



सत्यमेव जयते

**Report of the  
Comptroller and Auditor General of India  
on  
State Finances  
for the year ended 31 March 2015**



**GOVERNMENT OF NAGALAND**

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## *Preface*

1. This Report has been prepared for submission to the Governor under Article 151(2) of the Constitution.
2. Chapters I and II of this Report contain audit findings on matters arising from examination of Finance Accounts and Appropriation Accounts respectively of the State Government for the year ended 31 March 2015. Information has been obtained from the Government of Nagaland, wherever necessary.
3. Chapter III on 'Financial Reporting' provides an overview and status of the State Government's compliance with various financial rules, procedures and directives issued during the current year.
4. The Report containing the findings of performance audit and compliance audit in various departments, audit of Statutory Corporations, Boards, Government Companies and Revenue Receipts are presented separately

# **EXECUTIVE SUMMARY**

## *EXECUTIVE SUMMARY*

### *Background*

**T**his Report on the Finances of the Government of Nagaland is being brought out with a view to assess the financial performance of the State during the year 2014-15. The aim of this Report is to provide the State Government with timely inputs based on actual data so that there is a better insight into both well performing as well as ill performing schemes/programmes of the Government. In order to give a perspective to the analysis, an effort has been made to compare the normative assessment made by the Finance Commission (XIII-FC) and achievements with the targets envisaged by the State Government in Fiscal Responsibility and Budget Management Act, 2005 as well as in the Budget Estimates of 2014-15. A comparison has been made to see whether the State had given adequate fiscal priority to developmental expenditure and whether the expenditure had been effectively absorbed by the intended beneficiaries.

### *The Report*

Based on the audited accounts of the Government of Nagaland for the year ending March 2015, this Report provides an analytical review of the Annual Accounts of the State Government. The Report is structured in three Chapters.

**Chapter 1** is based on the audit of Finance Accounts and makes an assessment of the Government of Nagaland's fiscal position as on 31 March 2015. It provides an insight into trends in committed expenditure, borrowing pattern and a brief account of Central funds transferred directly to the State implementing agencies through off-budget route.

**Chapter 2** is based on audit of Appropriation Accounts and gives the grant-by-grant description of appropriations and the manner in which the allocated resources were managed by the service delivery departments.

**Chapter 3** is an inventory of Nagaland Government's compliance with various reporting requirements and financial rules. This chapter also provides details on non-submission of annual accounts and delays in placement of Separate Audit Reports in the Legislature by the Autonomous Bodies. Besides, the cases of misappropriation and loss that indicate inadequacy of controls in the Government departments are also detailed in this chapter.

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

*Audit findings and recommendations*

During the current year, the fiscal deficit decreased due to the combined effect of decrease in capital expenditure and increase in revenue surplus. As a result, the primary surplus also increased as compared with the previous year. Besides, during the last five years the fiscal deficit continued with a fluctuating trend.

**Revenue Receipts:** During 2014-15, out of the total revenue receipts of ₹ 7648.67 crore, 91 *per cent* of the total revenue i.e. ₹ 6991.72 crore came from the Government of India as Central transfers ₹ 1062.68 crore (14 *per cent*) and grants-in-aid ₹ 5929.04 crore (77 *per cent*). The State however, achieved the total revenue collection target fixed by the XIII-FC during 2014-15.

**Revenue Expenditure:** The overall revenue expenditure of the State increased by ₹ 1012.07 crore (17.60 *per cent*) over the previous year. The revenue expenditure constituted 86.85 *per cent* of total expenditure while the expenditure incurred under capital head constituted 13.14 *per cent* and loans & advances constituted 0.01 *per cent*.

There were 307 incomplete projects (estimated cost ₹ 2881.53 crore and actual expenditure incurred ₹ 1319.87 crore as of March 2015) pertaining to 24 departments. Out of the 307 incomplete projects, 213 projects (estimated cost ₹ 1990.40 crore and actual expenditure ₹ 863.09 crore) were due to be completed by March 2015 but remained incomplete as of October 2015 and 2 projects (estimated cost ₹ 10.93 crore and actual expenditure ₹ 8.63 crore) had been suspended/abandoned. Due to delay in completion of the projects, the intended benefits from those projects did not reach the beneficiaries in the State. The date of completion in respect of 43 projects could not be furnished by the departments and in respect of the remaining 49 projects completion is not due as on 31 March 2015.

