



ACCOUNTS AT A GLANCE FOR THE YEAR 2016-17



GOVERNMENT OF NAGALAND

Preface

The Annual Accounts of the State Government are prepared and examined by the Principal Accountant General (A&E) under the direction of the Comptroller and Auditor General of India (C&AG) in accordance with the requirements of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 for being laid before the Legislature of the State.

The Annual Accounts consists of (a) Finance Accounts and (b) Appropriation Accounts.

Finance Accounts are summary statements of accounts under the Consolidated Fund, Contingency fund and the Public Account. The Appropriation Accounts shows the Grant-wise expenditure against provisions approved by the State Legislature and offer explanations for variations between the actual expenditure and the funds provided.

The Principal Accountant General (Accounts and Entitlements) prepares the State Finance Accounts and the Appropriation Accounts.

'Accounts at a Glance' provides a broad overview of Governmental activities, as reflected in the Finance Accounts and the Appropriation Accounts. The information is presented through brief explanations, statements and graphs.

We look forward to suggestions that would help us in improving the publications.



E.MHONBEMO PATTON
PRINCIPAL ACCOUNTANT GENERAL(A&E)

PLACE: KOHIMA
DATE :

Our Vision, Mission and Core Values

The vision of the institution of the Comptroller and Auditor General of India represents what we aspire to become

We strive to be a global leader and initiator of national and international best practices in public sector auditing and accounting and recognised for independent, credible, balanced and timely reporting on public finance and governance.

Our mission enunciates our current role and describes what we are doing today

Mandated by the Constitution of India, we promote accountability, transparency and good governance through high quality auditing and accounting and provide independent assurance to our stakeholders- the Legislature, the Executive and the Public- that public funds are being used efficiently and for the intended purposes.

Our core values are the guiding beacons for all that we do and give us the benchmarks for assessing our performance

- ▶ Independence
- ▶ Objectivity
- ▶ Integrity
- ▶ Reliability
- ▶ Professional Excellence
- ▶ Transparency
- ▶ Positive Approach

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CHAPTER I

OVERVIEW

1.1 Introduction

The Principal Accountant General (Accounts and Entitlements), Nagaland compiles the accounts of receipts and expenditure of the Government of Nagaland. This compilation is based on the initial accounts rendered by the District Treasuries, Public Works and Forest Divisions and advices of the Reserve Bank of India. Following such compilation, the Principal Accountant General (A&E) prepares, annually, the Finance Accounts and the Appropriation Accounts, which are placed before the State Legislature after audit by the Accountant General (Audit) Nagaland and certification by the Comptroller and Auditor General of India.

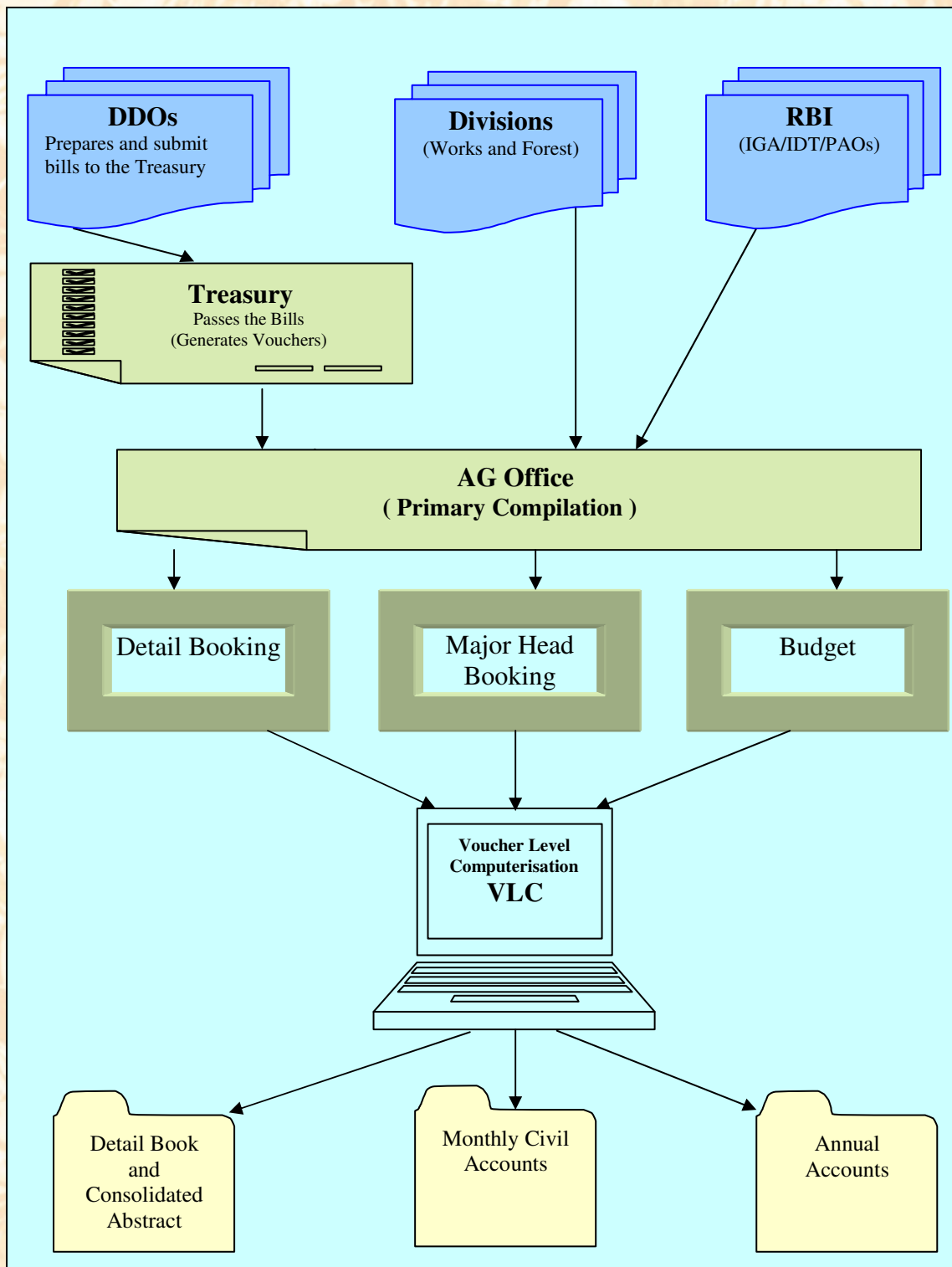
1.2 Structure of Accounts

1.2.1 Government Accounts are kept in three parts:

Part - I CONSOLIDATED FUND	Receipts and Expenditure on Revenue and Capital Account, Public Debt and Loans and Advances.
Part - II CONTINGENCY FUND	Intended to meet unforeseen expenditure not provided for in the budget. Expenditure from this Fund is recouped subsequently from the Consolidated Fund.
Part - III PUBLIC ACCOUNT	Comprises of Debt, Deposits, Advances Remittances and Suspense transactions. Debt and Deposits represent repayable liabilities of the Government. Advances are receivables of the Government. Remittances and Suspense transactions are adjusting entries that are to be cleared eventually by booking to the final heads of account.

1.2.2 Compilation of Accounts

Flow Diagram for Account Compilation



1.3 Finance Accounts and Appropriation Accounts

1.3.1 Finance Accounts

The Finance Accounts depict the receipts and disbursements of the Government for the year, together with the financial results disclosed by the revenue and capital accounts, public debt and public account balances recorded in the accounts. The Finance Accounts have been issued in two volumes, to make them more comprehensive and informative. Volume - I of the Finance Accounts contains the certificate of the Comptroller and Auditor General of India, summarised statements of overall receipts and disbursements and 'Notes to accounts' containing summary of significant accounting policies, quality of accounts and other items; Volume - II contains two Parts-nine detailed statement in Part-I and thirteen Appendices in Part-II.

Receipts and disbursements of the government of Nagaland as depicted in the Finance Accounts 2016-17 are given below.

(₹ in crore)

Receipt (Total : 9728)	Revenue (Total : 9442)	Tax Revenue	3,543
		Non Tax Revenue	346
		Grants-in-Aid	5,553
	Capital (Total : 285)	Recovery of Loans and Advances	1
		Borrowings and other Liabilities *	285
Disbursement (Total : 9728)	Revenue	8,652	
	Capital	1,076	
	Loans and Advances	...	

* 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

The Union Government transfers substantial funds directly to State Implementing Agencies/ NGOs for implementation of various schemes and programmes. This year, the Government of India directly released ₹ 367 crore (₹ 111 crore last year). Since these funds are not routed through the State Budget, they are not reflected in the accounts of the State Government. These transfers are now exhibited in Appendix VI of Volume II of the Finance Accounts.

1.3.2 Appropriation Accounts

The Appropriation Accounts bring out the expenditure of the State Government against amounts voted and charged by the State Legislature, and supplement the Finance Accounts. These comprise accounts of 4 charged Appropriations, 2 charged and voted and 76 voted Grants.

Appropriation Act, 2016-17, had projected gross provision of ₹ 17,063 crore, including Supplementary Grants totaling ₹ 3,404 crore, during the year. An amount of ₹ 15 crore was estimated as recoveries in reduction of expenditure.

Appropriation Accounts 2016-17, show disbursements aggregating ₹ 14,811 crore against the aggregate budget provision of ₹ 17,063 crore, resulting in saving of ₹ 2,252 crore against Grant and Appropriations. There were excess of ₹ 58 crore in Grants and Appropriation. The major excess ₹ 28 crore (2 per cent) was under Police Department, ₹ 45 crore (1 per cent) under Servicing of Debt.

Recoveries in reduction of expenditure amounted to ₹ 18 crore (Actual) reflecting an increase of ₹ 3 crore vis-à-vis budget estimates.

