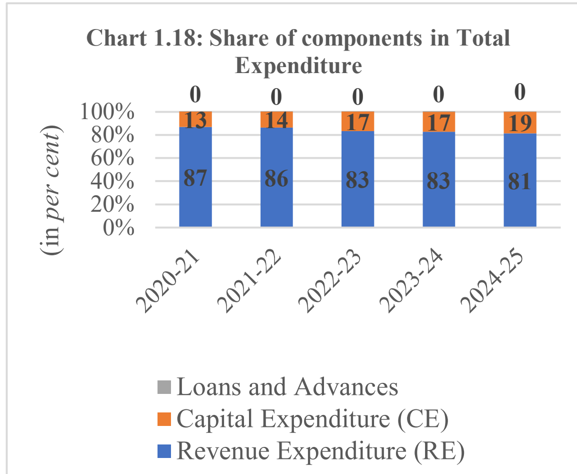
(₹ in crore)

Parameters	2020-21	2021-22	2022-23	2023-24	2024-25
Total Expenditure (TE)	**12,729.60**	**13,713.54**	**16,114.93**	**17,942.57**	**18,858.47**
Revenue Expenditure (RE)	11,052.06	11,817.08	13,410.36	14,819.70	15,333.81
Capital Expenditure (CE)	1,671.93	1,893.85	2,704.22	3,122.52	3,524.31

Parameters	2020-21	2021-22	2022-23	2023-24	2024-25
Loans and Advances	5.61	2.61	0.35	0.35	0.35
Appropriation to contingency fund	-	-	-	-	-

Source: Finance Accounts of respective years





Source: Finance Accounts and E&SD, GoN for GSDP figures

Out of the total expenditure of ₹18,858.47 crore incurred by the State during the financial year 2024-25, a portion of ₹2,790.41 crore (14.00 *per cent*) pertained to pass-through transactions such as Finance Commission grants (₹90.54 crore), labour cess collected and kept in Government Account and transferred to the Building and Other Construction Workers' Welfare Board (₹12.78 crore), transfer of Central share received by the State on Centrally Sponsored Schemes (₹2,184.47 crore), transfer of NPS contributions from the designated major head in Public Account to designated fund manager (₹502.62 crore), *etc*.

Sector-wise Total Expenditure

Sector-wise composition of expenditure is given in **Table 1.15** and relative share of various sectors in total expenditure is depicted in **Chart 1.19**.

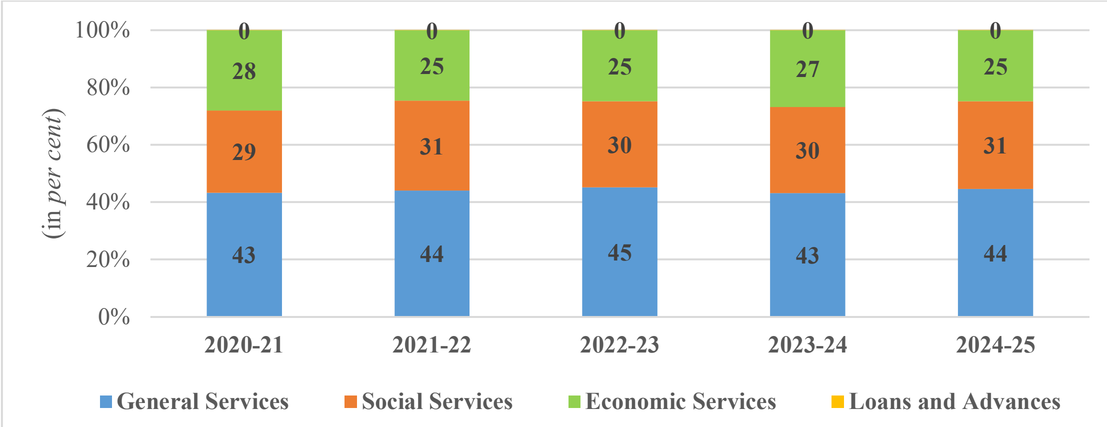
Table 1.15: Sector-wise Total expenditure

(₹ in crore)

Parameters	2020-21	2021-22	2022-23	2023-24	2024-25
General Services	5,509.64	6,036.99	7,267.61	7,746.38	8,412.39
Social Services	3,646.72	4,294.62	4,840.22	5,372.61	5,788.91
Economic Services	3,567.63	3,379.32	4,006.75	4,823.23	4,656.82
Others* (Grants to Local Bodies and Loans and Advances)	5.61	2.61	0.35	0.35	0.35

Source: Finance Accounts of respective years *bifurcated from Economic Services

Chart 1.19: Relative share of various sectors in Total expenditure



Source: Finance Accounts of respective years

The State's expenditure is predominantly revenue-oriented, reflecting high routine and administrative outlays that constrain fiscal flexibility. Capital expenditure, while essential for infrastructure and long-term growth, remains relatively modest, indicating modest investment in asset formation. The overall pattern suggests a tilt toward consumption rather than productive investment, which could limit the State's capacity to support sustainable economic growth. Strengthening capital spending alongside controlled revenue expenditure would be important for enhancing fiscal sustainability and growth prospects.

The State's expenditure is dominated by general services, reflecting substantial administrative and routine governance costs. Rising allocations to social services indicate a welfare-oriented focus on health, education, and social protection. Expenditure on economic services, however, has been uneven, suggesting inconsistent support for growth-promoting initiatives such as infrastructure and industry.

1.2.4.1 Revenue expenditure

Revenue expenditure is incurred to maintain the current level of services and payment for the past obligation. As such, it does not result in any addition to the State's infrastructure and service network. Growth in revenue expenditure, its ratio to total expenditure, GSDP and revenue receipts are shown in **Table 1.16**.

Table 1.16: Revenue Expenditure – Basic Parameters

(₹ in crore)

Parameters	2020-21	2021-22	2022-23	2023-24	2024-25
Total Expenditure (TE)	12,729.60	13,713.54	16,114.93	17,942.57	18,858.47
Revenue Expenditure (RE)	11,052.06	11,817.08	13,410.36	14,819.70	15,333.81
RE as percentage of Revenue Receipts	96.72	87.85	95.11	91.73	95.32
RE as percentage of TE	86.82	86.17	83.22	82.60	81.31
RE/GSDP (*per cent*)	37.05	36.62	36.42	35.92	33.97
Year-on-year growth (in *per cent*)					
Revenue Expenditure	-5.03	6.92	13.48	10.51	3.47
GSDP growth	0.39	8.16	14.12	12.05	9.39

Source: Finance Accounts of respective years

A. Sector-wise Revenue Expenditure

Sector-wise composition of Revenue expenditure is given in **Table 1.17** and Relative share of various sectors in Revenue expenditure is depicted in **Chart 1.20**. Detailed Sector-wise expenditure is given in ***Appendix 1.2***.

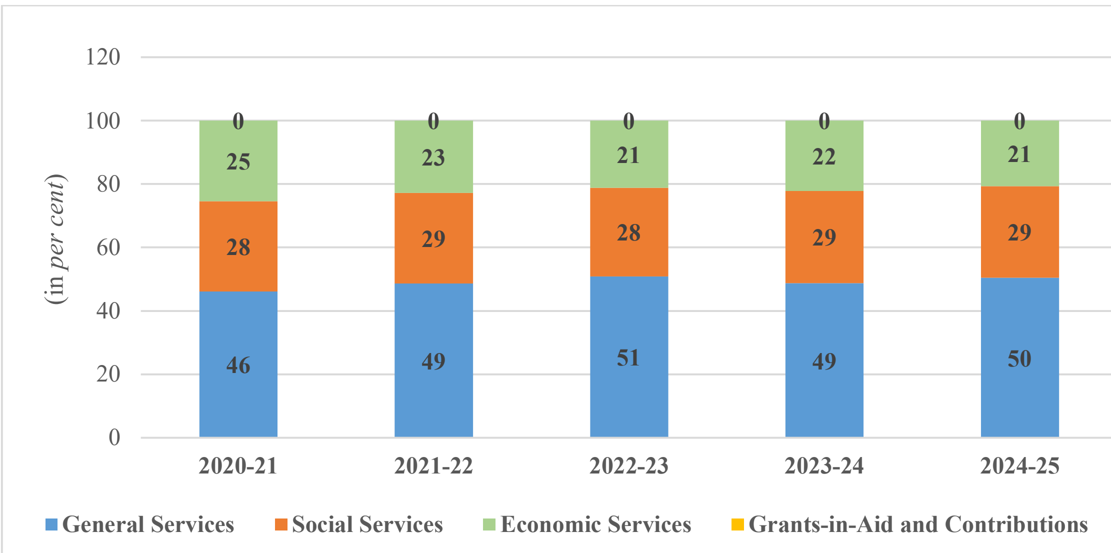
Table 1.17: Sector-wise Revenue expenditure

(₹ in crore)

Parameters	2020-21	2021-22	2022-23	2023-24	2024-25
General Services	5,100.03	5,743.69	6,820.70	7,218.28	7,730.04
Social Services	3,138.51	3,378.12	3,746.13	4,317.93	4,434.41
Economic Services	2,813.52	2,695.27	2,843.53	3,283.49	3,169.36
Grants-in-Aid And Contributions	0.00	0.00	0.00	0.00	0.00

Source: Finance Accounts of respective years

Chart 1.20: Relative share of various sectors in Revenue expenditure



Source: Finance Accounts

The State's Revenue expenditure remains high relative to Revenue receipts and total expenditure, leaving limited fiscal space for capital investments. Persistent dominance of Revenue expenditure indicates that much of the State's revenue is absorbed by routine and administrative obligations. This pattern reflects fiscal stress, as high revenue commitments constrain investment in infrastructure and long-term development.

Revenue expenditure is dominated by General services, reflecting a heavy administrative burden that limits fiscal flexibility. Allocations for both economic and social services remained fluctuated. However, the fluctuations in allocations for social services have been less pronounced compared to those for economic services. This pattern suggests that a significant share of resources is tied to routine obligations rather than development. Containing administrative costs and prioritising social and economic sectors would strengthen fiscal space and better align expenditure with sustainable growth objectives.

B. Committed expenditure

The committed expenditure of the State Government on revenue account consists of interest payments, expenditure on salaries and wages, and pensions. It has first charge on Government resources. The components of committed expenditure are given in **Table 1.18** and committed expenditure as a percentage of revenue receipts and remaining fiscal space for other expenditure is given in **Chart 1.21**.

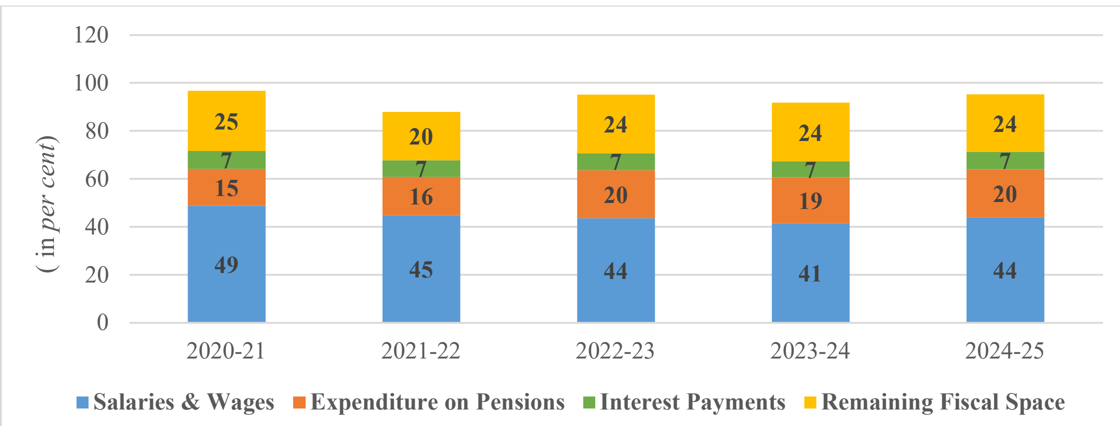
Table 1.18: Components of committed expenditure

(₹ in crore)

Components of committed expenditure	2020-21	2021-22	2022-23	2023-24	2024-25
Salaries and Wages	5,578.10	6,029.85	6,152.31	6,702.79	7,087.51
Expenditure on Pensions	1,752.48	2,158.67	2,819.16	3,101.92	3,199.58
Interest Payments*	854.69	932.09	993.23	1,068.43	1,167.70
Total	**8,185.27**	**9,120.61**	**9,964.70**	**10,873.14**	**11,454.79**
Committed Expenditure as a percentage of Revenue Expenditure	**74.06**	**77.18**	**74.31**	**73.37**	**74.70**

Source: Finance Accounts of respective years *Interest payment made on Overall Debt

Chart 1.21: Committed expenditure and remaining fiscal space as a percentage of revenue receipts



Source: Finance Accounts of respective years

From 2020-21 to 2024-25, committed expenditure consistently absorbed nearly three-fourths of revenue expenditure, leaving limited fiscal flexibility. Expenditure on salaries & wages and pension payments drive this rigidity, while rising interest payments add to debt servicing pressures. Such dominance of fixed liabilities constrains space for welfare and capital spending, often pushing the State toward higher borrowings. Without reforms in employee costs, pension management, and debt control, long-term fiscal sustainability will remain under strain.

C. Subsidies

The subsidies during the current year increased by ₹6.00 crore (14.59 *per cent*) from the previous year. The increase was mainly due to increase of ₹6.00 crore on account of subsidy under Chief Minister's Micro Financing Initiative.

Department-wise major subsidies for FYs 2020-21 to 2024-25, are shown in **Table 1.19**.

Table 1.19: Department-wise subsidies during FYs 2020-21 to 2024-25

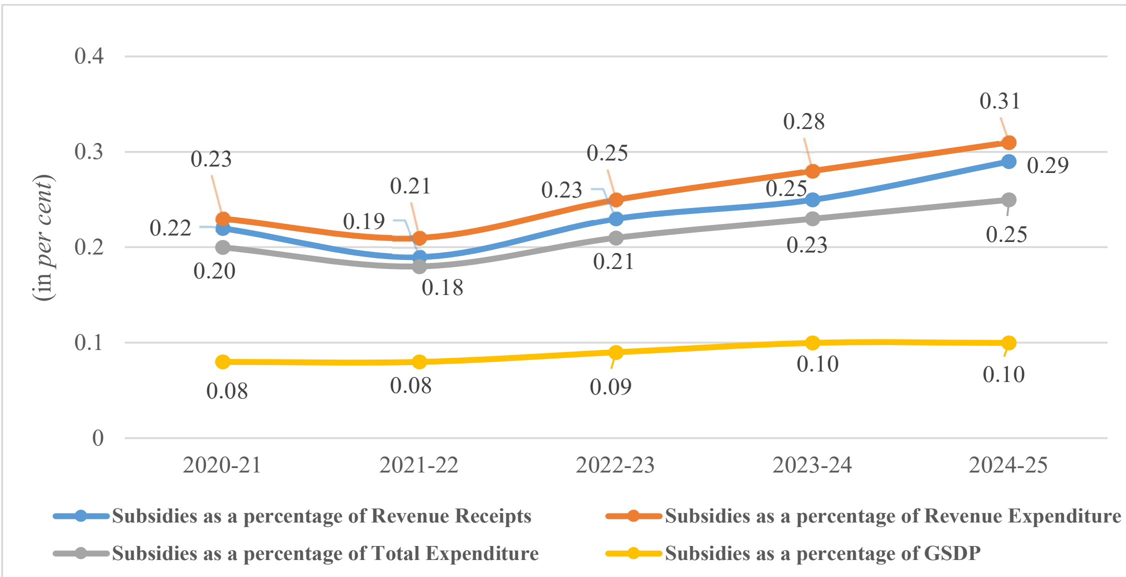
(₹ in crore)

Name of the Department	2020-21	2021-22	2022-23	2023-24	2024-25
Food Supplies & Consumer Welfare	25.12	25.12	25.12	25.12	25.12
Home Department	0.00	0.00	8.00	16.00	22.00
Total Subsidies	**25.12**	**25.12**	**33.12**	**41.12**	**47.12**

Source: Finance Accounts of respective years

Trend analysis of subsidies as percentage of fiscal parameters during 2020-21 to 2024-25 is given in **Chart 1.22.**

Chart 1.22: Trend analysis of subsidies



Source: Finance Accounts and E&SD, GoN for GSDP figures

The rise in subsidies in the recent years was primarily attributable to the annual increase in subsidies booked under the Home Department, particularly towards the Nagaland Civil Secretariat – Chief Minister's Micro Financing Initiative. The increase in subsidies indicates a growing fiscal commitment, which could constrain resources available for development-oriented spending. Rising subsidies highlight the need for targeted delivery mechanisms, periodic reviews to enhance efficiency, and adoption of direct benefit transfers to improve transparency and reduce fiscal pressure.

Subsidy under Chief Minister's Micro Financing Initiative

Audit analysed whether subsidies under Chief Minister's Micro Financing Initiative were adequately budgeted, provisioned, and released to implementing agencies in a timely manner, as detailed in the succeeding paragraph.

Chief Minister's Micro Financing Initiative (launched during August 2022), is a scheme designed to boost farmers' incomes by increasing investments in agriculture and allied sectors, improving agri-marketing networks and infrastructure, promoting credit discipline, and encouraging private enterprise. It aims to make credit more affordable and accessible to hardworking farmers and young entrepreneurs. The initiative provides either a subsidy or an interest subsidy for specified activities in agriculture and associated sectors, such as processing units, handicrafts, and small-scale manufacturing.

During 2024-25, an original budgetary provision of ₹30.00 crore was made for the scheme. However, ₹8.00 crore was re-appropriated out of this head, reducing the available provision. The State Government released an amount of ₹22.00 crore for implementation.

D. Financial assistance by the State Government to Local Bodies and Other Institutions

Assistance provided by way of grants to the local bodies and other institutions during the period 2020-21 to 2024-25 is presented in **Table 1.20**.

Table 1.20: Financial assistance to Local Bodies and other institutions

(₹ in crore)

Financial Assistance to Institutions	2020-21	2021-22	2022-23	2023-24	2024-25
(A) Local Bodies					
Municipal Corporations and Municipalities	1.62	1.62	9.45	15.31	45.58
GIA for creation of Capital assets to Municipal Corporations and Municipalities	-	-	-	-	-
Rural Local Bodies	62.50	109.57	46.00	0.00	19.20
GIA for creation of Capital assets to PRIs	-	-	-	-	-
Total (A)	**64.12**	**111.19**	**55.45**	**15.31**	**64.78**
(B) Others					
Educational Institutions (Aided Schools, Aided Colleges, Universities, *etc.*)	3.00	3.35	3.65	3.60	3.60
Development Authorities	60.02	56.68	84.88	77.91	84.28
Hospitals and Other Charitable Institutions	26.94	14.04	0.24	0.25	0.00
Other Institutions	40.77	31.20	52.37	532.69	368.34
Total (B)	**130.73**	**105.27**	**141.14**	**614.45**	**456.22**
Out of which, GIA for creation of Capital Assets	***14.32***	***25.59***	***60.58***	***67.31***	***158.74***
Total (A + B)	**194.85**	**216.46**	**196.59**	**629.76**	**521.00**
Total GIA for creation of Capital Assets	14.32	25.59	60.58	67.31	158.74
Revenue Expenditure	11,052.06	11,817.08	13,410.36	14,819.70	15,331.81
Assistance as percentage of Revenue Expenditure	1.76	1.83	1.47	4.25	3.40

Source: Finance Accounts for respective years

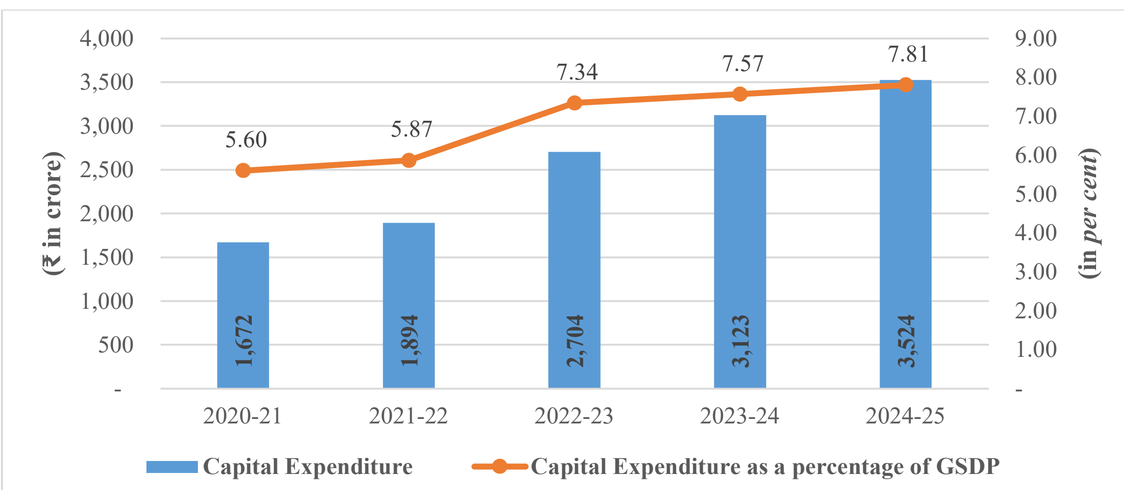
During the current year, financial assistance to the local bodies and other institutions decreased by ₹108.76 crore (17.27 *per cent*) over the previous year. The decrease was mainly due to decrease in assistance to Other Institutions (₹164.35 crore: 30.85 *per cent*). However, during 2024-25, there was increase in assistance to Municipal Corporations and Municipalities and Panchayati Raj Institutions over previous year, mainly on account of payment of grants recommended by the Fifteenth Finance Commission (15th FC). The overall quantum of financial assistance to the local bodies and other institutions as percentage to revenue expenditure decreased to 3.40 *per cent* during the current year from 4.25 *per cent* of the previous year.

The Third State Finance Commission (SFC) was constituted in March 2023, and its report, covering a period of three years from 2023-24 to 2025-26, was approved by the State Government on 27 February 2024. The Commission recommended allocation of one *per cent* of the State's Goods and Services Tax (SGST) for vertical devolution during the period 2023-24 to 2025-26. Against the budgetary provision of ₹11.56 crore during 2024-25; ₹11.00 crore was released to the Municipal Affairs Department, resulting in a shortfall of ₹0.56 crore in the devolution mechanism. This shortfall led to reduced transfers to Urban Local Bodies, thereby affecting the objective of fiscal decentralisation. Further, it resulted in overstatement of Revenue Surplus and corresponding understatement of fiscal deficit.

1.2.4.2 Capital expenditure

Capital expenditure is primarily expenditure on creation of fixed infrastructure assets, such as roads, buildings, *etc*. Capital expenditure, in both the Centre and the State, is being met with budgetary support and extra budgetary resources/off-budget borrowings. It also includes investments made by the State Government in Companies/Corporations. Trend of capital expenditure in the State over the last five years *i.e.*, 2020-25 is given in **Chart 1.23**.

Chart 1.23: Capital expenditure in the State



Source: Finance Accounts and Annual Financial Statements of respective years

Capital expenditure has grown steadily reflecting a focus on long-term asset creation. An increased ratio of CE to GSDP over the years indicated increasing prioritisation of development-oriented spending. Apart from Capital expenditure of ₹3,524 crore, the State Government also transferred Grants-in-Aid of ₹158.74 crore for creation of capital assets to the local bodies and other institutions.

A. Sector-wise Capital Expenditure

Sector-wise composition of Capital expenditure is given in **Table 1.21**. Detailed Sector-wise expenditure is given in ***Appendix 1.2***. Relative share of various sectors in Capital expenditure is given in **Chart 1.24**.

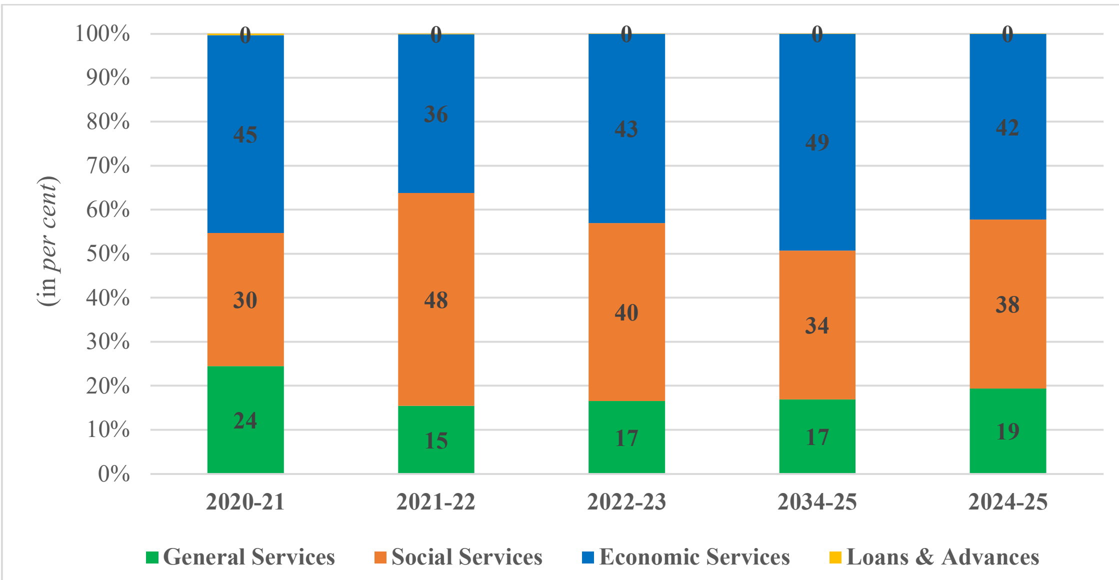
Table 1.21: Sector-wise Capital expenditure

(₹ in crore)

Parameters	2020-21	2021-22	2022-23	2023-24	2024-25
General Services	409.61	293.30	446.91	528.12	682.35
Social Services	508.21	916.50	1,094.09	1,054.68	1,354.50
Economic Services	754.11	684.05	1,163.22	1,539.72	1,487.46
Loans & Advances	5.61	2.61	0.35	0.35	0.35

Source: Finance Accounts of respective years

Chart 1.24: Relative share of various sectors in Capital expenditure

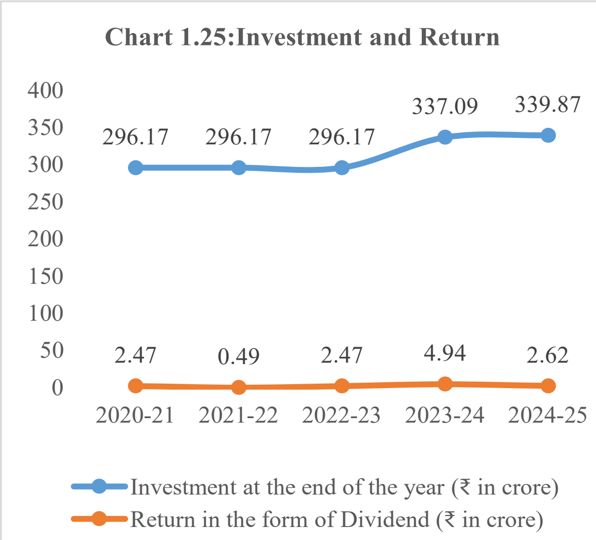


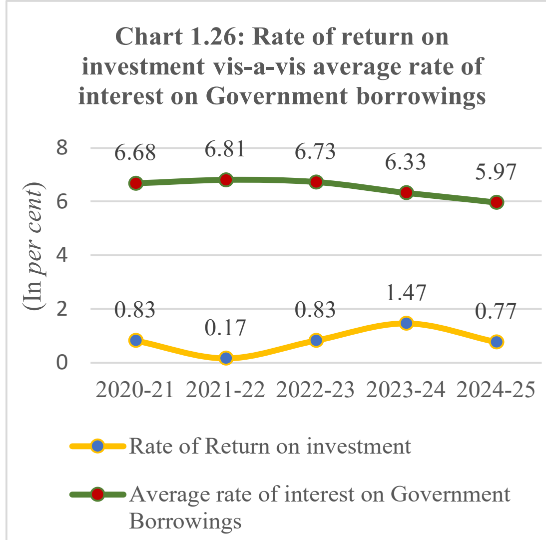
Source: Finance Accounts of respective years

B. Quality of investments in the companies, corporations and other bodies

As of 31 March 2025, the State Government's investment in companies, corporations and other bodies stood at ₹339.87 crore, comprising Government Companies (₹206.69 crore), Co-operative Bank Societies (₹107.45 crore), and Statutory Corporations (₹0.04 crore), Other Joint Stock Companies and Partnerships (₹25.69 crore).

Trends of investment at the end of the year in companies, corporations, and co-operative banks and societies, and return on these investments is depicted in **Chart 1.25**. Rate of return on investment made *vis-à-vis* average rate of interest on government borrowings is depicted in **Chart 1.26**.





Source: Finance Accounts of respective years

During 2024-25, the return on investment was ₹2.62 crore (0.77 *per cent*) (based on historical cost and not on net present value basis). The return was only between 0.17 *per cent* and 1.47 *per cent* during 2020-25 while the average rate of interest paid by the State Government on its borrowings was between 5.97 *per cent* and 6.81 *per cent* during the same period. Over the past five years, the difference in cost of Government borrowings and return on investments in PSUs was to the tune of ₹5,005.23[2] crore.

Lack of Dividend Policy

A well-defined dividend policy mandating a minimum return from profitmaking enterprises, enables the State Government to optimise its returns from investments in SPSEs and enhances monitoring of the SPSEs financial performance. It was observed that the State has not formulated or enforced a dividend policy for its Public Sector Undertakings (PSUs).

Out of seven PSUs, two are defunct/non-working and investment of ₹16.94 crore therein remained un-recouped. Of the remaining active entities, none had paid any dividend during the period.

C. Loans and advances by State Government

In addition to the investments in co-operative societies, corporations and companies, the State Government has also been providing loans and advances to many institutions/organisations. **Table 1.22** presents the position of outstanding loans and advances as on 31 March 2025 and interest receipts *vis-à-vis* interest payments by the State Government on its borrowings during the last five years.

[2] The difference between the total interest paid on Government borrowings and the returns earned on investments during the period 2020–21 to 2024–25.

Table 1.22: Quantum of loans disbursed and recovered during 2020-25

(₹ in crore)

Particulars	2020-21	2021-22	2022-23	2023-24	2024-25
Opening Balance of loans outstanding	37.08	41.46	42.17	39.48	36.84
Amount advanced during the year	5.61	2.61	0.35	0.35	0.35
Amount recovered during the year	1.23	1.88	3.04	2.99	(-)0.99
Closing Balance of the loans outstanding	41.46	42.19	39.48	36.4	38.18
Net addition	4.38	0.73	(-)2.70	(-)2.64	1.34
Interest received	3.16	3.29	4.02	0.00	0.00
Interest rate on Loans and Advances given by the Government#	8.05	7.87	9.85	0.00	0.00
Average rate of interest on Government Borrowings (*per cent*)	6.68	6.81	6.73	6.33	5.97
Difference between the rate of interest paid and interest received (*per cent*)	1.37	1.06	3.12	(-)6.33	(-)5.79

Source: Finance Accounts of respective years

*#Return on Investment = Interest Receipts/Average of Loans and Advances disbursed of previous and current financial year*100*

1.3 Contingency Fund

The Contingency Fund of the Government of Nagaland is intended to provide advances for meeting unforeseen expenditure, pending its authorisation by the State Legislature. The fund is recouped once the Legislature approves the additional expenditure. During 2024-25, no withdrawals were made from the fund. As of 31 March 2025, the corpus of the Fund was ₹0.35 crore.

1.4 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 of India and are not subject to vote by the State Legislature. The balance after disbursements during the year is the fund available with the Government for use for various purposes.

1.4.1 Net Public Account balances

The component-wise net balances in Public Account of the State are given in **Table 1.23**.

Table 1.23: Component-wise net balances in Public Account

(₹ in crore)

Sector	Sub Sector	2020-21	2021-22	2022-23	2023-24	2024-25
I. Small Savings, Provident Funds, *etc.*	Small Savings, Provident Funds, *etc.*	1,875.68	1,606.82	1,463.08	1,387.12	1,344.57
J. Reserve Funds	(a) Reserve Funds bearing Interest	(-)15.43	(-)15.44	(-)15.44	(-)15.44	(-)15.44
	(b) Reserve Funds not bearing Interest	(-)16.17	0.00	0.00	0.00	0.00
K. Deposits and Advances	(a) Deposits bearing Interest	185.61	204.24	222.07	91.99	72.75

Sector	Sub Sector	2020-21	2021-22	2022-23	2023-24	2024-25
	(b) Deposits not bearing Interest	792.96	719.37	675.92	779.59	801.24
	(c) Advances	(-)0.57	(-)0.57	(-)0.57	(-)1.98	(-)1.98
L. Suspense and Miscellaneous	(b) Suspense	(-)90.10	(-)75.29	(-)80.55	(-)50.14	(-)58.92
	(c) Other Accounts	(-)801.58	(-)1,393.37	(-)816.43	(-)1,599.44	(-)1,445.86
M. Remittances	(a) Money Orders, and other Remittances	(-)660.74	(-)831.29	(-)785.15	(-)760.06	707.89
	(b) Inter-Governmental Adjustment Account	(-)0.28	(-)0.19	0.00	0.14	(-)0.29
Total		**1,269.37**	**214.28**	**662.93**	**(-)168.22**	**1,403.96**

Source: Finance Accounts of respective years
Note: (–) ve denotes credit balances

1.4.2 Reserve Funds

Reserve Funds are created for specific and defined purposes under the Public Account of the State Government. These funds are met with contributions or grants from the Consolidated Fund or from outside agencies. It comprises of reserve funds bearing interest and reserve funds not bearing interest.

There were three interest bearing funds and two Reserve Funds not bearing interest bearing as on 31 March 2025. The fund balances lying in these Reserve Funds as on 31 March 2025 are given in **Table 1.24**.

Table 1.24: Detail of Major Reserve Fund

(₹ in crore)

Sl. No.	Name of Reserve Fund	Opening Balance	Receipts during the year	Interest receipts	Repayments during the year	Balance as on 31 March 2025
A	**Reserve funds bearing Interest**	**15.44**	**238.11**	**0.00**	**238.11**	**15.44**
1.	*Natural Calamities Unspent Marginal Money Fund Investment Account*	*15.44*	*0.00*	*0.00*	*0.00*	*15.44*
2.	*State Disaster Response Fund*	*0.00*	*227.01*	*0.00*	*227.01*	*0.00*
3.	*State Disaster Mitigation Fund*	*0.00*	*11.10*	*0.00*	*11.10*	*0.00*
B	**Reserve fund not bearing interest**	**0.00**	**234.37**	**134.37**	**234.37**	**0.00**
1.	*Sinking Funds*	*0.00*	*234.37*	*134.37*	*234.37*	*0.00*
2.	*General and other Reserve Fund*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*

Source: Finance Accounts, 2024-25

1.4.3 Cash Balances

As per the agreement with Reserve Bank of India (RBI), State Governments must maintain a minimum daily cash balance (₹0.25 crore in case of Nagaland) with the Bank. If the balance falls below this minimum, the shortfall is met through instruments like Ways and Means Advances (WMA)/Special Ways and Means

Advances (SWMA)/Special Drawing Facility (SDF)/Overdrafts (OD), with the WMA limit revised periodically by RBI.

The State Government invests surplus cash balances, including those from earmarked reserve funds in GoI securities and Treasury Bills. Earnings from these investments are credited under '0049-Interest Receipts'.

It is undesirable for the State Government to raise market loans while holding large unutilised cash balances, as it leads to idle funds rather than productive use. Cash balance and investment details for 2023-24 and 2024-25 are provided in **Table 1.25**.

Table 1.25: Cash Balances and their investment

(₹ in crore)

	Opening balance on 1 April 2024	Closing balance on 31 March 2025
A. General Cash Balance		
Cash in treasuries	0.00	0.00
Deposits with Reserve Bank of India	407.42	595.63
Total	**407.42**	**595.63**
Investments held in Cash Balance investment account	534.83	0.00
Total (A)	**942.25**	**595.63**
B. Other Cash Balances and Investments		
Cash with departmental officers *viz*., Public Works, Forest Officers	1,064.58	1,445.84
Permanent advances for contingent expenditure with department officers	0.00	0.00
Investment in earmarked funds	1,739.72	1,977.41
Total (B)	**2,804.30**	**3,423.25**
Total (A + B)	**3,746.55**	**4,018.88**
Interest realised	**3.23**	**3.12**

Source: Finance Accounts

Details of Cash Balance Investment Account during the last five years is given in **Table 1.26.**

Table 1.26: Cash Balance Investment Account (Major Head-8673)

(₹ in crore)

Year	Opening Balance	Closing Balance	Increase (+)/decrease (-)	Interest earned
2020-21	0.00	0.00	0.00	0.07
2021-22	0.00	485.37	485.37	0.77
2022-23	485.37	0.00	(-)485.37	2.29
2023-24	0.00	534.83	534.83	3.23
2024-25	534.83	0.00	(-)534.83	3.12

Source: Finance Accounts of respective years

The trend analysis of the cash balance investment of the State Government revealed that during the five year-period of 2020-25, there has been large fluctuation in cash balance at the end of each year of the State.