Development expenditure of ₹ 3254.56 crore in 2010-11 had increased to ₹ 4491.58 crore in 2014-15. However, its share in aggregate expenditure had shown a fluctuating trend during 2010-15. The ratio of development expenditure as a proportion to aggregate expenditure had decreased by 0.44 *per cent* in 2014-15 as compared to the previous year.

The share of committed expenditure in the non-plan Revenue Expenditure was 85.60 *per cent* of the revenue receipts.

*The State needs to ensure timely and effective implementation of incomplete projects.*

**Overview of funds transferred directly from the GOI to the State implementing agencies:** During 2014-15, an approximate amount of ₹ 122.99 crore was directly transferred by GOI to the State Implementing Agencies. As long as these funds

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

**Government investment:** The Government had invested ₹ 278.44 crore in Statutory Corporations, Rural Banks, Joint Stock Companies and Co-operatives at the end of March 2015. The average returns on this investment was nil during the last five years.

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

**Financial management and budgetary control:** There was saving of ₹ 2909.98 crore in 71 grants and 6 appropriations under Revenue Section, 51 grants under Capital Section offset by excess of ₹ 17.37 crore in 5 grants under Revenue Section and 3 grants under Capital Section and 1 appropriation (Public Debt-Repayment).

During the year, though the overall saving was ₹ 2892.61 crore only, the amount surrendered was ₹ 2908.24 crore (100.54 per cent). There was also an excess expenditure of ₹ 38.78 crore in 9 grants during 2014-15. This excess expenditure together with an excess expenditure of ₹ 572.19 crore pertaining to 2000-01 and 2005-06, 2008-09 to 2013-14 require regularisation by the Legislature under Article 205 of the Constitution of India.

A rush of expenditure was noticed in 6 cases in which expenditure exceeding ₹ 10 crore or more than 50 per cent of the total expenditure was incurred in the last quarter of 2014-15 and in some cases in the month of March 2015.

There were 198 AC Bills involving ₹ 185.52 crore awaiting adjustment due to non-submission of DCC Bills for long periods and therefore was fraught with the risk of misappropriation.

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

**Financial Reporting:** Timely submission of utilisation certificates is a major area of concern. At the end of March 2015, 104 UCs involving an aggregate amount of ₹ 217.65 crore were pending for submission even after a lapse of one to five years from various departments.



Though the accounts of the State Autonomous Bodies and Departmental Commercial Undertakings were over due, these accounts were not submitted. Non-submission of accounts in time amounted to non-compliance with the financial rules.

As on 31 March 2015, 34 cases of misappropriation, defalcation etc. involving ₹ 616.31 crore in 15 Departments were pending finalisation.

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

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

# Chapter I

## Finances of the State Government

### Profile of Nagaland

The State is located in North-Eastern region of India. It is the twenty fifth largest State in terms of geographical area (16579 sq. km) as well as by population (1978502). As indicated in **Appendix 1.1(D)** the State's population decreased from 1990036 in 2001 to 1978502 in 2011 recording a decadal decrease of 0.58 *per cent*. The state's literacy rate increased from 66.59 *per cent* (as per 2001 census) to 79.55 *per cent* (as per 2011 census). The per capita income of the State (source: Ministry of Home Affairs) stood at ₹ 56116 against the country's average of ₹ 60972 in the year 2011-12. The general data relating to the State is given in **Appendix 1.1(D)**.

### Gross State Domestic Product (GSDP)

GSDP is the market value of all officially recognised final goods and services produced within the State in a given period of time. The growth of GSDP of the State is an important indicator of the State's economy as it indicates the standard of living of the State's population. A trend analysis of growth of GDP for a period of five years at current prices indicates the performance of the Government in fiscal management of the State. The growth rate of the State GDP for the period 2010-15 compared with India's GDP is presented in the table below:

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

Year	2010-11	2011-12	2012-13	2013-14	2014-15
State's GDP (in crore)	11759	13859	15676	17749	20099
Growth in <i>per cent</i>	11.70	17.86	13.11	13.22	13.24
India's GDP (in crore)	7248860	8391691	9388876	10472807	11509810 <sup>#</sup>
Growth in <i>per cent</i>	18.66	15.77	11.88	11.54	-

<sup>#</sup> Excluding Goa, A&N Island and Chandigarh

(Source: Central Statistical Office (CSO), Ministry of Statistics and Programme Implementation)

The quantum of GDP (both State and India) is measured in terms of constant and current prices and as per their respective arithmetical calculations; these figures differ from each other every year. For comparison between State and National GDPs, the GDP figure calculated on the basis of current price at factor cost with base year 2004-05 has been taken.