1.4 Sources and Application of Funds

1.4.1 Ways and Means Advances

The Reserve Bank of India (RBI) extends the facility of Ways and Means Advances (WMA) to enable State Governments to maintain their liquidity. Overdraft (OD) facilities are provided when there is a shortfall in the agreed minimum cash balance (₹ 0.25 crore) maintained with the RBI. During 2016-17, the Government of Nagaland availed ₹ 4,104 crore and ₹ 158 crore for WMA and OD facilities respectively. This has to be viewed against the fact that there were savings totaling ₹ 2,252 crore in almost all 72 grants, resulting in a shortfall of 13 *per cent* in expenditure against estimates.

1.4.2 Fund flow statement

The State had a Revenue Surplus of ₹ 790 crore and a Fiscal Deficit of ₹ 285 crore representing 4 *per cent* and 1 *per cent* respectively of the Gross State Domestic Product (GSDP)*. The Fiscal Deficit constituted 3 *per cent* of total expenditure. This deficit was met from Public Debt [₹ 380 crore (Credit)], decrease in Public Account [₹ 24 crore (Debit)], and net of opening and closing cash balance [₹71 crore (Debit)]. Around 58 *per cent* of the revenue receipts (₹ 9,442 crore) of the State Government was spent on committed expenditure like salaries (₹ 3,750 crore), interest payments (₹ 636 crore) and pensions ₹ 1,093 crore).

* Except where indicated otherwise, GSDP figures used in this publication are adopted from the Economics and Statistics Department, Government of Nagaland

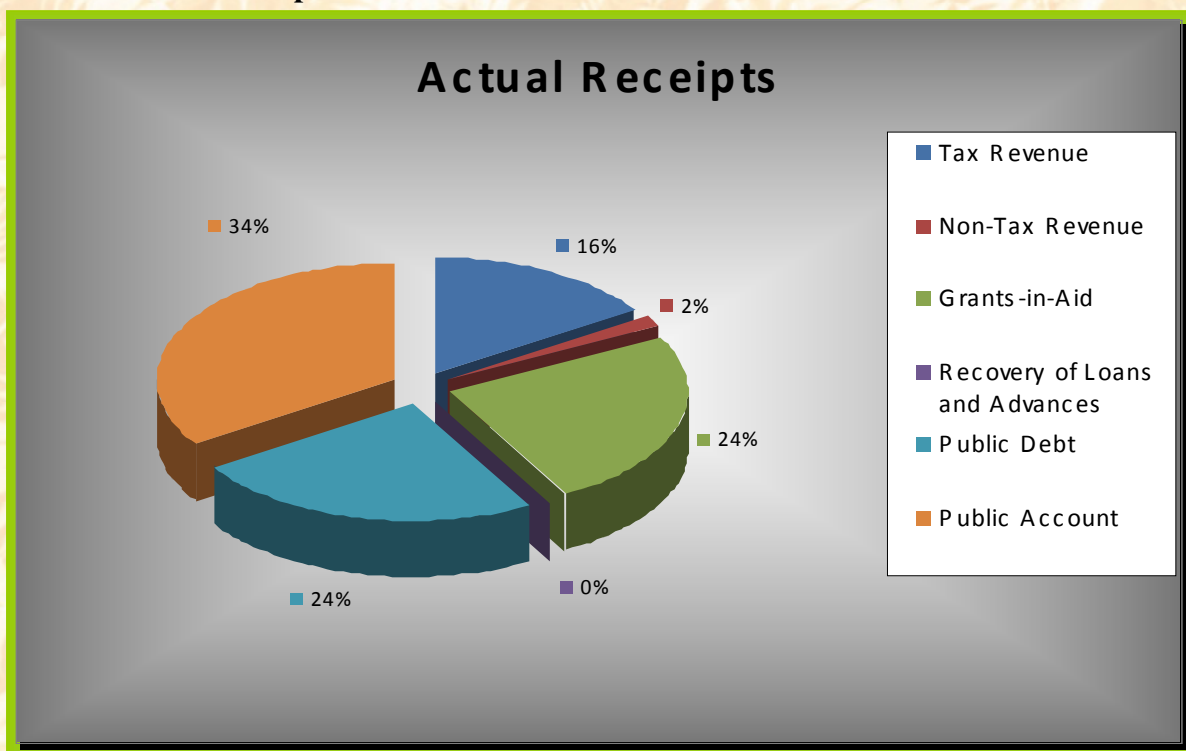
Sources and Application of Funds

(₹ in crore)

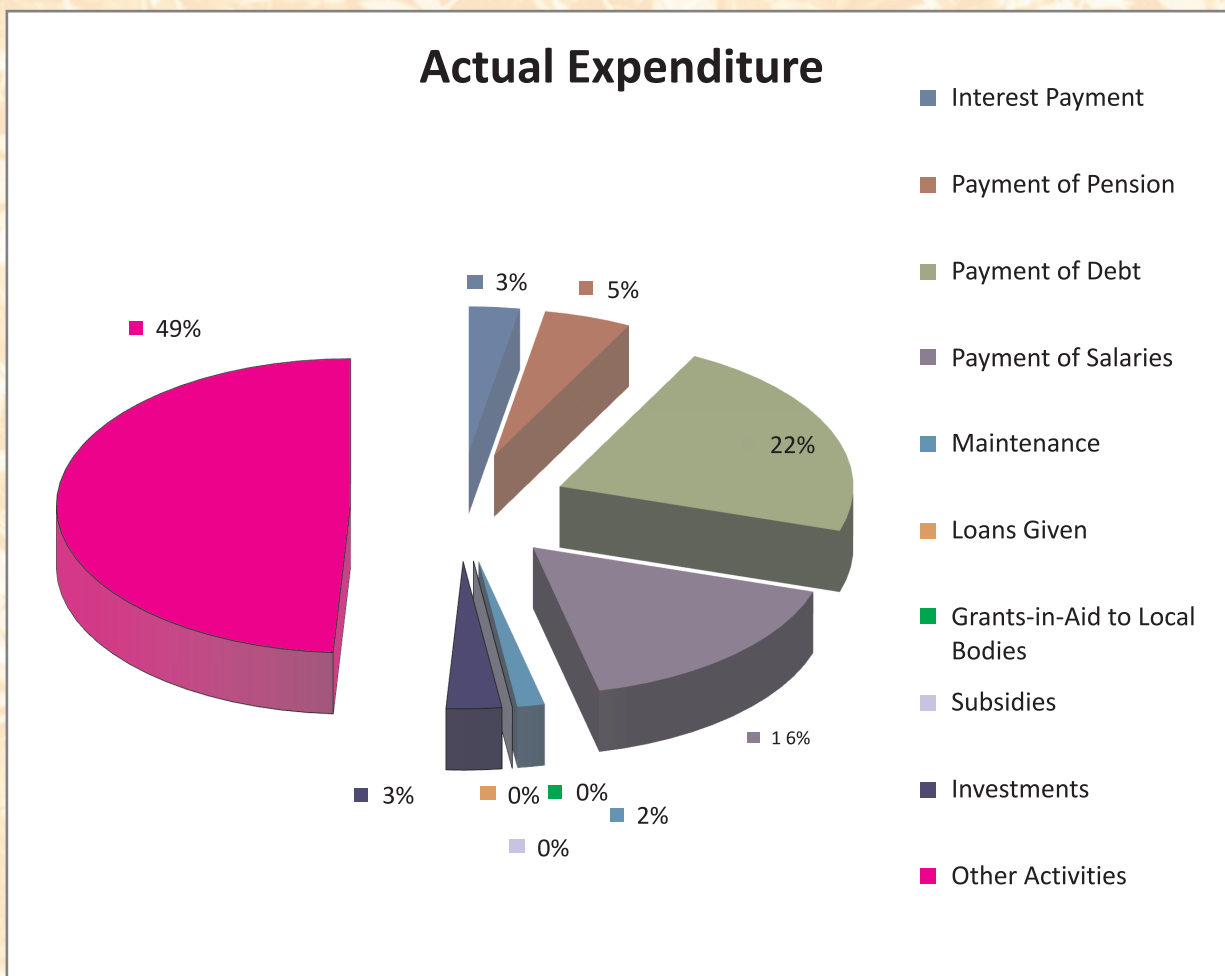
SOURCES	PARTICULARS	AMOUNT
	Opening Cash Balance as on 01-04-2016	156
	Revenue Receipts	9,442
	Recovery of Loans & Advances	1
	Public Debt	5,444
	Small Savings Provident Fund & Others	310
	Reserves & Sinking Funds	251
	Deposits Received	509
	Civil Advances Repaid	15
	Suspense Account	4,802
	Remittances	1,799
	Contingency Fund	...
	TOTAL	22,729

APPLICATION	Revenue Expenditure	8,652
	Capital Expenditure	1,076
	Loans Given	...
	Repayment of Public Debt	5,065
	Small Savings Provident Fund & Others	280
	Reserves & Sinking Funds	251
	Deposits Spent	517
	Civil Advances Given	14
	Suspense Account	4,880
	Remittances	1,767
	Closing Cash Balance as on 31-03-2017	227
	TOTAL	22,729

1.4.3 Where the Rupee comes from



1.4.4 Where the Rupee went



1.5

Highlights of Accounts

(₹ in crore)

	B.E.2016-17	Actuals	Percentage of actuals to B.E	Percentage of actuals to GSDP(\$)
1. Tax Revenue (@)	3532	3543	100	17
2. Non-Tax Revenue	261	346	133	2
3. Grants-in-aid & Contributions	6776	5553	82	26
4. Revenue Receipts (1+2+3)	10,569	9442	89	45
5. Recovery of Loans and Advances	3	1	33	...
6. Borrowings & other Liabilities (A)	541	285	53	1
7. Capital Receipts (5+6)	544	286	53	1
8. Total Receipts(4+7)	11,113	9728	88	46
9. Non-Plan Expenditure (*)	7189	6920	96	33
10. NPE on Revenue Account	7189	6920	96	33
11. NPE on Interest Payments out of 10	837	636	76	3
12. NPE on Capital Account	...	...	...	...
13. Plan Expenditure (*)	3924	2808	72	13
14. PE on Revenue Account	2476	1732	70	8
15. PE on Capital Account	1448	1076	74	5
16. Total Expenditure (9+13)	11,113	9728	88	46
17. Revenue Expenditure (10+14)	9665	8652	90	41
18. Capital Expenditure(12+15) (#)	1448	1076	74	5
19. Revenue Surplus (4-17)	904	790	87	4
20. Fiscal Deficit (4+5-16)	(-)541	(-)285	53	1

@ Includes State's share of Union Taxes/Duties of ₹ 3,032 crore.