RBI determines the daily cash balance by considering 14-day Treasury Bill holdings and daily transactions (at RBI counters, Inter-Government transactions and Treasury transactions reported by the agency banks). Surpluses after maintaining the minimum balance are reinvested, while shortfalls are met by rediscounting Treasury Bills. If no such bills are available, the State Government avails WMAs or Overdraft.

During 2024-25, the State Government could maintain the minimum daily cash balance with the RBI for 308 days and as such WMAs/SWMAs/ODs was availed for 57 days during the year, for which an interest of ₹1.91 crore was paid.

1.5 Fiscal Sustainability

Fiscal Sustainability is the ability of a Government to manage its revenue and expenditure in a manner that ensures it can meet its current and future obligations such as public services, infrastructure, and debt repayments without excessive borrowing or accumulating unsustainable debt. It implies maintaining a stable balance between revenue generation and expenditure over the long term. **Chart 1.27** and **Chart 1.28** shows receipts and expenditure of the State as a percentage of GSDP, during FY 2020- 25 respectively.

Chart 1.27: Receipts of the State

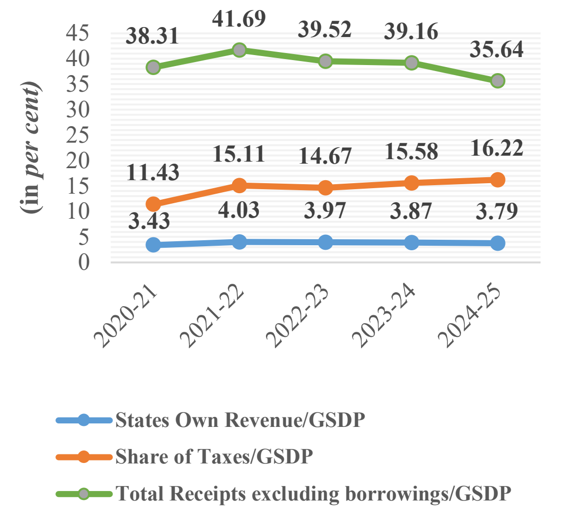
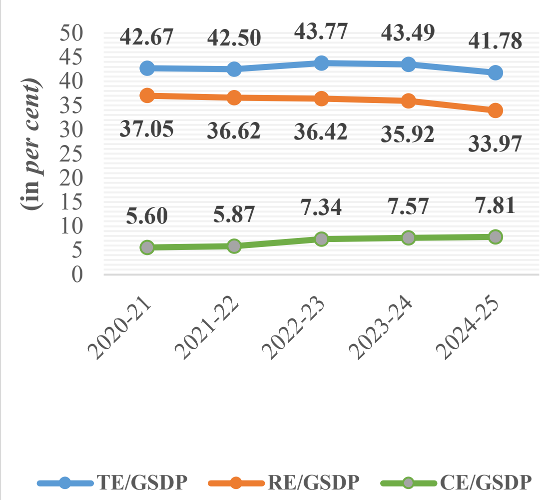


Chart 1.28: Expenditure of the State

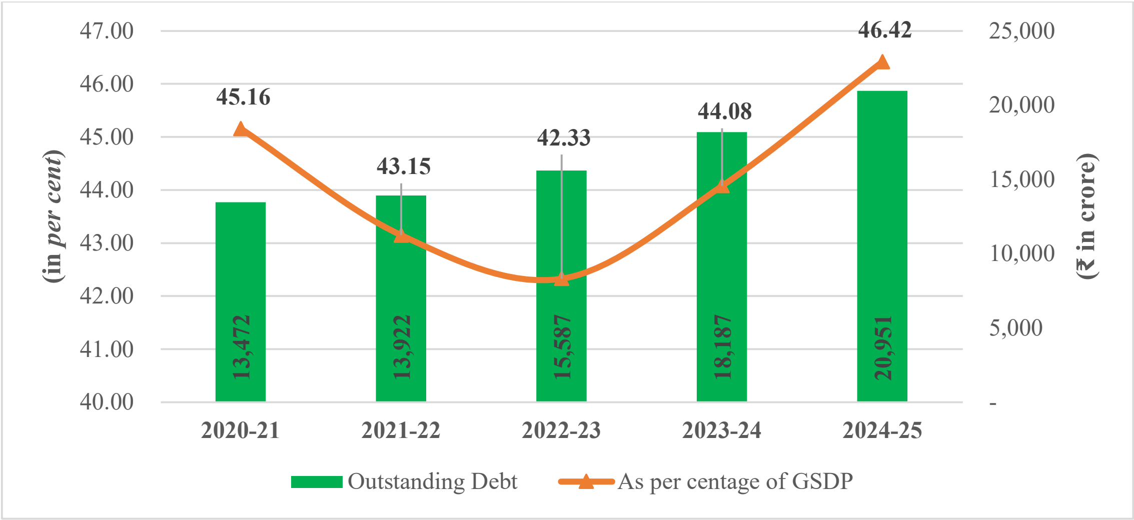


Source: Finance Accounts and E&SD, GoN for GSDP figures

1.5.1 Public Liability Management

Outstanding liability of the State along with its percentage to GSDP for the years 2020-21 to 2024-25 is depicted in **Chart 1.29**.

Chart 1.29: Outstanding Overall Liability and its percentage to GSDP



Source: Finance Accounts and E&SD, GoN for GSPD figures

As can be seen from the chart above, there is a clear V-shaped trend in total liabilities relative to GSDP during 2020–2025. The ratio declined in the initial years, indicating that economic growth outpaced the increase in liabilities despite a steady rise in outstanding debt. However, in the later years, the ratio increased again, suggesting that borrowings grew faster than GSDP. Overall, the pattern reflects an initial improvement in debt sustainability followed by renewed fiscal pressure.

1.5.1.1 Liability profile: Components

Total liabilities of the State Government typically constitute Internal Debt of the State (market loans, ways and means advances from RBI, special securities issued to National Small Savings Fund and loans from financial institutions, *etc*.), loans and advances from the Central Government, and Public Account Liabilities. The component-wise liability trends of the State for the period of five years beginning from 2020-21 are presented in **Table 1.27**.

Table 1.27: Component-wise liability trends

(₹ in crore)

	2020-21	2021-22	2022-23	2023-24	2024-25
Outstanding Total Liability	**13,471.67**	**13,922.40**	**15,587.44**	**18,187.32**	**20,951.15**
Public Debt	**10,649.03**	**11,407.41**	**13,241.81**	**15,944.06**	**18,748.03**
Internal Debt	*10,331.14*	*10,794.87*	*12,133.46*	*13,864.31*	*15,064.47*
Loans from GoI	*317.89*	*612.54*	*1,108.35*	*2.079.75*	*3,683.56**
Public Account Liabilities	*2,822.64*	*2,514.99*	*2,345.63*	*2,243.26*	*2,203.12*
Small Savings, Provident Funds, etc.	*1,875.68*	*1,606.82*	*1,463.08*	*1,387.12*	*1,344.57*
Reserve Funds bearing Interest	*-15.44*	*-15.44*	*-15.44*	*-15.44*	*-15.44*
Reserve Funds not bearing Interest	*-16.17*	*0.00*	*0.00*	*0.00*	*0.00*
Deposits bearing Interest	*185.61*	*204.24*	*222.07*	*91.99*	*72.75*
Deposits not bearing Interest	*792.96*	*719.37*	*675.92*	*779.59*	*801.24*

	2020-21	2021-22	2022-23	2023-24	2024-25
Rate of growth of outstanding total liability (*per cent*)	10.61	3.35	11.96	16.68	15.20
Gross State Domestic Product (GSDP)	29,831.64	32,265.38	36,820.34	41,258.00	45,133.95
Outstanding Total Liability/GSDP (*per cent*)	45.16	43.15	42.33	44.08	46.42
Borrowings and Other Liabilities					
Total Receipts	*9,370.26*	*10,031.91*	*9,139.14*	*7,862.50*	*9,605.36*
Total Repayments	*9,462.83*	*10,513.26*	*8,467.34*	*6,331.05*	*8,009.24*
Net funds Available	*(-)92.57*	*(-)481.35*	*671.80*	*1,531.45*	*1,596.12*
Repayments/Receipts (per cent)	*100.99*	*104.80*	*92.65*	*80.52*	*83.38*

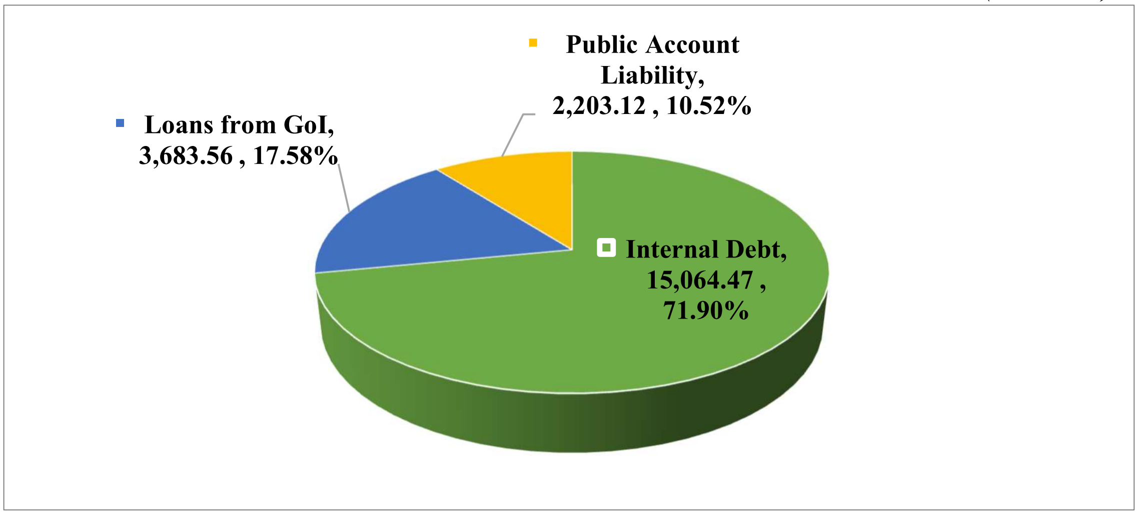
Source: Finance Accounts of respective years and E&SD, GoN for GSDP figures

* *Including 50- year interest free loan of ₹3,577.09 crore under Scheme for Special Assistance to State for Capital Investment*

Break-up of outstanding total liabilities at the end of 2024-25 is shown in **Chart 1.30**.

Chart 1.30: Break up of Outstanding total liability at the end of 2024-25

(₹ in crore)

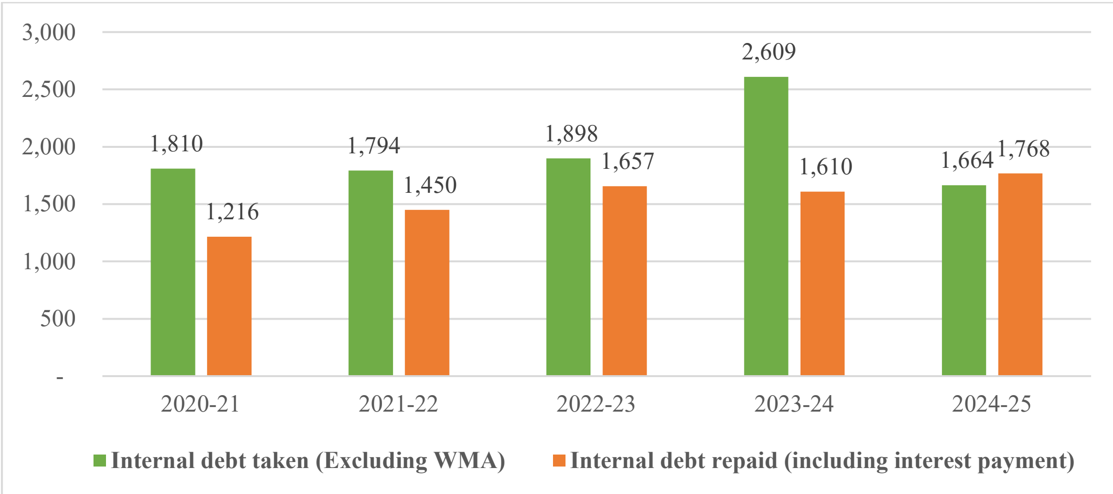


Source: Finance Accounts, 2024-25

Chart 1.31 depicts the quantum of internal debt taken *vis-à-vis* repaid during the period of five years *i.e.*, 2020-25.

Chart 1.31: Internal debt taken *vis-a-vis* repaid

(₹ in crore)



Source: Finance Accounts of respective years

Internal debt of the State Government increased by ₹4,733.33 crore (45.82 *per cent*) from ₹10,331.14 crore in 2020-21 to ₹15,064.47 crore in 2024-25. An amount of ₹1,055.67 crore was paid towards interest on internal debt during 2024-25.

1.5.1.2 Utilisation of borrowed funds

Borrowed funds should ideally be used to fund capital creation and developmental activities. Using borrowed funds for meeting current consumption and repayment of interest on outstanding loans is not a healthy trend. **Table 1.28** and **Chart 1.32** depict the utilisation and trends of borrowed funds during 2020-25 respectively.

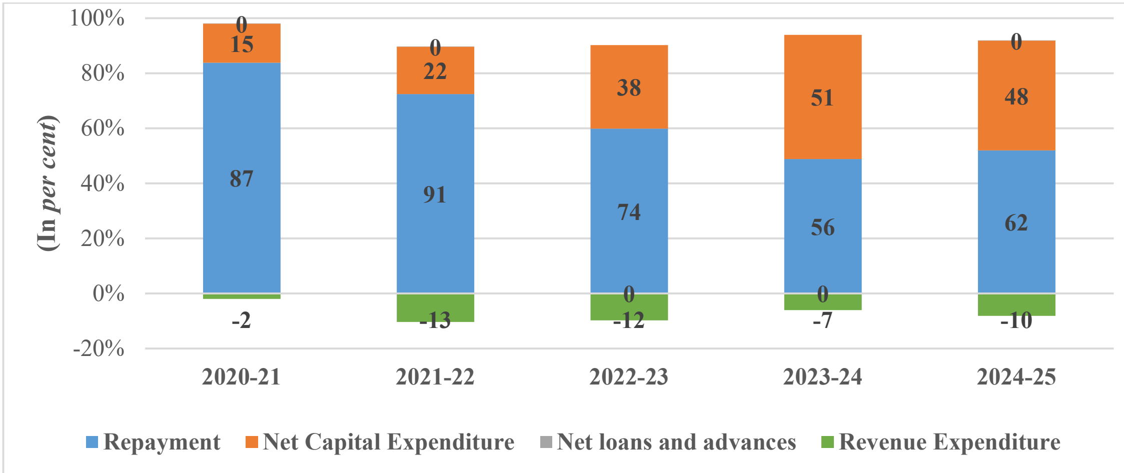
Table 1.28: Utilisation of borrowed funds

(₹ in crore)

1.	Year	2020-21	2021-22	2022-23	2023-24	2024-25
2.	**Total Borrowings**	11,434.86	8,708.55	7,158.69	6,078.79	7,398.93
3.	**Repayment of earlier borrowings (Principal) (In *per cent*)**	9,903.92 (86.61)	7,950.16 (91.29)	5,324.29 (74.38)	3,376.54 (55.55)	4,594.96 (62.10)
4.	**Net Capital Expenditure (In *per cent*)**	1,671.93 (14.62)	1,893.85 (21.74)	2,704.22 (37.78)	3,122.52 (51.37)	3,524.31 (47.63)
5.	**Net loans and advances**	4.38	0.73	-2.69	-2.64	1.34
6.	**Portion of Revenue Expenditure met out of net available borrowings (2–3–4-5)**	-145.37	-1,136.19	-867.13	-417.63	-721.68

Source: Finance Accounts of respective years

Chart 1.32: Trends of utilisation of borrowed funds



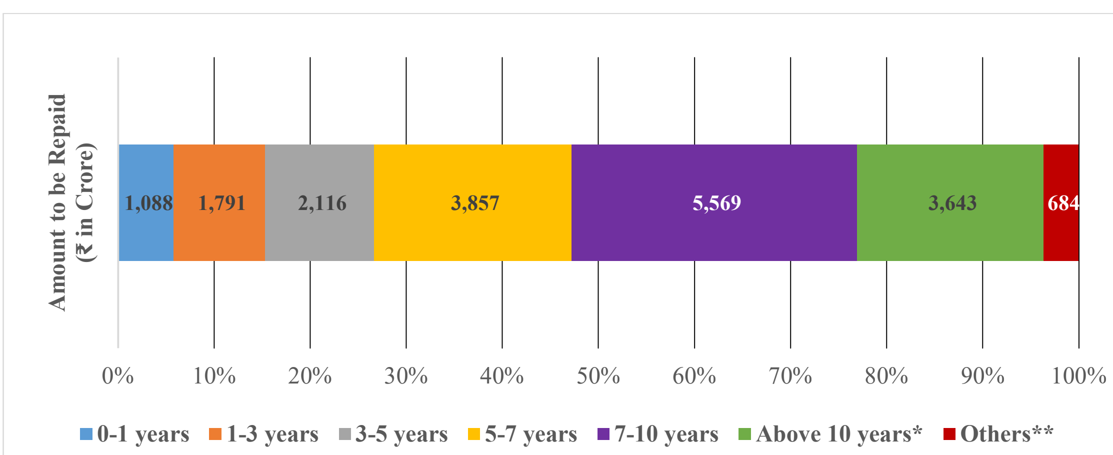
Source: Finance Accounts of respective years

During 2020-21 to 2024-25, a large share of the State's borrowings continues to be absorbed by debt repayment, especially in earlier years when over 85 to 90 *per cent* went toward servicing past liabilities, leaving little room for development. While the share of capital expenditure from borrowings has improved to nearly half in recent years, the continued diversion of funds to routine needs highlights fiscal stress. This reliance on debt for non-asset-creating purposes undermines long-term sustainability and constrains infrastructure investment. The State must adopt a disciplined borrowing strategy focused on asset creation, strengthen revenue mobilisation and contain committed expenditure.

1.5.1.3 Debt profile: Maturity and Repayment

Debt maturity and repayment profile indicates commitment on the part of the Government for debt repayment or debt servicing. Debt maturity profile of the State is depicted in **Chart 1.33**.

Chart 1.33: Maturity Profile of Public Debt



Source: Finance Accounts

** Including 50- year interest free loan of ₹3,577.09 crore under Scheme for Special Assistance to State for Capital Investment.*

***Including Misc. and those loans whose details of maturity year not available*

The State's debt shows a high concentration of liabilities in the medium-term (5-10 years), creating potential rollover risks and liquidity pressure. Repayments in this period account for a significant share (₹9,426.54 crore) of total debt, indicating front-loaded debt obligations and debt bunching. While longer-term maturities provide some relief, the current debt profile limits fiscal flexibility and could strain cash flows.

1.5.1.4 Financing pattern of fiscal deficit

Table 1.29 depicts financing pattern of the fiscal deficit during 2020-25.

Table 1.29: Components of fiscal deficit and its financing pattern

(₹ in crore)

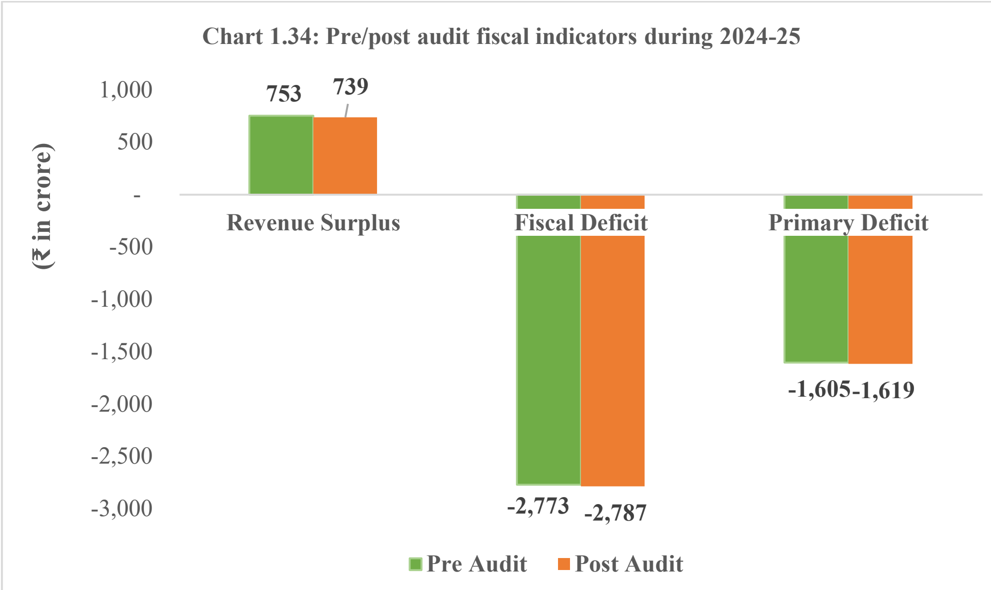
	Particulars	2020-21	2021-22	2022-23	2023-24	2024-25
Composition of Fiscal Deficit (-)		**(-)1,300.94**	**(-)260.52**	**(-)1,562.63**	**(-)1,784.45**	**(-)2,772.73**
1.	Revenue Deficit (-)/Surplus (+)	375.37	1,634.06	688.90	1,335.43	752.72
2.	Net Capital Expenditure	(-)1,671.93	(-)1,893.85	(-)2,254.22	(-)3,122.52	(-)3,524.11
3.	Net Loans and Advances	(-)4.38	(-) 0.73	2.69	2.64	(-)1.34
Financing Pattern of Fiscal Deficit:						
1.	Market Borrowings	1,365.64	1,222.00	1,199	2,016.29	950.00
2.	Loans from GoI	186.72	294.65	495.81	971.40	1,603.80
3.	Special Securities issued to NSSF	(-)13.13	(-)13.13	(-)13.13	(-)13.13	(-)13.13
4.	Loans from Financial Institutions	(-)8.30	(-)745.15	152.72	(-)272.31	263.29
5.	Small Savings, PF, *etc.*	(-)255.70	(-)268.86	(-)143.74	(-)75.97	(-)42.55
6.	Deposits	17.99	(-)54.96	(-)25.63	(-)27.83	2.41
7.	Suspense and Miscellaneous	(-)57.89	(-)576.98	571.69	(-)752.60	144.78
8.	Remittances	0.16	(-)170.46	46.33	25.22	52.33
9.	Reserve Fund	(-)0.86	16.17	0.00	0.00	0.00
10.	**Overall Deficit**	**1,234.63**	**-296.72**	**2,283.05**	**1,871.07**	**2,960.93**
11.	Increase/Decrease in cash balance	66.31	557.23	(-)720.42	(-)86.62	(-)188.20
12.	**Gross Fiscal Deficit**	**1,300.94**	**260.51**	**1,562.63**	**1,784.45**	**2,772.73**

Source: Finance Accounts of respective years

1.5.2 Post Audit Deficit Indicators

As per Finance Accounts of the State for the FY 2024-25, the Revenue surplus of the State was ₹752.72 crore (1.67 *per cent* of GSDP), Fiscal deficit was ₹2,772.73 crore (6.14 *per cent* of GSDP) whereas Primary deficit was ₹1,605.03 crore (3.56 *per cent* of GSDP). However, Audit found that, during 2024-25, the State Government misclassified ₹14.05 crore of Revenue nature as capital expenditure (Details discussed in **Paragraph 2.5.6** of Chapter II). This resulted in understatement of Revenue surplus and overstatement of fiscal deficit and Primary deficit to that extent. Thus, the Revenue surplus, Fiscal deficit and Primary deficit worked out to be ₹738.67 crore (1.64 *per cent* of the GSDP), ₹2,786.78 crore (6.17 *per cent* of the GSDP) and ₹1,619.08 crore (3.59 *per cent* of the GSDP) after Audit.

A pre/post audit comparison of fiscal indicators during 2024-25 is depicted in **Chart 1.34**.



Source: Finance Accounts

1.5.3 Fiscal Balance: Achievement of deficit and total debt targets

As per the Nagaland FRBM Act of 2005 and its amendments aligned with the 15th Finance Commission, the State aims to:

- eliminate revenue deficit and maintain the fiscal deficit within the ceiling of 3.00 *per cent* of GSDP from 2023-24 onwards.
- contain the outstanding debt-to-GSDP ratio between 39.10 *per cent* for 2024-25.
- follow a Medium-Term Fiscal Plan (MTFP) and disclose contingent liabilities and off-budget borrowings.

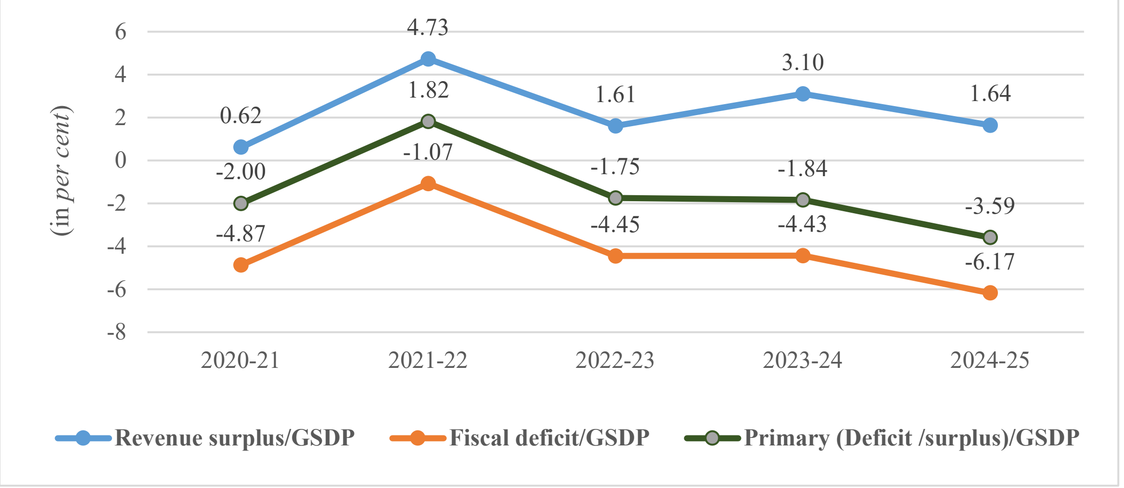
Achievements, *vis-à-vis* the fiscal targets, prescribed in the State FRBM Act for the FYs 2020-21 to 2024-25, post Audit and trend analysis of deficits post Audit are detailed in **Table 1.30 and Chart 1.35**.

Table 1.30: Compliance with provisions of State FRBM Act post Audit

Fiscal Parameters		Achievement *vis-à-vis* targets set in the FRBM Act				
		2020-21	2021-22	2022-23	2023-24	2024-25
Revenue Deficit (-) /Surplus (+) (₹ in crore)	T	0.00	0.00	0.00	0.00	0.00
	A	186.19	1,524.82	593.04	1,279.80	738.67
Fiscal Deficit (-)/ Surplus (+) (as percentage of GSDP)	T	(-)5.0	(-)4.0	(-)3.5	(-)3.0	(-)3.0
	A	(-)4.87	(-)1.07	(-)4.45	(-)4.43	(-)6.17
Ratio of total outstanding liability to GSDP (in *per cent*)	T	45.2	43.0	42.1	40.6	39.1
	A	45.16	43.15	42.33	44.08	46.42

Source: Finance Accounts, FRBM Act (Amendments) and E&SD, GoN for GSDP figures
T-Target, A-Achievement

Chart 1.35: Trend analysis of deficits post audit



Source: Finance Accounts of respective years and E&SD, GoN for GSDP figures

Audit analysis for consistent deficits/surplus revealed that:

- Fiscal deficit increased significantly during 2024-25 as compared with 2023- 24, mainly due to increase in committed expenditure.
- Continued increase in Debt as percentage of GSDP over two years *i.e.*, in 2023-24 and 2024-25 was due to continued availing of 50 years interest-free loan under the Scheme for Special Assistance to States for Capital Investment.

The targets set by the 15th FC and those projected in the State budget *vis-à-vis* achievements in respect of major fiscal aggregates with reference to GSDP during 2024-25 are given in **Chart 1.36, Chart 1.37** and **Chart 1.38**.

Chart 1.36: Revenue Surplus as a percentage of GSDP

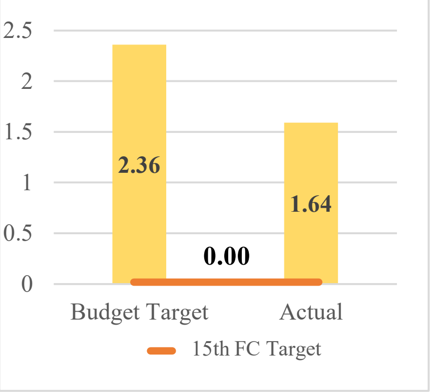


Chart 1.37: Fiscal Deficit as a percentage of GSDP

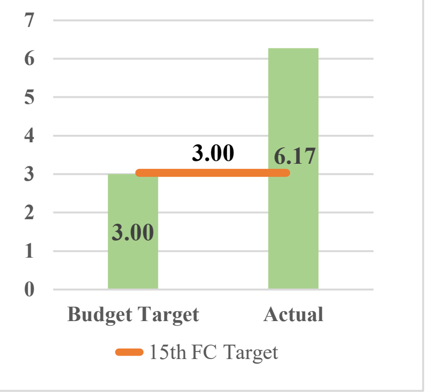
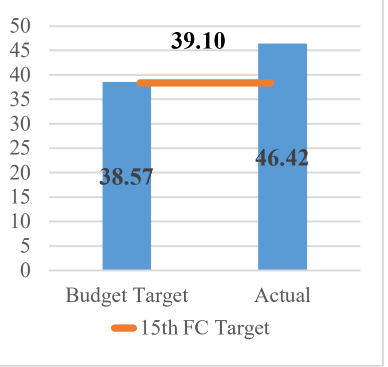


Chart 1.38: Outstanding Liability as a percentage of GSDP



Source: Finance Accounts, budget documents and E&SD, GoN for GSDP figures

During the year 2024-25, the Government was unable to contain fiscal deficit-GSDP and debt-GSDP ratios within the levels fixed by the 15th FC and those projected in the budget estimates, however, the revenue surplus-GSDP ratio was higher than the level fixed by the 15th FC.

During Exit Conference (17 February 2026), it was stated by the Finance Department, Government of Nagaland that the non-achievement of Debt/GSDP and Fiscal Deficit/GSDP projections were due to inclusion of 50 years interest free loan for Special Assistance to State for Capital Investment (SASCI) as the loan under SASCI was over and above the normal borrowing ceiling allowed to the States.

1.5.4 Debt Sustainability Analysis

Debt sustainability refers to the ability of the State to service its debt obligation now and in future. Analysis of variations in debt sustainability indicators is given in **Table 1.31**.

Table 1.31: Trends in Debt Sustainability Indicators

(₹ in crore)

Sl. No.	Debt Sustainability Indicators	2020-21	2021-22	2022-23	2023-24	2024-25
1	Overall Liabilities or Overall Debt*	13,471.67	13,922.40	15,587.44	18,187.32	20,951.14
2	Rate of Growth of Overall Debt (*per cent*)	10.61	3.35	11.96	16.68	15.20
3	GSDP (in nominal terms)	29,831.64	32,265.38	36,820.34	41,258.00	45,133.95
4	Nominal GSDP growth (*per cent*)	0.39	8.16	14.12	12.05	9.39
5	Overall Debt/GSDP (*per cent*)	45.16	43.15	42.33	44.08	46.42
6	Repayment to Gross Borrowings (*per cent*)	90.01	95.51	81.78	66.93	71.23
7	Maturity profile of all kinds of borrowings (in *per cent*)					
7a	0-2 years	12.00	11.99	8.48	9.76	10.01
7b	2-5 years	16.83	18.27	19.86	19.05	16.63
7c	5-10 years	56.38	59.86	58.24	55.64	50.28
7d	Over 10 years*	14.79	9.88	13.42	15.55	23.08
8	Net borrowings available as a percentage of Gross Borrowings	9.99	4.49	18.22	33.07	28.77
9	Interest payments on Overall Debt	854.69	932.09	993.23	1,068.43	1,167.70
10	Effective rate of interest on Overall Debt (*per cent*)	7.15	7.34	7.27	6.93	6.68
11	Interest payment to Revenue Receipts (*per cent*)	7.48	6.93	7.04	6.61	7.26
12	Revenue Deficit/Surplus	375.37	1,634.06	688.90	1,335.43	752.72
13	Primary Revenue Balance (PRB)	1,230.06	2,566.15	1,682.13	2,403.86	1,920.42
14	Primary Balance (PB)	-446.26	671.57	-569.40	-716.02	-1,605.03
15	PB/GSDP (*per cent*)	-1.50	2.08	-1.55	-1.74	-3.56
16	Difference between RoI and effective rate of interest on Overall Debt	0.90	0.53	2.57	-6.93	-6.68
17	Liquidity Management (use of financial accommodation instruments available with RBI) (in number of occasions)	9,417.75 (211)	6,599.67 (164)	4,742.83 (93)	2,478.99 (70)	4,121.88 (57)
18	Debt Stabilisation (Quantum spread + Primary balance)	-1,291.23	777.16	416.57	126.05	-1,100.66
19	**Domar Criteria**					
a	GSDP (in constant terms)	17,673.09	18,292.15	19,543.20	21,623.60	23,262.33
b	Real Growth (in constant terms)	-4.35	3.50	6.84	10.65	7.58
c	Inflation based on CPI (*per cent*)	4.45	5.60	6.05	3.36	3.99
d	Effective Rate of interest	7.15	7.34	7.27	6.93	6.68
e	Real effective rate of interest (Effective rate of interest-Inflation)	2.70	1.74	1.22	3.57	2.69

Sl. No.	Debt Sustainability Indicators	2020-21	2021-22	2022-23	2023-24	2024-25
f	Growth Interest Differential (Real growth - Real effective rate of interest)	-7.05	1.76	5.62	7.08	4.89
g	Primary Balance (PB)	-446.26	671.57	-569.40	-716.02	-1,605.03

Source: Finance Accounts for respective years and E&SD, GoN for GSDP figures

**including miscellaneous borrowings whose maturity year not available and 50 years interest free loans for Special Assistance to States for Capital Investment*
PRB: Revenue Receipts - Revenue Expenditure (net of interest payments), where (-) PB implies Primary Deficit and vice-versa
PB: Total Receipts (net of borrowings) -Total Expenditure (net of interest payments), where (-) PB implies Primary Deficit and vice-versa.
Liquidity Management: Amount availed against SDF, WMA & OD
Ro : Return on Investment as measured by effective rate of interest receipts
*RoI = Interest Receipts/Average of Opening and Closing Stock of Loans and Advances Disbursed * 100*
*Effective Rate of Interest = Interest Payment/Average Outstanding Debt of Previous and Current Financial Year (Excluding Non-Interest Bearing Liabilities)*100 and has been calculated adjusting the Reserve Funds, Deposits not bearing interest and 50 years' interest free Central assistance to State for Capital Expenditure*
Quantum Spread: Interest Spread x Debt (Excluding non-interest bearing liabilities)
Non-Interest Bearing Liabilities include non-interest bearing Reserve funds and deposits and 50 years interest free loan for Special Assistance to State for Capital Investment.

Based on the data against each debt sustainability indicators given in **Table 1.31** above, the debt sustainability of the State can be analysed over the fiscal year 2020-21 to 2024-25 as follows:

(i) Debt Growth Relative to GSDP

The State's overall debt has risen sharply over the period, with growth rates exceeding nominal GSDP growth in three years (2020-21, 2023-24 and 2024-25). This excess indicates rising debt stress, highlighting that debt accumulation is outpacing economic expansion, which can constrain fiscal flexibility in the medium term.

(ii) Debt-to-GSDP Ratio

The debt-to-GSDP ratio has steadily increased from 43.15 *per cent* in 2021-22 to 46.42 *per cent* in 2024-25, surpassing the indicative FRBM Act threshold (39.10 to 43.00 *per cent*) for the State during 2021-22 to 2024-25. This high ratio reflects a significant debt burden relative to the State's economic size and signals elevated repayment obligations, which could crowd out development expenditure if unaddressed.