### 1.1 Introduction

The annual accounts of the State Government consist of Finance Accounts and Appropriation Accounts. The Finance Accounts has been divided into two Volumes: Volume I and II. Volume I represents the financial statements of the Government in a

summarised form while Volume II represents detailed financial statements, the structure and layout of which are depicted in **Appendix 1.1- Part B**.

This chapter provides a broad perspective of the finances of the Government of Nagaland during 2010-15. It analyses important changes in the major fiscal indicators compared to the previous year keeping in view the overall trends during the last five years. The analysis is based on the Finance Accounts and information obtained from the State Government. The structure of the Government Accounts and layout of the Finance Accounts have been explained in **Appendix 1.1 – Parts A and B**. **Appendix 1.2** represents the time series data on key fiscal variables/parameters and fiscal ratios relating to the State Government finances for the period 2010-15.

### **1.1.1 Summary of Fiscal Transactions in 2014-15**

**Table 1.2** presents the summary of the State Government's fiscal transactions during the current year (2014-15) vis-à-vis the previous year (2013-14) while **Appendix 1.3** provides details of receipts and disbursements as well as overall fiscal position during the same period.

**Table 1.2: Summary of Fiscal Operations in 2014-15**

(₹ in crore)

Receipts			Disbursements				
Section-A: Revenue			Description	2013-14	2014-15		
Description	2013-14	2014-15			Non Plan	Plan	Total
<b>Revenue receipts<sup>1</sup></b>	<b>6497.90</b>	<b>7650.94</b>	<b>Revenue expenditure<sup>2</sup></b>	<b>5750.34</b>	<b>5533.11</b>	<b>1229.30</b>	<b>6762.41</b>
Tax revenue	333.39	388.61	General services	2732.48	3099.88	33.36	3133.24
Non-tax revenue	216.57	270.61	Social services	1701.56	1321.26	533.91	1855.17
Share of Union Taxes/ Duties	1001.27	1062.68	Economic services	1316.30	1111.97	662.03	1774.00
Grants from Government of India	4946.67	5929.04	Grants-in-aid and Contributions	0.00	0.00	0.00	0.00
<b>Section-B: Capital</b>							
Misc. Capital Receipts	0.00	0.00	Capital Outlay	1207.06	0.22	1022.95	1023.17
Recoveries of Loans and Advances	1.01	0.71	Loans and Advances disbursed	0.92	0.19	0.00	0.19
Public Debt receipts	1976.41	2414.87	Repayment of Public Debt	1436.92			2306.08
Contingency Fund	0.00	0.00	Contingency Fund	0.00			0.00
Public Account receipts*	3130.09	2661.92	Public Account disbursements*	2796.33			2895.22
Opening Cash Balance	280.52	694.36**	Closing Cash Balance	694.36**			435.73
<b>Total</b>	<b>11885.93</b>	<b>13422.80</b>	<b>Total</b>	<b>11885.93</b>			<b>13422.80</b>

\*gross figure

\*\* The closing cash balance has been taken after rounding off.

(Source: Finance Accounts for the respective years)

<sup>1</sup> Revenue receipts and Non-tax revenue are inclusive of gross receipt (₹ 13.03 crore) from State Lotteries.

<sup>2</sup> Revenue expenditure and General Services (Non-Plan) are inclusive of expenditure (₹ 2.27 crore) on State Lotteries

The following are the significant changes during 2014-15 over the previous year:

- Revenue receipts increased by ₹ 1153.04 crore (17.74 per cent) from ₹ 6497.90 crore in 2013-14 to ₹ 7650.94 crore in 2014-15 due to increase in grants from Government of India (GOI) (₹ 982.37 crore), State's share of Union Taxes and duties (₹ 61.41 crore), State's Non-Tax revenue (₹ 54.04 crore) and State's Own Tax revenue (₹ 55.22 crore). The revenue receipts at ₹ 7650.94 crore was however, lower than the assessment made by the State Government in its Fiscal Consolidation Roadmap (FCR) (₹ 8480.61 crore) for the year 2014-15 by ₹ 829.67 crore.
- Revenue expenditure of the State, on the other hand increased by ₹ 1012.07 crore (17.60 per cent) from ₹ 5750.34 crore in 2013-14 to ₹ 6762.41 crore in 2014-15 under General Services (₹ 400.76 crore), Social Services (₹ 153.61 crore) and Economic Services (₹ 457.70 crore). The revenue expenditure (₹ 6762.41 crore) was lower than the assessment made by the State Government in its FCR (₹ 7057.84 crore) for the year 2014-15 by ₹ 295.43 crore.
- Capital Expenditure decreased by 15.23 per cent from ₹ 1207.06 crore in 2013-14 to ₹ 1023.17 crore in 2014-15.
- Recoveries and disbursement of Loans and Advances decreased by ₹ 0.30 crore and ₹ 0.73 crore respectively in 2014-15 over the previous year.
- During the year 2014-15 public debt receipts<sup>3</sup> increased by ₹ 438.46 crore from ₹ 1976.41 crore in 2013-14 to ₹ 2414.87 crore in 2014-15 and repayment increased by ₹ 869.16 crore from ₹ 1436.92 crore in 2013-14 to ₹ 2306.08 crore in 2014-15.
- Public Account Receipts decreased in 2014-15 over the previous year by ₹ 468.17 crore from ₹ 3130.09 crore in 2013-14 to ₹ 2661.92 crore in 2014-15 and disbursement increased by ₹ 98.89 crore from ₹ 2796.33 crore in 2013-14 to ₹ 2895.22 crore in 2014-15.

The total inflow increased by ₹ 1123.03 crore (9.68 per cent) from ₹ 11605.41 crore in 2013-14 to ₹ 12728.44 crore in 2014-15. The total outflow also increased by ₹ 1795.50 crore (6.93 per cent) from ₹ 11191.57 crore in 2013-14 to ₹ 12987.07 crore in 2014-15. The cash balance of the State at the end of 2014-15 decreased by ₹ 258.63 crore (37.25 per cent) from ₹ 694.36 crore in 2013-14 to ₹ 435.73 crore in 2014-15.

### 1.1.2 Review of the fiscal situation

With the enactment of a Fiscal Responsibility and Budget Management Act (FRBM) Act, 2005 at the centre, Twelfth Finance Commission (TFC) recommended that each State enact a fiscal responsibility legislation prescribing specific annual targets with a view to

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



eliminate the revenue deficit by 2008-09 and reduce fiscal deficit based on a path for reduction of borrowings and guarantees. The targets prescribed in Nagaland Fiscal Responsibility and Budget Management (NFRBM) Act and projections made by State Government in its Medium Term Fiscal Policy Statement (MTFPS), targets proposed in the Budget, XIII FC targets for the State vis-a-vis achievements during the year 2014-15 is depicted in **Table 1.3** below:

**Table: 1.3: Major fiscal variables provided in the budget, recommendations of the XIII FC, targets in the NFRBM Act vis-à-vis actuals**

Fiscal variables	2014-15				
	XIII FC targets for the State	Targets as prescribed in FRBM Act	Targets proposed in the Budget Estimates (BE)	Projections made in Five Year Fiscal Plan/MTFPS	Actuals
Revenue Deficit(-)/ Surplus(+) (₹ in crore)	0.00	0.00	1626.57	0.00	888.53
Fiscal deficit/GSDP (in per cent)	3.00	3.00	3.75	3.75	0.67
Ratio of total outstanding debt of the Government to GSDP (in per cent)	52.30	52.30	48.56	48.09	39.57

The XIII FC recommended zero revenue deficit for the State during 2014-15. Accordingly, the State Government also projected zero revenue deficit in NFRBM and MTFPS. The State projected a revenue surplus of ₹ 1626.57 crore in the BE for 2014-15 and actually achieved a revenue surplus of ₹ 888.53 crore.

For the year 2014-15 the ratio of Fiscal deficit to GSDP was proposed at 3.00 per cent in XIII FC and NFRBM and at 3.75 per cent in MTFPS. Actual ratio of fiscal deficit to GSDP was 0.67 per cent which was 2.33 per cent less than XIII FC and NFRBM projections and 3.08 per cent less than MTFPS projection.