(\$) GSDP figure ₹ 21,119 crore adopted from the Economics and Statistics Department, Government of Nagaland.

(#) Expenditure on Capital Account includes Capital Expenditure budget (₹ 0.40 crore) and Loans and Advances disbursed (₹ 0.19 crore).

(*) Expenditure includes ₹ 0.00 crore under Plan which pertains to Loans and Advances.

(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.

1.6 What the deficits and surpluses indicate?

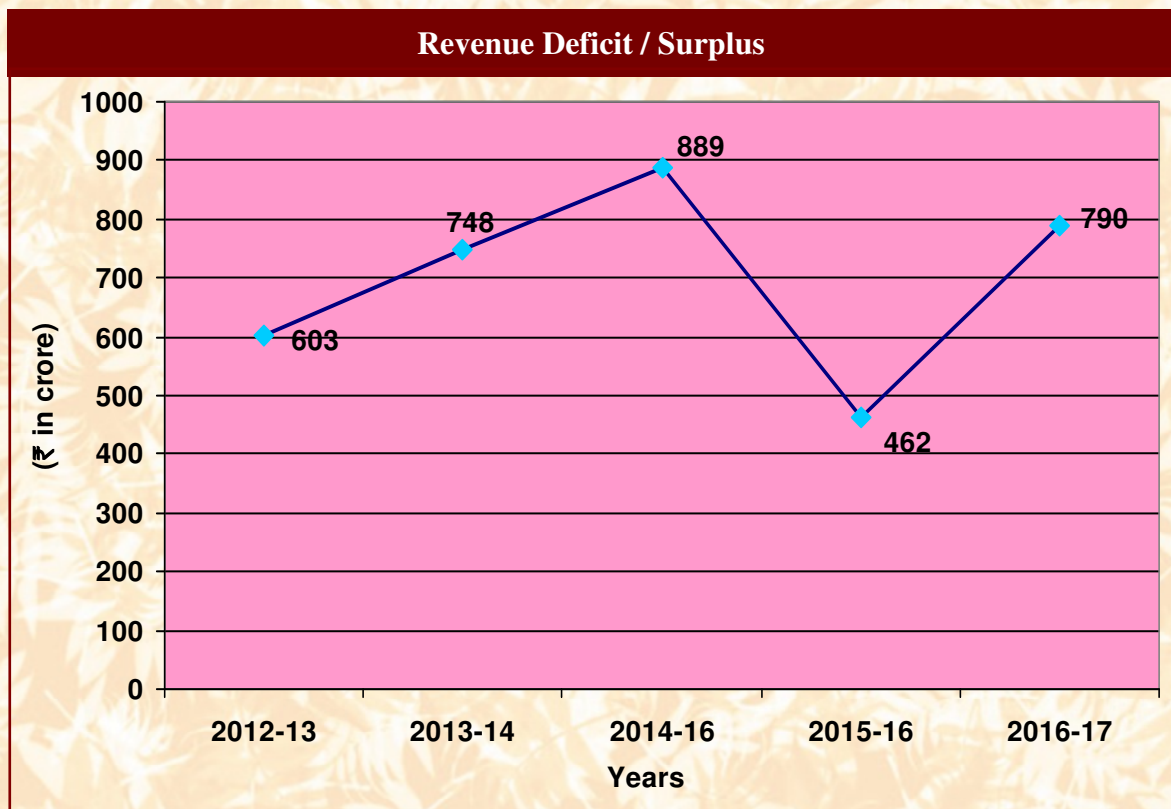
Deficit	Refers to the gap between Revenue and Expenditure. The kind of deficit, how the deficit is financed and application of funds are important indicators of prudence in Financial Management
Revenue Deficit/Surplus	Refers to the gap between Revenue Receipts and Revenue Expenditure. Revenue Expenditure is required to maintain the existing establishment of Government and ideally, should be fully met from Revenue Receipts.
Fiscal Deficit/Surplus	Refers to the gap between Total Receipts (excluding borrowings) and Total Expenditure. This gap, therefore, indicates the extent to which expenditure is financed by borrowings and ideally, the borrowings should be invested in capital projects

Deficit Indicators, Revenue Augmentation and Expenditure Management are major yardsticks for judging the fiscal performance of the Government. The FC-XIV had recommended that the States achieve revenue balance by 2011-12 and increase Gross Fiscal Deficit to 3 *per cent* of GSDP by 2016-17. In view of the economic slow-down, the Government of India further relaxed the acceptable ceiling for the Fiscal Deficit-GSDP ratio to 3 *per cent* in 2015-16 and to 2 *per cent* in 2016-17.

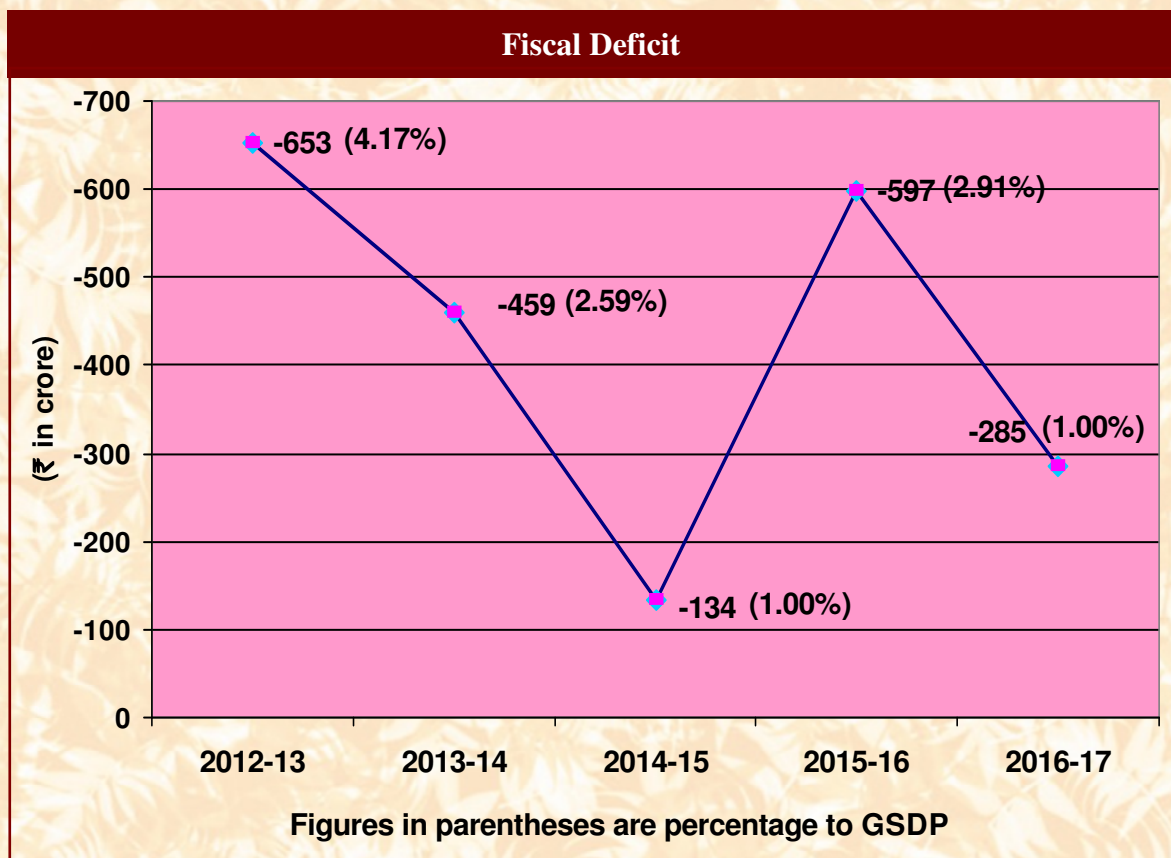
To encourage State Governments to achieve these goals, the Government of India extended Debt Consolidation and Relief Facility (DCRF) to States, under which successful State Governments would receive relief on repayment of principal and /or interest.

The State Government was successful in achieving the Revenue Surplus target as early as in 2007-09 and maintained it. In respect of fiscal deficit 2016-17, State Government achieved 1 *per cent* of GSDP against 3 *per cent* of GSDP as recommended by the FC-XIV.