(iii) Maturity Profile

The residual maturity profile shows that a substantial portion of the debt portfolio is concentrated in the medium to long-term maturity buckets (5 years and above), indicating an elongated maturity structure. Although debt maturing within 0–5 years continues to require periodic refinancing, the relatively higher share of longer tenure borrowings moderates immediate rollover pressures. Overall, rollover risk appears manageable, but sustained monitoring is necessary to avoid refinancing stress arising from repayment bunching.

(iv) Borrowing Utilisation and Net Borrowing Space

A major share of gross borrowings continues to be devoted to debt repayments (ranging from 66.93 to 95.51 *per cent*), leaving limited net borrowings available for fresh investment or development purposes. The constrained net borrowing availability (as low as 4.49 *per cent* in 2021-22) indicates that most new borrowings are servicing past debt rather than supporting growth-oriented expenditure.

(v) Interest Burden and Revenue Capacity

While interest payments have risen in absolute terms, the ratio of interest payments to revenue receipts has remained below eight *per cent* during 2020-21 to 2024-25. However, interest payments as a proportion of revenue receipt increased during the current year. Further, the effective rate of interest is declining, implying marginal relief on borrowing costs, though rising debt stock could amplify the total interest burden in the future.

(vi) Primary Balances and Debt-Stabilisation

Primary balances have been negative in most years, except 2021-22, and the debt-stabilisation metric (quantum spread plus primary balance) shows fluctuation between positive and negative values. The substantial primary deficit in 2024-25 indicates that the State continues to rely on borrowing even for meeting interest obligations, undermining long-term debt sustainability.

(vii) Growth–Interest Differential (Domar Criteria)

The growth–interest differential, which was negative in 2020-21, turned positive from 2021-22 onwards, suggesting that real economic growth is beginning to exceed the real effective rate of interest on debt. While this provides a favourable signal for debt sustainability, its positive effect is dampened by persistent primary deficits.

(viii) Liquidity Management

Frequent recourse to RBI liquidity facilities, though declining from 211 occasions in 2020-21 to 57 in 2024-25, indicates ongoing short-term cash management challenges. This suggests a structural mismatch between revenue inflows and expenditure commitments, necessitating better cash planning and monitoring.

Thus, it could be concluded from the above analysis that the State's fiscal health reflects structural pressures arising from high debt servicing obligations, limited net borrowing space, and weak liquidity management. While favourable growth–interest differentials provide some relief, sustained improvement in revenue mobilisation, and disciplined borrowing are essential to ensure long-term fiscal sustainability.

1.5.5 Status of Guarantees – Contingent Liabilities

Guarantees are contingent liabilities on the Consolidated Fund in case of borrower defaults. The State extends guarantees for loans raised by entities like statutory corporations, boards, local bodies, and co-operative institutions. As per the Nagaland FRBM Act, 2005, the State Government can issue new guarantees only up to a limit — whichever is lower between (i) one *per cent* of last year's revenue receipts or

(ii) one *per cent* of last year's GSDP. Further, as per FRBM (4th Amendment) Bill, 2021, a maximum ceiling limit on total guarantees at any point of time was fixed at five *per cent* of the GSDP. Details of the guarantees and status of outstanding guarantees to total receipts for the last five years are given in **Table 1.32**.

Table 1.32: Guarantees given by the State Government

(₹ in crore)

<table>
<tr><th colspan="2">Guarantees</th><th>2020-21</th><th>2021-22</th><th>2022-23</th><th>2023-24</th><th>2024-25</th></tr>
<tr><td rowspan="3">Ceiling applicable to the outstanding amount of guarantees</td><td>One per cent of last year's revenue receipts</td><td>114.23</td><td>114.27</td><td>134.51</td><td>140.99</td><td>161.55</td></tr>
<tr><td>One per cent of last year's GSDP</td><td>297.16</td><td>298.32</td><td>322.65</td><td>368.20</td><td>412.58</td></tr>
<tr><td>Lower value</td><td>114.23</td><td>114.27</td><td>134.51</td><td>140.99</td><td>161.55</td></tr>
<tr><td colspan="2">Five per cent of the GSDP</td><td>1,491.58</td><td>1,613.27</td><td>1,841.02</td><td>2,062.90</td><td>2,256.70</td></tr>
<tr><td colspan="2">Outstanding amount of guarantees at the beginning of the year</td><td>174.96</td><td>174.96</td><td>189.96</td><td>189.96</td><td>228.57</td></tr>
<tr><td colspan="2">Addition during the year</td><td>0.00</td><td>15.00</td><td>0.00</td><td>38.61</td><td>0.00</td></tr>
<tr><td colspan="2">Outstanding guarantees at the end of the year</td><td>174.96</td><td>189.96</td><td>189.96</td><td>228.57</td><td>228.57</td></tr>
</table>

Source: Finance Accounts and E&SD, GoN for GSDP figures

The outstanding guarantees for ₹228.57 crore as on 31 March 2025 was in respect of Co-operatives (₹45.24 crore); Food and Civil Supplies (₹8.78 crore); and Others (₹174.55 crore). The Government gave guarantees within the limits prescribed in the FRBM Act during 2020-25.

Out of the outstanding guarantees for ₹228.57 crore during the current year, the State Government had given guarantees amounting to ₹44.24 crore to a PSU[3] whose net worth had become negative (-₹41.91 crore). This means that the actual liability lies with the State Government to repay their loans. However, as on 31 March 2025, the total accumulation of Guarantee Redemption Fund of the State Government was ₹46.90 crore (20.52 *per cent* of the outstanding Guarantees). Thus, the State has established a provision to absorb a part of the contingent liabilities through the Guarantee Redemption Fund. While the fund does not cover the full amount of outstanding guarantees, it represents a significant buffer, reflecting a prudent approach to managing potential risks associated with guarantees.

1.5.6 Pathways to Fiscal Stability

Deficits can be improved by enhancing revenues and rationalising expenditure. This includes strengthening tax compliance, widening the tax base, revising user charges, and monetising idle Government assets. On the spending side, better targeting of subsidies, controlling salary and pension growth, and ensuring proper classification of expenditure are key factors. Prioritising productive capital investment and improving debt management through transparent and efficient borrowing can further ease fiscal pressure. These measures collectively create fiscal space and help reduce revenue, fiscal, and primary deficits in a sustainable manner. These have been discussed in succeeding paragraphs.

[3] Nagaland Industrial Development Corporation (₹44.24 crore)

1.5.6.1 Improving revenues of the State

Untapped revenue potential, if harnessed effectively, could significantly enhance fiscal space and reduce dependence on debt. Inefficiencies in assessment, undervaluation, and limited enforcement mechanisms of key tax streams such as State GST, Stamp Duty, and Excise will lead to subdued revenue growth. Under-realised non-tax revenues, with low user charges, poor cost recovery, and suboptimal returns on public assets and investments also impede the fiscal space. Timely realisation of pending arrears (tax and non-tax) is another step towards enhancing the fiscal space.

A. Arrears of revenue

As on 31 March 2025, the arrears of revenue in respect of principal heads of revenue were ₹4.99 crore, which was outstanding for more than five years, as depicted in **Table 1.33.**

Table 1.33: Arrears of revenue

(₹ in lakh)

Sl. No.	Head of revenue	Total Amount outstanding as on 31 March 2025	Amount outstanding for more than five years as on 31 March 2025
1	Nagaland VAT	65.55	65.55
2	Petroleum Tax	366.01	366.01
3	Central Sales Tax	40.93	40.93
4	Purchase Tax	0.46	0.46
5	Professional Tax	3.18	3.18
6	Nagaland Sales Tax	22.51	22.51
Total		**498.64**	**498.64**

Source: Departmental information

B. Arrears in assessment

The information on number of cases pending at the beginning of the year, cases becoming due for assessment, cases disposed-off during the year and number of cases pending for finalisation at the end of the year, as furnished by the Commissionerate of Taxes, Department of Finance, Government of Nagaland in respect of Sales Tax/VAT is depicted in **Table 1.34.**

Table 1.34: Arrears in assessments

Head of Revenue	Cases pending at the beginning of 2024-25	New cases due for assessment during 2024-25	Total cases due for assessment	Cases disposed -off during 2024-25	Balance at on the year	Percentage of cases disposed
1	*2*	*3*	*4*	*5*	*6*	*7 (5 to 4)*
Nagaland VAT	32	3	35	32	3	91.43
Petroleum Tax	16	50	66	55	11	83.33
Central Sales Tax	20	37	57	52	5	91.23
Professional Tax	35	39	74	64	10	86.48
Total	**103**	**129**	**232**	**203**	**29**	**87.50**

Source: Departmental information

During the period 2020-25, the number of pending cases at the end of the respective years were 90 (2020-21); 783 (2021-22); 548 (2022-23); 103 (2022-24) as against 29 cases at the end of 2024-25. Disposal of cases during this period ranged between 32 *per cent* and 87.50 *per cent*.

C. Details of evasion of tax detected by the Department, refund cases, *etc.*

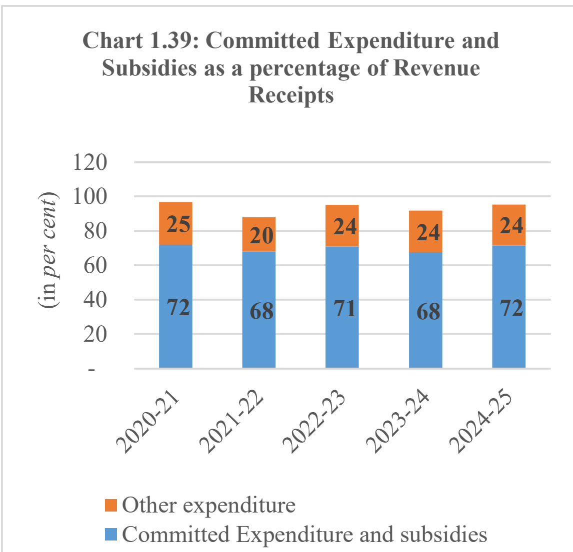
The cases of evasion of tax detected, cases finalised and the demands for additional tax raised are important indicators of revenue collection efforts of the State Government.

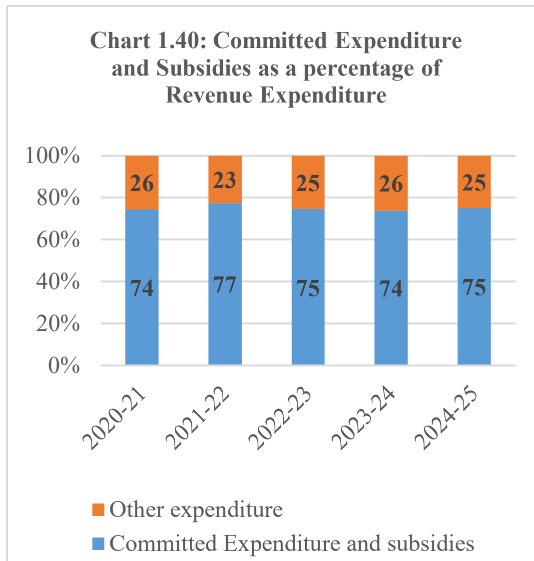
As reported by the Commissionerate of Taxes, Department of Finance, Government of Nagaland on cases of evasion of tax detected, cases finalised and the demand for additional tax raised during 2024- 25, there were no cases of evasion of tax detected during the current year.

1.5.6.2 Issues on expenditure side

A. Fiscal stress from committed expenditure and subsidies

Chart 1.39 and **Chart 1.40** depict committed expenditure and subsidies together as a percentage of Revenue Receipts and Revenue Expenditure during the FYs 2020-25 respectively.





Source: Finance Accounts of respective years and E&SD, GoN for GSDP figures

In 2024-25, the State's committed expenditure of ₹11,454.79 crore comprising salaries & wages (₹7,087.51 crore), pensions (₹3,199.58 crore), and interest payments (₹1,167.70 crore), accounted for approximately 71.21 *per cent* of the Revenue Receipts. In addition, subsidies amounted to ₹47.12 crore, bringing the total rigid expenditure to ₹11,501.91 crore, which was nearly 71.50 *per cent* of the State's Revenue Receipts. The high and inflexible nature of such expenditure significantly compresses fiscal space, limiting the State's ability to allocate resources towards capital investment and developmental priorities. This structural imbalance increases the risk of persistent primary deficits, constrains long-term fiscal sustainability, and reduces the Government's capacity to respond to emergent socio-economic challenges.

B. Capital blocked in incomplete projects

An assessment of capital blocked in incomplete capital projects would also indicate the quality of Capital Expenditure. Blocking funds in incomplete projects/works impinges negatively on the quality of expenditure and deprives the State of the intended benefits of the projects for prolonged periods. Further, funds borrowed for implementation of these projects during the respective years would lead to an extra burden, in terms of servicing of debt and interest liabilities. Details of the incomplete projects are shown in **Table 1.35** (based on information provided by the State Government for ***Appendix-IX*** of the Finance Accounts for the year 2024-25).

Table 1.35: Capital blocked in incomplete projects

Age profile of incomplete projects as on 31 March 2025				Department-wise profile of incomplete projects till 31 March 2025		
Year	**No. of incomplete projects**	**Estimated Cost**	**Expenditure Incurred**	**Department**	**No. of incomplete projects**	**Estimated Cost (Expenditure Incurred)**
Up to 2013-14	102	169.76	142.88	PWD (R&B)	46	1,173.46
2014-15	10	17.27	8.61	SCERT	7	40.09
2015-16	8	10.94	8.77	PWD (Housing)	10	30.40
2016-17	3	109.98	88.10	Power Department	2	122.03
2017-18	5	9.54	2.70	Police Engineering Project	16	36.01
2018-19	5	215.82	5.30	Youth Resources and Sports	32	314.88
2019-20	3	77.79	3.17	Social Welfare	2	37.92
2020-21	9	203.90	12.29	Water Resources	1	206.85
2021-22	5	168.56	16.12	Higher Education	16	105.80
2022-23	7	20.46	0.55	Minority Affairs	10	311.38
2023-24	36	301.02	9.16	Geology & Mining	1	26.54
2024-25	91	1,291.36	7.53	PHED	2	22.22
above 2024-25	1	0.50	0.00	Industries & Commerce	4	20.70
Others*	24	13.01	0.00	Other 19 Departments	160	161.63
Total	**309**	**2,609.91**	**305.18**	**Total**	**309**	**2,609.91 (305.18)**

Source: Finance Accounts, 2024-25 (Appendix IX) *Projects without year of commencement

Out of the estimated cost of ₹2,609.91 crore on these 309 ongoing projects, ₹305.18 crore was spent till 2024-25. Therefore, due to non-completion of these 309 projects, Capital Expenditure of ₹305.18 crore remained blocked. Due to incomplete information in ***Appendix-IX*** of the Finance Accounts for the year 2024-25, Audit could not ascertain the actual progressive expenditure, physical progress of work position of pending payment (future liability) and revised cost, if any, as on 31 March 2025.

C. Un-discharged liabilities on Fiscal Space

Un-discharged/deferred liabilities, if not addressed timely, will reduce the available fiscal space for future developmental and infrastructure spending. Besides creating lack of transparency and credibility, this impairs the State's ability to raise resources in a sustainable manner, thereby impacting overall fiscal health and long-term sustainability.

Audit observed that the State Government had accumulated several un-discharged liabilities over the years, which have significant implications for fiscal sustainability. These include:

- Non-transfer of State Road Safety Fund amounting to ₹16.64 crore.
- Un-discharged interest liabilities on Defined Contribution Pension Scheme for Government liabilities totaling ₹2.76 crore.
- Non-transfer of State and Central Finance Commission (SFC/CFC) grants to local bodies, aggregating ₹6.33 crore.
- Pending refund cases (GST) amounting to ₹0.70 crore.

The cumulative value of these un-discharged liabilities amounted to ₹26.43 crore, which is equivalent to 0.06 *per cent* of the GSDP and 0.95 *per cent* of the fiscal deficit for the year 2024-25.

Audit recommends that the State Government disclose and address all un-discharged liabilities transparently and make provisions for timely discharge of these obligations to avoid future fiscal stress.

1.6 Conclusion

The State's own resources showed subdued buoyancy, as arrears, limited tax base, *etc*., constrained revenue growth. The low revenue mobilisation increased dependence on debt and Central transfers, limiting fiscal autonomy.

Decline in Revenue surplus was driven by a moderate growth in State's Own Tax Revenue and a high committed expenditure, with subsidies adding further rigidity. The rising expenditure burden severely compressed fiscal space and heightened the risk of continued fiscal and primary deficits. A significant portion of fiscal deficit was absorbed by revenue expenditure while ₹305.18 crore of capital remained blocked in incomplete projects, weakening the quality of capital spending. This indicates limited ability of the fiscal deficit to effectively finance productive capital formation. Outstanding liabilities stayed high in relation to GSDP, putting pressure on FRBM limits and indicating growing debt risk. This weakens long-term fiscal stability and reduces the State's future borrowing capacity.

Interest receipts formed a negligible component of revenue receipts, reflecting low returns on loans and advances. Un-discharged liabilities of ₹26.43 crore, constituting 0.95 *per cent* of the fiscal deficit, highlight persistent deferral of mandatory transfers and dues. Such carry-forward liabilities distort the true fiscal position and constrain future fiscal space.

Outstanding guarantees stood at ₹228.57 crore and remained within the statutory limits, however, the issuance of guarantees to a PSU with negative net worth heightened fiscal risk. While the Guarantee Redemption Fund covered only 20.52 *per cent* of outstanding guarantees, it provided a partial buffer against potential invocation.

1.7 Good practices

- Revenue surplus was achieved against FRBM Act targets, in all the last five years.

1.8 Recommendations

i. Efforts may be made to strengthen its own-resource mobilisation by broadening the tax base.

ii. A robust and mandatory dividend policy needs to be formulated.

iii. Priority should be accorded to the recovery of long pending revenue arrears, with focussed attention on arrears outstanding for extended periods.

iv. Prioritise completion of ongoing projects.

v. Minimise misclassification between revenue and capital expenditure.

vi. The State may ensure continued adherence to FRBM requirements that would further support long-term fiscal sustainability and credibility.

CHAPTER II
Budgetary Management

Chapter II: Budgetary Management

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

2.1 Budget Process

In compliance with Article 202 of the Constitution of India, in respect of every financial year, a statement of the estimated receipts and expenditure of the State for that year, called "the Annual Financial Statement (Budget)" is to be laid before the State Legislature. The estimates of the expenditure show 'charged' and 'voted' items[4] of expenditure separately and distinguish expenditure on revenue accounts from other expenditures. Legislative authorisation is necessary before incurring any expenditure by the State Government.

The Government of Nagaland has not yet prepared a Budget Manual. However, the Finance Department is responsible for preparing the annual budget by obtaining estimates from various departments. The departmental estimates of receipts and expenditure are prepared by Controlling Officers on the advice of the heads of departments and submitted to the Finance Department on prescribed dates. The Finance Department consolidates the estimates and prepares the Detailed Estimates called 'Demand for Grants'. The State budget comprises the following documents:

- ✓ Annual Financial Statements
- ✓ Explanatory Memorandum to the Budget
- ✓ Supplementary Demands for grants
- ✓ Moving of Demand for Grants
- ✓ Statements under the Nagaland Fiscal Responsibility and Budget Management Act, 2005
- ✓ Others

2.2 Budget projection and gap between expectation and actual

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

Details of total appropriation obtained from the State Legislature, actual expenditure and savings are summarised in **Table 2.1**.

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

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

(₹ in crore)

	Nature of expenditure	Original Grant	Supplementary Grant	Total	Actual expenditure	Net of Savings (-)	Surrender during March 2025	
							Amount	*Per cent*
Voted	I. Revenue	15,476.60	687.82	16,164.42	14,094.07	2,070.35	2,131.32	102.94
	II. Capital	2,591.41	2,435.09	5,026.50	3,553.63	1,472.87	1,504.38	102.14
	III. Loans and Advances	0.57	-	0.57	0.35	0.22	0.22	100.00
	Total	**18,068.58**	**3,122.91**	**21,191.49**	**17,648.05**	**3,543.44**	**3,635.92**	**102.61**
Charged	IV. Revenue	1,416.27	7.36	1,423.63	1,325.63	98.00	94.83	96.77
	V. Capital	-	-	-	-	-	-	-
	VI. Public Debt-Repayment	4,243.02	1.41	4,244.43	4,596.37	-351.94	-	-
	Total	**5,659.29**	**8.77**	**5,668.06**	**5,922.00**	**-253.94**	**94.83**	**-37.34**
Appropriation to Contingency Fund		--	--	--	--	-	--	--
Grand Total		**23,727.87**	**3,131.68**	**26,859.55**	**23,570.05**	**3,289.50**	**3,730.75**	**113.41**

Source: Appropriation Accounts, 2024-25

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

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

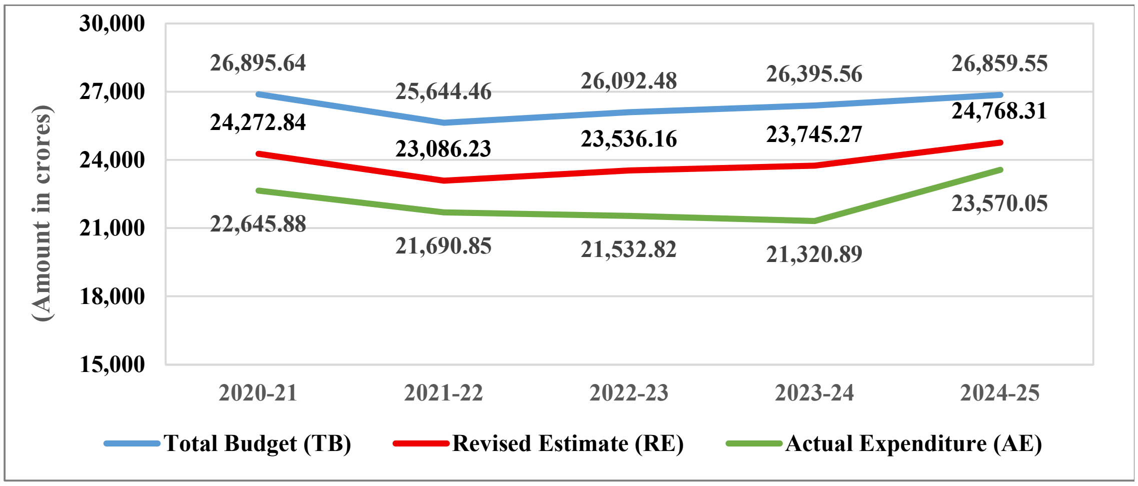
(₹ in crore)

	2020-21	2021-22	2022-23	2023-24	2024-25
Original Budget (OB)	21,068.85	22,816.61	24,239.50	23,085.66	23,727.87
Supplementary Budget (SB)	5,826.79	2,827.84	1,852.99	3,309.90	3,131.68
Total Budget (TB)	26,895.64	25,644.46	26,092.48	26,395.56	26,859.55
Revised Estimate (RE)	24,272.84	23,086.23	23,536.16	23,745.27	24,768.31
Actual Expenditure (AE)	22,645.88	21,690.85	21,532.82	21,320.89	23,570.05
Savings (-)/excess (+)	(-)4,249.76	(-)3,953.61	(-)4,559.66	(-)5,074.67	(-)3,289.50
Percentage of SB to OB	27.66	12.39	7.64	14.34	13.20
Percentage of Savings to the overall provision	15.80	15.42	17.48	19.23	12.25
TB-RE	2,622.80	2,558.23	2,971.36	2,650.29	2,091.24
RE-AE	1,626.96	1,395.38	1,588.30	2,424.38	1,198.26
(TB-RE) as *percentage* of TB	9.75	9.98	11.39	10.04	7.79
(RE-AE) as *percentage* of TB	6.05	5.44	6.09	9.18	4.46

Source: Appropriation Accounts and Budget documents of respective years

Table 2.2 shows that supplementary provision of ₹3,131.68 crore during 2024-25 constituted 13.20 *per cent* of the original provision as against 14.34 *per cent* in the previous year.

Chart 2.1 Trend showing BE, RE and Actuals



Source: Appropriation Accounts of respective years and Budget documents of respective years

From **Chart 2.1**, it could be seen that during 2020-21 to 2023-24, there is a consistent divergence between the total budget, revised estimates, and actual expenditure, indicating overestimation and under-utilisation of funds. However, the gap narrowed in 2024-25, suggesting improved fiscal discipline and alignment between allocations and actual spending.

2.2.1 Component/Services wise analysis of budgetary provisions and expenditure

Component-wise analysis of the Budget and Expenditure for the FY 2024-25, is summarised in **Table 2.3**. The summary of explanations received in case of variations in Appropriation Accounts is depicted in **Chart 2.2**.

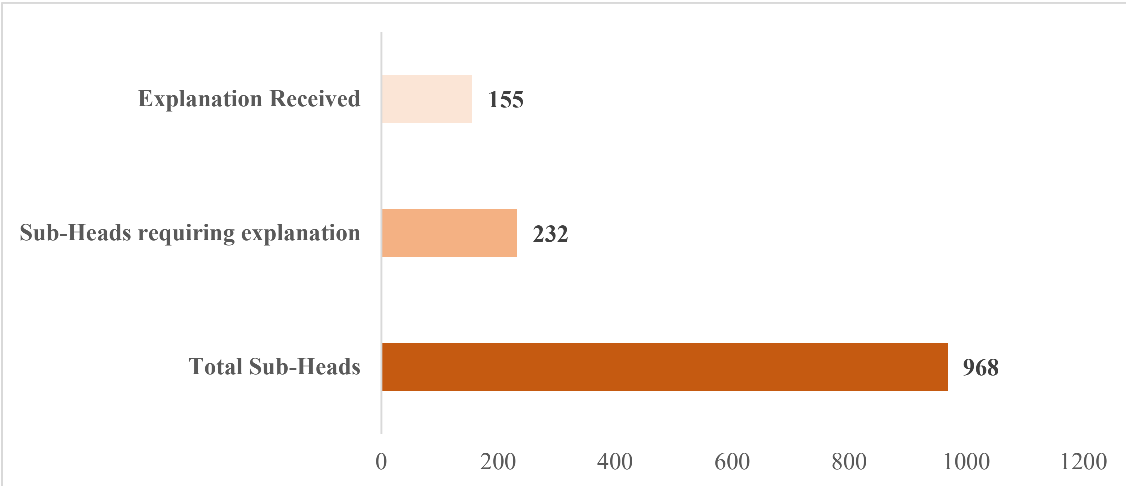
Table 2.3: Component-wise Budget and Expenditure for the year 2024-25

(₹ in crore)

Component	Total Budget	Total Expenditure	Percentage of Total Budget	Percentage of Total Expenditure	Percentage of expenditure against the Total Budget
1	*2*	*3*	*4*	*5*	*6 = 3/2*100*
Committed Expenditure	12,176.98	11,415.96	45.34	48.72	94.07
State Scheme	3,063.08	2,996.23	11.40	12.74	97.82
Central Share for CSS	2,304.03	2,184.47	8.58	9.29	94.81
State Share for CSS	229.81	267.36	0.86	1.14	116.34
Externally Aided Projects	371.96	191.13	1.38	0.81	51.38

Source: Finance Accounts, 2024-25 and Budget documents

Chart 2.2: Summary of Explanation for Variation in Appropriation Accounts



Source: Information furnished by office of the AG (A&E), Nagaland

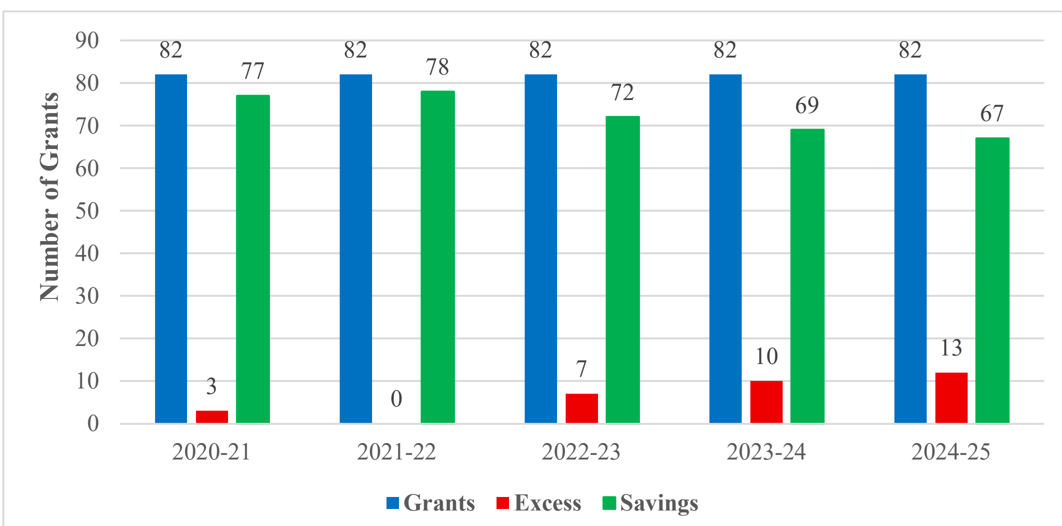
2.3 Budget marksmanship

Expenditure Composition Outturn

Expenditure Composition Outturn measures the extent to which re-allocations between the main budget categories during execution have contributed to variance in expenditure composition.

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

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



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

Table 2.4: Expenditure composition overall deviation FY 2024-25

Section	Overall Deviation (*per cent*)	Range of Deviation (*per cent*)	Number of Grants
Revenue (Voted)	12.81	0 to ± 25	73
		± 25 to ± 50	5
		± 50 to ± 100	4
Capital (Voted)	29.30	0 to ± 25	59
		± 25 to ± 50	15
		± 50 to ± 100	7
		≥ 100	1
Revenue (Charged)	6.88	0 to ± 25	82
		± 25 to ± 50	0
		± 50 to ± 100	0
Capital (Charged)	-8.29	0 to ± 25	82
		± 25 to ± 50	0
		± 50 to ± 100	0

Source: Appropriation Accounts, 2024-25

As can be seen from the above, the number of grants with excess expenditure showed increasing trend during 2021-22 to 2024-25. Overall deviations were mainly concentrated in the Voted sections, particularly in Capital (Voted) grants where a substantial number of departments failed to align actual expenditures with budget estimates.

Trend in Budget Estimates (BE), Revised Estimates (RE), and Actual expenditure during 2020-21 to 2024-25 are given in **Table 2.5**.

Table 2.5: Trend in Budget Estimates (BE), Revised Estimates (RE), and Actual expenditure during 2020-21 to 2024-25

(₹ in crore)

Year	Description	Original approved Budget (BE)	Revised (RE)	Actual Outturn	Difference between BE & RE	Difference between Actual and RE
2020-21	Revenue	13,623.54	12,064.93	11,063.54	-1,558.61	-1,001.39
	Capital	7,426.33	12,207.91	11,581.48	4,781.58	-626.43
2021-22	Revenue	13,694.88	12,302.44	11,844.23	-1,392.44	-458.21
	Capital	9,121.73	10,783.79	9,846.62	1,662.06	-937.17
2022-23	Revenue	14,398.93	14,125.49	13,503.97	-273.44	-621.52
	Capital	9,840.57	9,410.66	8,028.85	-429.91	-1,381.81
2023-24	Revenue	15,099.66	16,145.54	14,821.48	1,045.88	-1,324.06
	Capital	7,986.00	7,599.74	6,499.41	-386.26	-1,100.33
2024-25	Revenue	16,892.87	16,144.96	15,419.70	-747.91	-725.26
	Capital	6,835.00	8,623.35	8,150.35	1,788.35	-473.00

Source: Appropriation Accounts and Budget documents of respective year

As can be seen from the above table, Revenue expenditure shows recurring downward revision of BE to RE in four out of five years and consistent shortfalls of Actuals against RE, suggesting overestimation at the budget formulation stage and systemic weaknesses in expenditure forecasting. Capital expenditure displays upward revisions from BE to RE (in three out of five years), followed by significant underspending against RE in every year indicating challenges in project readiness, procurement delays, and weak implementation capacity.

2.4 Appropriation Accounts

Appropriation Accounts are accounts of the expenditure of the Government for each financial year, compared with the amounts of grants voted and appropriations charged for different purposes as specified in the schedules appended to the Appropriation Act passed under Article 204 of the Constitution of India. These Accounts depict actual expenditure as against the original budget provision, supplementary grants, surrenders and re-appropriations distinctly on a gross basis.

Audit of appropriations by the CAG seeks to ascertain whether the expenditure actually incurred under various grants is in accordance with the authorisation given under the Appropriation Act and that the expenditure required to be charged under the provisions of the Constitution (Article 202) is so charged. It also ascertains whether the expenditure incurred is in conformity with the laws, relevant rules, regulations and instructions.

2.5 Budgetary and accounting process

2.5.1 Expenditure incurred without authority of law

No money shall be withdrawn from the Consolidated Fund of the State except under appropriation made by law passed in accordance with the provisions of Article 204 of the Constitution of India. Rule 26 of the General Financial Rules, 2017 stipulates that the duties and responsibilities of a controlling officer in respect of funds placed at his disposal are to ensure that (i) the expenditure does not exceed the budget provision and (ii) the expenditure is incurred for the purpose for which funds have been provided.

It was, however, observed that an expenditure of ₹5.87 crore (***Appendix 2.1***), was incurred in 10 cases under various components of seven grants during 2024-25 without having any provision in the original budget estimates/supplementary demands and without issuing any re-appropriation orders to this effect. Out of 10 cases, in three cases under two grants, the expenditure was more than ₹ one crore in each case.

Further, detailed review of the selected grants showed that there were three cases of expenditure incurred without authority of law *i.e.*, two cases involving ₹2.42 crore in Grant No. 31- School Education and one case involving ₹0.36 crore in Grant No. 64 – Housing.

2.5.2 Excess expenditure and its regularisation

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

A. Excess expenditure during current year

There was an excess disbursement of ₹597.94 crore over the authorisation made by the State Legislature under 13 Grants/Appropriation during 2024-25 as indicated in **Table 2.6**.

Table 2.6: Excess expenditure during 2024-25 requiring regularisation

Grant/ Appropriation No.	Grant/Appropriation details	Amount of excess expenditure required to be regularised
1	State Legislature (Revenue- Voted)	0.22
4	Administration of Justice (Capital- Voted)	18.69
	Administration of Justice (Revenue-Charged)	0.06
5	Election (Revenue-Voted)	4.97
21	Relief of distress caused by Natural Calamities (Capital- Voted)	106.50
32	Higher Education (Revenue-Voted)	11.64
33	Youth Resources and Sports (Capital- Voted)	23.46
36	Urban Development (Revenue-Voted)	14.14
50	Animal Husbandry and Dairy Development (Capital-Voted)	0.62
64	Housing (Capital- Voted)	27.16
73	State Institute of Rural Development (Capital- Voted)	0.53
75	Servicing of Debt (Capital- Charged)	351.94
77	Development of Underdeveloped Areas (Capital – Voted)	0.01
82	New and Renewable Energy (Capital- Voted)	20.00
Total		**579.94**

Source: Appropriation Accounts

Detailed review of the two selected Grants showed that excess expenditure over the budget provision was noticed in one of the selected grants *i.e.,* Grant No. 64 – Housing. Against the total provision of ₹42.58 crore under Capital (Voted), an expenditure of ₹69.74 crore was incurred, resulting in an excess of ₹27.16 crore.

Further, Audit examined the two[5] out of the 13 grants where there was excess disbursement over the authorisation made by the State Legislature. Audit examination revealed that-

[5] Grant No. 21 – Relief of Distress caused by Natural Calamities and Grant No. 82 – New and Renewable Energy

- Under Grant No. 21, a supplementary provision of ₹52.11 crore was made under the Capital head towards fund allocation under SASCI and additional works. However, the Finance Department issued drawal authority on 29 March 2025 for ₹156.50 crore, of which only ₹50.00 crore pertained to the Nagaland State Disaster Management Authority (NSDMA) under Grant No. 21, while ₹106.50 crore (₹100 crore for the Urban Development Department and ₹6.50 crore for the Power Department) related to other departments under Grant No. 36 and 55 respectively. Consequently, there was an excess of ₹106.50 crore under the Capital section of Grant No. 21.
  Further examination revealed that under Grants No. 36 (Urban Development) and No. 55 (Power), additional supplementary provisions of ₹314.02 crore and ₹6.50 crore respectively had been made; however, savings of ₹193.00 crore and ₹20.61 crore were observed under these Grants. This indicates that the entire ₹156.50 crore was allowed to be drawn under Grant No. 21, though only ₹50.00 crore was actually intended for it, while the remaining ₹106.50 crore meant for the Urban Development and Power Departments should have been drawn under their respective Grants (No. 36 and No. 55).
- Under Grant No. 82, although the total provision was ₹42.22 crore (Original: ₹2.30 crore and Supplementary: ₹39.92 crore), the Finance Department permitted an additional drawal of ₹20.00 crore for implementation of the Off-Grid Solar Initiative (provision of standalone solar streetlights in rural areas and solar water pumps for farmers). This additional drawal resulted in an excess expenditure under the grant.