During 2014-15, outstanding debt to GSDP ratio of 39.57 per cent was less than the projected figures as per XIII FC, NFRBM Act, MTFPS and budget estimates for 2014-15.

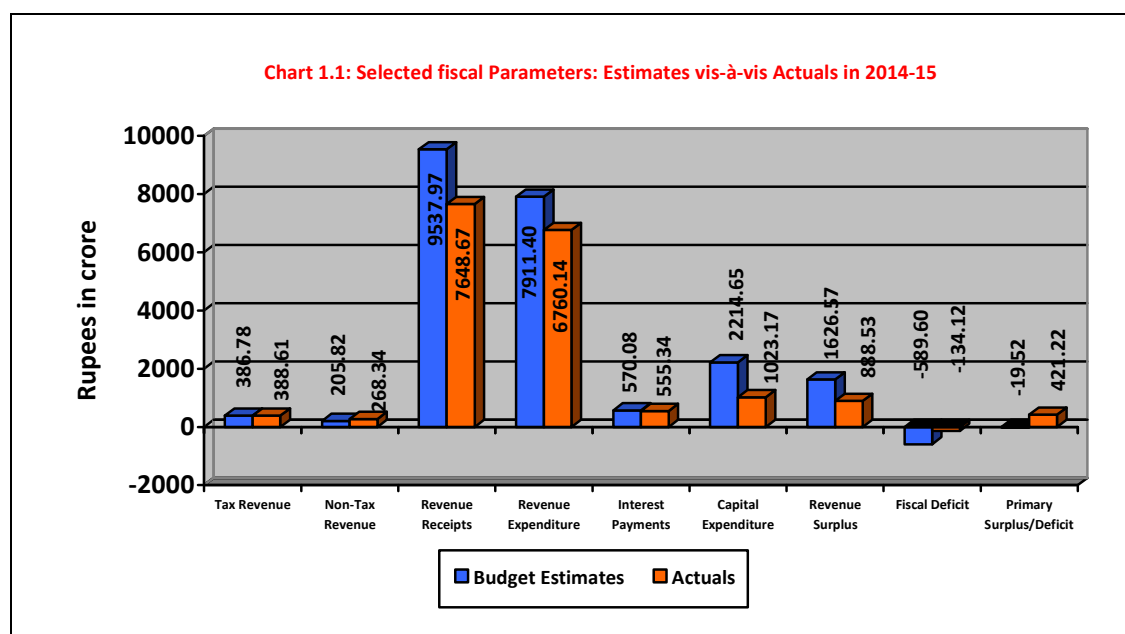
### **1.1.3 Budget estimates and actuals**

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

**Table 1.4 and Chart 1.1** representing the budget estimates and actuals for some important fiscal parameters during 2014-15 are given below:

**Table 1.4: Variation in Actual Fiscal parameters over estimates***(₹ in crore)*

Parameters	2013-14	2014-15		
	Actuals	Budget Estimates	Revised Estimates	Actuals
Tax Revenue	333.39	386.78	360.48	388.61
Non-Tax Revenue	214.34	205.82	317.27	268.34
Revenue Receipts <sup>4</sup>	6495.67	9537.97	8088.64	7648.67
Non-debt Capital Receipts	1.01	2.45	1.87	0.71
Revenue Expenditure <sup>5</sup>	5748.11	7911.40	7605.56	6760.14
Interest Payments	493.84	570.08	560.35	555.34
Capital Expenditure	1207.06	2214.65	1329.91	1023.17
Disbursement of Loans & Advances	0.92	3.97	4.82	0.19
Revenue Deficit (-)/Surplus (+)	747.56	1626.57	483.08	888.53
Fiscal Deficit (-)/Surplus (+)	(-)459.41	(-)589.60	(-)849.78	(-)134.12
Primary Deficit(-)/Surplus (+)	34.43	(-)19.52	(-)289.43	421.22



- During 2014-15, the actual revenue receipts was less than the budget estimates by ₹ 1889.30 crore (19.81 per cent) and actual revenue expenditure was also lesser by ₹ 1151.26 crore (14.55 per cent) than the budget estimates resulting in attaining a revenue surplus which was lower by ₹ 738.04 crore as compared to the projections made in the budget estimates.

<sup>4</sup> Revenue receipts is inclusive of net of receipts and expenditure under State Lottery from this point onwards in the Report.

<sup>5</sup> Revenue expenditure is exclusive of expenditure (₹ 2.27 crore) on State Lotteries from this point onwards in the Report.