1.6.1 Trend of Revenue Deficit / Surplus



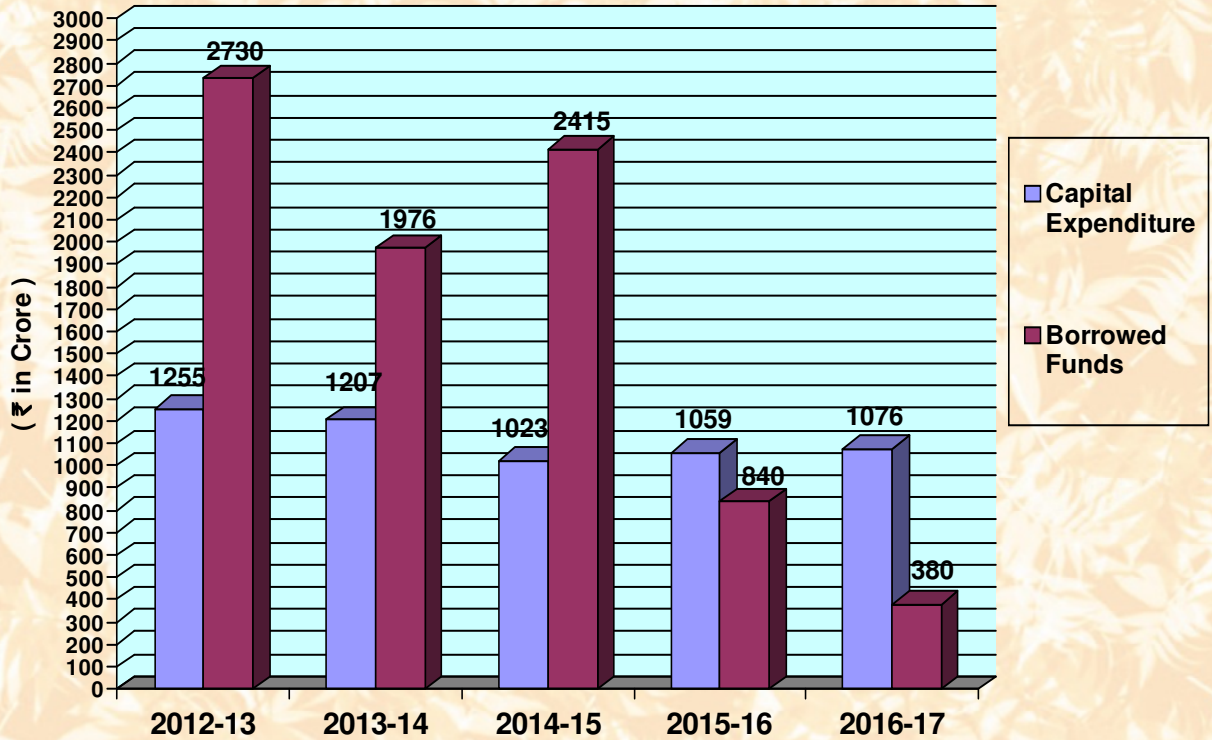
1.6.2 Trend of Fiscal Deficit



1.6.3

Proportion of borrowed funds spent on Capital expenditure.

Borrowed funds spent on Capital Expenditure



It is desirable to fully utilise borrowed funds for the creation of capital assets, and to use revenue receipts for the repayment of principal and interest. The Government, however, spent 7 per cent of the borrowings of the current year (₹ 380 crore) on capital expenditure (₹ 1076 crore) and 75 per cent of the public debt (₹ 5065 crore) was utilised on the following: to repay the principal and interest on public debt of previous years, to meet periodic shortfalls of revenues against expenditure in the current year, to maintain a positive cash balance at the end of the year and to invest in treasury bills.

CHAPTER II

RECEIPTS

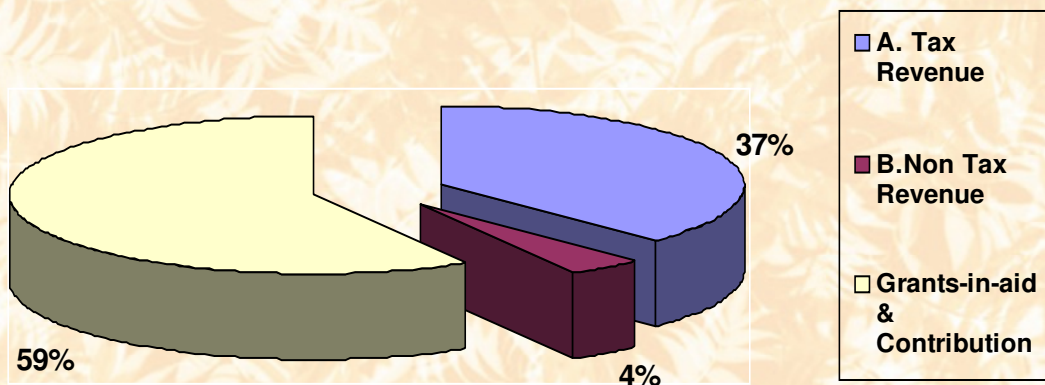
2.1 Introduction

Receipts of the Government are classified as Revenue Receipts and Capital Receipts. Total Receipts for 2016-17 were ₹ 9728 crore.

2.2 Revenue Receipts

Tax Revenue	➤ Comprises Taxes and Duties collected and retained by the State and State's share of Union Taxes and Duties under Article 280(3) of the Constitution.
Non-Tax Revenue	➤ Includes Interest Receipts, Dividends, Profits etc.
Grants-in-Aid	➤ Essentially, a form of Central Assistance to the State Government from the Union Government. Includes 'External Grant Assistance' and 'Aid, Material & Equipment' received from foreign Governments and channelised through the Union Government. In turn, the State Governments also give Grants-in-aid to institutions like Panchayati Raj Institutions, Autonomous bodies etc.

REVENUE RECEIPTS



Revenue Receipt Components (2016-17)

(₹ in crore)

Components	Actuals
A. Tax Revenue	3,543
Taxes on Income & Expenditure	1,680
Taxes on Property & Capital Transactions	5
Taxes on Commodities & Services	1,858
B. Non-Tax Revenue	346
Interest Receipts, Dividends and Profits	7
General Services	49
Social Services	131
Economic Services	159
C. Grants-in-aid & Contributions	5,553
Total - Revenue Receipts	9,442

2.3 Trend of Receipts

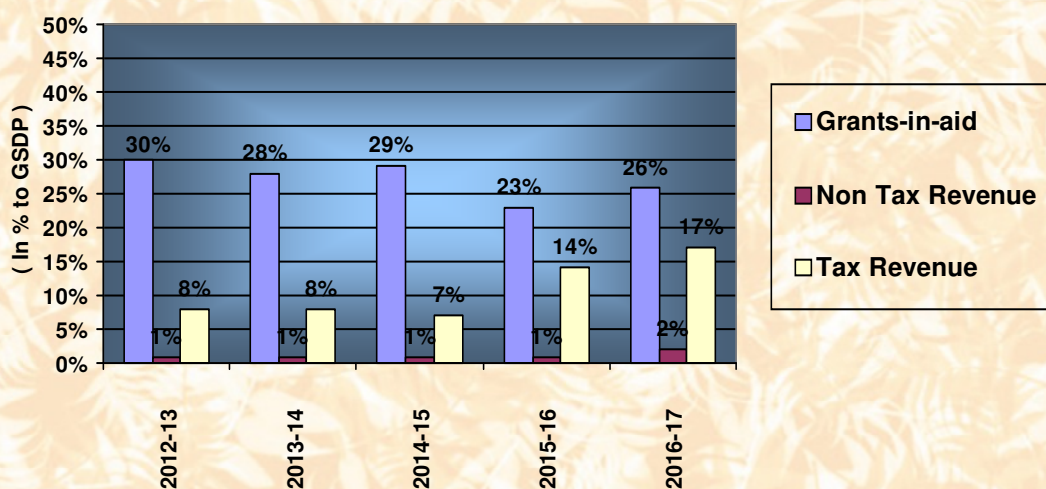
(₹ in crore)

	2012-13	2013-14	2014-15	2015-16	2016-17
Tax Revenue	1257 (9)	1334 (8)	1451 (8)	2968 (14)	3543 (17)
Non-Tax Revenue	207 (1)	217 (1)	271 (1)	257 (1)	346 (2)
Grants-in-aid	4740 (35)	4947 (30)	5929 (32)	4819 (23)	5553 (26)
Total Revenue Receipts	6204 (46)	6498 (39)	7651 (42)	8044 (39)	9442 (45)
GSDP	13619	16612	18414	20524	21119

Note: Figures in parentheses represent percentage to GSDP

Though the GSDP increased by 3 per cent between 2015-16 and 2016-17, growth in revenue collection was 21 per cent. Tax revenue increased by 19 per cent, and non-tax revenue by 35 per cent. The State's own revenue under certain tax components, like Taxes on Vehicles (₹ 4 crore) and Taxes on sales, Trades etc. (₹ 72 crore) showed a higher trend. Increase in Non-Tax Revenue in 2016-17 (₹ 89 crore) over the previous year was mainly on Education, Sports, Art & Culture (₹ 43 crore), and Police (₹ 30 crore).

Components under Revenue Receipts as proportion to GSDP

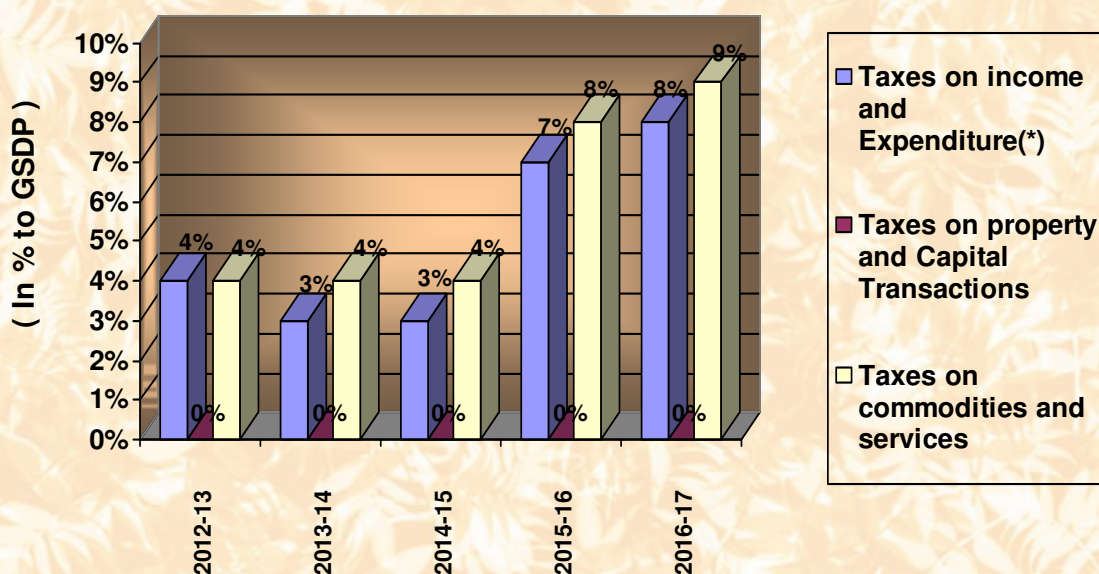


Sector-wise Tax Revenue

(₹ in crore)

	2012-13	2013-14	2014-15	2015-16	2016-17
Taxes on Income and Expenditure	554	587	664	1,398	1,680
Taxes on Property and Capital Transactions	3	3	4	3	5
Taxes on Commodities and Services	700	744	783	1,567	1,858
Total Tax Revenue	1,257	1,334	1,451	2,968	3,543

Trend of Major Taxes in proportion to GSDP



(*) Primarily net proceeds of Central share to the State.