These instances reflect inadequate financial control and non-adherence to the principles of budgetary discipline and grant-specific expenditure. The Finance Department should ensure strict compliance with budgetary provisions and grant-specific drawal procedures.

B. Regularisation of excess expenditure of previous financial years

Excess disbursements pertaining to previous years pending regularisation from the State Legislature are shown in **Table 2.7** below.

Table 2.7: Excess expenditure relating to previous years requiring regularisation

(₹ in crore)

Year	Grant No./ Appropriation	Grant/Appropriation details	Amount of excess required to be regularised as commented in the Appropriation Accounts
2018-19	22	Civil Supplies (Revenue-Voted)	0.01
2019-20	20	Social Security and Welfare (Revenue-Voted)	0.10
	25	Land Revenue (Revenue-Voted)	0.93
	28	Police (Revenue-Voted)	64.16
	39	Tourism (Revenue-Voted)	4.88
	44	Evaluation (Capital-Voted)	0.08
	51	Fisheries (Revenue-Voted)	2.23
	66	Sericulture (Capital-Voted)	0.22
	72	Land Resources Development (Revenue-Voted)	13.93
	75	Servicing of Debt (Capital-Charged)	111.44

Year	Grant No./ Appropriation	Grant/Appropriation details	Amount of excess required to be regularised as commented in the Appropriation Accounts
	77	Development of Underdeveloped Areas	1.66
2020-21	45	Co-operation (Capital-Voted)	0.02
	53	Industries (Revenue-Voted)	1.20
	66	Sericulture (Revenue-Voted)	0.25
2022-23	1	State Legislature (Revenue-Charged)	0.05
	18	Pensions and Other Benefits (Revenue-Voted)	160.43
	31	School Education (Capital-Voted)	1.79
	36	Urban Development (Capital-Voted)	10.88
	47	Legal Metrology & Consumer Protection (Capital-Voted)	1.00
	52	Forest, Environment & Wildlife (Revenue-Voted)	6.75
	68	Police Engineering Project (Capital-Voted)	60.93
2023-24	4	Administration of Justice (Capital-Voted)	52.64
	33	Youth Resources & Sports (Capital- Voted)	25.00
	36	Urban Development (Revenue-Voted)	16.22
	37	Municipal Administration (Capital-Voted)	60.55
	39	Tourism (Capital-Voted)	1.71
	42	Rural Development (Capital-Voted)	5.60
	45	Co-operation (Capital-Voted)	8.86
	47	Legal Metrology & Consumer Protection (Capital-Voted)	1.00
	58	Roads & Bridges (Capital-Voted)	79.85
	72	Land Resources Development (Revenue-Voted)	1.41
Total			**695.78**

Source: Appropriation Accounts of respective years

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

The excess expenditure for 2017-18 had been regularised through the Nagaland Appropriation (No. 1) Bill, 2025. It is pertinent to note that the SFARs for the years 2018-19 to 2022-23 were taken up for discussion by the PAC in phases: SFAR 2018-19 in June 2023; SFAR 2019-20 in November 2023; SFAR 2020-21 in July/August 2024; SFAR 2021-22 in April 2025; and SFAR 2022-23 in February 2026. However, the recommendations of the PAC on these discussions have not been received as of 31 December 2025.

During Exit Conference (17 February 2026), officials of the Finance Department stated that excess expenditure of 2018-19 and 2019-20 was under consideration for regularisation in the forthcoming Legislative Assembly Session.

2.5.2.1 Persistent excesses expenditure in certain Grants

Audit scrutiny revealed that in four instances across three grants, there was a recurring excess expenditure exceeding ₹ one crore in each case during the last three-year period as detailed in **Table 2.8**. In one case (Sl. No. 3), the expenditure was incurred without any budget provision during 2022-23.

Table 2.8: Persistent excess expenditure during FYs 2022-23 to 2024-25

(₹ in crore)

Sl. No.	Description of Grant/Appropriation	2022-23	2023-24	2024-25
1	**Grant No. 25- Land Records & Survey** MH-2029- Land Revenue Sub MH-00 Minor Head-001-Direction & Administration Sub Head-01-Direction			
	Grant	2.47	2.79	2.84
	Expenditure	2.61	4.39	4.52
	Excess (+)/savings (-)	0.13	1.60	1.68
2	**Grant No 25- Land Records & Survey** MH-2029- Land Revenue Sub MH-00 Minor Head-102-Survey and Settlement Operations Sub Head-01- Subordinate Establishment			
	Grant	20.78	19.29	20.86
	Expenditure	21.36	20.94	21.18
	Excess (+)/savings (-)	0.58	1.65	0.32
3	**Grant No 31- School Education** MH-2202- General Education Sub MH-02 Minor Head-113-Samagra Siksha Sub Head-01-Samagra Siksha			
	Grant	0.00	11.94	13.07
	Expenditure	13.74	13.79	15.07
	Excess (+)/savings (-)	13.74	1.85	2.00
4	**Grant No 36- Urban Development** MH-4217- Capital Outlay on Urban Development Sub MH-60- Other Urban Development Schemes Minor Head-051-Construction Sub Head-02- Construction Works			
	Grant	51.53	124.73	50.54
	Expenditure	119.65	190.36	50.64
	Excess (+)/savings (-)	68.12	65.63	0.10

Source: Detailed Appropriation Accounts of respective years

2.5.3 Supplementary Grants rendered non-essential

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

It was noticed that in four instances under four grants (***Appendix 2.2***) even though the supplementary provisions of ₹40.64 crore were made, the expenditure did not come up to original provisions during 2024-25. Similarly, supplementary provisions of ₹2,438.41 crore in 45 cases (more than ₹ one crore in each case) proved non-essential (***Appendix 2.3***) as full amount of supplementary provisions could not be utilised.

Detailed review of the two selected grants showed that in Grant No. 31 – School Education, the supplementary provision of ₹108.41 crore (Revenue-Voted) proved non-essential as the total expenditure was only ₹1,994.16 crore resulting in savings of

₹46.49 crore from the supplementary provision. Similarly, in Grant No. 64 – Housing, the supplementary provision of ₹32.96 crore (Revenue-Voted) proved non-essential as the total expenditure was only ₹196.06 crore resulting in savings of ₹16.54 crore from the supplementary provision.

2.5.4 Injudicious re-appropriation of funds

Re-appropriation is transfer of funds within a grant from one unit of appropriation to another unit where additional funds are needed. During 2024-25, re-appropriation orders under 52 grants amounting to ₹2,028.72 crore were issued. All re-appropriation orders were issued on 31 March 2025.

Further, in 20 Heads of Account (***Appendix 2.4*-Sl. Nos. 1 to 20**), reduction of provision exceeding ₹ one crore through re-appropriation orders effected by various departments proved injudicious as there was excess expenditure under these cases. In four Heads of Account, (***Appendix 2.4*-Sl. Nos. 21 to 24**), augmentation of provision also proved unnecessary because expenditure was either equal to or did not come up to the level of original/supplementary budget provision.

Detailed review of the two selected grants showed that in Grant No. 31 – School Education, augmentation of provision of ₹18.68 crore under a scheme through re-appropriation proved unnecessary because expenditure of ₹63.87 crore did not come up to the level of original/supplementary budget provision of ₹67.04 crore. In Grant No. 64 – Housing, reduction of provision of ₹23.37 crore under four schemes through re-appropriation proved injudicious as there was excess expenditure of ₹26.30 crore under these heads.

2.5.5 Unspent amount and surrendered appropriation and/or large Savings/Surrenders

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

The analysis of grants/appropriations showed that in 55 cases (under 41 grants) during 2024-25, the savings (excluding surrenders) exceeded ₹ one crore in each case (***Appendix 2.5***). It was further noticed that in one grant no expenditure *vis-à-vis* total grant amounting to ₹0.22 crore was incurred during 2024-25 as given in **Table 2.9**.

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

(₹ in crore)

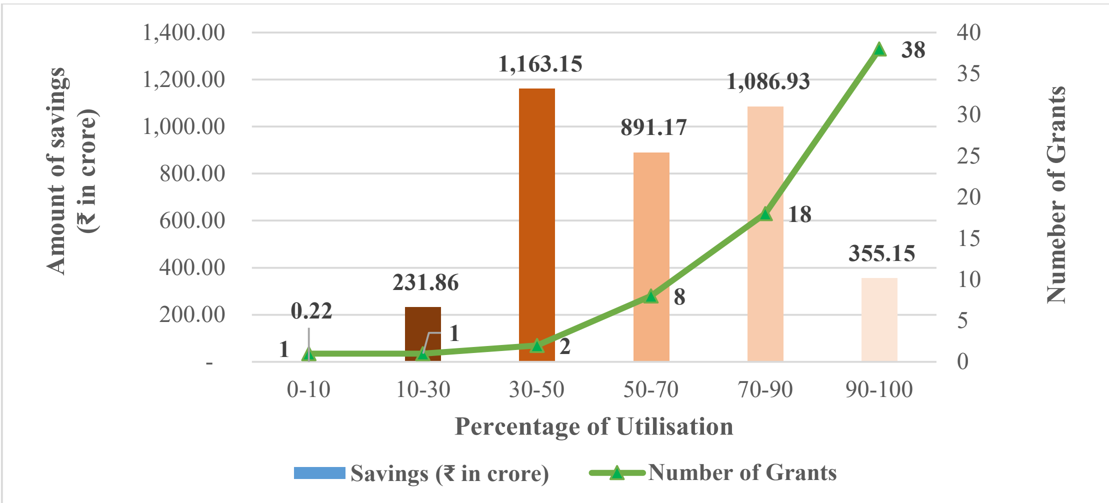
Sl. No.	Number and name of grant	Amount
1	57 – Housing Loans	0.22
Total		**0.22**

Source: Appropriation Accounts, 2024-25

Further, it was also observed that in 27 cases under 25 grants, there were persistent savings exceeding ₹ one crore in each case (***Appendix 2.6***) during 2022-23 to 2024-25.

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

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



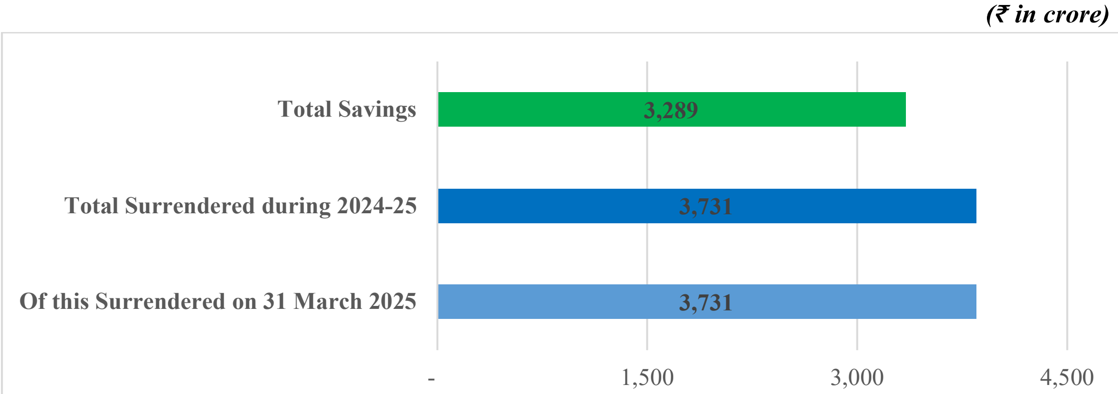
Source: Appropriation Accounts, 2024-25

It was noticed that out of the total savings under 18 Grants/Appropriations amounting to ₹1,301.50 crore (***Appendix 2.8***), only ₹1,082.51 crore were surrendered, however, under one Grant *i.e.,* Grant No. 53 – Industries, the entire savings of ₹61.19 crore (Capital – Voted) was not surrendered at all. Details of savings (exceeding ₹ one crore in each case) surrendered on the last day of March 2025 is given in ***Appendix 2.9***.

Details of total savings, surrendered and surrenders for the year 2024-25 are depicted in **Chart 2.5**.

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

(₹ in crore)



Source: Appropriation Accounts, 2024-25

Analysis of **Chart 2.5** revealed that 113.41 *per cent* of the savings were surrendered. The entire surrendered amount of ₹3,731 crore was surrendered on 31 March 2025.

Detailed review of the two selected grants showed that the percentage utilisation of fund during 2024-25 in Grant No. 31 – School Education was 91.88 *per cent* of the provision and from the overall savings of ₹190.94 crore (₹46.49 crore under Revenue head and ₹144.45 crore under Capital head), ₹198.02 crore (103.71 *per cent* of the savings) was surrendered on 31 March 2025. Further, in Grant No. 64 – Housing, there was a savings of ₹16.54 crore under Revenue head, of which ₹22.49 crore (135.97 *per cent* of the savings) was surrendered on 31 March 2025.

2.5.6 Misclassification between Revenue Expenditure and Capital Expenditure

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

Classification of Revenue Expenditure as Capital Expenditure

During the financial year 2024-25, the State Government had booked ₹3,524.31 crore as Capital Expenditure. Audit examined Sanction Orders and expenditure vouchers related to this amount, and noticed that out of the amount of ₹3,524.31 crore, ₹14.05 crore (***Appendix 2.10***) of expenditure of Revenue nature had been booked under Capital Expenditure as this expenditure was towards repair and renovation, maintenance, *etc*. As per Rule 31 (2) (b) of the Government Accounting Rules, 1990, the Revenue Account should bear all charges relating to such expenditure.

Thus, there was a misclassification of ₹14.05 crore, which resulted in overstatement of Revenue Surplus to that extent. The resulting Capital Expenditure, after Audit, for FY 2024-25, was ₹3,510.26 crore.

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

Several policy initiatives taken up by the Government are wholly or partially not executed due to non-approval of scheme guidelines/modalities, non-commencement of works for want of administrative sanction, non-release of budget, *etc*. It was observed that during 2024-25, the State Government did not pronounce any major schemes in its budget.

2.5.8 Non-adherence to the Quarterly Expenditure Limit

Rule 62(3) of the General Financial Rules, 2017 provides that rush of expenditure particularly in the closing months of the financial year is regarded as a breach of financial propriety and should be avoided.

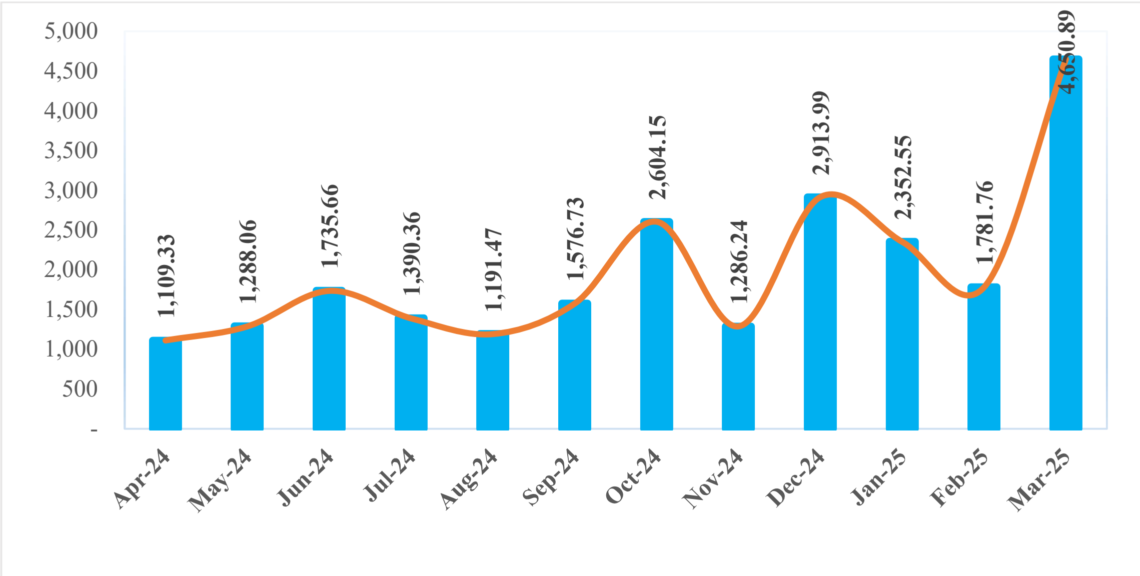
Table 2.10: Rush of Expenditure during FY 2024-25

	Amount (₹ in crore)	Percentage of Total Expenditure in the year
Last quarter of the year (Jan to Mar-2025)	8,495.25	36.06
Last month of the year (Mar-2025)	4,568.35	19.39
Last day of the year (31 March 2025)	646.38	2.74

Source: VLC data maintained by O/o AG (A&E), Nagaland

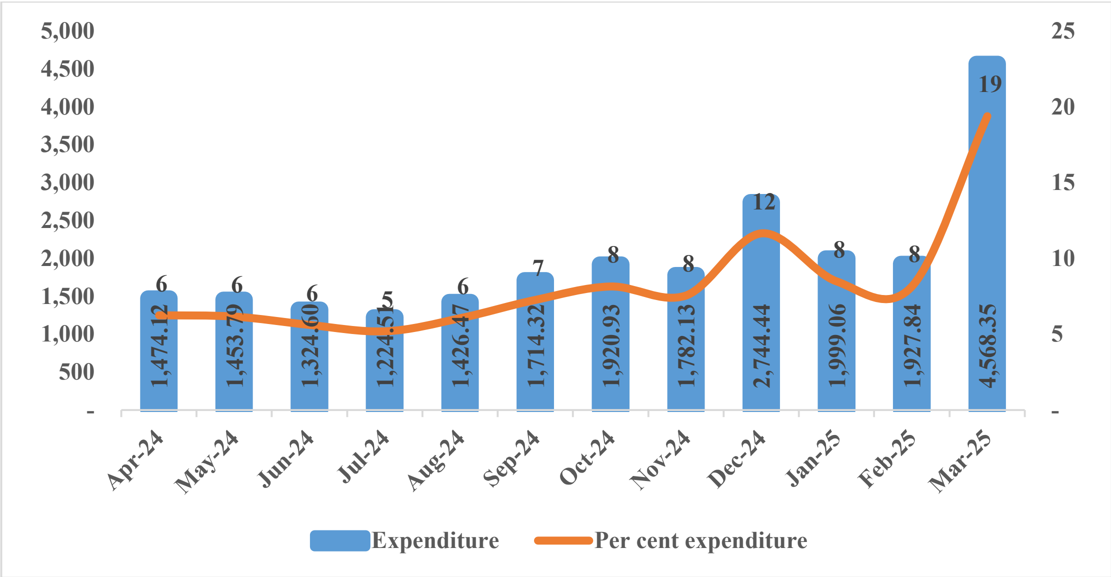
Trend of total Monthly receipts (Revenue Receipts, Capital Receipts and cash balance) and expenditure during financial year 2024-25 are shown in **Chart 2.6** and **Chart 2.7**.

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



Source: VLC data furnished by O/o AG (A&E), Kohima

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

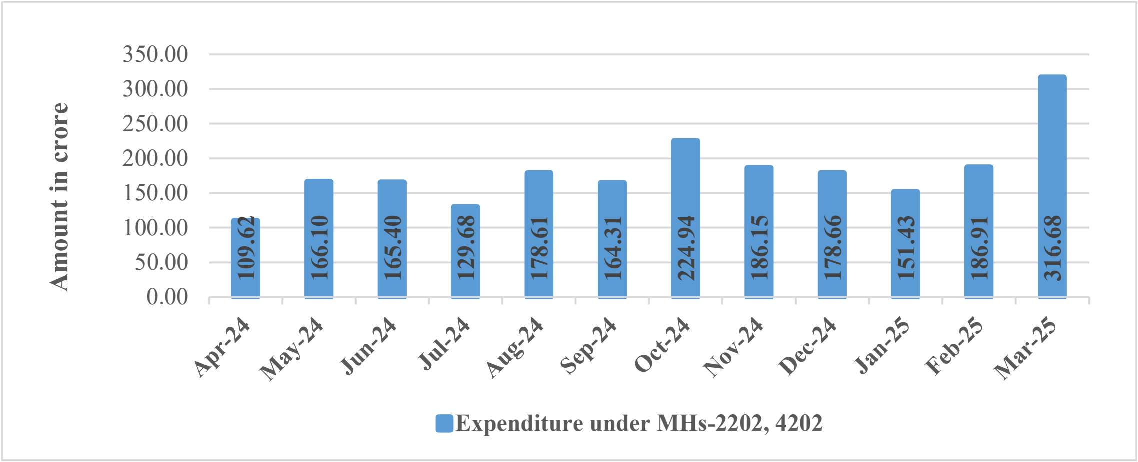


Source: VLC data furnished by O/o AG (A&E), Kohima

The monthly expenditure trend depicted in the chart indicates a pronounced skewness towards the last quarter of the financial year, particularly in March.

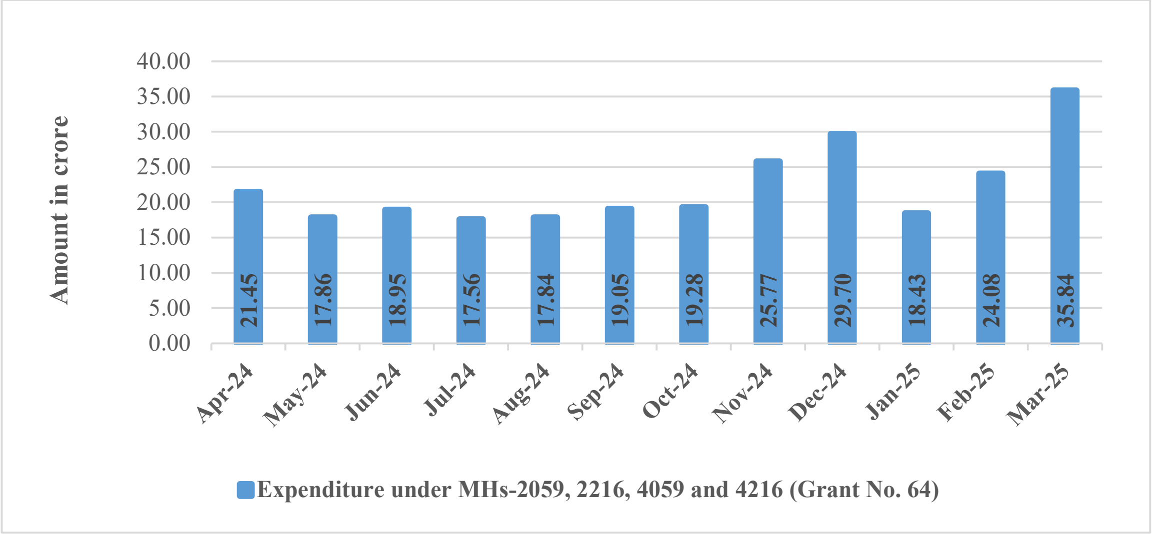
The month-wise trend of expenditure during 2024-25 under selected grants *viz*., Grant Nos. 31 and 64 are shown in **Charts 2.8 and 2.9.** The month-wise trend of receipts/expenditure during 2024-25 towards the scheme Samagra Shiksha, implemented under Grant No. 31 is given in **Chart 2.10.**

Chart 2.8: Trend analysis of expenditure (Month-wise) under Grant No. 31 – School Education



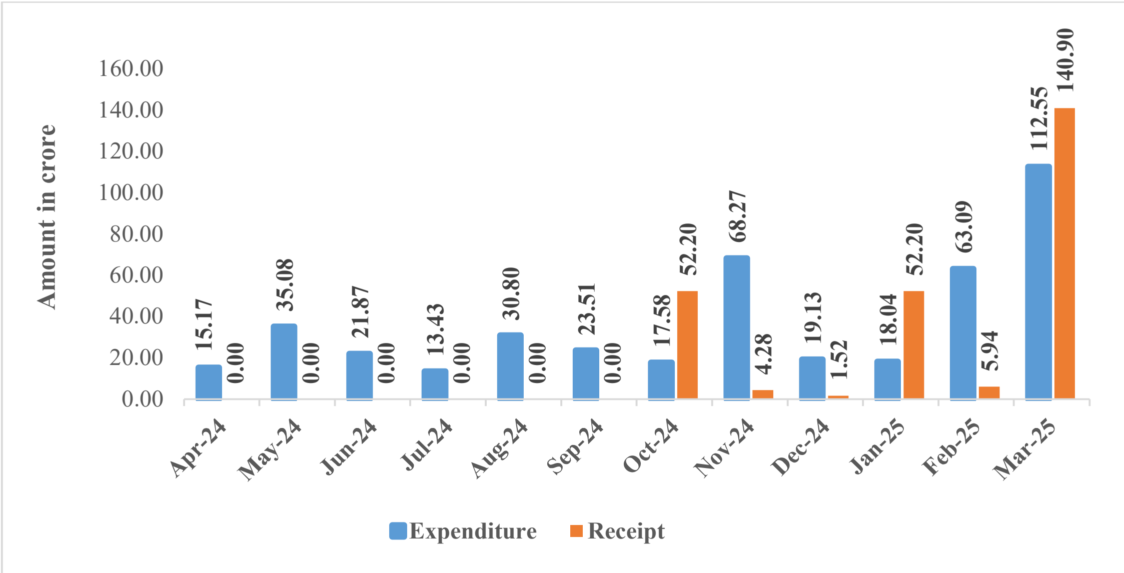
Source: VLC data furnished by O/o AG (A&E), Kohima

Chart 2.9: Trend analysis of expenditure (Month-wise) under Grant No. 64 – Housing



Source: VLC data furnished by O/o AG (A&E), Kohima

Chart 2.10: Trend analysis of receipts and expenditure (Month-wise) under the scheme, Samagra Siksha (implemented under Grant No. 31)



Source: VLC data furnished by O/o AG (A&E), Kohima

As can been seen from the above **Charts 2.8 and 2.9,** expenditure trends under Grant No. 31 – School Education and Grant No. 64 – Housing showed a clear year-end rush of expenditure. Under Grant No. 31, the monthly average expenditure during April 2024 to February 2025 was ₹167.44 crore, but spending in March 2025 rose sharply to ₹316.68 crore, almost double the average. Similarly, under Grant No. 64, against an average monthly expenditure of ₹20.91 crore, the outlay in March 2025 increased to ₹35.84 crore, reflecting a 71 *per cent* rise.

Further, as can be seen from **Chart 2.10**, expenditure under Samagra Shiksha during 2024-25 showed a distinct year-end rush, with spending rising from an average of ₹29.63 crore per month during April 2024 to February 2025 to ₹112.55 crore in March 2025, coinciding with a large receipt of ₹140.90 crore in the same month. The concentration of expenditure in March indicates delayed fund flow, inadequate pacing of activities, and weak expenditure control, contrary to financial rules discouraging bunching of expenditure at the close of the financial year.

Further, during 2024-25, Audit noticed that the entire expenditure under 132 sub-heads under 55 Grants amounting to ₹1,583.50 crore was incurred in the month of March 2025 (***Appendix 2.11***).

Detailed review of the two selected grants showed that the entire expenditure of ₹2.43 crore under three sub-heads in Grant No. 31 was incurred in the month of March 2025 alone.

Maintaining a steady pace of expenditure is a crucial component of sound public financial management as it prevents fiscal imbalances and temporary cash crunches. There is no prescribed quarterly limit for incurring expenditure in general; however, overhead expenditure under the non-development sector is subject to the one-twelfth monthly limit, as per extant instructions. Expenditure under sectors other than non-development is determined based on the progress of works and implementation requirements, with the aim of regulating the expenditure in a phased manner and need-based manner. The quarterly details of expenditures incurred across all Grants are shown in the ***Appendix 2.12***.

Detailed review of the two selected grants showed that in Grant No. 31, out of the total expenditure of ₹2,158.49 crore, 30.35 *per cent* (₹655.02 crore) was incurred during fourth quarter of the year 2024-25. Moreover, 14.67 *per cent* (₹316.68 crore) was incurred in the month of March 2025. Further, in Grant No. 64, out of the total expenditure of ₹265.74 crore, 29.48 *per cent* (₹78.35 crore) was incurred during fourth quarter of the year 2024-25. Further, 13.49 *per cent* (₹35.84 crore) was incurred in the month of March 2025.

2.6 Implementation of selected CSS Schemes in the State

Centrally Sponsored Schemes (CSS) represent a key component of India's cooperative federalism, with the Union Government providing Grants-in-Aid to States for social sector programmes. Despite reforms to improve fund flow efficiency—such as the introduction of the Single Nodal Agency (SNA) model, SNA-SPARSH platform, and Just-in-Time releases *via* Public Financial Management System (PFMS) and Integrated Financial Management System (IFMS), challenges persist in budgeting, accounting, and reconciling Central and State shares. The Union Government has incentivised States to adopt these reforms through performance-based grants, encouraging adoption of digital tools and integration of financial systems.

2.6.1 Single Nodal Agency

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

Audit analysed the VLC data and SNA PFMS report and found that there was discrepancy in data of Central and State share transfer to SNA accounts, as shown in **Table 2.11.**

Table 2.11: Discrepancies in Central and State share transfer

(₹ in crore)

Source of Data	Central share received	Central share transferred	State share transferred	Less/excess amount released by State
VLC	1,785.22	1,979.21	219.62	193.99 (excess)
SNA PFMS Report	1,785.22	1,789.10	236.97	3.88 (excess)
Difference Amount	0.00	190.11	(-)17.35	

Source: Notes to Finance Accounts

Figures reported in the SNA-01 report and those furnished by the State Government differed, particularly regarding transfers to SNAs and the differences were under reconciliation.

As on 31 March 2025, the Government transferred ₹2,198.83 crore (bifurcation of amount transferred was not made available by the State Government) to the SNAs through GIA Bills, Fully Vouched Contingent Bills and other category of Bills. Detailed vouchers and supporting documents of actual expenditure were not received by the Accountant General (A&E), Nagaland from the SNAs. As per the SNA reports, ₹856.36 crore are lying unspent in the bank accounts of SNAs as on 31 March 2025.

During the year 2024-25, an amount of ₹5.72 crore was paid as penal interest for delay in transfer of fund to the SNA Account.

2.6.2 Single Nodal Agency - SPARSH

To strengthen oversight of fund availability and utilisation under Centrally Sponsored Schemes (CSS), the Department of Expenditure, GoI issued revised fund flow guidelines promoting 'just-in-time' releases for efficient cash management at both Central and State levels. As part of this reform, the SNA-SPARSH mechanism, a real-time, integrated system for swift transfer of CSS funds was introduced. It provides a seamless framework linking Public Financial Management System (PFMS), the State Integrated Financial Management Information System (IFMIS), and Reserve Bank of India (RBI)'s e-Kuber to enable efficient, transparent, and timely fund disbursement.

As per the revised procedure notified by the Ministry of Finance, State Governments are required to transfer both the Central and State share of funds to the Single Nodal Agency (SNA) Account under the SNA-SPARSH model. However, during Audit it was observed that the State continued to adopt varied modes of transfer—such as Grants-in-Aid (GIA) Bills, Abstract Contingent (AC) Bills, Fully Vouched Contingent Bills, Miscellaneous Bills, Public Works/Forest Bills, or cheques.

Under the SNA-SPARSH model, each State must designate an SNA for implementing every State-Linked Scheme corresponding to a Centrally Sponsored Scheme (CSS), and all releases are to be routed exclusively through the Public Financial Management System (PFMS). Upon onboarding, existing SNA accounts must be closed, and unspent balances remitted—Central share to the Consolidated Fund of India and the State share to the respective State Consolidated Fund. Further, all SNAs and Implementing Agencies must be registered in the State Integrated Financial Management Information System (IFMIS), and funds are to be released on a just-in-time basis directly to beneficiaries or vendors, without routing through Personal Deposit (PD) accounts or other intermediary accounts, thereby promoting improved cash management and transparency. Further, the Ministry of Finance, GoI directed (17 December 2024) two States including Nagaland and three UTs to onboard SPARSH platform no later than 01 April, 2025.

Audit examination revealed that the Finance Department, GoN initiated development of SNA-SPARSH only in the first week of March 2025 due to completion of the integration of IFMIS and e-kuber platform of RBI only by February 2025. In Nagaland, 51 CSSs, out of the notified 66 CSSs, are implemented which are linked to 133 State Linked Schemes (SLS). All SNAs have been registered in IFMIS and transaction on SNA-SPARSH system was under trial.

The Finance Department, GoN replied (February 2026) that SNA-SPARSH was fully functional now.

2.7 Other issues noticed in Detailed Review of selected grants

Grant-wise findings on other issues which are not covered in above paragraphs are detailed below:

Budget provisions and Utilisation

A review of budgetary procedure and control over expenditure in respect of two selected Grants *viz*., Grant No. 31 – School Education and Grant No. 64 – Housing was done to assess the overall position of budgetary provisions, actual disbursements and savings over the last three financial years 2022-23 to 2024-25.

Summarised position of Budget Provision and Actual Expenditure during 2022-25 in respect of the two Grants is given in **Table 2.12**.

Table 2.12: Summarised position of Budget Provision and Actual Expenditure during 2022-23 to 2024-25

(₹ in crore)

Grant No.	Year	Nature of Expenditure	Budget Provision			Actual Expenditure	Savings (-) /Excess (+)
			Original	Supplementary	Total		
31-School Education	2022-23	Revenue	1,856.95	0.00	1,856.95	1,798.73	-58.22
		Capital	24.06	94.79	117.85	119.64	1.79
	2023-24	Revenue	2,046.28	0.00	2,046.28	1,884.01	-162.27
		Capital	193.59	0.00	193.59	89.37	-104.22
	2024-25	Revenue	1,932.24	108.41	2,040.65	1,994.16	-46.49
		Capital	309.44	0.00	309.44	164.99	-144.45
64-Housing	2022-23	Revenue	164.63	0.00	164.63	154.99	-9.64
		Capital	25.69	15.82	41.52	38.30	-3.22
	2023-24	Revenue	175.08	2.75	177.83	175.28	-2.55
		Capital	33.68	40.14	73.82	42.86	-30.96
	2024-25	Revenue	179.64	32.96	212.60	196.06	-16.54
		Capital	25.16	17.42	42.58	69.74	27.16

Source: Appropriation Accounts for respective years

Table 2.12 indicates recurring savings across multiple heads, pointing to persistent under-utilisation of budgetary allocations.

Under Grant No. 31 – School Education, the Revenue section consistently recorded savings (₹58.22 crore in 2022-23, ₹162.27 crore in 2023-24, and ₹46.49 crore in 2024- 25), suggesting shortfalls in programme implementation or overestimation of requirements. The Capital section also shows significant variations, with a marginal excess in 2022-23 but substantial savings thereafter (₹104.22 crore in 2023-24 and

₹144.45 crore in 2024-25), reflecting weak planning, delayed execution of capital projects, or systemic inefficiencies.

Under Grant No. 64 – Housing, the Revenue section shows moderate savings in all years except 2023-24, where savings were minimal (₹2.55 crore). However, the Capital section demonstrates notable unspent provisions in 2022-23 (₹3.22 crore) and 2023-24 (₹30.96 crore) and an excess in 2024-25 (₹27.16 crore), indicating inconsistent estimation of capital requirements and possible delays or irregular pacing of project execution.

Assessment of Major schemes under the selected grants

A detailed analysis of Samagra Shiksha, implemented under Grant No. 31 and Grant No. 64, was undertaken to check that the expenditure was aligned with the budgetary provisions and the intended objectives of the scheme or not.

Grant No. 31 – School Education: As per the Budget Documents for 2024-25, for Samagra Shiksha (Grant No. 31 and Grant No. 65), an original provision of ₹538.51 crore was made under five[6] head of accounts, along with a supplementary provision of ₹41.37 crore under the Revenue head. The total expenditure incurred during the year amounted to ₹369.91 crore.

Audit examined 11 sample vouchers aggregating ₹36.59 crore under the selected object head *viz.*, 2202-01-113-01 to assess the purposeful utilisation of funds. Audit noticed that the expenditure had been correctly booked under the Head 2202-01-113-01, as authorised in the Budget, thereby substantiating that the sampled expenditure was incurred for its intended purpose.

Grant No. 64 – Housing: As per the Budget Documents for 2024-25, for Grant No. 64, an original provision of ₹204.79 crore was made under four[7] head of accounts, along with a supplementary provision of ₹50.38 crore under both Revenue and Capital heads. The total expenditure incurred during the year amounted to ₹265.80 crore.

Audit examined six monthly accounts, an expenditure aggregating ₹8.96 crore under all heads to assess the purposeful utilisation of funds. Audit noticed that the expenditure had been correctly booked under the relevant heads, as authorised in the Budget, thereby substantiating that the sampled expenditure was incurred for its intended purpose.