- The actual collection of tax revenue during the year increased by ₹ 1.83 crore (0.47 per cent) over the budget estimates for the year.
- The increase in Non-Tax Revenue was ₹ 62.52 crore (30.38 per cent) as compared to the budget estimates for 2014-15.
- During the year 2014-15, the actual Capital expenditure was less than the budget provision by ₹ 1190.37 crore (53.78 per cent).
- Actual fiscal deficit decreased over the assessment made in the budget estimates by ₹ 455.48 crore (77.25 per cent). Against the primary deficit of ₹ 19.52 crore projected in the BE, the State witnessed primary surplus of ₹ 421.22 crore in 2014-15.

#### ***1.1.4 Gender Budgeting***

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

One of the tools that can be used to promote women's equality and empowerment is gender-responsive budgeting, or Gender Budgeting, as it is more commonly known in India.

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

Gender Budgeting in Nagaland had not been fully evolved.

## **1.2 Resources of the State**

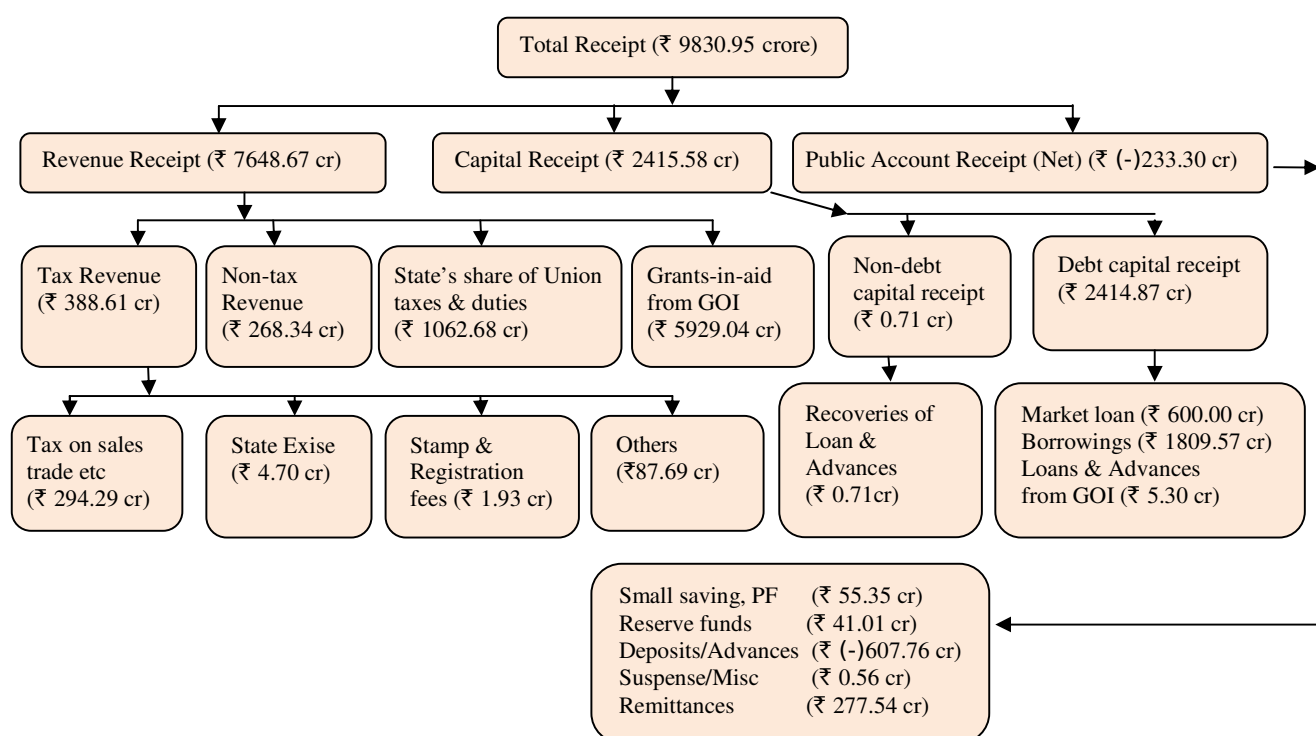
### ***1.2.1 Resources of the State as per Annual Finance Accounts***