2.4 Performance of State's own tax revenue collection

(₹ in crore)

Year	Tax Revenue	State Share of Union Taxes/ Duties	State's Own Tax Revenue	
			Rupees	Percentage to GSDP
(1)	(2)	(3)	(4)	(5)
2012-13	1257	917	340	2.17%
2013-14	1334	1001	333	1.88%
2014-15	1451	1062	389	1.94%
2015-16	2968	2541	427	2.08%
2016-17	3543	3032	511	2.42%

The ratio of the State's Own Tax buoyancy with respect to GSDP was 0.86 per cent in 2015-16 which increased to 6.76 per cent in 2016-17.

2.5 Efficiency of Tax Collection

A. Taxes on Property and Capital Transactions

(₹ in crore)

	2012-13	2013-14	2014-15	2015-16	2016-17
Revenue Collection	3	3	4	3	5
Expenditure on Collection	0	0	0	0	1

B. Taxes on Commodities and Services

(₹ in crore)

	2012-13	2013-14	2014-15	2015-16	2016-17
Revenue Collection	700	744	783	1,567	1,858
Expenditure on Collection	12	13	13	15	16
Efficiency of Tax Collection	2%	2%	2%	1%	1%

Taxes on Commodities and Services form a major chunk of tax revenue. Tax collection efficiency is excellent. In respect of Taxes on Property and Capital Transactions expenditure on tax collection was less than that of the tax collected.

2.6 Trend in State's Share of Union Taxes over the past five years

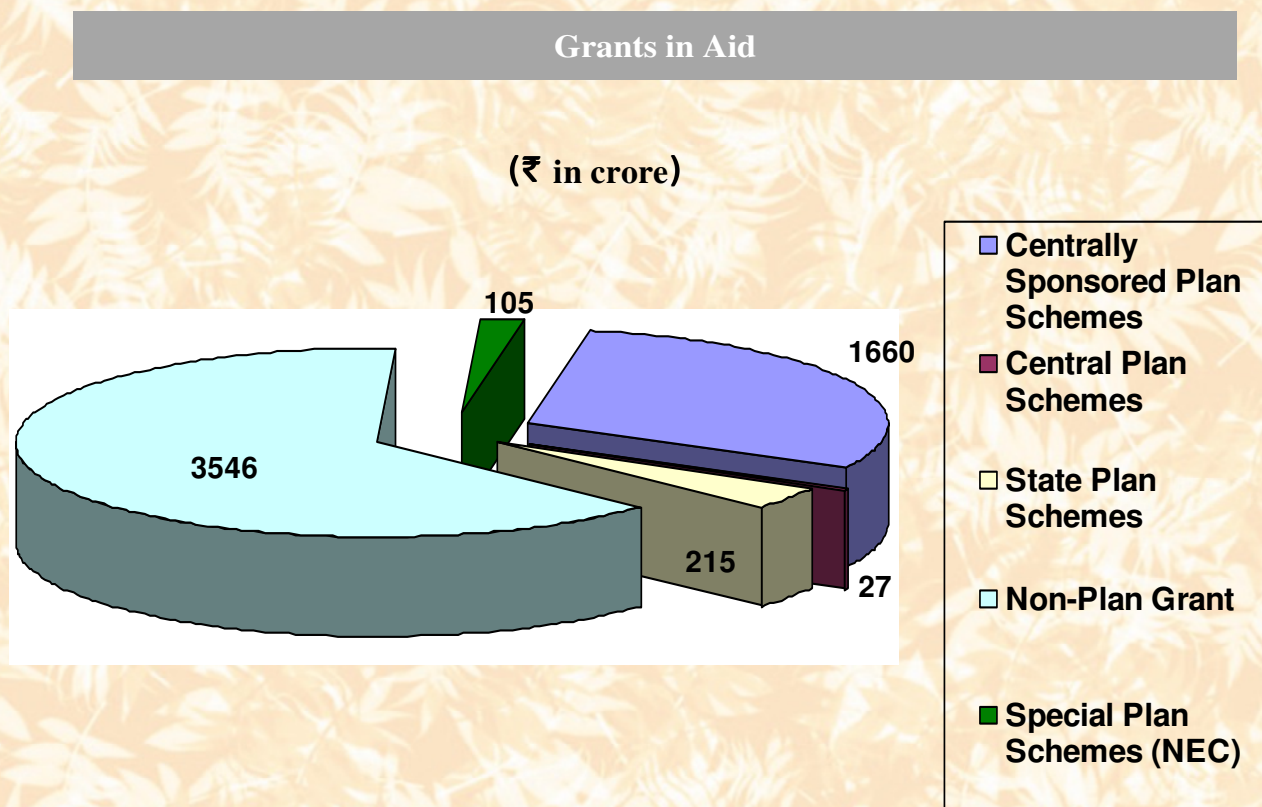
(₹ in crore)

Major Head Description	2012-13	2013-14	2014-15	2015-16	2016-17
Corporation Tax	330	337	371	805	973
Taxes on Income other than Corporation Tax	197	222	265	564	676
Taxes on Wealth	...	1	1	...	2
Customs	152	163	172	405	419
Union Excise Duties	104	115	97	333	478
Service Tax	133	163	156	433	484
Other Taxes and Duties on Commodities and Services	1	...	...	1	...
State Share of Union Taxes	917	1001	1062	2541	3032
Total Tax Revenue	1257	1334	1451	2968	3543
Per cent of Union Taxes to Total Tax Revenue	73	75	73	86	86

Central tax transfer to the State increased by ₹ 491 crore (19 per cent) from ₹ 2,541 crore in 2015-16 to ₹ 3,032 crore in 2016-17. The Percentage Share of State's Own Resources and the Central transfer in Revenue receipts of the State exhibited relative stability during the last five years (2012-17).

2.7 Grants-in-aid

Grants-in-aid represent assistance from the Government of India, and comprise, Grants for State Plan Schemes, Central Plan Schemes and Centrally Sponsored Schemes approved by the Planning Commission and State Non-plan Grants recommended by the Finance Commission. Total receipts during 2016-17 under Grants-in-aid were ₹ 5,553 crore as shown below:



Grants-in-aid from Govt. of India have increased by ₹ 734 crore (15 per cent) from ₹ 4,819 crore in 2015-16 to ₹ 5,553 crore in 2016-17 contributing 8 per cent of the total Revenue Receipts during 2016-17. This increase was mainly on for Centrally Sponsored Plan Schemes (₹ 457 crore), Central Plan Schemes (₹ 9 crore), grants for State Plan Schemes (₹ 22 crore), Non-Plan grants (₹ 235 crore) and grants for Special Plan Schemes (₹ 11 crore).

2.8 Public Debt

Trend of Public Debt over past 5 years

(₹ in crore)

Description	2012-13	2013-14	2014-15	2015-16	2016-17
Internal Debt	409	562	126	862	401
Central Loans	(-)22	(-)23	(-)16	(-)22	(-)21
Total Public Debt	387	539	110	840	380

Note: Negative figures indicate that repayment is in excess of receipts.

In 2016-17, nine loans totaling ₹ 1,070 crore at interest rates varying from 7.98 per cent to 6.89 per cent and redeemable in the years 2026 and 2027 were raised at par.

Against the net internal debt of ₹ 401 crore (Receipt ₹ 5,444 crore – Repayment ₹ 5,043 crore) of State Government in 2016-17, capital expenditure was ₹ 1,076 crore indicating that the rest of the capital expenditure was made from Revenue of the Government.

CHAPTER III

EXPENDITURE

3.1 Introduction

Expenditure is classified as Revenue Expenditure and Capital Expenditure. Revenue expenditure is used to meet the day-to-day running of the State Government. Capital expenditure is used to create permanent assets, or to enhance the utility of such assets, or to reduce permanent liabilities. Expenditure is further classified under Plan and Non-Plan.

General Services	Includes Justice, Police, Jail, PWD, Pension etc.
Social Services	Includes Education, Health & Family Welfare, Water Supply, Welfare of SC-ST etc.
Economic Services	Includes Agriculture, Rural Development, Irrigation, Co-operation, Energy, Industries, Transport etc.

3.2 Revenue Expenditure

Revenue expenditure of the State had increased by ₹ 3051 crore (54 *per cent*) from ₹ 5601 crore in 2012-13 to ₹ 8652 crore in 2016-17 at a compound annual growth rate of 11 *per cent*.

The shortfall of budget estimates against expenditure under Revenue section during the past five years is given below:

(₹ in crore)

	2012-13	2013- 14	2014-15	2015-16	2016-17
Budget Estimates	5284	6184	7911	8,662	9,665
Actuals	5601	5750	6762	7,582	8,652
Gap	317	434	1149	1,080	1,013
Per cent of gap over BE	6	7	15	12	10

Nearly 63 *per cent* of total revenue expenditure of the State Government was spent on committed expenditure like salaries, interest payments and pensions. Non-Plan revenue expenditure has shown an increase over the period 2012-2017. Of the total increase of ₹ 1070 crore in revenue expenditure during 2016-17 over the previous year, increase (14 *per cent*) on NPRES contributed 7 *per cent* (₹ 461 crore) and PRE accounted for 54 *per cent* (₹ 609 crore). The actual PRE exceeded the normative assessment made by FC-XIV by ₹ 944 crore (12 *per cent*).