2.8 Contingency Fund

The Contingency Fund of Government of Nagaland was established under the Contingency Fund Act, 1964, for regulating all matters connected with or ancillary to the custody of payment of monies into and the withdrawal of monies from the Contingency Fund of the State of Nagaland for meeting unforeseen expenditure. The

6 Revenue Heads *viz*., 2202-01-113-01 and 2202-02-113-01, and Capital Heads *viz*., 4202-01-201-01, 4202-01-202-02 and 4202-01-600-01

7 Revenue Heads *viz*., 2059-80-001 and 2216-05-001, and Capital Heads *viz*., 4059-80-051 and 4216-01-106

fund is recouped when the State Legislature authorises the additional expenditure. The corpus of the Fund is ₹0.35 crore.

2.8.1 Advance from Contingency Fund

Advances from the Contingency Fund are to be made only for meeting expenditure of an unforeseen and emergent character, postponement of which, till its authorisation by the Legislature, would be undesirable. During FY 2024-25, no amount was withdrawn as an advance from the Contingency Fund.

2.9 Conclusion

Overall budgetary management continued to show systemic weaknesses in forecasting, fund allocation and utilisation. Persistent overestimation at the budget stage, downward revisions in Revised Estimates, and sizeable savings at the end of the year indicate gaps in budget marksmanship and weak linkage between planning and execution. The prevalence of excess expenditure, expenditure without budget provision, and booking of revenue expenditure under capital heads signals weak internal controls and non-compliance with financial rules.

While some improvement was noticed in reducing the gap between BE, RE and actuals during 2024-25, high savings under major schemes, delays in project implementation, and overstated budget provisions continued to undermine fiscal discipline. The pattern of reduced reliance on supplementary provisions but increased re-appropriations also reflects inadequate initial assessment of fund requirements. Overall, the State's budget formulation and execution processes require strengthened oversight, realistic estimation, and stricter adherence to fiscal controls.

2.10 Recommendations

i. Budget estimates should be prepared using realistic parameters such as past absorption capacity and implementation readiness, rather than aspirational projections.

ii. Supplementary Grants should be sought only after assessing the availability of unspent balances. Additional allocations should be avoided when original budget provisions remain largely unutilised.

iii. Re-appropriation decisions should be based on real-time data on expenditure and existing liabilities. This would help avoid situations where funds are withdrawn from heads that later incur excess expenditure, or provided to heads that ultimately remain unutilised.

iv. Strict enforcement of Quarterly Expenditure Limits (QEL) is required to prevent the concentration of expenditure at the end of the financial year ("March Rush").

v. The migration of Centrally Sponsored Schemes to the SNA-SPARSH platform should be expedited to ensure compliance with central guidelines and to maintain uninterrupted fund flow.

CHAPTER III
Financial Reporting Practices

Chapter III: Financial Reporting Practices

This chapter provides broad based perspective on the quality of the State Government Accounts rendered by various authorities of the State Government and status of compliance with prescribed financial rules, procedures and directives.

Compliance with financial rules, procedures and directives as well as the completeness, timeliness and quality of reporting on the status of such compliance enhances relevance and reliability of the information presented in the financial reports.

Issues related to completeness of accounts

3.1 Off-budget borrowings through State owned PSUs/Authorities

Article 293(3) of the Constitution of India mandates consent of Government of India for a State Government's borrowing if it has any outstanding loans or guarantees from the Government of India. Further, the 15th Finance Commission recommended that the normal net borrowing ceiling (NBC) to the State Governments for 2023-24 to 2025-26 may be fixed at three *per cent* of GSDP.

Bypassing the above stipulated net borrowing ceiling by routing loans outside budget through various State Government Public Sector Undertakings (PSUs)/Corporations/ other Bodies despite the State being responsible for repayment of such loans pose significant risk to fiscal health and transparency in the Government finances. Borrowing Ceilings for a financial year of the State Governments are being now reduced by GoI to extent of Off-Budget Borrowings.

The Nagaland Fiscal Responsibility and Budget Management (FRBM) Act, 2005 outlined that the State Government shall take suitable measures to ensure greater transparency in its fiscal operations in the public interest by disclosing the actual liabilities arising out of Off-Budget Borrowings by PSUs, Special Purpose Vehicles and other equivalent instruments where liability for repayment is on the State Government allocations. Further, FRBM Act provided that the 'Medium Term Fiscal Policy (MTFP) Statement' laid before the Legislature along with Budget documents shall contain the three-year rolling targets with respect to Revenue Deficit, Fiscal Deficit and total outstanding debt[8] of the State Government.

The State Government did not have any off-budget liabilities disclosed in their annual budget. The Ministry of Finance, Government of India website also did not depict any off-budget liabilities for the State.

[8] It means the liabilities under the Consolidated Fund of the State and the Public Account of the State and shall also include borrowings by the public sector undertakings and the special purpose vehicles and other equivalent instruments including guarantees where the principal and or interest are to be service out of the State budgets (Section 2 of Nagaland FRBM, Act, 2005).

3.2 Undischarged liabilities of the Government

Undischarged liabilities, such as non-transfer of collected cess to designated bodies or short remittances to the National Pension System (NPS), *etc*., can have significant long-term fiscal and governance implications. These unpaid obligations accumulate over time, creating hidden liabilities that distort the true financial position of the State. Further, delays in cess transfer hinder the intended development or welfare outcomes, defeating the purpose for which such levies were imposed. Similarly, short transfers to NPS not only violate statutory commitments but also compromise the financial security of employees. Over the years, such practices can erode trust, trigger legal liabilities and increase future expenditure obligations, thereby, constraining fiscal space and weakening fiscal sustainability. Such cases are discussed in succeeding paragraphs.

3.2.1 Undischarged Interest liability

The Government has a liability to provide and pay interest in the amounts in the Interest-bearing Deposits/Reserve Funds.

Audit observed that ₹5.66 crore was required to be paid as interest on the balance of ₹91.99 crore lying under Interest-bearing Deposits/Reserve Funds as on 01 April 2024. However, out of ₹5.66 crore, ₹2.90 crore was paid resulting in short payment of ₹2.76 crore as shown in **Table 3.1.** Non-payment of interest liability has resulted in overstatement of Revenue Surplus/understatement of Revenue Deficit and Fiscal Deficit to that extent.

Table 3.1: Details of interest liability not discharged in respect of Interest- bearing Deposits/Reserve Funds

(₹ in crore)

Sl. No.	Name/Head of the Interest-bearing deposit	Opening Balance as on 01 April 2024	Basis of calculation of interest	Interest due	Interest paid	Amount of interest not provisioned
1	Defined Contribution Pension Scheme for Government employees (Refer to ***Paragraph 3.2.2***)	91.99	Interest calculated at the rate of 7.10 *per cent* notified by Government/ payable to General Provident Fund	5.66	2.90	2.76

Source: Finance Accounts, 2024-25

The State Government shall ensure correct and timely provisioning of interest on all Interest-bearing Deposits/Reserve Funds, including pension and other statutory funds. Strengthening oversight and reconciliation mechanisms will help ensure faithful presentation of State finances and prevent accumulation of undisclosed liabilities in future.

3.2.2 Short contribution in National Pension System

The State Government implemented the Defined Contribution Pension Scheme (DCPS) under the National Pension System (NPS) for employees appointed on or after 01 January 2010, with a 10 *per cent* employee and 14 *per cent* employer contribution from April 2019.

In 2024-25, ₹183.12 crore (employee share) and ₹291.79 crore (employer share) were booked, but against a Public Account balance of ₹575.37 crore[9], only ₹502.62 crore was transferred to NSDL/Trustee Bank, leaving ₹72.75 crore un-transferred as on 31 March 2025. Thus, un-transferred amounts, with accrued interest payment, represent outstanding liabilities under the Scheme.

As on 01 April 2024, the balance under the head 8342-117 Defined Contribution Pension Scheme for Government Employees was ₹91.99 crore. The interest to be paid for 2024-25 by the State Government works out to ₹5.66 crore[10]. However, the State Government paid only ₹2.90 crore resulting in short payment of the interest of ₹2.76 crore. This resulted in overstatement of Revenue Surplus and understatement of Fiscal Deficit to that extent.

Between 2010–25, total receipts under DCPS were ₹2,422.91 crore, while only ₹2,350.16 crore was transferred to the pension fund, resulting in a cumulative short transfer of ₹72.75 crore. The details of the receipts from employees' share, Government's contribution, interest accrued thereon and investment in pension funds are given in ***Appendix 3.1***. Additionally, due to delays in contributions and fund transfers, the State Government incurred avoidable interest of ₹41.19 crore (up to 2024-25), adversely affecting employee returns, heightening fiscal risk through creation of deferred pension liabilities, and diminishing returns to employees. The State needs to ensure timely transfer of contributions, undertake regular reconciliation of employee records, and adhere strictly to statutory timelines to prevent future accumulation of liabilities and ensure transparent pension management.

During Exit Conference (17 February 2026), the Principal Director, Treasuries and Accounts, GoN stated that as of now, the option of employee's share of contribution towards NPS was already inbuilt in e-pay bill software which has minimised the delays in receiving records on NPS deductions from DDOs. However, no comment was offered on un-transferred liabilities under the Scheme.

3.2.3 Non-transfer of Building and Other Construction Workers Welfare Cess

The State Government, in exercise of the powers conferred under Section 62 and 40 of the Building and Other Construction Workers' (Regulation of Employment and Conditions of Service) Act, 1996 has framed (June 2011) the Nagaland Building and Other Construction Workers' (Regulation of Employment and Conditions of Service)

---

9 It includes penal interest of ₹2.90 crore and service charge of ₹5.57 crore.

10 Interest is calculated at the rate of 7.10 *per cent*, applicable to the General Provident Fund, on the progressive balance, arrived at by adding the net monthly subscriptions and payments to the opening balance as on April 2024 (₹91.99 crore).

Rules 2010. As per Rule 249, the State Government has to constitute the Nagaland Building and Other Construction Workers' Welfare Board and accordingly the State 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 the women beneficiaries.

The State Government notified (August 2011) 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 is at the rate of one *per cent* of the cost of construction incurred by an employer. In compliance with this notification, the Finance Department instructed (February 2012) the DDOs to ensure that deduction of the cess as prescribed is made against all civil construction works involving employment of labour and to deposit the same into the account of the Nagaland Building and Other Construction Workers' Welfare Board (NBOCWWB) by Demand Draft/Cheque. As such, the Board had been receiving the cess from 2011-12 onwards.

As per Rule 5 of "The Building and Other Construction Workers' Welfare Cess Rules, 1998", proceeds of the cess collected under Rule 4 shall be transferred by such Government office, public sector undertakings, local authority, or cess collector, to the Board along with the form of challan prescribed (and in the head of account of the Board) under the accounting procedures of the State, by whatever name they are known. Rule 5, further, stipulates that the amount collected shall be transferred to the Board within thirty days of its collection.

As on 01 April 2024, the opening balance of the labour cess under the Major Head 8443-Civil Deposit-108-Public Works Deposit was ₹5.73 crore. During FY 2024-25, the Government of Nagaland collected ₹11.39 crore and transferred ₹12.78 crore to the Building and Other Construction Workers Welfare Board with an outstanding balance of ₹4.33 crore to be transferred. As per the Nagaland Building and Other Construction Workers' Welfare Board, during 2024-25, ₹47.79 crore was received. As such, an amount of ₹35.01 crore was directly transferred to the Board by the Departments without routing through the Divisional Accounts.

3.2.4 National Mineral Exploration Trust Fund

The National Mineral Exploration Trust (NMET) was established in August 2015 under Section 9C of the Mines and Minerals (Development and Regulation) Act, 1957. As per Section 9C (4) of this Act, holders of a mining lease or a mineral concession are required to contribute two *per cent* of the royalty paid to the trust. As per the NMET Rules, the State Government is responsible for collecting these contributions, depositing them in the Public Account under Major Head '8449–123–NMET Deposits', and transferring the funds monthly to the Consolidated Fund of India.

As the Mineral policy reforms in the State was under process (November 2025), the State Government has neither collected contribution nor transferred the same to

'8449–123–NMET Deposits' as such the head was yet to be operated under the Public Account. Thus, there was no deposit under this head, and no amount was transferred to the NMET by the State Government.

3.2.5 State Mineral Exploration Trust/State Mineral Development Fund

The Ministry of Mines, Government of India, vide its letter dated 19 November 2024, advised all State Governments to establish a State Mineral Exploration Trust (SMET)/ State Mineral Development Fund (SMDF) on the lines of the National Mineral Exploration Trust (NMET), as mandated under clause (g) of sub-section (A) of Section 15 of the Mines and Minerals (Development and Regulation) Act, 1957.

However, the Government of Nagaland has yet to establish the SMET under the Public Account/Bank Account for financing exploration activities related to minor minerals as the Mineral Policy reforms was being pursued and were under process. As such, during the financial year 2024-25, the State Government was not required to transfer any amount to the State Mineral Exploration Trust.

3.2.6 Non transfer of Nagaland Road Safety Fund

The Transport Department, Government of Nagaland notified (17 August 2022) the establishment of the Nagaland Road Safety Fund in pursuance to Section 11 of the Nagaland Road Safety Authority Act, 2013 (First Amendment Act, 2018). As per Section 10 of the Act, there shall be a levy and collection of a one-time cess on every motor vehicle used or kept for use in the State at the rate of 0.50 *per cent* of the basic cost of the vehicle. The proceeds of the cess levied and collected under this Act by the Government together with fines, interest and fees recovered thereunder shall first be credited to the Consolidated Fund of the State through the Head of Account "0041-Taxes on Vehicles" and after deducting the expenses of collection and recovery, as determined by the Government, the remaining amount shall under appropriation duly made by law in this behalf, be entered into and transferred to the Nagaland Road Safety Fund. Further, the Government shall contribute to the Fund every year an amount equal to 50 *per cent* of the compounding fee collection in the previous year.

During 2024-25, an amount of ₹21.53 crore was collected as Road Safety cess. However, out of the ₹21.64 crore (including compounding fee of 50 *per cent* of ₹0.22 crore compounding fee collected during 2023-24) to be transferred to the Nagaland Road Safety Fund during the year, an amount of ₹5.00 crore was transferred resulting in short transfer of ₹16.64 crore. This resulted in overstatement of the Revenue Surplus and understatement of fiscal deficit during the year to this extent. Further, the non-transfer of the collected cess to the dedicated fund has adversely impacted the State's capacity to sustain road safety initiatives and to effectively address road safety concerns.

3.2.7 State Compensatory Afforestation Fund

In compliance with the instructions issued (April 2009)[11] by the Ministry of Environment and Forests, GoI and Guidelines of 02 July 2009, the State Governments are required to establish the State Compensatory Afforestation Fund for amounts received from user agencies and utilisation of monies collected for undertaking compensatory afforestation, assisted natural regeneration, conservation and protection of forests, infrastructure development, wildlife conservation and protection and other related activities and for matters connected therewith or incidental thereto.

The monies received by the State Governments from the user agencies need to be credited in 'State Compensatory Afforestation Deposits' under the interest-bearing section in the Public Account of the State at Minor Head level below the Major Head 8336-Civil Deposits. As per Section 3 (4) of the Compensatory Afforestation Fund Act, 2016, 90 *per cent* of the fund needs to be transferred to the Major Head 8121-General and Other Reserve Funds in the Public Account of the State and balance 10 *per cent* to be credited into the National Fund on yearly basis provided that, the credit of 10 *per cent* Central share of funds should be ensured on monthly basis so that the same is transferred to the National Fund.

The applicable rate of interest on balances available under 'State Compensatory Afforestation Deposits' under '8336-Civil Deposits' and 'State Compensatory Afforestation Fund' under '8121-General and Other Reserve Funds' will be as per the rate declared by the Central Government on year-to-year basis.

During the year 2024-25, the State Government did not receive any amount from the user agencies or from the Ministry of Environment, Forest and Climate Change (GoI) under National Afforestation Programme. However, during the year 2023-24, the State Government received ₹2.57 crore from the Ministry of Environment, Forest and Climate Change (GoI) under National Afforestation Programme. However, the State Government neither operated the MH 8336-Civil Deposits-103 State Compensatory Afforestation Deposits nor followed the guidelines for the establishment of the State Compensatory Afforestation Fund.

3.2.8 Central Road and Infrastructure Fund (CRIF)

The erstwhile Central Road Fund (CRF) has been renamed as the Central Road and Infrastructure Fund (CRIF) vide GoI's Gazette notification dated 31 March 2018. The CRIF will be used for development and maintenance of National Highways, Railway projects, improvement of safety in Railways, State and Rural roads and other infrastructure.

In terms of the extant accounting procedure, the grants received by the State from the Centre are to be initially booked as Revenue Receipts under Major Head 1601. Thereafter, the amount so received is to be transferred by the State Government to the

[11] Vide letter No. 5-1/2009-FC dated 28 April 2009

Public Account under Major Head 8449-103-Subvention from Central Road and Infrastructure Fund through functional Major Head(s).

During 2024-25, the State Government received grants of ₹32.09 crore towards CRIF. The State Government transferred ₹46.30 crore, including short-transferred amount of ₹14.21 crore pertaining to 2023-24, to the Fund in the Public Accounts as on 31 March 2025.

3.2.9 Pendency of refund cases

Promptness in disposal of refund cases is an important indicator of performance of the Department concerned.

The details of refund cases during the year 2024-25, as reported by the departments concerned, are shown at **Table 3.2**.

Table 3.2: Details of refund cases

(₹ in crore)

Sl. No.	Particulars	GST		Sales Tax/NVAT/State Excise/Taxes on Vehicles	
		No. of cases	Amount	No. of cases	Amount
1	Claims outstanding at the beginning of the year	12	3.10	0	-
2	Claims received during the year	41	5.62	0	-
3	Claims withdrawn during the year	1	0.02		
4	Refunds made during the year	30	5.27	0	-
5	Refunds rejected during the year	5	2.73	0	-
6	Balance outstanding at the end of year	17	0.70	0	-

Source: Departmental information

As can be seen from the above table, while a substantial proportion of the refund claims in terms of amount was disposed of during the year, the presence of pending cases at the year-end indicates scope for further improvement in expeditious settlement of refunds. No refund claims were reported under Sales Tax/NVAT/State Excise/Taxes on Vehicles during the year.

3.3 Funds outside Government Accounts

3.3.1 Maintenance of Nagaland Electricity Regulatory Commission fund in Bank Accounts instead of Public Account

Article 266(2) of the Constitution of India provides that 'All other public moneys received by or on behalf of the Government of a State shall be credited to the Public Account of the State'. The Nagaland Electricity Regulatory Commission (NERC) was constituted under the Electricity Act, 2003. Section 103 of the Act stipulates creation of a fund called the 'State Electricity Regulatory Commission Fund' wherein receipts of the Commission are to be credited and expenses therefrom are to be made. Accordingly, the Nagaland Electricity Regulatory Commission Fund Rules, 2008, was enacted which permits the NERC to open a bank account with the State Bank of India for accommodating such receipts and making expenses therefrom.

In keeping with the rule *ibid*, funds were kept in a bank account and as of March 2025, ₹0.67 crore remained in the bank account instead of the Public Account of the State. Resultantly, not only did the Constitutional mandate stand violated, but the Public Account balance was also understated by ₹0.67 crore, which could have helped to finance the Fiscal Deficit. In this context, it may be mentioned that funds of Central Electricity Regulatory Commission are kept in Public Account of the Government of India.

3.4 Delay in submission of Utilisation Certificates (UCs)

The General Financial Rules provide that every order sanctioning a grant would specify its objective clearly and the time limit within which the grant is to be spent. Rule 238 (1) of the General Financial Rules, 2017 stipulates that Utilisation Certificates in respect of Grants-in-Aid received by the grantee should be furnished by the grantee to the authority that sanctioned it, within 12 months/one year from the date of receipt of grant or before applying for a further grant on the same object, whichever is earlier.

During the year 2024-25, 250 UCs amounting to ₹356.25 crore became due for clearance as on 31 March 2024. In addition to that, 81 UCs amounting to ₹103.00 crore were outstanding at the beginning of the year. During the year, outstanding 121 UCs amounting to ₹94.00 crore were cleared, leaving outstanding 210 UCs of ₹365.25 crore as on 31 March 2025 as given in **Table 3.3**.

Table 3.3: Age-wise pendency of Utilisation Certificates

(₹ in crore)

UC due year*	Number of pending UCs	Amount
Prior to 2019-20	38	121.72
2019-20	14	17.05
2020-21	13	21.64
2021-22	5	7.13
2022-23	37	39.82
2023-24	38	73.30
2024-25 (sanctioned upto March 2024)	65	84.59
Total	**210**	**365.25**

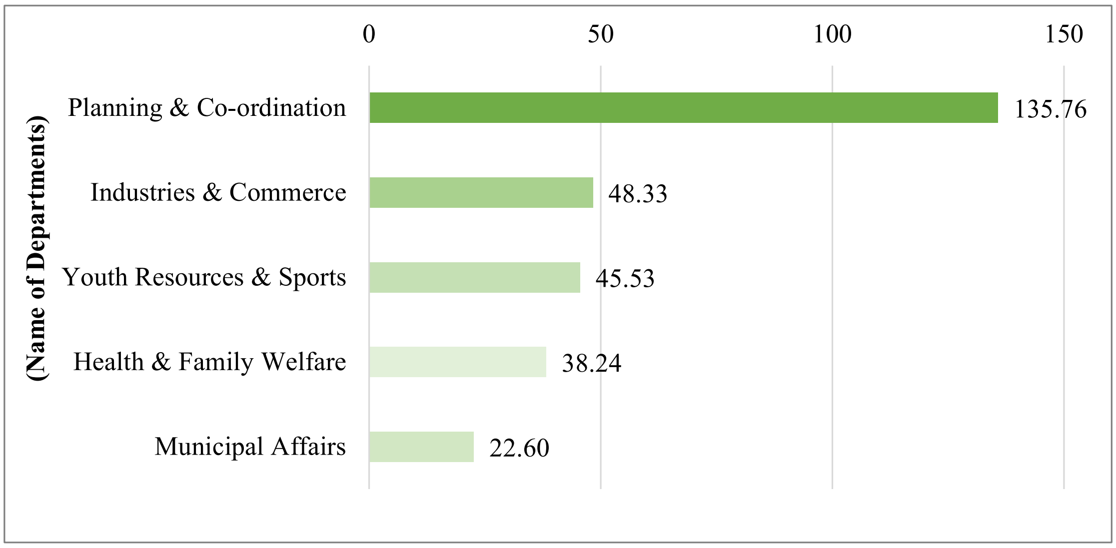
Source: Finance Accounts, 2024-25 and Information from office of the Accountant General (A&E), Nagaland

(Note: Difference of ₹0.01 crore with the figure appeared in Appendix 3.2 due to rounding off)

Department-wise pendency of UCs is detailed in ***Appendix 3.2***. **Chart 3.1** presents outstanding UCs in respect of five major Departments as on 31 March 2025.

Chart 3.1: Outstanding UCs in respect of five major Departments as on 31 March 2025

(₹ in crore)



Source: Finance Accounts, 2024-25 and office of the Accountant General (A&E), Nagaland

Since non-submission of UCs is fraught with the risk of misutilisation, it is imperative that the State Government monitor this aspect closely and hold the persons concerned accountable for submission of UCs in a timely manner.

Review of records of Youth Resources & Sports Department with a high incidence of pending Utilisation Certificates (UCs) (24 UCs of ₹45.53 crore outstanding as on 31 March 2025) revealed the following:

- Grants-in-Aid were given to various sports bodies, youth organisations, Bharat Scouts & Guides *etc*.
- Among the pending UCs, the oldest pending UC (amounting to ₹1.00 crore) was due from 2011-12.
- A large number of UCs pertaining to past releases remained pending for extended periods, however, the Department continued to sanction and release fresh grants to several defaulting grantees without ensuring submission of UCs for earlier releases.
- Reminder was sent in the case of only one outstanding UC amounting to ₹2.50 crore.
- UC for a partial amount of ₹3.80 crore out of ₹4.55 crore was submitted.

The Department did not have any structured mechanism in place for regular review or follow-up with grantees. The conditions attached to grant sanctions, including timelines for submission of UCs, were not effectively enforced.

During Exit Conference (17 February 2026), the Finance Commissioner, GoN assured to initiate more proactive steps to minimise the outstanding UCs. However, the details of the steps to be taken up were not highlighted.

3.5 Abstract Contingent bills

When money is required in advance or when they are not able to calculate the exact amount required, Drawing and Disbursing Officers (DDOs) are permitted to draw money without supporting documents, through Abstract Contingent (AC) bills, by debiting service heads and the expenditure is reflected as an expense under the service head.

Rule 290 of the Central Treasury Rules envisages that no money should be drawn from Government Treasury unless it is required for immediate disbursement. In emergent circumstances, the DDOs are authorised to draw sums of money through AC Bills. In terms of Rule 312 of the Central Treasury Rules, the bills duly signed by the controlling officer shall be sent to the Accountant General direct within a month from the date of receipt of such bills in his office.

The details of AC bills, pending adjustment, as on 31 March 2025 is given in **Table 3.4**.

Table 3.4: Age-wise pending adjustment of AC bills

(₹ in crore)

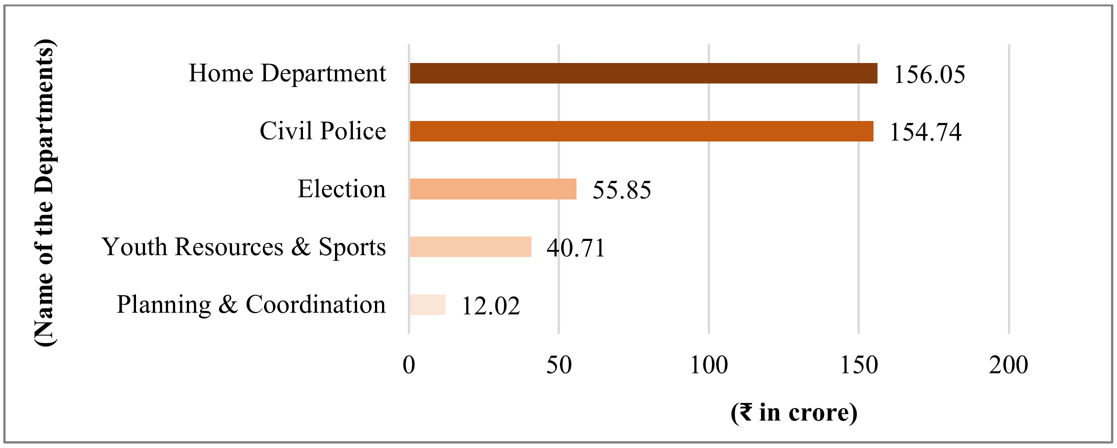
Due Year	Number of pending ACs	Amount
Prior to 2019-20	126	189.09
2019-20	25	14.89
2020-21	6	1.03
2021-22	8	4.95
2022-23	31	23.53
2023-24	47	59.81
2024-25	64	154.87
Total	**307**	**448.17**

Source: Finance Accounts 2024-25 and office of the Accountant General (A&E), Nagaland

It was observed, during 2024-25, that 111 AC bills amounting to ₹186.96 crore were drawn, out of which 26 AC bills amounting to ₹13.56 crore (23.42 *per cent*) were drawn in March 2025, however, no AC bills, out of these 26 AC bills, were adjusted up to 31 March 2025.

Age-wise and Department-wise pendency of AC bills is detailed in ***Appendix 3.3.*** **Chart 3.2** presents outstanding DC Bills in respect of five major Departments as on 31 March 2025.

Chart 3.2: Pending DC Bills in respect of five major Departments



Source: Information furnished by AG (A&E), Nagaland

Non-adjustment of advances for long periods is fraught with the risk of misappropriation and therefore requires close monitoring by the respective DDOs for ensuring submission of DC bills. Further, to the extent of non-receipt of DC bills, the expenditure shown in the Finance Accounts cannot be asserted as correct or final.

The State Government may ensure strict adherence to extant Rules by mandating timely submission of DC bills. The Finance Department may conduct quarterly reviews of pending AC bills and restrict further drawals until earlier advances are adjusted. The Departments with high pendency may be subjected to focused scrutiny with suitable accountability measures for delays in adjustment.

During Exit Conference (17 February 2026), the Finance Commissioner, GoN assured to initiate more proactive steps to minimise the outstanding DC Bills. However, the details of the steps to be taken up were not highlighted.

3.6 Personal Deposit Accounts

Under the List of Major and Minor Heads of Accounts of Union and States, Personal Deposits are of the nature of deposits not bearing interest opened under 8443- Civil Deposits -106-Personal Deposits.

As per information received from the Government of Nagaland, there was no Personal Deposit Account during 2024-25.

3.7 Operation of Minor Head-800

Minor Head-800 relating to Other Receipts and Other Expenditure is intended to be operated only when the appropriate minor head has not been provided in the accounts. Regular operation of Minor Head-800 is to be discouraged, since it renders the accounts opaque. Classification of large amounts under the omnibus Minor Head-800 affects transparency in financial reporting and distorts proper analysis of allocative priorities and quality of expenditure.

During the year 2024-25, ₹195.79 crore under five Major Heads of account, constituting 1.03 *per cent* of the total Revenue and Capital expenditure

(₹18,858.12 crore) was classified under the Minor Head-800-Other Expenditure in the accounts.

The quantum of expenditure booked under Minor Head 800-Other Expenditure has decreased as compared with 3.04 *per cent* (of the Total Expenditure) during 2023-24.

Similarly, during 2024-25, ₹799.00 crore under 39 Major Heads of Account, constituting 4.97 *per cent* of the total Revenue Receipts (₹16,086.53 crore) was classified under 800-Other Receipts in the accounts. The quantum of expenditure booked under Minor Head 800-Other Receipts has increased as compared with 3.29 *per cent* (of the Total Expenditure) during 2023-24.

3.8 Booking of expenditure under omnibus object head – other charges

In the standard six tiers of classification, Object head with two digits, against which the provision for expenditure appears, constitutes a Primary Unit of Appropriation. The object head classification helps in itemising control of expenditure and indicates the object and nature of expenditure on a scheme or activity or organisation in terms of inputs such as "Salaries", "Office Expenses" *etc*. Object head – 26 – Other Charges is intended to be operated only when the object head has not been provided in the accounts. Regular operation of Object Head-26 - Other Charges is to be discouraged, since it renders the accounts opaque. Classification of large amounts under the head affects transparency in financial reporting and distorts proper analysis of allocative priorities and quality of expenditure.

During the year 2024-25, ₹2,313.58 crore under 58 Major Heads of account (Revenue – ₹1,902.58 crore and Capital – ₹411.00 crore), constituting 12.27 *per cent* of the total Revenue and Capital expenditure (₹18,858.12 crore) was classified under the Object Head-26-Other Charges in the accounts.

Audit scrutiny of 98 vouchers (₹178.57 crore) was done to check the nature of expenditure and to assess the availability of suitable object heads so as to avoid booking expenditure under Object Head '26 – Other Charges'. The examination revealed that:

- The expenditure booked under *Other Charges* related to diverse activities such as implementation of CSSs, procurement of IT items, VIP security, payment of honorarium, and transformative livelihood interventions, among others.
- Expenditure amounting to ₹8.81crore (12 vouchers) was booked under Object Head '*26 – Other Charges*' despite the availability of other specific object heads as per the Demand for Grants/Supplementary Grants.
- In respect of the remaining ₹169.76 crore (86 vouchers), no other object head under the respective heads was available in the Demand for Grants/Supplementary Grants.
- Expenditure of ₹157.14 crore (59 vouchers) pertained to CSSs.

Thus, it could be concluded that there were instances of incorrect classification of expenditure amounting to ₹8.81 crore under '*Other Charges*' where specific object heads were available. The State Government should ensure proper scrutiny of object heads at the time of booking expenditure. Expenditure should be classified under the most appropriate heads as provided in the Demand for Grants/Supplementary Grants to enhance accuracy in financial reporting and avoid overuse of the omnibus head '*26 – Other Charges*'.

During Exit/Entry Conference of the State Budget 2025-26 and Annual Accounts 2024-25 (21 August 2025), the State Government stated that around 90 *per cent* of the expenditure made under the Object head – *Other Charges* are of CSSs as the components under the schemes are variant and heterogeneous in nature. However, the State Government assured to study the practices in other States of North East for suitable adoption.

Issues related to measurement

3.9 Outstanding balance under major Suspense and DDR Heads

The Finance Accounts reflect the net balances under Suspense and Remittance Heads. The outstanding balances under these heads are worked out by aggregating the outstanding debit and credit balances separately under various heads. Significant suspense items balances for the last three years are shown in **Table 3.5**.

Table 3.5: Balances under Suspense and Remittance Heads

(₹ in crore)

Head of Account	2022-23		2023-24		2024-25	
Major Head 8658 - Suspense	**Dr.**	**Cr.**	**Dr.**	**Cr.**	**Dr.**	**Cr.**
101 - PAO suspense	207.77	201.86	208.10	232.64	240.53	232.64
Net Debit (Dr.)/Credit (Cr.)	**Dr. 5.91**		**Cr. 24.54**		**Dr. 7.89**	
102 - Suspense Account-Civil	18.95	1.70	18.95	1.70	12.80	0.10
Net Debit (Dr.)/Credit (Cr.)	**Dr. 17.25**		**Dr. 17.25**		**Dr. 12.70**	
107 - Cash Settlement Suspense Account	34.87	0.00	34.87	0.00	34.87	0.00
Net Debit (Dr.)/Credit (Cr.)	**Dr. 34.87**		**Dr. 34.87**		**Dr. 34.87**	
109 - Reserve Bank Suspense -Headquarters	12.14	14.16	12.14	14.16	12.14	14.16
Net Debit (Dr.)/Credit (Cr.)	**Cr. 2.02**		**Cr. 2.02**		**Cr. 2.02**	
110 - Reserve Bank Suspense - CAO	50.66	10.04	50.66	10.04	84.75	63.21
Net Debit (Dr.)/Credit (Cr.)	**Dr. 40.62**		**Dr. 40.62**		**Dr. 21.54**	
129 – Material Purchase Settlement Suspense Account	235.85	249.70	235.85	249.70	235.85	249.70
Net Debit (Dr.)/Credit (Cr.)	**Cr. 13.85**		**Cr. 13.85**		**Cr. 13.85**	
Major Head 8782-Cash Remittances						
102 - P.W. Remittances	22,541.04	22,477.09	25,159.50	25,393.35	27,983.19	28,249.98
Net Debit (Dr.)/Credit (Cr.)	**Dr. 63.95**		**Dr. 233.85**		**Dr. 266.79**	
103 - Forest Remittances	2,791.87	2,272.37	4,425.42	2,629.49	3,745.30	2,968.61
Net Debit (Dr.)/Credit (Cr.)	**Dr. 519.50**		**Dr. 795.93**		**Dr. 776.69**	
105 – R.B.I Remittances	6.26	0.00	6.26	0.00	6.26	0.00
Net Debit (Dr.)/Credit (Cr.)	**Dr. 6.26**		**Dr. 6.26**		**Dr. 6.26**	
112 – Nagaland and Manipur Remittances	0.70	0.00	0.70	0.00	0.70	0.00
Net Debit (Dr.)/Credit (Cr.)	**Dr. 0.70**		**Dr. 0.70**		**Dr. 0.70**	

Source: Finance Accounts of respective years

Audit analysis of the balances under Major Head 8658 – Suspense and 8782 – Cash Remittances over the three-year period 2022-23 to 2024-25 revealed persistent and in some cases growing adverse balances as detailed below:

- The swing between debit and credit balances under PAO Suspense (MH 8658-101) suggests persistent delays in settlement of inter-PAO transactions and inadequate follow-up with drawing/disbursing officers.
- Although there is a marginal improvement in debit balance under Suspense Account- Civil (MH 8658-102), persistence of debit balance reflects non-adjustment of departmental remittances, pointing to weak internal control and delayed departmental reconciliation.
- Remaining of unchanged debit balance under Cash Settlement Suspense (MH 8658-107) indicates long-pending unsettled inter-governmental transactions, and these balances should ordinarily be cleared regularly.
- Despite some reduction in debit balance under Reserve Bank Suspense -CAO (MH 8658-110), the existence of a large debit balance suggests timing differences or non-receipt of scrolls from RBI, and delays in booking expenditure/receipts at the treasury.
- Prolonged credit position under Material Purchase Settlement Suspense (MH 8658-129) indicates non-adjustment of advances issued for procurement.
- The steep rise in adverse balances under Remittance Heads (MH 8782) shows significant delays in clearing departmental remittances, reflecting weak reconciliation between Public Works divisions and treasury accounts.