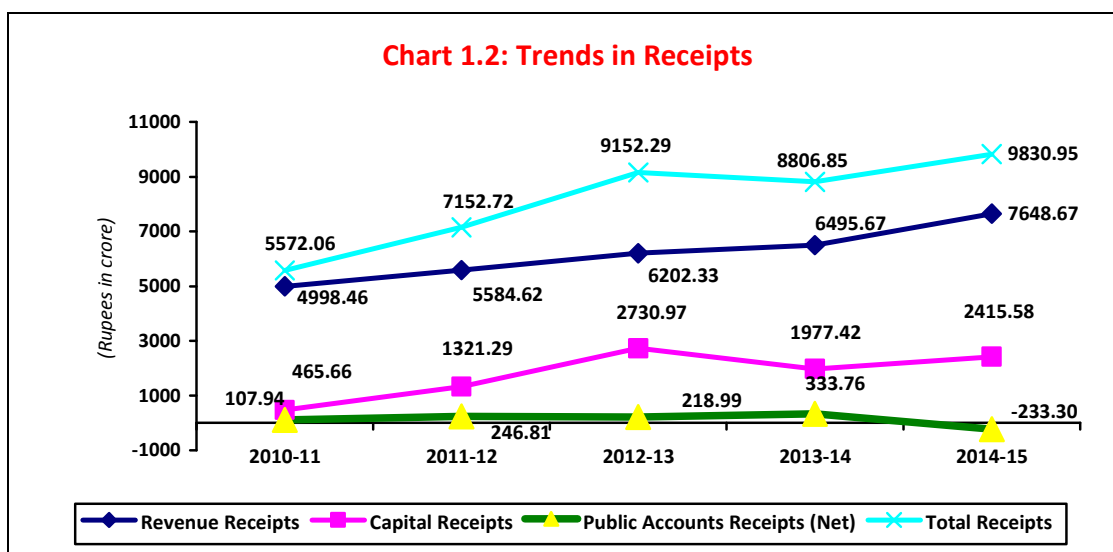
Revenue and capital are the two streams of receipts that constitute the resources of the State Government. Revenue receipts consist of tax revenue, non-tax revenue, State's share of union taxes and duties and grants-in-aid from the Government of India (GOI). Capital receipts comprise miscellaneous capital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

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

**Table-1.2** presents the receipts and disbursements of the State during the last two years as recorded in its Annual Finance Accounts while **Chart 1.2** depicts the trends in various components of the receipts of the State during 2010-15. **Chart 1.3** depicts the composition of resources of the State during the current year and **Table 1.5** presents the trends in growth and composition of receipts for the current year 2014-15.

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





**Table 1.5: Composition of receipts**

(₹ in crore)

Sources of State receipts	2010-11	2011-12	2012-13	2013-14	2014-15
<b>I Revenue Receipts</b>	4998.46	5584.62	6202.33	6495.67	7648.67
<b>II Capital Receipts (CR)</b>	465.66	1321.29	2730.97	1977.42	2415.58
Miscellaneous Capital Receipts	-	-	-	-	-
Recovery of Loans and Advances	2.31	2.44	0.85	1.01	0.71
Public Debt Receipts	463.35	1318.85	2730.12	1976.41	2414.87
<b>III Contingency Fund</b>	-	-	-	-	-
<b>IV Public Account Receipts (Net)</b>	107.94	246.81	218.99	333.76	(-)233.30
<b>Total Receipts</b>	<b>5572.06</b>	<b>7152.72</b>	<b>9152.29</b>	<b>8806.85</b>	<b>9830.95</b>

(Source: Finance Accounts of respective years)

The total receipts of the State Government for the year 2014-15 was ₹ 9830.95 crore out of which, the revenue receipts was ₹ 7648.67 crore constituting 77.80 per cent of the total receipts.

The revenue receipts of the State increased from ₹ 6495.67 crore in 2013-14 to ₹ 7648.67 crore in 2014-15 at an annual growth rate of 17.75 per cent. The buoyancy of Revenue receipts w.r.t. GSDP during the year was 1.34 per cent.

The capital receipts registered an increase of 418.74 per cent from ₹ 465.66 crore in 2010-11 to ₹ 2415.58 crore in 2014-15.

Public Account receipts (net) decreased by ₹ 567.06 crore (169.90 per cent) from ₹ 333.76 crore in 2013-14 to ₹ (-) 233.30 crore in 2014-15.