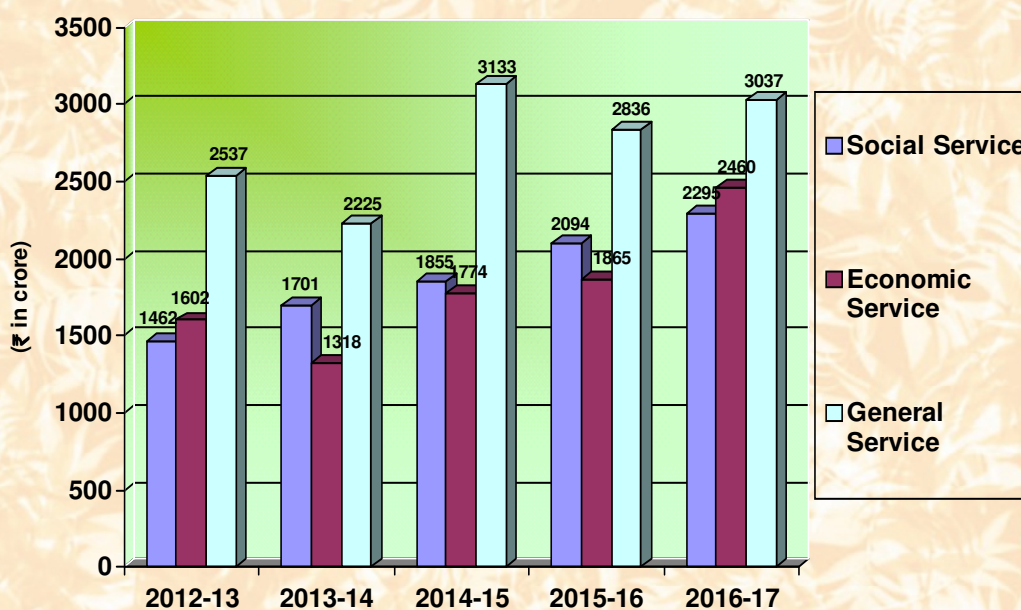
3.2.1 Sectoral distribution of Revenue Expenditure (2016-17)

(₹ in crore)

Components	Amount	Percentage
A. Fiscal Services	65	1
(i) Collection of Taxes on Property and Capital transactions	19	...
(ii) Collection of Taxes on Commodities and Services	46	...
(iii) Other Fiscal Services	...	...
B. Organs of State	93	1
C. Interest Payments and Servicing of debt	861	10
D. Administrative Services	1,780	21
E. Pensions and Miscellaneous General Services	1,098	13
F. Social Services	2,295	26
G. Economic Services	2,460	28
H. Grants-in-aid and Contributions	...	...
Total Expenditure (Revenue Account)	8,652	100

3.2.1 Major Component of Revenue Expenditure (2012-2017)

Trend of Major Component of Revenue Expenditure



* General Services excludes MH 2048 (Appropriation for reduction or avoidance of debt), MH 2049 (Interest payments)

3.3 Capital Expenditure

Capital disbursements for 2016-17 at 5 per cent of GSDP were less than Budget Estimates by ₹ 372 crore due to less disbursement under Plan Expenditure on Capital account.

3.3.1 Sectoral distribution of Capital Expenditure

During 2016-17, Government spent ₹ 1,076 crore excluding loans and advances and had invested ₹ 1 crore in various Corporations/ Companies and Societies at the end of March 2017. The average returns on this investment was nil during the last five years while the Government paid an average interest rate of 7.43 per cent on its borrowing during 2016-17.

(₹ in crore)

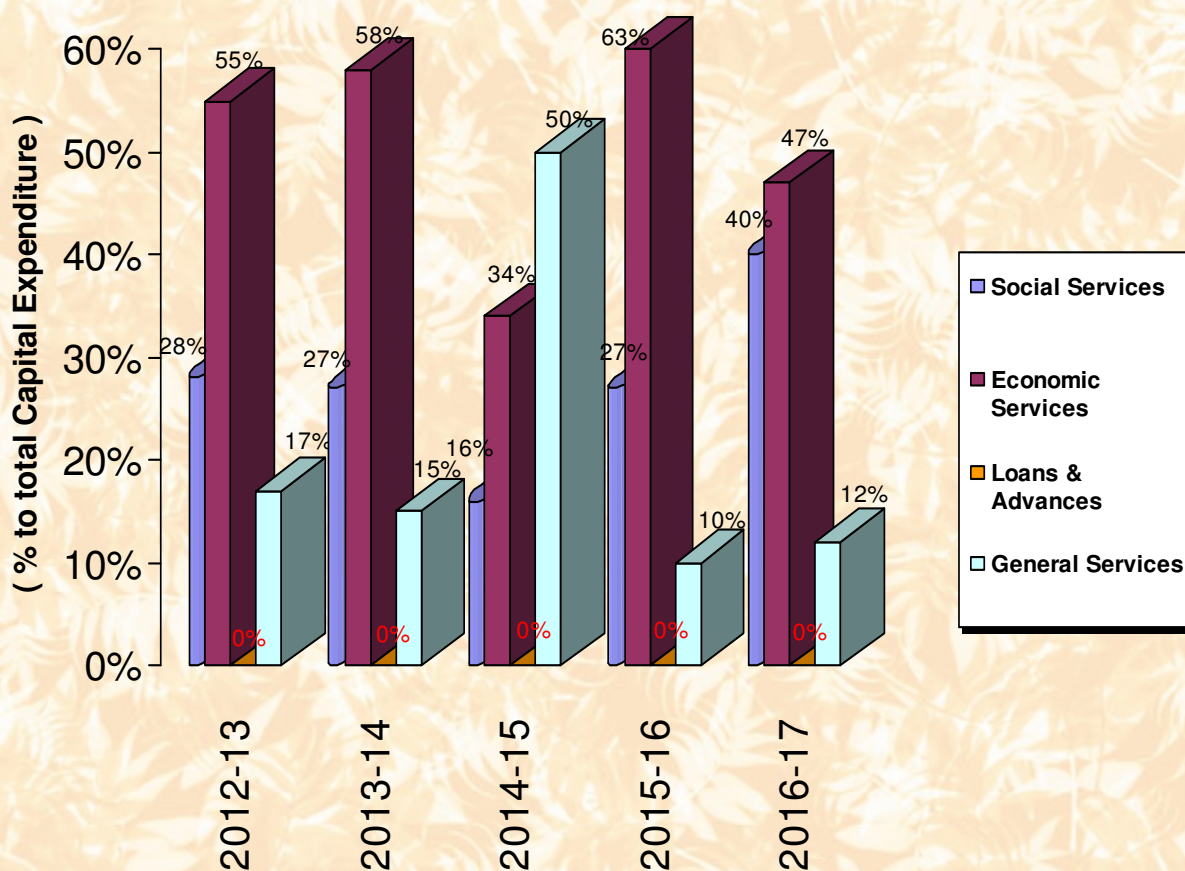
Sl.No.	Sector	Amount	Percentage
1	General Services-Police, Land Revenue etc.	133	12
2	Social Services-Education, Health & Family Welfare, Water Supply,, Welfare of SC/ST etc.	432	40
3	Economic Services-Agriculture, Rural Development, Irrigation, Co-operation, Energy, Industries, Transport etc.	511	48
4	Loans and Advances Disbursed	...	...
Total		1076	100

3.3.2 Sectoral distribution of capital expenditure over the past 5 years

(₹ in crore)

SI No	Sector	2012-13	2013-14	2014-15	2015-16	2016-17
1	General Services	211	181	161	106	132
2	Social Services	347	325	351	287	432
3	Economic Services	697	701	511	666	512
4	Loans and Advances	2	1	...	...	...
Total		1257	1208	1023	1059	1076