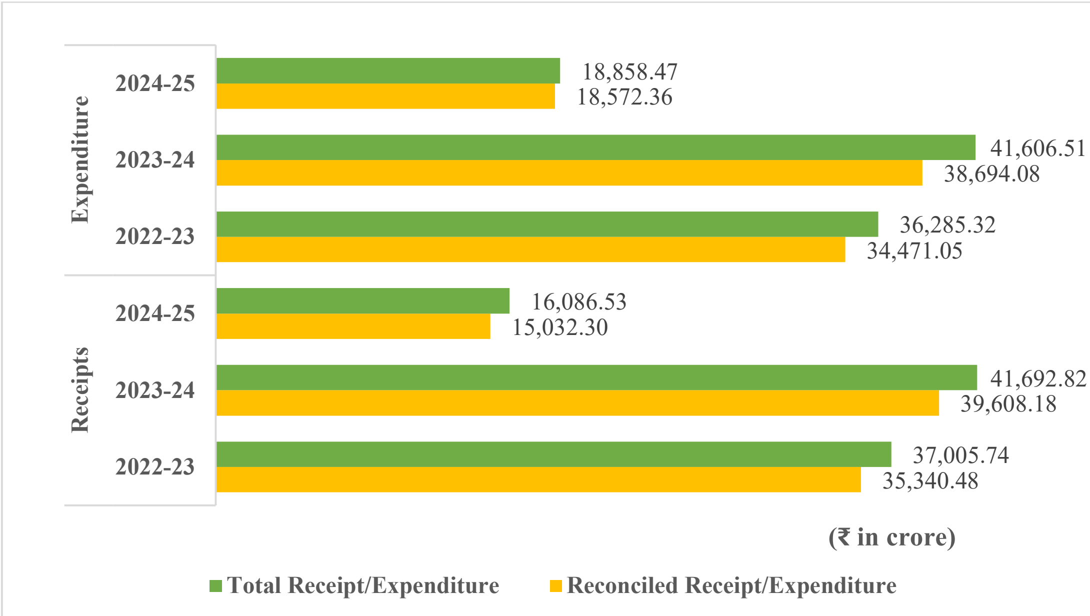
Non-clearance of outstanding balances under these heads affects the accuracy of receipt/expenditure figures and balances under different heads of Accounts (which are carried forward from year to year) of the State Government.

3.10 Reconciliation of Departmental figures

To exercise effective budgetary control over revenue/expenditure and to ensure accuracy in accounts, State Financial Rules stipulate that Chief Controlling Officers (CCOs)/Controlling Officers (COs) are required to reconcile every month, the receipts and expenditure recorded in their books with the figures of the Accountant General (A&E).

The status of reconciliation of figures by the Controlling Officers is given in **Chart 3.3.**

Chart 3.3: Status of Reconciliation of Receipts and Expenditure during 2022-25



Source: Information maintained by Accountant General (A&E), Nagaland

Necessary action for reconciliation in respect of all receipts and expenditure is required to be taken.

3.11 Reconciliation of Cash Balances

As per accounts of the Accountant General (A&E), Nagaland, the Cash Balance of the State Government as on 31 March 2025 was ₹595.63 crore (Debit) while the same was reported as ₹3.98 crore (Debit) by the Reserve Bank of India. As such, there was an unreconciled difference of ₹599.61 crore (Debit), which was under reconciliation between the Accountant General (A&E), Nagaland and the State Government.

The difference was mainly due to incorrect reporting by Agency Banks of RBI and misclassification by Banks/Treasuries. In Nagaland, Government transactions through e-Kuber system (of the RBI) integrated with the State Integrated Financial Management System (IFMS) for payments in the State were started *w.e.f.,* 01 April 2025. Thus, this integration does not have any impact on the differences of cash balances at the end of 2024-25.

3.12 Unspent amount lying with divisional officers

As per Codal provisions, funds received by Public Works Divisions towards Deposit Works from non-government agencies are required to be credited under Minor Head '108 - Public Works Deposits' below Major Head '8443 - Financial Reporting Practices 80 Civil Deposits'. The expenditure for related Deposit Works is also met from the same head of account. In the Monthly Divisional Accounts, unremitted amount of such deposits are classified under Major Head '8671 - Departmental Balances, 101 - Civil', by the PW Divisions, under Public Account of the State and then form part of the Government Accounts. However, the funds received towards Deposits Works are being kept in the bank accounts of Divisional Officers operated by PW Divisions instead of remitting them into the Government Accounts and thus, are not forming part of cash balance of the State with Reserve Bank of India.

As on 31 March 2025, an amount of ₹1,026.74 crore was lying in the bank accounts of 91 Public Works Divisional Officers as per their bank statements. Had the funds been deposited in the treasury, the same would have impacted on the daily Cash Balance of the State Government.

Department-wise details of the amounts lying in bank accounts being operated by Divisional Officers is detailed in **Table 3.6**.

Table 3.6: Details showing unspent amount lying with Divisional Officers

Sl. No.	Name of Department	Number of Divisional Officers operating Bank Accounts*	Amount lying in Bank Accounts (₹ in crore)
1	Public Works Department (Roads & Bridges)	24	619.24
2	Public Works Department (Housing)	22	348.27
3	Power Department (Electrical Store Division, Power Transmission Division Electrical)	21	56.37
4	Public Health Engineering Department	14	1.85
5	Public Works Department (National Highways)	6	0.98
6	Public Works Department (Mechanical Engineering)	4	0.03
Total		**91**	**1,026.74**

Source: Information furnished by Departments/Divisions

**Bank statements not furnished by PWD (R&B) (two divisions). PHED (3 divisions), PWD(Housing) (four divisions), PWD (Mechanical Engineering) (3 divisions) and Department of Power (Electrical Store Division, Power Transmission Division) (5 divisions)*

Retention of such sizeable funds outside the treasury results in non-reflection of these amounts in the State's cash balance with the RBI, leading to understatement of Government balances, weakened cash and budget management, and dilution of legislative control and financial oversight. The Government should ensure immediate transfer of all funds lying in divisional bank accounts to the treasury under the appropriate deposit/receipt heads.

Issues related to disclosure

3.13 Compliance with Accounting Standards

As per Article 150 of the Constitution of India, the President of India may, on the advice of the Comptroller and Auditor General of India (CAG), prescribe the form of accounts of the Union and of the States. On the advice of the CAG, the President of India has so far notified four Indian Government Accounting Standards (IGAS). Compliance with these Accounting Standards by the State Government as well as deficiencies therein during 2024-25 is detailed in **Table 3.7**.

Table 3.7: Compliance with Accounting Standards

Accounting Standards	Essence of IGAS	Compliance by State Government	Deficiency
IGAS-1	*Guarantees given by the Government – Disclosure requirements*	Partially complied. The Government disclosed the maximum number of Guarantees given during the year along with additions, deletions, invoked, discharged and outstanding at the end of the year.	Information concerning class or sector of Guarantees on other material details was not furnished by the State Government.
IGAS-2	*Accounting and Classification of Grants-in- Aid*	Complied.	
IGAS-3	*Loans and Advances made by Government*	Complied. (Statement 7 and 18 of Finance Accounts)	
IGAS-4	*Prior period adjustments*	No prior period adjustment done as yet. (Statement 13 of Finance Accounts)	

Source: Finance Accounts

Non-compliance with the full disclosure requirements of IGAS-1 affects the accuracy and transparency of the State's financial reporting and hampers inter-State comparability of fiscal risks. The State Government needs to strengthen internal accounting practices by ensuring complete and accurate data submission to the Accountant General (A&E), enhancing coordination between finance and line departments, and providing structured training to accounting personnel on IGAS requirements.

3.14 Submission of accounts of Autonomous Bodies

As on 31 November 2025, 42 accounts in respect of seven Autonomous Bodies (ABs) were pending as detailed in **Table 3.8.**

Table 3.8: Arrears of accounts of Autonomous Bodies

Sl. No.	Name of Autonomous Body	Accounts pending since	No. of accounts pending up to FY 2024-25
1	Nagaland Khadi and Village Industries Board	2024-25	01
2	Nagaland State Electricity Regulatory Commission	2024-25	01
3	Nagaland State Legal Services Authority	2021-22	04
4	Nagaland Building & Other Construction Workers' Welfare Board (NBOCWWB)	2011-12	14
5	State Commission for Protection of Child Rights (SCPCR)	2013-14	12
6	State Bio-diversity Board (SBB)	-	0
7	State Human Rights Commission (SHRC)	2015-16	10

Source: Information furnished by the O/o the AG (Audit), Nagaland (Commercial Wing)

The Accounts of NBOCWWB, SCPCR, and SHRC have not been submitted since their inception. The delay in finalising the accounts pose a risk of financial irregularities going undetected. The accounts should, therefore, be finalised and submitted to Audit at the earliest.

Further, delay in submission/non-submission of Annual Accounts dilutes accountability and is indicative of the shortcomings in the management at the level of the concerned Bodies/Authorities and in monitoring at Government's level, which is a matter of concern.

The State Government may consider evolving a system to expedite the process of compilation and submission of annual accounts by autonomous bodies.

During Exit Conference (17 February 2026), the Finance Commissioner, GoN assured to intervene so that the accounts are submitted without delays.

Other Issues

3.15 Misappropriations, losses, thefts, *etc.*

Rule 37 of the General Financial Rules, 2017 stipulates that every Government employee would be held personally responsible for any loss sustained by Government through fraud or negligence on his part or any loss arising from fraud or negligence on the part of any other Government employee to the extent that he contributed to the loss by his own action or negligence.

As on 31 March 2025, 30 cases of misappropriation, losses, theft, *etc*., involving ₹1,214.37 crore were pending. The department-wise break-up of pending cases is given in **Table 3.9.**

Table 3.9: Details of pending cases of misappropriation, losses, theft, *etc.*

(₹ in crore)

Name of the Department	Cases of Misappropriation/ Defalcation/ Losses/ theft		Reasons for the delay in final disposal of pending cases of misappropriation, losses, theft, *etc.*,					
			Awaiting departmental and criminal investigation		Departmental action initiated by not finalised		Criminal Proceedings finalised but recovery of the amount pending	
	No. of cases	Amount	No. of cases	Amount	No. of cases	Amount	No. of cases	Amount
School Education	3	83.31	2	70.51	-	-	-	-
Health and Family Welfare	2	13.14	1	3.01	-	-	-	-
Planning and Transformation	1	20.23	1	20.23	-	-	-	-
Nagaland Public Works Department	2	17.35	2	17.35	-	-	-	-
Animal Husbandry & Veterinary Services	1	0.25	1	0.25	-	-	-	-
Agriculture	1	0.72	1	0.72	-	-	-	-
Administration	1	0.23	1	0.23	-	-	-	-
Land Resources	3	3.56	3	3.56	-	-	-	-
Taxes	1	25.82	1	25.82	-	-	-	-
Food & Civil Supplies	1	952.00	1	952.00	-	-	-	-
Rural Development	2	7.12	1	6.39	-	-	-	-
Disaster Management	1	14.05	1	14.05	-	-	-	-
Municipal Affairs	1	1.11	0	0.00	-	-	-	-
Industries & Commerce	1	1.54	1	1.54	-	-	-	-
Water Resources	1	28.60	1	28.60	-	-	-	-
Land Records and Survey	1	1.24	1	1.24	-	-	-	-

Forest	1	0.54	1	0.54	-	-	-	-
Soil & Water Conservation	1	1.81	1	1.81	-	-	-	-
Various Departments	5	41.75	4	40.03	-	-	-	-
Total	**30**	**1,214.37**	**25**	**1,187.88**				

Source: Nagaland Lokayukta, Directorate of Investigation, Nagaland

The age-profile of the pending cases and the number of cases pending in each category-theft and misappropriation/loss of Government material is summarised in **Table 3.10**.

Table 3.10: Profile of misappropriations, losses, defalcations, *etc.*

Age-profile of the pending cases			Nature of the pending cases	Number of cases	Amount involved
Range in years	**Number of cases**	**Amount involved**			
0-5	20	NA	NA	NA	NA
5-10	9	NA	NA	NA	NA
10-15	1	NA	NA	NA	NA
Total	**30**				

Source: Nagaland Lokayukta, Directorate of Investigation, Nagaland, NA-Not available as reply is awaited

Out of the total 30 cases, in respect of 25 cases (₹1,187.88 crore), departmental and criminal proceedings were pending, while five cases (₹26.49 crore) were pending in the courts of law.

The age profile indicates that 10 cases have remained unresolved for more than five years, suggesting delays in investigation and follow-up. The pendency of these cases points to the need for closer monitoring, timely completion of departmental proceedings, and improved coordination with investigative and judicial authorities.

3.16 Follow up action on State Finances Audit Report

In Nagaland, the Departments concerned are required to furnish a *suo motu* Explanatory Note (EN) on the paragraphs featuring in the Audit Reports within one month of placing the Reports in the Legislature. The Government should without waiting for any notice or call from the Public Accounts Committee submit a *suo motu* EN on the paragraphs featuring in the Audit Reports indicating the action taken or proposed to be taken within a period of three months from the date of laying of the Audit Reports.

Government Departments shall invariably submit action taken notes (ATNs) on the recommendation of the PAC within a period of six months from the date of receipt of the PAC's report from the Secretary/Commissioner Secretary, State Legislative Assembly. This timeframe was further reduced by the PAC to two months.

The Audit Reports on the State Finances for the years from 2009-10 to 2023-24 were placed before the State Legislature as shown in **Table 3.11**.

Table 3.11: Follow up status of State Finances Audit Reports for 2009-10 to 2023-24

Year of State Finances Audit Report	Date of placement in State Legislature	Remarks
2009-10	28.03.2011	The ATNs, on the recommendations of the Public Accounts Committee on the Report of the State Finances, for the year 2016-17 have been received and ATNs for the years from
2010-11	22.03.2012	
2011-12	18.03.2013	
2012-13	25.07.2014	
2013-14	17.03.2015	

Year of State Finances Audit Report	Date of placement in State Legislature	Remarks
2014-15	19.03.2016	2017-18 to 2021-22 were yet to be received (December 2025).
2015-16	28.03.2017	
2016-17	20.09.2018	
2017-18	15.02.2020	
2018-19	19.02.2021	
2019-20	22.03.2022	
2020-21	22.09.2022	
2021-22	06.07.2023	
2022-23	08.03.2024	
2023-24	04.08.2025	

Source: Information furnished by the Nagaland State Legislative Assembly Secretariat

3.17 Conclusion

Audit observed pervasive weaknesses in fiscal transparency, fund management, and adherence to statutory and codal provisions across multiple areas of State financial operations. Several instances of undischarged liabilities, short remittances, and delayed or non-transfer of statutory cesses and dedicated funds created future obligations and distorted fiscal indicators. Significant short transfers under the National Pension System and non-provision of interest on reserve funds understated the Fiscal Deficit and overstated the Revenue Surplus. Persistent retention of cess collections (*e.g.*, Labour Cess, Road Safety Cess), non-operation of mandated accounts (*e.g.*, Compensatory Afforestation Fund, NMET Deposits), and maintenance of regulatory funds outside the Public Account reflect systemic non-compliance.

Further, large pendency of Utilisation Certificates and delayed adjustment of Abstract Contingent bills undermine expenditure authenticity and increase the risk of misappropriation. Continued booking under Minor Head-800 obscures allocative priorities and compromises the transparency of Government accounts. Collectively, these deficiencies weaken fiscal discipline, impair accountability, and expose the State to reputational and financial risks.

3.18 Good Practices

Positive development in financial management including the following good practice was noticed:

- Improved classification under Minor Head-800: The proportion of expenditure booked under this omnibus head declined from 3.04 *per cent* in 2023-24 to 1.03 *per cent* in 2024-25, reflecting enhanced transparency and accuracy in budgeting.

3.19 Recommendations

i. The State Government may ensure accurate provisioning and transferring of interest in future accounts by correctly calculating and recording the interest due on all affected funds.

ii. The State Government may adopt systematic monitoring of pending Utilisation Certificates and AC bills through quarterly reviews by the Finance Department. The State Government may restrict release of further grants or

AC bills to defaulting departments/grantees until earlier UCs or DC bills are settled besides enforcing sanctions for persistent non-compliance.

iii. The State Government may enforce strict adherence to statutory provisions by promptly depositing all cess collections and operating mandated funds through the Public Account, supported by stronger oversight to prevent recurrence of such non-compliance.

iv. The State Government may expedite the departmental and criminal investigation to finalise and dispose of the misappropriation/losses/theft cases.

Kohima	**(VARUN AHLUWALIA)**
Date: 03 March 2026	**Accountant General (Audit)**

Countersigned

New Delhi	**(K. SANJAY MURTHY)**
Date: 05 March 2026	**Comptroller and Auditor General of India**

APPENDICES

Appendix 1.1

(Reference: Paragraph 1.1.3)

Time Series Data on the State Government Finances

(₹ in crore)

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Part A Receipts										
1. Revenue Receipts	**8,040.79**	**9,439.79**	**11,019.21**	**11,437.41**	**11,423.29**	**11,427.43**	**13,451.14**	**14,099.26**	**16,155.13**	**16,086.53**
(i) Own Tax Revenue	**427.10 (5)**	**510.75 (5)**	**638.28 (6)**	**846.43 (8)**	**958.23 (8)**	**1,022.74 (9)**	**1,301.08 (10)**	**1,461.88 (11)**	**1,598.09 (10)**	**1,709.55 (11)**
Taxes on Agricultural Income	-	-	-	-	-	-	-	-	-	-
Goods and Service Tax	0.00 (0)	0.00 (0)	187.57 (29)	469.64 (55)	613.22 (64)	663.81 (65)	830.34 (64)	959.09 (66)	1,063.04 (67)	1,076.80 (63)
Taxes on Sales, Trade, *etc.*	328.58 (77)	400.12 (78)	287.55 (45)	186.69 (22)	175.15 (18)	205.50 (20)	261.87 (20)	246.55 (17)	265.97 (17)	318.35 (19)
State Excise	5.12(1)	4.62(1)	4.20(1)	4.65(1)	3.24(1)	4.55(0)	3.32(0)	4.40(0)	4.55(0)	5.18(0)
Taxes on Vehicles	53.09 (13)	57.39 (11)	101.53 (16)	126.22 (15)	113.93 (12)	93.29 (9)	141.04 (11)	187.64 (13)	198.48 (12)	223.81 (13)
Stamps and Registration Fees	2.04(1)	2.05(0)	2.62(0)	2.53(1)	2.79(0)	2.25(0)	3.39(0)	3.43(0)	4.21(0)	4.00(0)
Land Revenue	0.75(0)	0.82(0)	0.90(0)	1.13(0)	1.04(0)	1.09(0)	1.23(0)	1.09(0)	1.34(0)	1.01(0)
Taxes on Goods and Passengers	5.88(1)	14.76(3)	17.59(3)	20.16(2)	18.09(2)	15.62(2)	21.43(2)	21.58(1)	22.62(2)	38.35(2)
Other Taxes	31.64(7)	30.99(6)	36.32(6)	35.41(4)	30.77(3)	36.63(4)	38.46(3)	38.10(3)	37.88(2)	42.05(3)
(ii) Non-Tax Revenue	**253.61(3)**	**343.03(4)**	**388.53(4)**	**255.24(2)**	**339.29(3)**	**242.60(2)**	**303.58(2)**	**478.41(3)**	**677.85(4)**	**679.18(4)**
(iii) State's share of Union taxes/ Duties	**2,540.72 (32)**	**3,032.63 (32)**	**3,353.13 (30)**	**3,792.41 (33)**	**3,267.08 (29)**	**3,409.25 (30)**	**4,875.27 (36)**	**5,400.19 (38)**	**6,426.82 (40)**	**7,322.37 (45)**
(iv) Grants-in-Aid from Government of India	**4,819.36 (60)**	**5,553.38 (59)**	**6,639.27 (60)**	**6,543.33 (57)**	**6,858.69 (60)**	**6,752.84 (59)**	**6,971.21 (52)**	**6,758.78 (48)**	**7,452.37 (46)**	**6,375.43 (40)**
2. Miscellaneous Capital Receipts	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**450.00**	**0.00**	**0.20**
3. Recoveries of Loans and Advances	**0.50**	**1.09**	**1.09**	**1.08**	**1.09**	**1.23**	**1.88**	**3.04**	**2.99**	**-0.99**
4. Total Revenue and Non-Debt Capital Receipts (1+2+3)	**8,041.29**	**9,440.88**	**11,020.30**	**11,438.49**	**11,424.38**	**11,428.66**	**13,453.02**	**14,552.30**	**16,158.12**	**16,085.74**
5. Public Debt Receipts	**3,545.94**	**5,444.35**	**5,141.02**	**2,907.22**	**7,869.83**	**11,434.87**	**8,708.55**	**7,158.69**	**6,078.79**	**7,398.93**
Internal Debt (excluding Ways and Means Advances and Overdrafts)	1,068.40	1,182.44	1,234.69	943.86	1,078.64	1,809.50	1,793.67	1,897.58	2,609.30	1,664.20

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Net transactions under Ways and Means Advances and Overdrafts	2,477.54	4,261.91	3,906.00	1,959.38	6,784.50	9,417.75	6,599.67	4,742.83	2,479.00	4,121.88
Loans and Advances from Government of India	0.00	0.00	0.33	3.98	6.69	207.62	315.21	518.28	990.49	1,612.85
6. Total Receipts in the Consolidated Fund (4+5)	**11,587.23**	**14,885.23**	**16,161.32**	**14,345.71**	**19,294.21**	**22,863.53**	**22,161.57**	**21,710.99**	**22,236.91**	**23,484.67**
7. Contingency Fund Receipts	**0.00**	0.00	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
8. Public Account Receipts	**3,226.12**	**2,933.99**	**3,319.54**	**4,114.23**	**4,078.25**	**3,599.70**	**3,537.07**	**4,196.55**	**5,106.20**	**5,466.92**
9. Total Receipts of the State (6+7+8)	**14,813.35**	**17,819.22**	**19,480.86**	**18,459.94**	**23,372.46**	**26,463.23**	**25,698.64**	**25,907.54**	**27,343.11**	**28,951.59**
Part B Expenditure/ Disbursement										
10 Revenue Expenditure	**7,579.14**	**8,649.45**	**10,191.35**	**10,919.98**	**11,637.02**	**11,052.06**	**11,817.08**	**13,410.36**	**14,819.70**	**15,333.81**
General Services (including interest payments)	3,620.47 (48)	3,893.96 (45)	4,319.41 (42)	5,018.12 (46)	5,428.80 (47)	5,100.03 (46)	5,743.69 (49)	6,820.70 (51)	7,218.27 (49)	7,730.04 (50)
Social Services	2,093.61 (28)	2,295.21 (27)	2,558.56 (25)	3,158.58 (29)	3,030.05 (26)	3,138.51 (29)	3,378.12 (29)	3,746.13 (28)	4,317.93 (29)	4,434.41 (29)
Economic Services	1,865.06 (24)	2,460.28 (28)	3,313.38 (33)	2,743.28 (25)	3,178.17 (27)	2,813.52 (25)	2,695.27 (22)	2,843.53 (21)	3,283.50 (22)	3,169.36 (21)
Grants-in-Aid and contributions#	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
11. Capital Expenditure	**1,059.23**	**1,076.10**	**1,274.85**	**1,595.56**	**1,206.32**	**1,671.93**	**1,893.85**	**2,704.22**	**3,122.52**	**3,524.31**
General Services	105.78 (10)	132.55 (12)	267.10 (21)	419.49 (26)	165.73 (14)	409.61 (25)	293.30 (16)	446.91 (17)	528.11 (17)	682.35 (19)
Social Services	287.49 (27)	431.73 (40)	485.68 (38)	329.89 (21)	457.02 (38)	508.21 (30)	916.50 (48)	1,094.09 (40)	1,054.68 (34)	1,354.50 (39)
Economic Services	665.96 (63)	511.82 (48)	522.07 (41)	846.18 (53)	583.57 (48)	754.11 (45)	684.05 (36)	1,163.22 (43)	1,539.73 (49)	1,487.46 (42)
12. Disbursement of Loans and Advances	**0.19**	**0.19**	**0.19**	**5.27**	**9.26**	**5.61**	**2.61**	**0.35**	**0.35**	**0.35**
13. Total Expenditure (10+11+12)	**8,638.56**	**9,725.74**	**11,466.39**	**12,520.81**	**12,852.60**	**12,729.60**	**13,713.54**	**16,114.93**	**17,942.57**	**18,858.47**
14. Repayments of Public Debt	**2,705.35**	**5,065.03**	**4,452.01**	**2,596.27**	**6,867.25**	**9,903.92**	**7,950.12**	**5,324.29**	**3,376.54**	**4,594.96**
Internal Debt (excluding Ways and Means Advances and Overdrafts)	496.30	491.81	524.29	615.17	724.18	493.85	638.00	781.02	656.43	712.57
Net transactions under Ways and Means Advances and Overdraft	2,187.51	4,551.68	3,906.00	1,959.38	6,121.17	9,389.18	7,291.56	4,520.80	2,701.02	3,873.34
Loans and Advances from Government of India	21.54	21.54	21.72	21.72	21.90	20.89	20.56	22.47	19.09	9.05
15. Appropriation to Contingency Fund	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
16. Total disbursement out of Consolidated Fund (13+14+15)	**11,343.91**	**14,790.77**	**15,918.40**	**15,117.08**	**19,719.85**	**22,633.52**	**21,663.66**	**21,439.22**	**21,319.11**	**23,453.43**
17. Contingency Fund disbursements	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
18. Public Account disbursements	**3,011.82**	**2,661.41**	**3,124.67**	**3,184.11**	**2,881.70**	**3,712.20**	**3,870.95**	**4,622.61**	**5,032.49**	**5,225.84**
19. Total disbursement by the State (16+17+18)	**14,355.73**	**17,452.18**	**19,043.07**	**18,301.19**	**22,601.55**	**26,345.72**	**25,534.61**	**26,061.83**	**26,351.60**	**28,679.27**
Part C Deficits										
20. Revenue Deficit (-)/ Revenue Surplus (+) (1-10)	**461.65**	**790.34**	**827.86**	**517.43**	**-213.73**	**375.37**	**1634.06**	**688.90**	**1,335.43**	**752.72**
21. Fiscal Deficit (-)/ Fiscal Surplus (+) (4-13)	**-597.27**	**-284.86**	**-446.09**	**-1,082.32**	**-1,428.22**	**-13,00.94**	**-260.52**	**-1,562.63**	**-1,784.45**	**-2,772.73**
22. Primary Deficit (-)/ Surplus (+) (21+23)	**-11.82**	**348.39**	**230.28**	**-310.58**	**-615.48**	**-444.26**	**671.57**	**-569.40**	**-716.02**	**-1,605.03**
Part D Other Data										
23. Interest Payments (included in Revenue Expenditure)	**585.33**	**633.25**	**676.37**	**771.74**	**812.16**	**854.69**	**932.09**	**993.23**	**1,068.43**	**1,167.70**
24. Financial Assistance to Local Bodies *etc.*	**120.63**	**170.87**	**328.40**	**167.06**	**160.70**	**194.85**	**216.46**	**196.59**	**562.45**	**362.26**
25. Ways and Means Advances/ Overdraft Availed (days)	**2,477.54 (110)**	**4,261.65 (145)**	**3,906.00 (104)**	**1,959.38 (100)**	**6,940.67 (139)**	**9,417.75 (211)**	**6,599.67 (164)**	**4,742.83 (93)**	**2,479.00 (69)**	**4,121.88 (53)**
Ways and Means Advances Availed (days)	2,290.72 (101)	4,103.85 (138)	3,646.77 (95)	1,910.85 (98)	6,784.50 (113)	7,765.31 (177)	5,900.14 (139)	3,965.89 (89)	2,479.00 (55)	4,121.88 (53)
Overdraft Availed (days)	186.82 (9)	157.80 (7)	259.23 (9)	48.53 (2)	156.17 (6)	16,52.44 (34)	699.53 (25)	776.94 (4)	0.00 (14)	0.00 (0)
26. Interest on Ways and Means Advances/ Overdraft	**3.11**	**6.87**	**6.17**	**0.92**	**5.16**	**10.35**	**4.42**	**3.96**	**3.14**	**1.91**
27. Gross State Domestic Product (GSDP)	**19,523.95**	**21,722.45**	**24,392.96**	**26,527.42**	**29,715.87**	**29,831.64**	**32,265.38**	**36,820.34**	**41,258.00**	**45,133.95**
28. Outstanding Fiscal Liabilities (year-end)	**8,931.64**	**9,557.35**	**104,09.15**	**10,545.76**	**12,179.10**	**13,471.67**	**13,922.40**	**15,587.44**	**18,187.32**	**20,951.14**
29. Outstanding Guarantees (year-end) (including Interest)	**70.22**	**81.19**	**110.46**	**120.96**	**174.96**	**174.96**	**189.96**	**189.96**	**228.57**	**228.57**
30. Maximum Amount Guaranteed (year-end)	**0.00**	**26.50**	**51.50**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
31. Number of Incomplete Projects	**373**	**340**	**311**	**390**	**399**	**416**	**383**	**311**	**277**	**309**
32. Capital Blocked in Incomplete Projects	**2,100.61**	**2,030.18**	**1,737.68**	**1,252.87**	**1,309.30**	**1,380.04**	**1,309.30**	**963.10**	**751.73**	**305.18**
Part E Fiscal Health Indicators										

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
I Resource Mobilisation										
Own Tax Revenue/GSDP	2.19	2.35	2.62	3.19	3.22	3.43	4.03	3.97	3.87	3.79
Own Non-Tax Revenue/GSDP	1.30	1.58	1.59	0.96	1.14	0.81	0.94	1.30	1.64	1.50
Central Transfer/GSDP	13.01	13.96	13.75	14.30	10.99	11.43	15.11	14.67	15.58	16.22
II Expenditure Management										
Total Expenditure/GSDP	44.25	44.77	47.01	47.20	43.25	42.67	42.50	43.77	43.49	41.78
Total Expenditure/Revenue Receipts	107.43	103.03	104.06	109.47	112.51	111.40	101.95	114.30	111.06	117.23
Revenue Expenditure/Total Expenditure	87.74	88.93	88.88	87.21	90.54	86.82	86.17	83.22	82.60	81.31
Expenditure on Social Services/Total Expenditure	27.56	28.04	26.55	27.86	27.13	28.65	31.32	30.04	29.94	30.70
Expenditure on Economic Services/Total Expenditure	29.30	30.56	33.45	28.67	29.27	28.07	24.66	24.87	26.88	24.70
Capital Expenditure/Total Expenditure	12.26	11.06	11.12	12.74	9.39	13.13	13.81	16.78	17.40	18.69
Capital Expenditure /GSDP	5.43	4.95	5.23	6.01	4.06	5.60	5.87	7.34	7.57	7.81
III Management of Fiscal Imbalances										
Revenue Deficit (Surplus)/GSDP	2.36	3.64	3.39	1.95	-0.72	1.26	5.06	1.87	3.24	1.67
Fiscal Deficit/GSDP	-3.06	-1.31	-1.83	-4.08	-4.81	(-)4.36	(-)0.81	(-)4.24	(-)4.33	(-)6.14
Primary Deficit (Surplus)/GSDP	-0.06	1.60	0.94	-1.17	-2.07	(-)1.50	2.08	(-)1.55	(-)1.74	(-)3.56
IV Management of Fiscal Liabilities										
Fiscal Liabilities/GSDP	45.75	44.00	42.67	39.75	40.99	45.16	43.15	42.33	44.08	46.42
Interest payment/Revenue Receipts	7.29	6.73	6.15	6.75	7.12	7.50	6.93	7.04	6.61	7.26

Source: Finance Accounts of respective years, GSDP- Information furnished by Economics & Statistics Department, GoN

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

GIA is already included under General Services, Social Services and Economic Services

Appendix 1.2

(Reference: Paragraphs 1.1.4, 1.2.4.1(A) & 1.2.4.2 (A))

Abstract of receipts and disbursements for the year 2024-25

(₹ in crore)

Receipts				Disbursement				
2023-24			**2024-25**	**2023-24**			**2024-25**	
Section A: Revenue								
16,155.13	**I**	**Revenue Receipts**	**16,086.53**	**14,819.70**	**I**	**Revenue Expenditure**		**15,333.81**
1,598.09		Tax Revenue	1,709.55	**7,218.27**		General Services		**7,730.04**
				4,317.93		Social Services		**4,434.41**
677.85		Non-Tax Revenue	679.18	2,216.67		Education, Sports, Art and Culture	2,390.39	
				815.14		Health and Family Welfare	891.22	
6,426.82		State's share of Union Taxes	7,322.37	581.75		Water Supply, Sanitation, Housing and Urban Development	338.19	
				43.29		Information and Broadcasting	47.42	
-		Non-Plan/Development Grants		40.58		Welfare of Scheduled Castes, scheduled Tribes and other Backward Classes	70.68	
-		Grants for State Development Schemes		44.88		Labour and Labour Welfare	47.07	
-		Grants for Central and Centrally Sponsored plan Schemes		558.12		Social Welfare and Nutrition	622.98	
				17.50		Others	26.46	
2,917.48		Grants for Centrally Sponsored Schemes	2,071.85	**3,283.50**		Economic Services		**3,169.36**
				920.32		Agriculture and Allied Activities	965.87	
4,534.89		Finance Commission Grants	4,121.77	691.77		Rural Development	483.21	
				35.81		Special Areas Programmes	30.01	
0.00		Other Transfer/Grants to States	181.81	37.44		Irrigation and Flood Control	40.30	
				778.62		Energy	779.96	
				172.91		Industry and Minerals	199.27	
				484.02		Transport	500.71	
				15.88		Science, Technology and Environment	14.97	
				146.73		General Economic Services	155.06	
	II	**Revenue Deficit carried over to Section B**		**1,335.43**	**II**	**Revenue Surplus carried over to Section B**		**752.72**

Receipts				Disbursement				
2023-24			2024-25	2023-24			2024-25	
Section B: Capital								
2,755.02	**III**	**Opening Cash Balance including Permanent Advances and Cash Balance Investment**	**3,746.55**		**III**	**Opening Overdraft from Reserve Bank of India**		**0.00**
0.00	**IV**	**Miscellaneous Capital Receipts**	**0.20**	**3,122.50**	**IV**	**Capital Outlay**		**3,524.31**
				528.11		General Services		**682.35**
				1,054.66		Social Services		**1,354.50**
				249.11		Education, Sports, Art and Culture	420.33	
				62.04		Health and Family Welfare	53.23	
				728.26		Water Supply, Sanitation, Housing and Urban Development	524.23	
				3.10		Information and Broadcasting	2.00	
				2.65		Welfare of Scheduled Castes, Scheduled Tribes and other Backward Classes	65.12	
				5.55		Social Welfare and Nutrition	112.64	
				3.95		Others	176.95	
				1,539.73		Economic Services		**1,487.46**
				153.72		Agriculture and Allied Activities	148.36	
				30.44		Rural Development	9.10	
				123.80		Special Areas Programmes	126.50	
				118.03		Irrigation and Flood Control	52.56	
				129.90		Energy	97.53	
				2.79		Industry and Minerals	139.29	
				891.21		Transport	863.36	
				89.84		General Economic Services	50.76	
2.99	**V**	**Recoveries of Loans and Advances**	**-0.99**	**0.35**	**V**	**Loans and Advances Disbursed**		**0.35**
1.47		From Government Servants	-2.74			To Government Servants	0.35	
1.52		From Others	1.75			To Others		
1,355.43	**VI**	**Revenue Surplus brought down**	**752.72**		**VI**	**Revenue Deficit brought down**		
6,078.79	**VII**	**Public Debt Receipts**	**7,398.93**	**3,376.54**	**VII**	**Repayment of Public Debt**		**4,594.96**
		External Debt				External Debt		
2,609.31		Internal Debt other than Ways and Means Advances and Overdrafts	1,664.20	656.43		Internal Debt other than Ways and Means Advances and Overdrafts	712.57	

Receipts				Disbursement				
2023-24			**2024-25**	**2023-24**			**2024-25**	
2,478.99		Net transactions under Ways and Means Advances	4,121.88	2,701.02		Net transactions under ways and Means Advances	3,873.34	
		Net transactions under Overdraft				Net transactions under Overdrafts		
990.49		Loans and Advances from Central Government	1,612.85	19.09		Repayment of Loans and Advances to Central Government	9.05	
0.00	**VIII**	**Appropriation to Contingency Fund**	**0.00**	**0.00**	**VIII**	**Appropriation to Contingency Fund**		**0.00**
0.00	**IX**	**Amount transferred to Contingency Fund**	**0.00**	**0.00**	**IX**	**Expenditure from Contingency Fund**		**0.00**
5,106.20	**X**	**Public Account Receipts**	**5,466.92**	**5,032.49**	**X**	**Public Account Disbursements**		**5,225.84**
506.20		Small Savings and Provident Funds	487.52	582.72		Small Savings and Provident Funds	530.07	
181.98		Reserve Funds	475.79	60.10		Reserve Funds	238.11	
30.91		Suspense and Miscellaneous	51.65	0.50		Suspense and Miscellaneous	60.43	
3,277.57		Remittance	3,196.30	3,252.35		Remittances	3,143.97	
1,108.99		Deposits and Advances	1,255.66	1,136.82		Deposits and Advances	1,253.26	
	XI	**Closing Overdraft from Reserve Bank of India**	**0.00**	**3,746.55**	**XI**	**Cash Balance at end of year**		**4,018.88**
				0		Cash in Treasuries and Local remittances	0	
				407.42		Deposits with Reserve Bank	595.63	
				1,064.58		Departmental Cash Balance including permanent Advances	1,445.84	
				2,274.55		Cash Balance and Investment	1,997.41	
31,433.56		**Total**	**33,956.51**	**31,433.56**		**Total**		**33,956.52**