Trend of Sectoral Distribution of Capital Expenditure

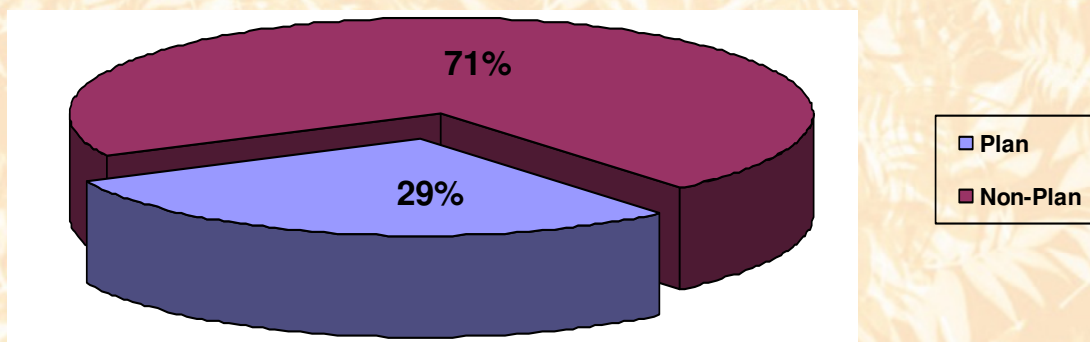


CHAPTER IV

PLAN & NON PLAN EXPENDITURE

4.1 Distribution of Expenditure (2016-2017)

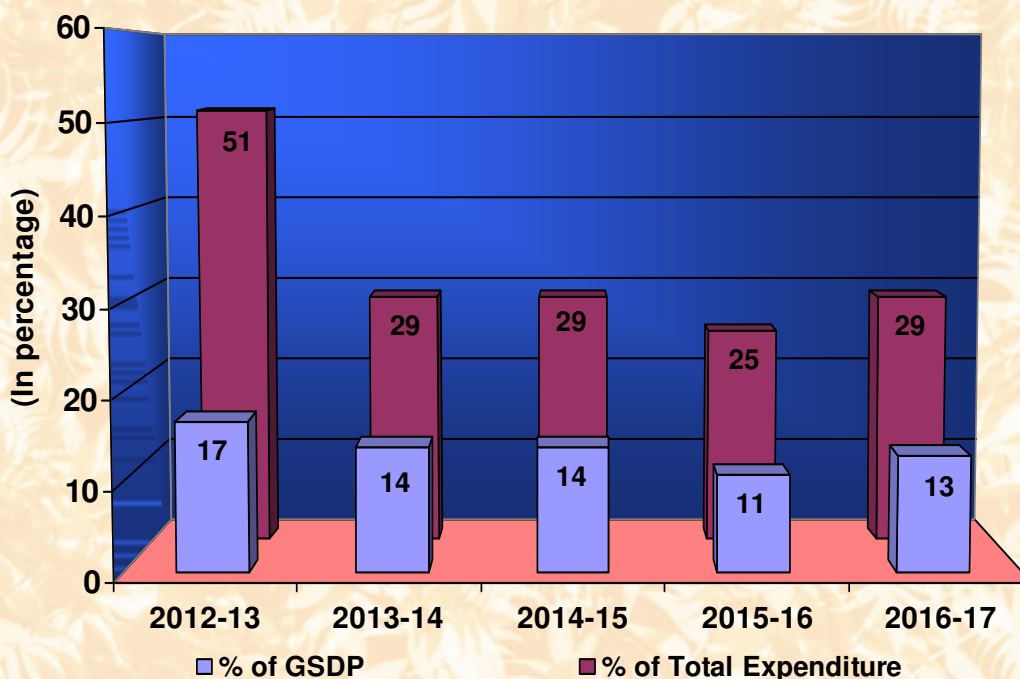
Distribution of Expenditure



4.2 Plan Expenditure

During 2016-2017, Plan Expenditure, representing 29 per cent of total disbursements, was ₹ 2,808 crore, (₹ 950 crore under State Plan and ₹ 1,858 crore under Centrally Sponsored Plan Schemes and ₹ 0.00 crore under Loans and Advances).

Plan Expenditure as proportion of total expenditure and GSDP



4.2.1 Plan Expenditure under Capital Account

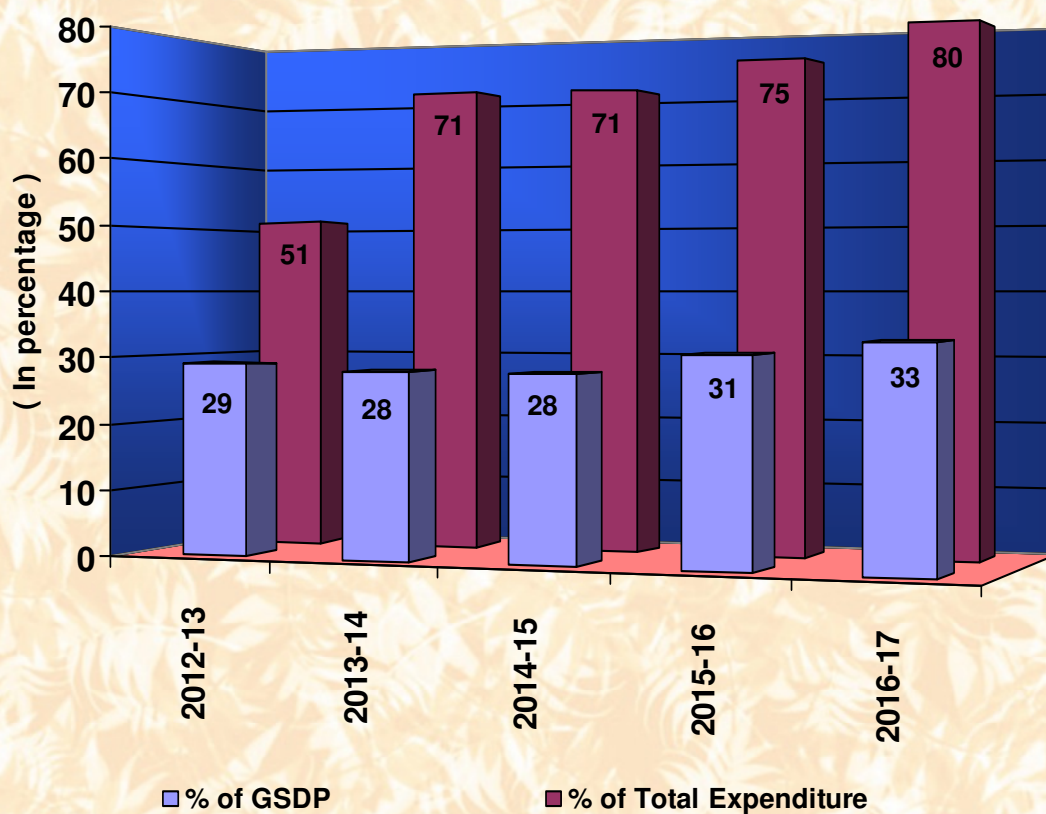
(₹ in crore)

	2012-13	2013-14	2014-15	2015-16	2016-17
Total Capital Expenditure	1257	1208	1023	1059	1076
Capital Expenditure (Plan)	1251	1189	1023	1059	1076
Per cent of Capital Expenditure (Plan) to Total Capital Expenditure	100	98	100	100	100

4.3 Non - Plan Expenditure

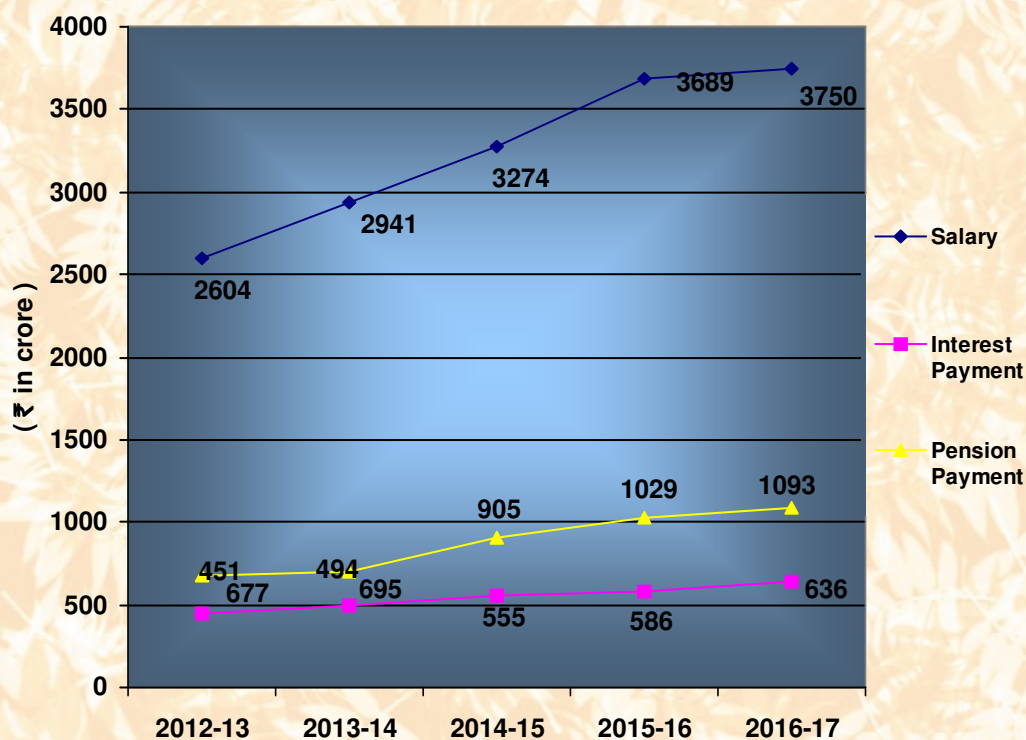
Non-Plan Expenditure during 2016-2017, representing 80 per cent of total disbursements, was ₹ 6920 crore under of Revenue Account.

Non Plan Expenditure as proportion of total expenditure and GSDP



4.4 Committed Expenditure

Trend of Committed Expenditure



(₹ in crore)

Component	2012-13	2013-14	2014-15	2015-16	2016-17
Committed Expenditure	3732	4130	4735	5304	5479
Revenue Expenditure	5601	5750	6762	7582	8652
Per cent of committed expenditure to Revenue Receipts	60	64	62	66	58
Per cent of committed expenditure to Revenue expenditure	67	72	70	70	63

The steep upward trend on committed expenditure leaves the government with lesser flexibility for developmental spending.

CHAPTER V

APPROPRIATION ACCOUNTS

5.1 Summary of Appropriation Accounts for 2016-17

(₹ in crore)

Sl No.	Nature of Expenditure	Original grant	Supplementary grant	Re-appropriation	Total	Actual expenditure	Savings(-) Excesses(+)
1	Revenue Voted	8598	539	...	9137	7789	(-)1348
	Charged	1082	2	...	1084	881	(-)203
2	Capital Voted	1448	374	...	1822	1076	(-)746
	Charged	...	...	...	...	...	...
3	Public Debt Charged	2531	2489	...	5020	5065	(+)45
4	Loans and Advances Voted	...	...	...	...	...	...
	Total	13659	3404	...	17063	14811	(-)2252

5.2. Trend of Savings/Excess during the past five years

(₹ in crore)

Year	Savings(-) / Excess (+)				Total
	Revenue	Capital	Public Debt.	Loans & Advances	
2012-13	(-)225	(-)1101	(+)10	(-)1	(-)1317
2013-14	(-)802	(-)744	(-)851	(-)3	(-)2400
2014-15	(-)1470	(-)1422	(+)3	(-)4	(-)2893
2015-16	(-)1497	(-)760	(+)178	...	(-)2079
2016-17	(-)1551	(-)746	(+)45	...	(-)2252

5.3 Significant Savings

Substantial savings under a grant indicates either non-implementation or slow implementation of certain schemes/ programmes.

Some grants with persistent and significant savings are given below:

Revenue/Capital Section

Grant	Nomenclature	2012-13	2013-14	2014-15	2015-16	2016-17
27	Planning Machinery	67%	85%	91%	319%	76%
36	Urban Development	63%	51%	68%	87%	21%

During 2016-17, supplementary grants totaling ₹ 3,404 crore (23 per cent of total expenditure) proved to be unnecessary in some cases, where there were significant savings at the end of the year even against original allocations. A few instances are given below.