Source: Finance Accounts

(Note: Difference of ₹0.01 crore due to rounding-off)

Appendix 1.3

(Reference: Paragraph 1.1.5)

Summarised Financial Position of the Government of Nagaland as on 31 March 2025

(₹ in crore)

As on 31.03.2024		Liabilities	As on 31.03.2025	
13,864.31		**Internal Debt -**		**15,064.47**
	13,430.29	Market Loans Bearing Interest	14,380.29	
	0.03	Market Loans Not Bearing Interest	0.03	
	0.89	Loans from Life Insurance Corporation of India	0.81	
	433.09	Loans from Other Institutions	434.80	
	0.00	Ways and Means Advances	248.54	
	0.00	Overdrafts from Reserve Bank of India	0.00	
2,079.75		**Loans and Advances from Central Government-**		**3,683.56**
	0.35	Pre 1984-85 Loans	0.35	
	8.87	Non- Plan Loans	8.31	
	2,037.69	Loans for State Plan Schemes	3,643.60	
	0.18	Loans for Central Plan Schemes	0.18	
	25.85	Loans for Centrally Sponsored Schemes	24.48	
	0.00	Ways and Means Advances	0.00	
	6.81	Loans for Special Scheme	6.64	
0.35		**Contingency Fund**		**0.35**
1,387.12		**Small Savings, Provident Funds, *etc.***		**1,344.57**
871.58		**Deposits**		**873.99**
1,724.29		**Reserve Funds**		**1,961.97**
0.00		**Suspense and Miscellaneous Balances**		**0.00**
(-)759.91		**Remittance Balances**		**(-)707.59**
0.01		**Difference on account of rounding off**		**0.02**
19,167.50		**Total**		**22,221.34**
		Assets		
28,694.60		**Gross Capital Outlay on Fixed Assets -**		**32,218.91**
	337.09	Investments in shares of Companies, Corporations, *etc.*	339.86	
	28,357.51	Other Capital Outlay	31,879.05	
36.84		**Loans and Advances -**		**38.18**
	0.00	Loans for Power Projects	0.00	
	39.60	Other Development Loans	37.85	
	(-)2.76	Loans to Government Servants and Miscellaneous Loans	0.33	
0.00		**Reserve Fund Investments**		**0.00**
1.98		**Advances**		**1.98**
50.14		**Suspense and Miscellaneous Balances**		**58.92**
3,746.55		**Cash -**		**4,018.88**
	0.00	Cash in Treasuries and Local Remittances		0.00
	407.42	Deposits with Reserve Bank		595.63
	1,064.58	Departmental Cash Balance		1,445.84
	0.00	Permanent Advances		0.00
	1,739.72	Investment on Earmarked Funds		1,977.41
	534.83	Cash Balance Investments		0.00
(-)13,362.61		**Deficit on Government account -**		**(-)14,115.53**
	(-)1,335.44	(i) Less Revenue Surplus of the current year	(-)752.72	
	0.00	(ii) Miscellaneous Deficit	(-)0.20	
	(-)12,027.17	Accumulated Deficit at the beginning of the year	(-)13,362.61	
19,167.50		**Total**		**22,221.34**

Source: Finance Accounts

Explanatory Notes:*The abridged accounts in the foregoing statements have to be read with comments and explanations in the Finance Accounts. Government accounts being mainly on cash basis, the deficit on Government account, as shown in* ***Appendix 1.3,*** *indicates the position on cash basis, as opposed to accrual basis in commercial accounting.*

Appendix 2.1

(Reference: Paragraph 2.5.1)

Expenditure without Budget Provision or Re-appropriation

(₹ in crore)

Sl. No.	Grant Number	Grant Name/ Description	Number of Cases	Expenditure Incurred	Remarks
1	31	School Education	2	2.42	
2	36	Urban Development	2	1.69	
3	42	Rural Development	1	0.27	
4	45	Co-operation	2	0.17	
5	50	Animal Husbandry and Dairy Development	1	0.11	
6	58	Roads and Bridges	1	0.85	
7	64	Housing	1	0.36	
Total			**10**	**5.87**	

Source: Appropriation Accounts, 2024-25

Appendix 2.2

(Reference: Paragraph 2.5.3)

Cases where supplementary provision (₹ one crore or more in each case) proved unnecessary

(₹ in crore)

Sl. No.	Number and Name of Grant	Original Provision	Supplementary Provision	Actual Expenditure	Savings out of Original Provision
1	43- Social Security and Welfare	397.64	4.18	362.06	35.58
Sub-Total Revenue (Voted)		**397.64**	**4.18**	**362.06**	**35.58**
2	42- Rural Development	4.40	2.28	4.28	0.12
3	60- Water Supply	63.10	18.22	52.12	10.98
4	65- SCERT	29.13	15.96	20.31	8.82
Sub-Total Capital (Voted)		**96.63**	**36.46**	**76.71**	**19.92**
Grand Total		**494.27**	**40.64**	**438.77**	**55.50**

Source: Appropriation Accounts, 2024-25

Appendix 2.3

(Reference: Paragraph 2.5.3)

Cases where Supplementary Provision (₹ one crore or more in each case) proved excessive

(₹ in crore)

Sl. No.	Number and Name of Grant	Original provision	Supplementary Provision	Total Budget	Actual Expenditure	Excessive Supplementary Provision (Savings)
A - Revenue (Voted)						
1	3-Council of Ministers	11.17	3.72	14.89	14.88	0.01
2	4-Administration of Justice	34.23	11.57	45.80	44.54	1.26
3	9-Taxes on Vehicles	18.08	4.92	23.00	22.80	0.20
4	16-State Guest Houses	19.60	1.34	20.94	20.38	0.56
5	22-Civil Supplies	43.06	61.82	104.88	104.74	0.14
6	27-Planning Machinery	48.42	6.02	54.44	52.54	1.90
7	28-Civil Police	1,853.94	51.49	1,905.43	1,899.71	5.72
8	29-Stationery and Printing	33.00	1.41	34.41	33.58	0.83
9	31-School Education	1,932.24	108.41	2,040.65	1,994.16	46.49
10	33-Youth Resources and Sports	42.60	20.69	63.29	62.81	0.48
11	34-Art and Culture and Gazetteers	27.77	1.56	29.33	28.80	0.53
12	38-Information and Public Relations	44.54	3.04	47.58	47.42	0.16
13	39-Tourism	20.48	1.03	21.51	21.34	0.17
14	43-Social Security and Welfare	397.64	4.18	401.82	362.06	39.76
15	44-Evaluation	11.29	1.37	12.66	11.84	0.82
16	45-Co-operation	26.08	4.44	30.52	30.15	0.37
17	47-Legal Metrology and Consumer Protection	13.08	1.00	14.08	13.78	0.30
18	53-Industries	124.69	12.95	137.64	135.48	2.16
19	54-Mineral Development	39.84	3.53	43.37	42.52	0.85
20	56-Road Transport	100.53	4.74	105.27	105.10	0.17
21	58-Roads and Bridges	428.04	29.78	457.82	450.88	6.94
22	60-Water Supply	118.12	16.84	134.96	134.81	0.15
23	62-Civil Administration Works	10.19	2.72	12.91	12.49	0.42
24	64-Housing	179.64	32.96	212.60	196.06	16.54
25	67-Home Guards	38.62	10.95	49.57	48.25	1.32
26	68-Police Engineering Project	24.81	3.04	27.85	27.32	0.53
27	70-Horticulture	59.19	24.27	83.46	72.86	10.60
28	78-Technical Education	33.19	15.62	48.81	47.68	1.13
Total		**5,734.08**	**445.41**	**6,179.49**	**6,038.98**	**140.51**
B - Revenue (Charged)						
1	2-Head of State	9.77	2.02	11.79	11.36	0.43
2	10-Public Service Commission	8.61	4.05	12.66	11.23	1.43
	Total	**18.38**	**6.07**	**24.45**	**22.59**	**1.86**

Sl. No.	Number and Name of Grant	Original provision	Supplementary Provision	Total Budget	Actual Expenditure	Excessive Supplementary Provision (Savings)
Total Revenue		**5,752.46**	**451.48**	**6,203.94**	**6,061.57**	**142.37**
C - Capital (Voted)						
1	26-Civil Secretariat	135.04	36.00	171.04	153.83	17.21
2	35-Medical, Public Health and Family Welfare	36.43	30.90	67.33	53.23	14.10
3	36-Urban Development	129.87	328.02	457.89	264.78	193.11
4	42-Rural Development	4.40	2.28	6.68	4.27	2.41
5	43-Social Security and Welfare	9.93	40.01	49.94	16.94	33.00
6	48-Agriculture	8.00	16.68	24.68	9.68	15.00
7	49-Soil and Water Conservation	6.75	10.75	17.50	9.25	8.25
8	53-Industries	2.05	172.05	174.10	112.90	61.20
9	55-Power	21.09	34.84	55.93	35.32	20.61
10	58-Roads and Bridges	312.03	924.59	1,236.62	882.66	353.96
11	60-Water Supply	63.10	18.22	81.32	52.12	29.20
12	62-civil Administration Works	18.16	33.10	51.26	43.52	7.74
13	65-State Council of Educational Research and Training	29.12	15.96	45.08	20.31	24.77
14	68-Police Engineering Project	9.36	144.21	153.57	133.07	20.50
15	69-Fire and Emergency Services	10.74	33.04	43.78	29.36	14.42
16	70-Horticulture	3.00	1.28	4.28	4.12	0.16
17	76-Women Welfare	-	145.00	145.00	95.70	49.30
Total		**799.07**	**1,986.93**	**2,786.00**	**1,921.06**	**864.94**
Grand Total		**6,551.53**	**2,438.41**	**8,989.94**	**7,982.63**	**1,007.31**

Source: Appropriation Accounts, 2024-25

Appendix 2.4

(Reference: Paragraph 2.5.4)

Unnecessary/Inadequate re-appropriation of funds during FY 2024-25

(₹ in crore)

Sl. No.	Number/ Name of Grant and Head of Accounts	Original Grant	Supplementary Grant	Re-appropriation	Total	Expenditure	Savings (-)/ Excess (+)
A-Reduction of provision through Re-appropriation orders, where excess expenditure occurred							
Grant No. 11-District Administration & Special Welfare Schemes							
1	2053-00-093-01-00	114.76	0.00	-2.21	112.55	112.62	0.07
2	2053-00-094-01-00	65.42	0.00	-5.18	60.24	60.94	0.70
Grant No. 13 - Village Guards							
3	2055-00-110-01-00	15.48	0.00	-3.38	12.10	12.11	0.01
Grant No.25-Land Records and Survey							
4	2029-01-001-01-00	5.39	0.00	-2.55	2.84	4.52	1.68
5	2029-00-102-01-00	21.96	0.00	-1.09	20.86	21.18	0.32
Grant No 26-Civil Secretariat							
6	4435-60-101-01-00	62.00	0.00	-9.43	52.57	54.02	1.45
Grant No 32-Higher Education							
7	2225-02-277-01-01	58.20	0.00	-3.88	54.32	62.00	7.68
Grant No 35-Medical, Public Health and Family Welfare							
8	2210-01-001-01-00	349.78	0.00	-17.39	332.39	332.43	0.04
9	2210-01-001-07-00	33.96	0.00	-1.71	32.25	32.29	0.04
Grant No 42-Rural Development							
10	2515-01-101-01-01	1.00	0.00	-1.00	0.00	0.61	0.61
11	2515-00-101-01-01	70.00	0.00	-70.00	0.00	5.50	5.50
12	2515-00-101-01-02	15.00	0.00	-15.00	0.00	2.45	2.45
Grant No 55-Power							
13	2801-05-001-04-00	107.45	0.00	-1.18	106.27	106.48	0.21
14	4801-05-001-02-00	4.33	11.60	-15.93	0.00	5.18	5.18
Grant No 58-Roads & Bridges							
15	3054-80-001-01-00	42.00	0.00	-8.13	33.87	37.59	3.72
Grant No 64-Housing							
16	2059-80-001-01-00	15.88	5.65	-11.48	10.05	13.67	3.62
17	2059-80-001-02-00	134.85	10.95	-5.55	140.25	141.63	1.38
18	2216-05-001-01-00	13.94	5.04	-4.56	14.42	15.75	1.33
19	4216-01-106-01-00	13.12	17.42	-1.78	28.76	48.73	19.97
Grant No 65- SCERT							
20	2202-01-105-01-00	27.15	0.00	-17.77	9.38	25.75	16.37
Total		**1,171.67**	**50.66**	**-199.20**	**1,023.12**	**1,095.45**	**72.33**
B-Augmentation of provision proved injudicious							
Grant No.31-School Education							
21	2202-01-113-01-01	67.04	0.00	18.68	85.72	63.87	-21.85
Grant No.58-Roads & Bridges							
22	3054-04-105-01-00	30.00	27.81	3.89	61.70	53.00	-8.70
23	3054-80-001-04-00	281.00	0.00	7.41	288.41	233.18	-55.23
24	5054-04-337-04-00	0.00	498.19	20.19	518.38	444.15	-74.23
Total		**378.04**	**526.00**	**50.17**	**954.21**	**794.20**	**-160.01**
Grand Total		**1,549.72**	**576.65**	**-149.03**	**1,977.34**	**1,889.65**	**-87.69**

Source: Detailed Appropriation Accounts, 2024-25

Appendix 2.5

(Reference: Paragraph 2.5.5)

Grants having large savings, after surrender (exceeding ₹ one core), during 2024-25

(₹ in crore)

Sl. No.	Number and Name of the Grant	Total Budget Provision	Actual Expenditure	Savings	Surren-dered	Savings (after surrender)
A- Revenue (Voted)						
1	4-Administratiion of Justice	45.80	44.54	1.26	1.29	-0.03
2	11-District Administration	203.94	197.90	6.04	6.81	-0.77
3	12-Treasuries and Accounts Administration	64.70	49.69	15.01	15.01	-
4	13-Village Guards	56.11	51.40	4.71	4.73	-0.02
5	14-Jails	66.13	63.78	2.35	2.35	-
6	18-Pensions and Other Retirement Benefits	3,557.05	3,199.76	357.29	357.28	0.01
7	25-Land Records and Survey	30.24	28.84	1.40	3.44	-2.04
8	26-Civil Secretariat	341.41	298.96	42.45	42.08	0.37
9	27-Planning Machinery	54.44	52.55	1.89	1.57	0.32
10	28-Civil Police	1,905.43	1,899.71	5.72	5.36	0.36
11	31-School Education	2,040.65	1,994.16	46.49	41.41	5.08
12	35-Medical, Public Health and Family Welfare	920.54	892.32	28.22	28.80	-0.58
13	37-Municipal Administration	104.74	58.05	46.69	48.05	-1.36
14	40-Employment and Craftsmen Training	39.86	36.01	3.85	3.79	0.06
15	42-Rural Development	1,596.83	491.21	1,105.62	1,114.42	-8.80
16	43-Social Security and Welfare	401.82	362.06	39.76	39.09	0.67
17	48-Agriculture	563.90	390.94	172.96	172.28	0.68
18	50-Animal Husbandry and Dairy Development	139.58	124.06	15.52	14.24	1.28
19	51-Fisheries	105.33	50.28	55.05	54.54	0.51
20	52-Forest, Environment and Wildfire	138.47	122.62	15.85	15.85	-
21	53-Industries	137.64	135.48	2.16	2.14	0.02
22	55-Power	817.57	776.63	40.94	49.89	-8.95
23	58-Roads and Bridges	457.81	450.88	6.93	1.13	5.80
24	59-Water Resources	45.11	40.32	4.79	4.29	0.50
25	64-Housing	212.60	196.06	16.54	22.49	-5.95
26	65-State Council of Educational Research and Training	92.28	65.28	27.00	44.36	-17.36
27	67-Home Guards	49.58	48.25	1.33	1.34	-0.01
28	70-Horticulture	83.46	72.86	10.60	10.60	-
29	72-Land Resources Development	51.99	45.71	6.28	4.89	1.39
30	74-Mechanical Engineering	58.66	56.16	2.50	2.50	-
31	78-Technical Education	48.81	47.68	1.13	1.13	-
	Total	**14,432.48**	**12,344.15**	**2,088.33**	**2,117.15**	**-28.82**
B - Revenue (Charged)						
32	10-Public Service Commission	12.66	11.23	1.43	1.42	0.01
33	75-Servicing of Debt	1,368.85	1,273.42	95.43	92.22	3.21
	Total	**1,381.51**	**1,284.65**	**96.86**	**93.64**	**3.22**
C - Capital (Voted)						
34	26-Civil Secretariat	171.04	153.83	17.21	18.67	-1.46
35	27-Planning Machinery	643.67	381.40	262.27	262.42	-0.15
36	31-School Education	309.44	164.99	144.45	156.61	-12.16
37	32-Higher Education	67.15	32.65	34.50	34.50	-
38	35-Medical, Public Health and Family Welfare	67.33	53.23	14.10	18.37	-4.27
39	36-Urban Development	457.89	264.78	193.11	194.71	-1.60
40	37-Municipal Administration	244.90	133.58	111.32	124.96	-13.64
41	42-Rural Development	6.68	4.28	2.40	2.40	-
42	43-Social Security and Welfare	49.94	16.94	33.00	33.00	-
43	48-Agriculture	24.68	9.68	15.00	15.00	-

Sl. No.	Number and Name of the Grant	Total Budget Provision	Actual Expenditure	Savings	Surren-dered	Savings (after surrender)
44	49-Soil and Water Conservation	17.50	9.25	8.25	8.25	-
45	52-Forest, Environment and Wildfire	81.49	56.27	25.22	25.22	-
46	53-Industries	174.09	112.90	61.19	-	61.19
47	55-Power	55.93	35.32	20.61	6.50	14.11
48	58-Roads and Bridges	1,236.62	882.66	353.96	238.04	115.92
49	59-Water Resources	281.54	54.47	227.07	227.07	-
50	60-Water Supply	81.32	52.12	29.20	29.20	-
51	62-Civil Administration Works	51.26	43.52	7.74	0.24	7.50
52	65-State Council of Educational Research and Training	45.08	20.31	24.77	24.77	-
53	68-Police Engineering Project	153.57	133.06	20.51	20.51	-
54	69-Fire and Emergency Services	43.78	29.36	14.42	14.42	-
55	76-Women Welfare	145.00	95.70	49.30	49.30	-
Total		**4,409.90**	**2,740.30**	**1,669.60**	**1,504.16**	**165.44**
Grand Total		**20,223.89**	**16,369.10**	**3,850.79**	**3,714.95**	**139.84**

Source: Appropriation Accounts, 2024-25

Appendix 2.6

(Reference: Paragraph 2.5.5)

Grants having persistent savings (exceeding ₹ one crore) during FY 2022-23 to FY 2024-25

(₹ in crore)

Sl. No.	Grant No./ Name of the Department	Savings		
		2022-23	2023-24	2024-25
Revenue (Voted)				
1	11/Home Department	16.49	22.31	6.04
2	12/Treasuries and Accounts Administration	25.74	18.11	15.01
3	14/Home Department	2.03	4.57	2.35
4	26/Home Department	118.97	15.36	42.45
5	27/Planning and Transformation Department	114.42	22.20	1.89
6	28/Home Department	40.67	67.53	5.71
7	31/Education Department	58.23	162.28	46.49
8	35/Health and Family Welfare Department	99.55	100.30	28.22
9	37/Municipal Affairs Department	72.77	59.90	46.69
10	40/Labour & Employment, Skill Development and Entrepreneurship	34.37	29.74	3.85
11	42/Rural Development Department	422.43	566.85	1,105.62
12	43/Social Security and Welfare Department	137.26	37.83	39.76
13	48/Agriculture Department	135.63	78.87	172.95
14	50/Animal Husbandry and Veterinary Services	21.39	13.21	15.52
15	51/Fisheries and Aquatic Services	4.25	41.38	55.05
16	55/Department of Power	9.64	18.68	40.93
17	58/Works and Housing Department	39.28	50.02	6.94
18	59/Water Resources Department	3.12	2.28	4.79
19	64/Works and Housing Department	9.64	2.55	16.54
20	65/Education Department	3.71	10.52	27.01
21	70/Horticulture Department	43.55	23.23	10.60
Revenue (Charged)				
22	75/Finance Department	210.04	209.94	95.43
Capital (Voted)				
23	43/Social Security and Welfare Department	0.71	3.06	33.00
24	52/Environment, Forest and Climate Change	57.93	18.32	25.22
25	53/Commerce and Industries Department	4.15	70.05	61.20
26	60/Public Health Engineering Department	335.44	1.21	29.21
Capital (Charged)				
27	75/Finance Department	1,486.08	2,805.58	351.94

Source: Appropriation Accounts for respective years

Appendix 2.7

(Reference: Paragraph 2.5.5)

Grant-wise percentage of utilisation of budget and savings during FY 2024-25

(₹ in crore)

Sl. No.	Number and Name of Grant	Total Budget	Total Expenditure	Savings	Percentage of Utilisation	Range of Utilisation *(per cent)*
1	42-Rural Development	1,603.50	495.48	1,108.02	30.90	Up to 50
2	51-Fisheries	108.01	52.88	55.13	48.96	
3	59-Water Resources	326.65	94.79	231.86	29.02	
4	57-Housing Loans	0.22	-	0.22	0.00	
Total		**2,038.38**	**643.15**	**1,395.23**	**31.55**	
5	6-Land Revenue	1.32	0.92	0.41	69.70	51 to 75
6	20-Relief, Rehabilitation *etc.*	1.26	0.80	0.46	63.49	
7	27-Planning Machinery	698.11	433.95	264.16	62.16	
8	36-Urban Development	518.77	339.80	178.97	65.50	
9	37-Municipal Administration	349.64	191.63	158.01	54.81	
10	48-Agriculture	588.58	400.62	187.95	68.07	
11	65-State Council of Educational Research and Training	137.37	85.59	51.78	62.31	
12	76-Women Welfare	159.04	109.61	49.44	68.92	
Total		**2,454.09**	**1,562.92**	**891.17**	**63.69**	
13	10-Public Service Commission	14.07	12.64	1.43	89.84	76 to 90
14	12-Treasuries & Accounts Administration	67.70	52.69	15.01	77.83	
15	18-Pensions and other Retirement Benefits	3,557.05	3,199.76	357.29	89.96	
16	19-Rajya Sainik Board	4.23	3.80	0.43	89.83	
17	26-Civil Secretariat	512.46	452.79	59.67	88.36	
18	43-Social Security & Welfare	451.76	379.00	72.76	83.89	
19	49-Soil & Water Conservation	86.11	76.89	9.22	89.29	
20	50-Animal Husbandry & Consumer Protection	148.08	133.19	14.90	89.94	
21	52-Forest, Environment & Wildlife	219.97	178.89	41.08	81.32	
22	53-Industries	311.73	248.37	63.36	79.67	
23	58-Roads & Bridges	1,694.44	1,333.54	360.90	78.70	
24	60-Water Supply	216.29	186.93	29.36	86.43	
25	62-Civil Administration Works	64.17	56.01	8.16	87.28	
26	68-Police Engineering Project	181.42	160.39	21.04	88.41	
27	69-Fire and Emergency Services	91.97	77.11	14.85	83.84	
28	70-Horticulture	87.74	76.98	10.76	87.74	
29	72-Land Resources Development	56.81	50.53	6.28	88.95	
30	80-State Information Commission	3.63	3.19	0.44	87.88	
Total		**7,769.63**	**6,682.70**	**1,086.93**	**86.01**	
31	2-Head of State	11.79	11.36	0.43	96.35	91 to 100
32	3-Council of Ministers	14.89	14.88	0.01	99.93	
33	7-State Excise	29.27	29.13	0.13	99.52	
34	8-Sales Tax	28.44	28.31	0.12	99.54	
35	9-Taxes on Vehicles	27.00	26.80	0.21	99.26	

Sl. No.	Number and Name of Grant	Total Budget	Total Expenditure	Savings	Percentage of Utilisation	Range of Utilisation *(per cent)*
36	11-District Administration	203.94	197.90	6.04	97.04	
37	13-Village Guards	59.11	54.40	4.71	92.03	
38	14-Jails	70.63	68.28	2.35	96.67	
39	15-Lokayukta	11.86	11.53	0.32	97.22	
40	16-State Guest Houses	33.86	33.30	0.57	98.35	
41	17-State Lotteries	4.12	4.08	0.04	99.03	
42	22-Civil Supplies	109.44	109.30	0.14	99.87	
43	25-Land Records & Survey	32.74	31.34	1.40	95.72	
44	28-Civil Police	1,905.43	1,899.71	5.71	99.70	
45	29-Stationery & Survey	38.71	37.88	0.83	97.86	
46	30-Administrative Training Institute	10.38	9.88	0.50	95.18	
47	31-School Education	2,350.09	2,159.15	190.94	91.88	
48	32-Higher Education	318.04	295.18	22.86	92.81	
49	34-Art & Culture and Gazetteers	59.00	58.47	0.53	99.10	
50	35-Medical, Public Health & Family Welfare	987.87	945.55	42.32	95.72	
51	38-Information & Public Relations	49.58	49.43	0.15	99.70	
52	39-Tourism	69.48	69.31	0.17	99.76	
53	40-Employment & Craftsmen Training	44.46	40.62	3.85	91.36	
54	41-Labour	13.06	12.53	0.53	95.94	
55	44-Evaluation	15.16	14.34	0.82	94.59	
56	45-Co-operation	31.48	31.10	0.38	98.79	
57	46-Statistics	55.45	54.66	0.79	98.58	
58	47-Legal Metrology & Consumer Protection	14.78	14.48	0.30	97.97	
59	54-Mineral Development	78.46	77.61	0.85	98.92	
60	55-Power	873.50	811.95	61.55	92.95	
61	56-Road Transport	115.54	115.38	0.16	99.86	
62	63-Science, Technology, Ecology and Environment	6.12	6.09	0.03	99.51	
63	66-Sericulture	26.20	25.97	0.23	99.12	
64	67-Home Guards	52.87	51.55	1.33	97.50	
65	74-Mechanical Engineering	60.54	58.05	2.49	95.89	
66	78-Technical Education	54.45	53.32	1.13	97.92	
67	79-Border Affairs	6.02	5.81	0.21	96.51	
68	81-Information Technology & Communication	10.45	10.43	0.02	99.81	
Total		**7,884.21**	**7,529.06**	**355.15**	**95.50**	

Source: Appropriation Accounts, 2024-25

Appendix 2.8

(Reference: Paragraph 2.5.5)

Savings not Surrendered

(₹ in crore)

Sl. No.	Number and Name of the Grant	Original Budget	Supplementary	Total Provision	Actual Expenditure	Savings	Amount not surrendered
A- Revenue (Voted)							
1	18-Pensions and Other Retirement Benefits	3,557.05	0.00	3,557.05	3,199.76	357.29	0.01
2	26-Civil Secretariat	341.41	0.00	341.41	298.96	42.45	0.37
3	27-Planning Machinery	48.42	6.02	54.44	52.55	1.89	0.32
4	28-Civil Police	1,853.94	51.49	1,905.43	1,899.71	5.72	0.36
5	31-School Education	1,932.24	108.41	2,040.65	1,994.16	46.49	5.08
6	40-Employment and Craftsmen Training	39.45	0.41	39.86	36.01	3.85	0.06
7	43-Social Security and Welfare	397.64	4.18	401.82	362.06	39.76	0.67
8	48-Agriculture	563.90	0.00	563.90	390.94	172.96	0.68
9	50-Animal Husbandry and Dairy Development	139.58	0.00	139.58	124.06	15.52	1.28
10	51-Fisheries	105.33	0.00	105.33	50.28	55.05	0.51
11	53-Industries	124.69	12.95	137.64	135.48	2.16	0.02
12	58-Roads and Bridges	428.04	29.77	457.81	450.88	6.93	5.80
13	59-Water Resources	45.11	0.00	45.11	40.32	4.79	0.50
14	72-Land Resources Development	51.99	0.00	51.99	45.71	6.28	1.39
Total		**9,628.79**	**213.23**	**9,842.02**	**9,080.88**	**761.14**	**17.05**
B - Revenue (Charged)							
15	10-Public Service Commission	8.61	4.05	12.66	11.23	1.43	0.01
16	75-Servicing of Debt	1,368.85	0.00	1,368.85	1,273.42	95.43	3.21
Total		**1,377.46**	**4.05**	**1,381.51**	**1,284.65**	**96.86**	**3.22**
C - Capital (Voted)							
17	53-Industries	2.05	172.04	174.09	112.90	61.19	61.19
18	55-Power	21.09	34.84	55.93	35.32	20.61	14.11
19	58-Roads and Bridges	312.03	924.59	1,236.62	882.66	353.96	115.92
20	62-Civil Administration Works	18.16	33.10	51.26	43.52	7.74	7.50
Total		**353.33**	**1,164.57**	**1,517.90**	**1,074.40**	**443.50**	**198.72**
Grand Total		**11,359.58**	**1,381.85**	**12,741.43**	**11,439.93**	**1,301.50**	**218.99**

Source: Appropriation Accounts, 2024-25

Appendix 2.9

(Reference: Paragraph 2.5.5)

Surrender of funds in excess of ₹ one crore, on the last day of March 2025

(₹ in crore)

Sl. No.	Number and Name of the Grant	Original Budget	Supplementary	Total Budget Provision	Actual Expenditure	Savings	Amount surrendered on 31.03.2025
A- Revenue (Voted)							
1	4-Administratiion of Justice	34.23	11.57	45.80	44.54	1.26	1.29
2	11-District Administration	203.94	0.00	203.94	197.90	6.04	6.81
3	12-Treasuries and Accounts Administration	64.70	0.00	64.70	49.69	15.01	15.01
4	13-Village Guards	56.11	0.00	56.11	51.40	4.71	4.73
5	14-Jails	66.13	0.00	66.13	63.78	2.35	2.35
6	18-Pensions and Other Retirement Benefits	3,557.05	0.00	3,557.05	3,199.76	357.29	357.28
7	25-Land Records and Survey	30.24	0.00	30.24	28.84	1.40	3.44
8	26-Civil Secretariat	341.41	0.00	341.41	298.96	42.45	42.08
9	27-Planning Machinery	48.42	6.02	54.44	52.55	1.89	1.57
10	28-Civil Police	1,853.94	51.49	1,905.43	1,899.71	5.72	5.36
11	31-School Education	1,932.24	108.41	2,040.65	1,994.16	46.49	41.41
12	35-Medical, Public Health and Family Welfare	920.54	0.00	920.54	892.32	28.22	28.80
13	37-Municipal Administration	104.74	0.00	104.74	58.05	46.69	48.05
14	40-Employment and Craftsmen Training	39.45	0.41	39.86	36.01	3.85	3.79
15	42-Rural Development	1,596.83	0.00	1,596.83	491.21	1,105.62	1,114.42
16	43-Social Security and Welfare	397.64	4.18	401.82	362.06	39.76	39.09
17	48-Agriculture	563.90	0.00	563.90	390.94	172.96	172.28
18	50-Animal Husbandry and Dairy Development	139.58	0.00	139.58	124.06	15.52	14.24
19	51-Fisheries	105.33	0.00	105.33	50.28	55.05	54.54
20	52-Forest, Environment and Wildfire	138.47	0.00	138.47	122.62	15.85	15.85
21	53-Industries	124.69	12.95	137.64	135.48	2.16	2.14
22	55-Power	817.57	0.00	817.57	776.63	40.94	49.89
23	58-Roads and Bridges	428.04	29.77	457.81	450.88	6.93	1.13
24	59-Water Resources	45.11	0.00	45.11	40.32	4.79	4.29
25	64-Housing	179.64	32.96	212.60	196.06	16.54	22.49
26	65-State Council of Educational Research and Training	92.28	0.00	92.28	65.28	27.00	44.36
27	67-Home Guards	38.62	10.95	49.57	48.25	1.32	1.34
28	70-Horticulture	59.19	24.27	83.46	72.86	10.60	10.60
29	72-Land Resources Development	51.99	0.00	51.99	45.71	6.28	4.89
30	74-Mechanical Engineering	58.66	0.00	58.66	56.16	2.50	2.50
31	78-Technical Education	33.19	15.62	48.81	47.68	1.13	1.13
	Total	**14,123.87**	**308.60**	**14,432.47**	**12,344.15**	**2,088.32**	**2,117.15**
B - Revenue (Charged)							
32	10-Public Service Commission	8.61	4.05	12.66	11.23	1.43	1.42
33	75-Servicing of Debt	1,368.85	0.00	1,368.85	1,273.42	95.43	92.21

Sl. No.	Number and Name of the Grant	Original Budget	Supplementary	Total Budget Provision	Actual Expenditure	Savings	Amount surrendered on 31.03.2025
Total		**1,377.46**	**4.05**	**1,381.51**	**1,284.65**	**96.86**	**93.63**
C - Capital (Voted)							
34	26-Civil Secretariat	135.04	36.00	171.04	153.83	17.21	18.68
35	27-Planning Machinery	643.67	0.00	643.67	381.40	262.27	262.42
36	31-School Education	309.44	0.00	309.44	164.99	144.45	156.61
37	32-Higher Education	67.15	0.00	67.15	32.65	34.50	34.50
38	35-Medical, Public Health and Family Welfare	36.43	30.90	67.33	53.23	14.10	18.37
39	36-Urban Development	129.87	328.02	457.89	264.78	193.11	194.71
40	37-Municipal Administration	244.90	0.00	244.90	133.58	111.32	124.96
41	42-Rural Development	4.40	2.28	6.68	4.28	2.40	2.40
42	43-Social Security and Welfare	9.93	40.01	49.94	16.94	33.00	33.00
43	48-Agriculture	8.00	16.68	24.68	9.68	15.00	15.00
44	49-Soil and Water Conservation	6.75	10.75	17.50	9.25	8.25	8.25
45	52-Forest, Environment and Wildfire	81.49	0.00	81.49	56.27	25.22	25.22
46	55-Power	21.09	34.84	55.93	35.32	20.61	6.50
47	58-Roads and Bridges	312.03	924.59	1236.62	882.66	353.96	238.04
48	59-Water Resources	281.54	0.00	281.54	54.47	227.07	227.07
49	60-Water Supply	63.10	18.22	81.32	52.12	29.20	29.20
50	62-Civil Administration Works	18.16	33.10	51.26	43.52	7.74	0.24
51	65-State Council of Educational Research and Training	29.12	15.96	45.08	20.31	24.77	24.77
52	68-Police Engineering Project	9.36	144.21	153.57	133.06	20.51	20.51
53	69-Fire and Emergency Services	10.74	33.04	43.78	29.36	14.42	14.42
54	76-Women Welfare	0.00	145.00	145.00	95.70	49.30	49.30
Total		**2,422.21**	**1,813.60**	**4,235.81**	**2,627.40**	**1,608.41**	**1,504.17**
Grand Total		**17,923.54**	**2,126.25**	**20,049.79**	**16,256.20**	**3,793.59**	**3,714.95**

Source: Appropriation Accounts, 2024-25

Appendix 2.10

(Reference: Paragraph 2.5.6)

Misclassification of Revenue expenditure as Capital expenditure for FY 2024-25

(₹ in crore)