(₹in crore)

Grant	Nomenclature	Section	Original	Supple- mentary	Actual Expenditure
35	Medical, Public Health and Family Welfare	Revenue	565	17	483
35	Medical, Public Health and Family Welfare	Capital	25	40	13
36	Urban Development	Capital	59	29	70
37	Municipal Administration	Revenue	26	6	9

CHAPTER VI

ASSETS AND LIABILITIES

6.1 Assets

The existing form of accounts do not easily depict valuation of Government assets like land, buildings etc., except in the year of acquisition/purchase. Similarly while the accounts present the impact of liabilities arising in the current year, they do not depict the overall impact of the liabilities to future generations except to the limited extent shown by the rate of interest and period of existing loans.

Total investments as share capital in various Public Sector Undertakings (PSUs) stood at ₹ 292 crore at the end of 2016-17. However, dividends received during the year were ₹ NIL crores on investment. During 2016-17, investments increased by ₹ 1 crore, as compared to 2015-16.

Cash Balance with RBI stood at ₹ 227 crore on 31 March 2017 and was increased by ₹ 71 crore as compared to previous year's closing.

6.2 Debt and Liabilities

Article 293 of the Constitution of India empowers the State Government to borrow on the security of the Consolidated Fund of the State within such limits, if any, as maybe from time to time fixed by the State Legislature.

Details of the Public Debt and total liabilities of the State Government are as under:

(₹ in crore)

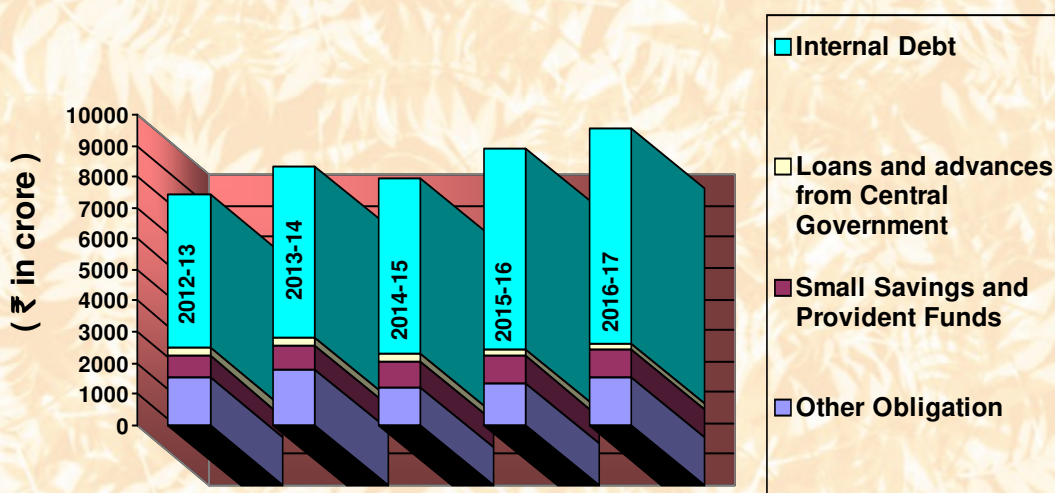
Year	Public Debt	Per cent to GSDP	Public Account(*)	Per cent to GSDP	Total Liabilities	Per cent to GSDP
2012-13	5247	33	2205	14	7452	48
2013-14	5787	33	2570	14	8357	47
2014-15	5896	29	2058	10	7954	40
2015-16	6736	33	2195	11	8931	44
2016-17	7115	34	2442	12	9557	45

Figures are progressive balances to end of the year.

(*)Excludes suspense and remittance balances.

There is a net increase of ₹ 626 crore (7 per cent) in Public Debt and Other liabilities as compared to 2015-16.

Trends in Government Liabilities



(*) Non-interest bearing obligations such as deposits of Local Funds, other earmarked funds, etc.

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

6.3 Guarantees

The position of guarantees by the State Government for the payment of loans and capital and payment of interest thereon raised by Statutory Corporations, Government Companies, Corporations, Cooperative Societies, etc., is given below.

(₹ in crore)

At the end of the year	Maximum Amount Guaranteed (Principal only)	Amount outstanding as on 31 March 2017	
		Principal	Interest
2012-13	5	70	...
2013-14	...	70	...
2014-15	...	70	...
2015-16	...	70	...
2016-17	27	81	...

CHAPTER VII

OTHER ITEMS

7.1 Balances under Internal Debt

Borrowings of State Governments are governed by Article 293 of the Constitution of India. In addition to directly raising loans, State Governments also guarantee loans raised by Government Companies and Corporations from the market and financial institutions for implementation of various Plan schemes and programmes which are projected outside the State Budget. These loans are treated as receipts of the concerned Administrative Departments and do not appear in the books of the Government. However, the loan repayments appear in Government account, resulting in irreconcilable adverse balances and understatement of liabilities in Government accounts. As on 31 March 2017, the adverse balances amounted to ₹ NIL crore.

7.2 Loans and Advances by the State Government

Total Loans and Advances made by the State Government at the end of 2016-17 was ₹ 26 crore. Of this, Loans and Advances to Government Corporations/ Companies, non-Government Institutes and Co-operative Societies amounted to ₹ 25 crore. Recovery of Principal aggregated to ₹ 1 crore and Interest amounted to ₹ 3 crore at the end of 31 March 2017.

7.3 Financial assistance to local bodies and others

The total assistance to local bodies increased by ₹ 50 crore (41 per cent) from ₹ 121 crore in 2015-16 to ₹ 171 crore in 2016-17. The assistance decreased by ₹ 1 crore (10 per cent) from ₹ 10 crore in 2015-16 to ₹ 9 crore in 2016-17 in respect of educational institutions whereas it remained ₹ NIL during the period except in 2014-15 in respect of Special Area Programme.

Details of Grants-in-aid for the past 5 years are as under.

(₹ in crore)

Year	Educational Institutions (Aided Schools, Aided Colleges, Universities etc.)	Co-operation	Panchayat Raj and Municipal Council	Development Agencies	Hospital and Other Charitable Institutions	Old age Pension Scheme	Other Institutions	Special Area Programme	Total
2012-13	51	8	...	29	16	17	112	0	233
2013-14	31	19	6	29	14	...	194	0	293
2014-15	11	1	6	103	16	...	52	61	250
2015-16	10	1	2	...	17	...	91	...	121
2016-17	9	2	0	10	18	...	132	...	171

7.4 Cash Balance and investment of Cash Balance

(₹ in crore)

Component	As on 31 March 2016	As on 31 March 2017	Net increase (+)/ decrease (-)
Cash Balances	156	227	(+)71
Investments from cash balance (GOI Treasury Bills)	...	35	(+)35
Investment from earmarked fund balances	429	654	225
(a) Sinking Fund	405	629	(+)224
(b) Guarantee Redemption Fund	8	9	(+)1
(c) Other Funds	16	16	...
Interest realized	3	3	...

Opening Balance differ from last years closing balance due to rectification of earlier years error.

State Government had a debit closing cash balance at the end of 2016-17.

7.5 Reconciliation of accounts

Accuracy and reliability of accounts depend, among other things, on timely reconciliation of the figures available with the departments and the figures appearing in the accounts compiled by the Accountant General (Accounts and Entitlements). This exercise is to be conducted by respective Heads of Departments. In 2016-17, the quantum of expenditure reconciled was for a value of ₹ 9,728 crore as against the total expenditure (Revenue and Capital) of ₹ 9,728 crore which works out to 100 *per cent*. On the receipt side, the amount reconciled was a value of ₹ 9,728 crore as against the total receipts (Revenue and Capital) of ₹ 9,728 crore which works out to 100 *per cent*. The status of reconciliation of accounts in respect of the Chief Controlling Officers (CCO) of different departments is given below:

PARTICULARS	TOTAL No. OF CCOs	FULLY RECONCILED	PARTIALLY RECONCILED	NOT RECONCILED
EXPENDITURE	82	82	...	...
RECEIPTS	82	82	...	...
TOTAL	82	82	...	...

7.6 Submission of accounts by Treasuries

The rendition of initial accounts by the Treasuries were satisfactory. However, submission of accounts of the Public Works and Forest Departments needs improvement.

7.7 Abstract Contingent (AC) Bills and Detailed Countersigned Contingent (DCC) Bills

When money is required in advance or the Drawing and Disbursing Officers (DDOs) are not able to calculate the exact amounts required, they are permitted to draw money without supporting documents through AC bills. Such AC bills are required to be settled, within a maximum of 90 days, through submission of DCC bills. The fact that to the end of 31 March 2017, 276 DCC bills amounting to ₹ 289 crore was outstanding, indicates that these instructions have not been followed.

7.8 Utilisation Certificates (UCs) for Grants-in-aid:

The General Financial Rules applicable to the Government of Nagaland prescribe that Utilization Certificates (UCs) in respect of grants provided for specific purposes should be obtained by the departmental officers from grantees, which, after verification, should be forwarded to the Accountant General within twelve months from closure of the financial year unless specified otherwise. UCs outstanding beyond the specified period indicates absence of assurance on utilization of grants for intended purposes. At the close of March 2017, 286 UCs for an amount of ₹ 909.61 crore remained outstanding in the books of Accountant General (A&E). Details of awaited UCs as on 31 March 2017 are given below:

Year*	Number of Utilization Certificate awaited	Amount (in crore)
Up to 2013-14	202	570.41
2014-15	35	222.73
2015-16	49	116.47
Total	286	909.61

* The year mentioned above relates to 'Due Year' i.e. after 12 months of actual drawal. Utilisation Certificates in respect of 56 cases amounting to ₹170.87 crore of Grants-in-aid disbursed during 2016-17 will become due in 2017-18.



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