Sl. No.	No. and name of the Grant/Department	No. of Sanction order	Misclassified Amount	Major Head	Audit Observation
1	55, Power/ Department of Power	Monthly Account of April 2024 (Electrical Div, Kohima	0.17	4801-05-800-02-13	The entire amount was utilised for purchase of High Mast Accessories & Oil items for Hornbill festival 2023.
2	37, Municipal Administration/ Municipal Affairs Department	Sanction Order of MoHUA , No.N-11015/2/2021-HFA-V-UD	0.18	4217-60-051-06-01-13	Expenditure was incurred for Administrative & Other Expenses under Capacity Building Activities of the Mission "PMAY-U".
3	50, Animal Husbandry & Dairy Development/ AH&VS	No. AHV/Plan-4/2023/ dt 20/09/2024	5.00	4403-00-101-01-00-26	Expenditure was incurred for Pre mixed Concentrated Feed, Awareness programmes & Operational Cost under implementation of the project "Project for support to Piggery Households".
4	27, Planning Machinery/ Planning and Transformation Department	No. PLN-112/LADP/2024-25 dt 06/12/2024 & 19/03/25	0.38	4059-80-800-04-26	Expenditure was incurred under implementation of LADP 2024-25 for Administrative Expenses & Contribution towards Parliamentarians & Ex-Parliamentarians Welfare Fund.
5	36, Urban Development/ Urban Development Department	No. UDD/19-SBM/04-EXPDR/2022 Pt-I dt 04/02/2025	0.34	4217-60-051-05-03-26	The Expenditure was incurred under "SBM-Urban 2.0" for Capacity Building, Skill Development & Knowledge Management.
6	36, Urban Development/ Urban Development Department	No. UDD/19-SBM/04-EXPDR/2022 Pt-I dt 10/02/2025	1.00	4217-60-051-05-02-26	The Expenditure was incurred under "SBM-Urban 2.0" for "Information, Education, Communication and Behaviour Change".
7	4, Administration of Justice/ Law and Justice Department	No. LAW/PLN-2/2024-25	0.22	4059-80-051-01-00	Out of the total Expenditure of ₹2.22 crore, ₹0.22 crore was incurred from Painting and Maintenance Work at buildings, whereas remaining amount was utilised for Construction Works.
8	26, Civil Secretariat/ Home Department	No.APC/CELL/SoCRAN/SAN/2018-19/1171 DT 13/08/2024	3.40	4435-60-101-01-00-26	Out of the total Expenditure of ₹15 Crore under the project "FOCUS-IFAD", ₹3.40 crore was incurred for Training, Honorarium, Salary & Allowances *etc.*, whereas remaining amount was utilised for purchase of machineries, water harvesting pond *etc.*
9	26, Civil Secretariat/ Home Department	No.APC/CELL/SoCRAN/SAN/2018-19/ DT 12/12/2024	3.26	4435-60-800-01-00-26	Out of the total Expenditure of ₹7.57 crore under the project "FOCUS-IFAD", ₹3.26 crore was incurred for training, salaries & allowance, audit expenditures *etc.*, whereas remaining amount was utilised for Common Facility Centre, refrigerated vehicle, support to goatry & paddy cum fish culture *etc.*

Sl. No.	No. and name of the Grant/Department	No. of Sanction order	Misclassified Amount	Major Head	Audit Observation
10	59, Water Resources/ WR Department	DoWR/CA-5/2019 dt 03/02/2025	0.04	4702-00-101-02-17	Out of the total Expenditure of ₹0.25 crore, ₹0.04 crore pertains to Repair & Renovation of a Quarter, whereas remaining amount was utilised for Construction Works.
11	70, Horticulture/ Horticulture Department	HR/FEST/29/2/18 dt 19/11/2024	0.06	4401-00-119-01-00-14	Out of the total Expenditure of ₹0.90 crore, ₹0.06 crore pertains to repair of site office/rest room, whereas remaining amount was utilised for extension of floor & fencing of area.
Total			**14.05**		

Source: Monthly Accounts/Bills furnished to O/o AG (A&E), Nagaland

Appendix 2.11

(Reference: Paragraph 2.5.8)

Sub-heads where entire expenditure was incurred in March 2025

(₹ in crore)

Sl. No.	Grant No.	Name of the Department	Head of Accounts	Name of the Scheme	Types of Budget	Actual Expenditure during March
1	1	Parliamentary Affairs	2011-02-103-02	Library	Revenue (Voted)	0.25
2	4	Law and Justice	2014-00-119-02	Human Rights Committee	Revenue (Voted)	0.03
3	5	Election	4059-01-051-01	Works under election	Capital (Voted)	3.52
4	8	Finance	2040-00-001-01	Direction	Revenue (Voted)	1.00
5	8		4216-01-106-01	Works under Sales Tax	Capital (Voted)	1.00
6	9	Transport	2041-01-001-04	Motor Accident Claims Tribunals	Revenue (Voted)	0.05
7	12	Finance	2030-01-101-01	Judicial	Revenue (Voted)	1.23
8	13	Home	4055-00-211-01	Works under Village Guards	Capital (Voted)	3.00
9	14		2056-01-102-01	Jail Industries	Revenue (Voted)	0.05
10	14		4059-60-051-01	Works under Jails	Capital (Voted)	2.80
11	14		4216-01-106-01	Works under Jails	Capital (Voted)	1.70
12	15	Personnel and Administrative Reforms	2062-00-103-02	Investigation	Revenue (Charged)	0.15
13	19	Home	2235-60-200-03	Corpus Fund	Revenue (Voted)	0.20
14	21		2245-02-101-01	Gratuitous Relief	Revenue (Voted)	95.46
15	21		2245-02-102-01	Water Supply	Revenue (Voted)	6.33
16	21		2245-02-106-01	Repairs and Restoration of Roads	Revenue (Voted)	11.63
17	21		2245-02-111-01	Ex-Gratia	Revenue (Voted)	2.21
18	21		2245-02-113-01	Repairs/Reconstruction of Houses	Revenue (Voted)	39.10
19	21		2245-02-117-01	Purchase of Livestocks	Revenue (Voted)	5.32
20	21		2245-02-122-01	Repairs and Restoration of Damaged Irrigation	Revenue (Voted)	10.94
21	21		2245-80-102-02	Strengthening of SDMA and DDMA	Revenue (Voted)	11.45
22	21		2245-80-103-01	National Disaster Response Fund	Revenue (Voted)	170.99
23	23		7610-00-204-01	Advances for purchase of personal computers	Capital (Voted)	0.35
24	25	Land Revenue	2029-00-102-01	Subordinate Establishment	Revenue (Voted)	1.00
25	26	Home	2052-00-090-06	Assistance to Gandhi Ashram, Chuchuyimlang	Revenue (Voted)	0.05
26	26		2052-00-090-11	Helicopter Charges	Revenue (Voted)	1.48
27	26		2052-00-090-16	PFMS Cell	Revenue (Voted)	0.04
28	26		2251-00-090-01	Civil Secretariat	Revenue (Voted)	0.05
29	26		2251-00-090-03	Chief Minister's Micro Financing Initiative	Revenue (Voted)	22.00
30	26		4575-03-796-05	Dharti Aaba Janjatiya Gram Utkarsh Abhiyan	Capital (Voted)	6.78
31	27	Planning and Transformation	3451-00-090-03	Gender Budgeting	Revenue (Voted)	0.32
32	27		3451-00-102-03	Monitoring Cell	Revenue (Voted)	1.00
33	27		4225-04-102-01	Minority Affairs Cell	Capital (Voted)	2.90
34	28	Home	2055-00-001-03	Security Related Expenses	Revenue (Voted)	0.93

Sl. No.	Grant No.	Name of the Department	Head of Accounts	Name of the Scheme	Types of Budget	Actual Expenditure during March
35	29	Personnel and Administrative Reforms	4059-60-051-01	Works under Printing & Stationery	Capital (Voted)	1.80
36	29		4216-01-106-01	Construction	Capital (Voted)	0.50
37	30		4059-60-051-01	Works under ATI	Capital (Voted)	1.45
38	31	Education	2202-02-106-01	Local Dialect Text Book Development	Revenue (Voted)	1.00
39	31		2202-04-103-01	State Scheme	Revenue (Voted)	0.02
40	31		4202-01-600-02	Nagaland Education Project-Lighthouse	Capital (Voted)	1.41
41	32	Higher and Technical Education	2202-03-001-01	Direction	Revenue (Voted)	3.00
42	33	Youth Resources and Sports	4202-03-102-04	Infrastructure for Sports and Youth Affairs Activities	Capital (Voted)	167.07
43	34	Art and Culture	2205-00-001-03	Promotion of Cultural Activities	Revenue (Voted)	0.01
44	34		2205-00-102-05	Nagaland Art and Culture Council	Revenue (Voted)	0.10
45	35	Health and Family Welfare	2210-01-001-04	Work Charged Establishment	Revenue (Voted)	0.30
46	35		2210-01-110-10	National Medical Council	Revenue (Voted)	0.05
47	35		2210-01-110-15	Nagaland State Pharmacy Council	Revenue (Voted)	0.05
48	35		4210-04-200-12	Medical College Hospital at NIMSR-JICA	Capital (Voted)	2.60
49	35		4210-04-200-12	Medical College Hospital at NIMSR-JICA	Capital (Voted)	6.03
50	37	Municipal Affairs	2217-80-191-04	Grants to Urban Local Bodies	Revenue (Voted)	5.25
51	37		4217-60-051-04	Urban Sanitation & Sewerage Scheme	Capital (Voted)	1.00
52	39	Tourism	3452-01-101-01	Tourist Information & Publicity	Revenue (Voted)	0.23
53	40	Labour & Employment, Skill Development and Entrepreneurship	2230-03-101-04	Pradhan Mantri Kaushal Vikas Yojana - SANKALP	Revenue (Voted)	2.45
54	40		2230-03-101-07	Pradhan Mantri Kaushal Vikas Yojana - SANKALP (100%)	Revenue (Voted)	0.24
55	40		4216-01-106-01	Works under Employment	Capital (Voted)	3.22
56	42	Rural Development	2515-00-102-03	Grants to Rural Local Bodies	Revenue (Voted)	19.20
57	42		2515-00-102-04	Health Grants	Revenue (Voted)	8.19
58	42		4515-00-103-01	Buildings	Capital (Voted)	0.23
59	42		4515-00-103-01	Buildings	Capital (Voted)	2.05
60	42		4515-00-103-01	Buildings	Capital (Voted)	2.00
61	43	Social Security and Welfare	2235-02-101-01	Blind School	Revenue (Voted)	0.35
62	43		2235-02-102-02	Saksham Anganwadi and Poshan-Childrens Parks and Wards	Revenue (Voted)	0.07
63	43		2235-02-104-01	Old Age Home	Revenue (Voted)	0.10
64	43		2235-02-106-01	Umbrella Programme for Development of Vulnerable Groups including Backward Classes	Revenue (Voted)	0.10
65	43		2235-02-106-01	Umbrella Programme for Development of Vulnerable Groups including Backward Classes	Revenue (Voted)	2.49

Sl. No.	Grant No.	Name of the Department	Head of Accounts	Name of the Scheme	Types of Budget	Actual Expenditure during March
66	43		2235-02-107-01	Grant-in-Aid under States Scheme	Revenue (Voted)	0.20
67	43		4235-02-051-01	Buildings	Capital (Voted)	4.01
68	45	Co-operation	2425-00-001-01	Direction	Revenue (Voted)	0.15
69	45		2425-00-108-02	Integrated Co-operative Development	Revenue (Voted)	0.10
70	45		2425-7-0-108-2	Integrated Co-operative Development	Revenue (Voted)	0.10
71	47	Legal Metrology and Consumer Protection	3475-00-106-01	Direction	Revenue (Voted)	0.50
72	47		3475-2-0-106-6	State Consumer Dispute redressal commission & District Fora	Revenue (Voted)	0.50
73	49	Soil and Water Conservation	2415-02-277-01	Training Centre	Revenue (Voted)	0.20
74	49		4402-00-051-01	Buildings	Capital (Voted)	1.75
75	50	Animal Husbandry and Veterinary Services	2403-00-106-02	National Livestock Mission (100%)	Revenue (Voted)	0.37
76	51	Fisheries & Aquatic Services	2405-00-101-01	Riverine Fisheries	Revenue (Voted)	0.30
77	51		4059-01-051-01	Building under Fishery	Capital (Voted)	1.26
78	52	Environment, Forest and Climate Change	2406-04-101-03	State Bio-Diversity Board	Revenue (Voted)	0.33
79	52		3435-04-103-01	State Pollution Control Board	Revenue (Voted)	1.50
80	52		3435-04-104-01	State Environment Impact Assessment	Revenue (Voted)	0.02
81	52		4406-01-101-01	Nagaland Forest Management Project (JICA)	Capital (Voted)	40.85
82	52		4406-01-101-03	National Mission for a Green India - Forest Fire Prevention	Capital (Voted)	0.01
83	52		4406-01-101-04	National Plan Conservation of Aquatic Eco-System	Capital (Voted)	0.26
84	52		4406-01-101-04	National Plan Conservation of Aquatic Eco-System	Capital (Voted)	2.31
85	53	Commerce and Industries	2851-00-102-04	Nagaland Hotels Limited	Revenue (Voted)	1.00
86	53		2851-00-102-05	Nagaland Mechanized Bricks Company	Revenue (Voted)	0.05
87	53		2851-00-102-07	Nagaland Sugar mill Company Ltd	Revenue (Voted)	0.03
88	53		2851-00-103-03	Nagaland Handloom and Handicraft Development Corporation	Revenue (Voted)	1.00
89	53		2851-00-105-01	Nagaland Khadi and Village Industries Board	Revenue (Voted)	1.00
90	54	Geology and Mining	2853-02-102-03	Other Programmes	Revenue (Voted)	0.16
91	55	Power	2045-00-103-02	State Energy Conservation	Revenue (Voted)	1.00
92	55		2801-05-001-09	Service Connection	Revenue (Voted)	0.80
93	55		2801-80-101-01	Nagaland Electricity Regulatory Commission	Revenue (Voted)	1.08
94	55		4801-05-001-02	New Distribution Transformers	Capital (Voted)	5.18
95	56	Transport and Civil Aviation	5055-00-102-01	Acquisition	Capital (Voted)	4.00
96	58	Works and Housing	4552-05-337-01	Roads	Capital (Voted)	0.85
97	58		5054-04-337-01	Pradhan Mantri Gram Sadak Yojana	Capital (Voted)	107.33
98	58		5054-04-337-04	Special Central Assistance	Capital (Voted)	444.15
99	58		5054-80-797-01	Central Road and Infrastructure Fund	Capital (Voted)	30.73

Sl. No.	Grant No.	Name of the Department	Head of Accounts	Name of the Scheme	Types of Budget	Actual Expenditure during March
100	59	Water Resources	2702-80-001-04	Other Minor Irrigation Works	Revenue (Voted)	0.30
101	59	Water Resources	4059-01-051-01	Irrigation & Flood Control	Capital (Voted)	1.91
102	60	Public Health Engineering	4059-01-051-01	Works under Water Supply	Capital (Voted)	2.78
103	60	Public Health Engineering	4215-01-101-01	Urban Water Supply Programme	Capital (Voted)	2.99
104	60	Public Health Engineering	4215-01-101-02	Water Supply to Major Urban Town	Capital (Voted)	0.39
105	60	Public Health Engineering	4215-01-101-02	Water Supply to Major Urban Town	Capital (Voted)	0.97
106	62	Home	2059-80-053-01	Null Maintenance	Revenue (Voted)	6.38
107	62	Home	4059-80-051-02	Special Central Assistance	Capital (Voted)	18.35
108	62	Home	4216-01-106-01	Construction of Residences	Capital (Voted)	8.10
109	65	Education	2202-01-105-01	Teachers Education	Revenue (Voted)	0.52
110	66	Commerce and Industries	2851-00-107-05	Catalytic Development Programme under Sericulture	Revenue (Voted)	1.50
111	67	Home	4059-60-051-01	Works under Home Guards	Capital (Voted)	3.30
112	69	Home	4059-01-051-02	Works under Fire Services	Capital (Voted)	5.00
113	70	Horticulture	2401-00-119-01	Fruit and Vegetable Processing Centre	Revenue (Voted)	0.15
114	70	Horticulture	2401-00-119-05	Mushroom Cultivation	Revenue (Voted)	0.08
115	70	Horticulture	2401-00-119-08	Fruit Nurseries	Revenue (Voted)	0.15
116	70	Horticulture	4401-00-119-02	Horti-Link Road	Capital (Voted)	2.84
117	72	Land Resources Development	2501-05-101-04	Rubber Development	Revenue (Voted)	0.30
118	72	Land Resources Development	2501-05-101-07	Tea Plantation	Revenue (Voted)	0.10
119	74	Works and Housing	4059-80-052-01	Machinery and Equipment	Capital (Voted)	1.89
120	75	Finance	2048-00-101-01	Consolidated Sinking Fund	Revenue (Charged)	100.00
121	75	Finance	2049-60-802-01	Penal interest on SNA	Revenue (Charged)	5.72
122	75	Finance	6004-01-800-01	Other Loans	Capital (Charged)	0.55
123	76	Women Resources Development	2235-02-104-02	Awareness Programme	Revenue (Voted)	0.15
124	76	Women Resources Development	2235-02-107-03	Non-Governmental Organisations	Revenue (Voted)	0.30
125	76	Women Resources Development	2235-02-109-01	Training-cum-Production Centre	Revenue (Voted)	0.10
126	76	Women Resources Development	2235-02-109-01	Training-cum-Production Centre	Revenue (Voted)	0.32
127	76	Women Resources Development	2235-02-109-02	Transformative Livelihood Intervention	Revenue (Voted)	2.53
128	76	Women Resources Development	4235-02-103-04	Special Central Assistance	Capital (Voted)	95.70
129	78	Higher and Technical Education	2203-00-107-01	State Technical Scholarship	Revenue (Voted)	0.70
130	79	Border Affairs	4059-01-051-01	Works under Border Affairs	Capital (Voted)	0.40
131	81	Information Technology & Communication	4059-01-051-01	Works Under Information Technology and Communication	Capital (Voted)	1.56
132	82	New and Renewable Energy	4810-00-101-03	Special Central Assistance	Capital (Voted)	26.52
Total						**1,583.50**

Source: Detailed Appropriation Accounts, 2024-25 & VLC data furnished by O/o AG (A&E), Nagaland

Appendix 2.12

(Reference: Paragraph 2.5.8)

Quarter wise expenditure for all major heads during 2024-25

(₹ in crore)

Sl. No.	Grant	Description	Allocation during 2024-25	Expenditure					Total Expen-diture	Expenditure in the 4th Quarter as a percentage of total expenditure	Expenditure in March 2025 as a percentage of total expenditure
				1st qtr.	2nd qtr.	3rd qtr.	4th qtr.	In March			
1	1	State Legislature	55.55	7.32	10.53	18.30	19.61	12.40	55.76	35.17	22.24
2	2	Head of State	11.79	2.13	2.33	3.35	3.55	2.12	11.36	31.25	18.66
3	3	Council of Ministers	14.89	6.00	3.80	2.41	2.66	2.08	14.87	17.89	13.99
4	4	Administration of Justice	128.34	10.72	19.46	16.55	98.93	91.27	145.66	67.92	62.66
5	5	Election	50.82	36.19	4.09	6.70	8.71	6.36	55.69	15.64	11.42
6	6	Land Revenue	1.32	0.22	0.23	0.21	0.26	0.09	0.92	28.26	9.78
7	7	State Excise	29.27	5.79	7.00	6.68	9.66	3.94	29.13	33.16	13.53
8	8	Sales Tax	28.44	4.61	6.75	4.98	11.97	8.76	28.31	42.28	30.94
9	9	Taxes on Vehicles	27.00	3.71	8.92	5.65	8.52	6.07	26.80	31.79	22.65
10	10	Public Service Commission	14.07	2.47	2.16	4.69	3.32	2.19	12.64	26.27	17.33
11	11	District Administration	203.94	43.92	47.52	47.51	58.94	21.88	197.89	29.78	11.06
12	12	Treasuries and Accounts Administration	67.70	11.63	12.55	12.51	16.00	9.01	52.69	30.37	17.10
13	13	Village Guards	59.11	11.37	11.25	11.61	20.17	10.86	54.40	37.08	19.96
14	14	Jails	70.63	13.08	16.08	16.56	22.56	12.22	68.28	33.04	17.90
15	15	Lokayukta	11.86	2.71	2.74	2.99	3.09	1.49	11.53	26.80	12.92
16	16	State Guest Houses	33.86	1.98	5.45	16.95	8.92	4.49	33.30	26.79	13.48
17	17	State Lotteries	4.12	1.13	0.92	1.03	1.01	0.45	4.09	24.69	11.00
18	18	Pensions and Other Retirement Benefits	3,557.05	801.96	807.23	832.30	758.09	239.54	3,199.58	23.69	7.49
19	19	Rajya Sainik Board	4.23	0.77	0.72	0.73	1.58	1.07	3.80	41.58	28.16
20	20	Relief and Rehabilitation	1.26	0.44	0.21	0.12	0.04	0.04	0.81	4.94	4.94
21	21	Relief of Disaster caused by Natural Disasters	296.26	0.49	57.00	60.64	284.62	284.62	402.75	70.67	70.67
22	22	Civil Supplies	109.44	8.34	33.65	46.66	20.60	13.67	109.25	18.86	12.51
23	23	Loans to Government Servants	0.35	0.00	0.00	0.00	0.35	0.35	0.35	100.00	100.00
24	24	Small Savings	0.10	0.00	0.00	0.08	0.02	0.02	0.10	20.00	20.00
25	25	Land Records and Survey	32.74	6.69	7.11	8.71	8.82	4.38	31.33	28.15	13.98
26	26	Civil Secretariat	512.46	69.53	113.43	168.94	94.29	55.21	446.19	21.13	12.37
27	27	Planning Machinery	698.11	19.79	11.69	220.94	181.51	174.97	433.93	41.83	40.32
28	28	Civil Police	1,905.43	476.90	444.68	429.28	548.05	197.52	1,898.91	28.86	10.40
29	29	Stationery and Printing	38.71	7.13	10.69	8.22	11.84	5.51	37.88	31.26	14.55
30	30	Administrative Training Institute	10.38	1.67	1.53	2.52	4.16	3.10	9.88	42.11	31.38
31	31	School Education	2,350.09	441.12	472.60	589.75	655.02	316.68	2,158.49	30.35	14.67
32	32	Higher Education	318.04	40.51	38.42	70.00	146.18	89.37	295.11	49.53	30.28
33	33	Youth Resources and Sports	206.89	6.61	22.10	17.49	183.67	112.23	229.87	79.90	48.82
34	34	Art and Culture and Gazetteers	59.00	4.12	11.58	20.66	22.08	4.18	58.44	37.78	7.15
35	35	Medical, Public Health and Family Welfare	987.87	173.05	224.63	263.63	283.76	138.09	945.07	30.03	14.61

Sl. No.	Grant	Description	Allocation during 2024-25	Expenditure					Total Expen-diture	Expenditure in the 4th Quarter as a percentage of total expenditure	Expenditure in March 2025 as a percentage of total expenditure
				1st qtr.	2nd qtr.	3rd qtr.	4th qtr.	In March			
36	36	Urban Development	518.77	45.19	43.23	22.40	228.98	175.35	339.80	67.39	51.60
37	37	Municipal Administration	349.64	29.19	50.58	18.68	93.19	65.03	191.64	48.63	33.93
38	38	Information and Public Relations	49.58	8.44	12.88	12.51	15.59	7.36	49.42	31.55	14.89
39	39	Tourism	69.48	2.39	6.57	56.35	4.00	2.22	69.31	5.77	3.20
40	40	Employment and Craftsmen Training	44.46	7.35	6.77	10.72	15.64	11.00	40.48	38.64	27.17
41	41	Labour	13.06	2.18	2.67	3.25	4.43	2.42	12.53	35.36	19.31
42	42	Rural Development	1,603.50	21.27	166.17	96.28	211.76	108.71	495.48	42.74	21.94
43	43	Social Security and Welfare	451.76	81.90	64.57	124.90	107.62	62.35	378.99	28.40	16.45
44	44	Evaluation	15.16	2.31	2.67	2.78	6.58	5.21	14.34	45.89	36.33
45	45	Co-operation	31.48	4.67	7.98	9.65	8.72	3.61	31.02	28.11	11.64
46	46	Statistics	55.45	11.48	12.33	14.71	16.14	7.03	54.66	29.53	12.86
47	47	Legal Meteorology and Consumer Protection	14.78	2.90	2.51	3.73	5.34	3.07	14.48	36.88	21.20
48	48	Agriculture	588.58	24.50	82.70	103.99	189.44	143.41	400.63	47.29	35.80
49	49	Soil and Water Conservation	86.11	13.01	19.84	20.31	23.72	14.65	76.88	30.85	19.06
50	50	Animal Husbandry and Dairy Development	148.08	26.41	38.34	30.01	38.41	19.40	133.17	28.84	14.57
51	51	Fisheries	108.01	6.35	6.26	24.13	16.12	12.34	52.86	30.50	23.34
52	52	Forest, Environment and Wildlife	219.97	21.72	30.34	33.49	93.34	66.50	178.89	52.18	37.17
53	53	Industries	311.73	23.99	40.72	37.62	146.04	130.51	248.37	58.80	52.55
54	54	Mineral Development	78.46	6.58	37.18	15.53	18.33	14.00	77.62	23.62	18.04
55	55	Power	873.50	173.95	192.59	196.11	249.30	103.41	811.95	30.70	12.74
56	56	Road Transport	115.54	16.91	30.74	26.84	40.89	20.09	115.38	35.44	17.41
57	57	Housing Loans	0.22	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
58	58	Roads and Bridges	1,694.44	328.73	253.36	285.08	466.32	316.91	1,333.49	34.97	23.77
59	59	Water Resources	326.65	11.52	17.60	26.81	38.85	8.41	94.78	40.99	8.87
60	60	Water Supply	216.29	41.94	39.03	42.03	63.93	35.20	186.93	34.20	18.83
61	61	Special Development Programmes	12.00	0.00	0.00	12.00	0.00	0.00	12.00	0.00	0.00
62	62	Civil Administration Works	64.17	1.11	0.79	0.87	53.24	45.82	56.01	95.05	81.81
63	63	Science, Technology, Ecology and Environment	6.12	0.36	0.85	2.97	1.91	1.63	6.09	31.36	26.77
64	64	Housing	255.18	58.25	54.40	74.74	78.35	35.84	265.74	29.48	13.49
65	65	State Council of Educational Research and Training	137.37	24.46	10.44	17.64	33.05	18.32	85.59	38.61	21.40
66	66	Sericulture	26.20	4.58	5.51	5.41	10.46	5.49	25.96	40.29	21.15
67	67	Home Guards	52.87	8.50	9.07	20.49	13.49	7.45	51.55	26.17	14.45
68	68	Police Engineering Project	181.42	26.46	8.91	15.21	109.80	92.62	160.38	68.46	57.75
69	69	Fire and Emergency Services	91.97	10.27	11.89	50.10	4.86	-4.67	77.12	6.30	-6.06
70	70	Horticulture	87.74	10.54	14.22	8.15	44.07	31.86	76.98	57.25	41.39
71	71	Parliamentary Affairs	2.64	0.00	2.64	0.00	0.00	0.00	2.64	0.00	0.00
72	72	Land Resource Development	56.81	2.66	13.44	16.49	17.94	9.16	50.53	35.50	18.13

Sl. No.	Grant	Description	Allocation during 2024-25	Expenditure					Total Expen-diture	Expenditure in the 4th Quarter as a percentage of total expenditure	Expenditure in March 2025 as a percentage of total expenditure
				1st qtr.	2nd qtr.	3rd qtr.	4th qtr.	In March			
73	73	State Institute of Rural Development	9.63	1.69	5.05	1.34	2.06	1.30	10.14	20.32	12.82
74	74	Mechanical Engineering	60.54	13.48	14.40	14.49	15.67	6.43	58.04	27.00	11.08
75	75	Servicing of Debt	5,611.87	934.97	604.32	2,001.17	2,327.92	1,086.63	5,868.38	39.67	18.52
76	76	Women Welfare	159.04	2.00	2.12	2.85	102.63	5.46	109.60	93.64	4.98
77	77	Development of Underdeveloped Areas	34.63	3.97	6.77	15.58	8.30	-4.18	34.62	23.97	-12.07
78	78	Technical Education	54.45	7.06	9.71	23.66	12.90	7.15	53.33	24.19	13.41
79	79	Border Affairs	6.02	0.32	0.35	0.51	4.63	3.12	5.81	79.69	53.70
80	80	State Information Commission	3.63	0.65	0.72	0.93	0.76	0.39	3.06	24.84	12.75
81	81	Information Technology and Communications	10.45	0.81	1.58	1.78	6.41	3.46	10.58	60.59	32.70
82	82	New and Renewable Energy	48.97	1.38	1.37	23.87	41.55	40.65	68.17	60.95	59.63
Total			**26,859.54**	**4,252.50**	**4,365.23**	**6,447.51**	**8,495.24**	**4,568.35**	**23,560.48**	**36.06**	**19.39**

Source: VLC data furnished by office of Accountant General (A&E), Nagaland

Appendix 3.1

(Reference: Paragraph 3.2.2)

Details of contribution and investment under Defined Contributory Pension Scheme

(₹ in crore)

Years	Receipts					Disbursement (Transferred to NSDL)	Short transfer (-)/ Excess transfer (+)
	Opening Balance	Employees' share	Government contribution	Penal Interest & Service Charges	Total		
1	*2*	*3*	*4*	*5*	*6*	*7*	*8 (7-6)*
2010-11	-	0.17		-	0.17	0.00	0.17
2011-12	0.17	3.48		-	3.65	0.01	3.64
2012-13	3.64	11.35		-	14.99	0.00	14.99
2013-14	14.99	21.77		-	36.76	0.60	36.16
2014-15	36.16	34.83		-	70.99	11.95	59.04
2015-16	59.04	38.92		-	97.96	18.30	79.66
2016-17	79.66	47.28		-	126.94	31.57	95.37
2017-18	95.37	65.00		-	160.37	56.69	103.68
2018-19	103.68	144.91		-	248.59	111.46	137.13
2019-20	137.13	77.25	46.74	3.26	264.38	94.03	170.35
2020-21	170.35	157.41	78.14	4.30	410.20	224.59	185.61
2021-22	185.61	112.27	157.17	7.13	462.18	257.94	204.24
2022-23	204.24	137.09	202.48	11.08	554.89	332.82	222.07
2023-24	222.07	149.19	407.25	21.06	799.57	707.58	91.99
2024-25	91.99	183.12	291.79	8.47	575.37	502.62	72.75
Total	**1,404.10**			**55.30**	**3,827.01**	**2,350.16**	

Source: Finance Accounts of respective years

(Note: Penal Interest and Service charges not depicted separately in the Finance Accounts upto 2018-19)

Appendix 3.2

(Reference: Paragraph 3.4)

Details of Department-wise pendency of Utilisation Certificates (as on 31 March 2025)

(₹ in crore)

Sl. No.	Department's Name	Opening Balance		Addition		Clearance		Closing Balance	
		Nos of UC	Amount	Nos of UC	Amount	Nos of UC	Amount	Nos of UC	Amount
1	Youth Resources & Sports	23	20.24	6	28.62	5	3.33	24	45.53
2	Planning & Co-ordination Department	24	131.94	4	3.82	-	-	28	135.76
3	Justice & Law	6	0.96	1	0.03	-	-	7	0.99
4	Municipal Affairs	4	13.70	1	15.00	2	6.10	3	22.60
5	Home	44	14.84	8	5.91	1	4.00	51	16.75
6	Geology & Mining	12	17.26	1	0.04	8	15.26	5	2.04
7	Rural Development	7	19.74	1	0.30	-	-	8	20.04
8	Health & Family Welfare	10	20.30	8	18.33	4	0.39	14	38.24
9	School Education	10	18.51	3	0.95	2	0.70	11	18.76
10	Industries & Commerce	35	48.05	8	4.97	12	4.69	31	48.33
11	Civil Supply	1	0.29	1	0.21	-	-	2	0.50
12	Forest	8	3.31	8	1.89	8	3.31	8	1.89
13	Social Security and Welfare	28	21.02	6	3.36	28	21.02	6	3.36
14	Art and Culture	1	1.50	1	1.00	1	1.50	1	1.00
15	Science, Technology, Ecology and Environment	3	0.57	2	0.37	3	0.57	2	0.37
16	Rajya Sainik Board (Home Department)	2	0.12	2	0.12	2	0.12	2	0.12
17	Urban Development	2	2.35	2	2.52	2	2.35	2	2.52
18	Power	3	1.24	2	1.44	4	2.24	1	0.44
19	Woman Resources	3	0.70	1	0.30	3	0.70	1	0.30
20	Public Works Department (Housing)	1	0.42	1	0.42	1	0.42	1	0.42
21	Higher & Technical Education	2	5.30	1	5.30	1	5.30	2	5.30
22	Agriculture	9	6.89	5	3.67	14	10.56	-	-
23	Co-operation Department	5	5.00	3	2.30	8	7.30	-	-
24	Fisheries	1	0.25	-	-	1	0.25	-	-
25	Horticulture	2	0.40	-	-	2	0.40	-	-
26	Information & Public Relation	1	0.36	-	-	1	0.36	-	-
27	Information Technology & Communication	0	0.00	3	0.88	3	0.88	-	-
28	Legal Metrology & Consumer	3	1.00	2	1.25	5	2.25	-	-
	Total	**250**	**356.26**	**81**	**103.00**	**121**	**94.00**	**210**	**365.26**

Source: Finance Accounts, 2024-25 and data maintained by O/o AG(A&E), Nagaland

Appendix 3.3

(Reference: Paragraph 3.5)

Details of Age/Department-wise pending Abstract Contingent Bills (as on 31 March 2025)

(₹ in crore)

Department Name	Border Affairs		Police		Home		Youth Resources & Sports		Higher and Technical Education		Planning & Co-ordination		Industries	
Year	Amount	No. of ACs	Amount	No. of ACs	Amount	No. of ACs	Amount	No. of ACs	Amount	No. of ACs	Amount	No. of ACs	Amount	No. of ACs
2011-12	1.20	2	-	-	-	-	-	-	-	-	-	-	-	-
2012-13	-	-	9.64	1	2.39	4	-	-	-	-	-	-	-	-
2013-14	0.30	1			2.40	5	-	-	-	-	-	-	-	-
2014-15	-	-	8.19	1	9.55	3	-	-	-	-	-	-	-	-
2015-16	1.50	2	6.53	3	13.09	12	3.44	3	-	-	-	-	-	-
2016-17	0.30	1	8.14	2	9.72	16	2.75	2	0.01	1	-	-	-	-
2017-18	0.35	1	49.67	2	14.97	19	9.50	3	0.01	2	8.84	1	-	-
2018-19	-	-	3.88	2	21.00	32	1.61	2	0.01	2	-	-	0.10	1
2019-20	0.23	1	5.11	3	3.47	14	-	-	-	-	2.18	2	1.97	3
2020-21	-	-	-	-	1.03	6	-	-	-	-	-	-	-	-
2021-22	-	-	0.10	1	0.57	3	1.30	3	-	-	-	-	-	-
2022-23	-	-	-	-	10.38	20	4.50	3	0.44	1	1.00	1		
2023-24	1.00	1	3.84	3	36.80	31	7.61	8	-	-	-	-	0.25	1
2024-25	-	-	59.64	13	30.68	28	10.00	6	0.20	1	-	-	-	-
Total	**4.88**	**9**	**154.74**	**31**	**156.05**	**193**	**40.71**	**30**	**0.67**	**7**	**12.02**	**4**	**2.32**	**5**

Source: Finance Accounts, 2024-25 and data maintained by O/o AG(A&E), Nagaland

Appendix 3.3 (Continued)

(Reference: Paragraph 3.5)

Details of Age/Department-wise pending Abstract Contingent Bills (as on 31 March 2025)

(₹ in crore)

Dept Name	Election		Animal Husbandry & Veterinary		Administrative Training Institute		Tourism		Art & Culture	
Year	**Amount**	**No. of ACs**	**Amount**	**No. of ACs**	**Amount**	**No. of ACs**	**Amount**	**No. of ACs**	**Amount**	**No. of ACs**
2019-20	-	-	1.93	2	-	-	-	-	-	-
2020-21	-	-	-	-	-	-	-	-	-	-
2021-22	-	-	2.98	1	-	-	-	-	-	-
2022-23	6.88	3	0.18	2	0.15	1	-	-	-	-
2023-24	8.55	1	-	-	0.26	1	1.50	1	-	-
2024-25	40.42	6	-	-	0.73	3	8.20	4	5.00	3
Total	**55.85**	**10**	**5.09**	**5**	**1.14**	**5**	**9.70**	**5**	**5.00**	**3**

Source: Finance Accounts, 2024-25 and data maintained by O/o AG(A&E), Nagaland

Note: ***(i)*** ***AC Bills in respect of State Election Commission (4 nos amounting to ₹9.21 crore) and Chief Election Officer (6 nos amounting to ₹46.64 crore) are clubbed together under Election Department.***

(ii) ***AC Bills drawn by the Principals of various colleges (6 nos amounting to ₹0.23 crore) and Director, Higher Education (1 no amounting to ₹0.44 crore) are depicted under Higher and Technical Education Department***

(iii) ***AC Bills of the CM Secretariat (5 nos amounting to ₹8.25 crore) are depicted under Home Department***

https://cag.gov.in/ag/nagaland