**1.2.2 Funds transferred to State Implementing Agencies outside the State Budget**

As per GOI decision, transferring of funds to the State Implementing Agencies<sup>6</sup> for implementation of the Centrally Sponsored Schemes shall be through the State Consolidated Fund with effect from 2014-15 (BE). However, some fund was directly transferred to the State Implementing Agencies outside the State Budget/State Treasury System. As such, the Annual Financial Accounts of the State does not provide a complete picture of the resources under the control of the State government. To present the holistic picture on availability of aggregate resources, funds directly transferred to State Implementing Agencies are presented in **Appendix 1.5**.

During the year 2014-15 central funds of ₹ 122.99 crore were directly transferred to the State implementing agencies. The amounts released for programmes assisted by Government of India are presented in **Table 1.6**.

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

(₹ in crore)

Programme/Scheme	Implementing Agency in the State	Funds transferred directly by GOI during 2014-15
Support to National Institute of Technology	National Institute of Technology	40.00
Biotechnology Clusters	Nagaland State Science & Technology Council	1.18
MPLADS	DC, Dimapur	10.00
Zonal Culture Centre	North East Zone Cultural Centre	34.32
Zonal Culture Centre	Keviru Multipurpose Corporative Society	4.16
National Child Labour Project including Grants-in-aids to Voluntary Agencies	District Child Labour Project Society	1.51
GRID Interective Renewal Power MNRE	New and Renewable Energy	4.87
Others	91 other schemes/programmes	26.95
<b>Total</b>		<b>122.99</b>

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

An amount of ₹ 122.99 crore was directly transferred by GOI to the State Implementing Agencies during 2014-15, a decrease of ₹ 899.94 crore (87.98 per cent) over the previous year. Out of an amount of ₹ 122.99 crore directly transferred to implementing agencies during the year, an amount of ₹ 40.00 crore (32.52 per cent) was given for Support to National Institute of Technology.

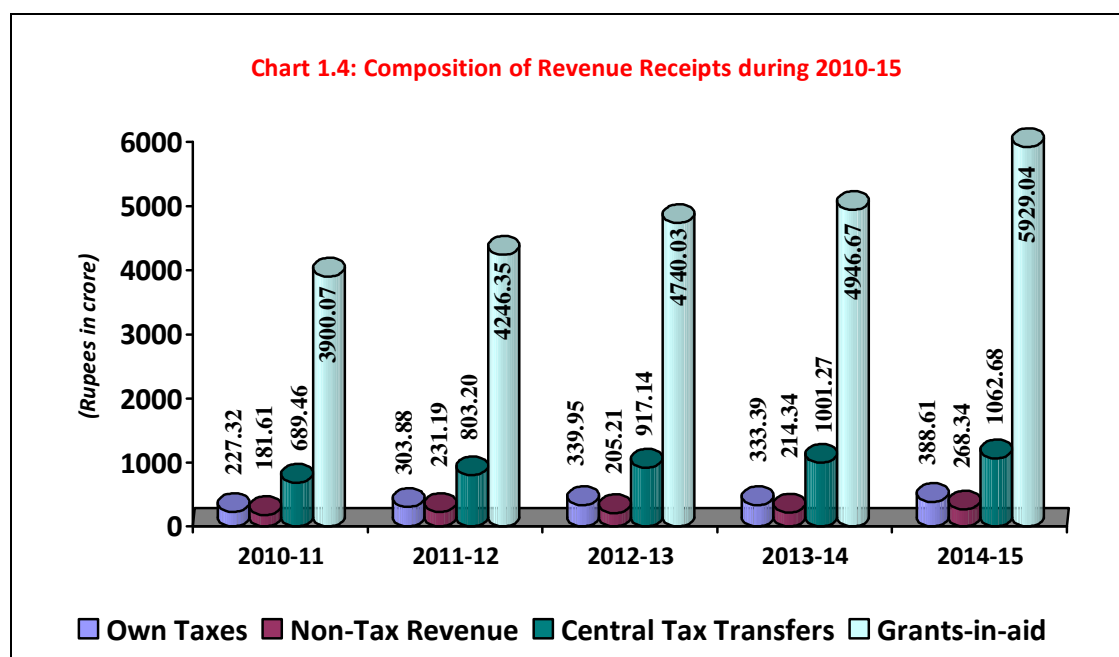
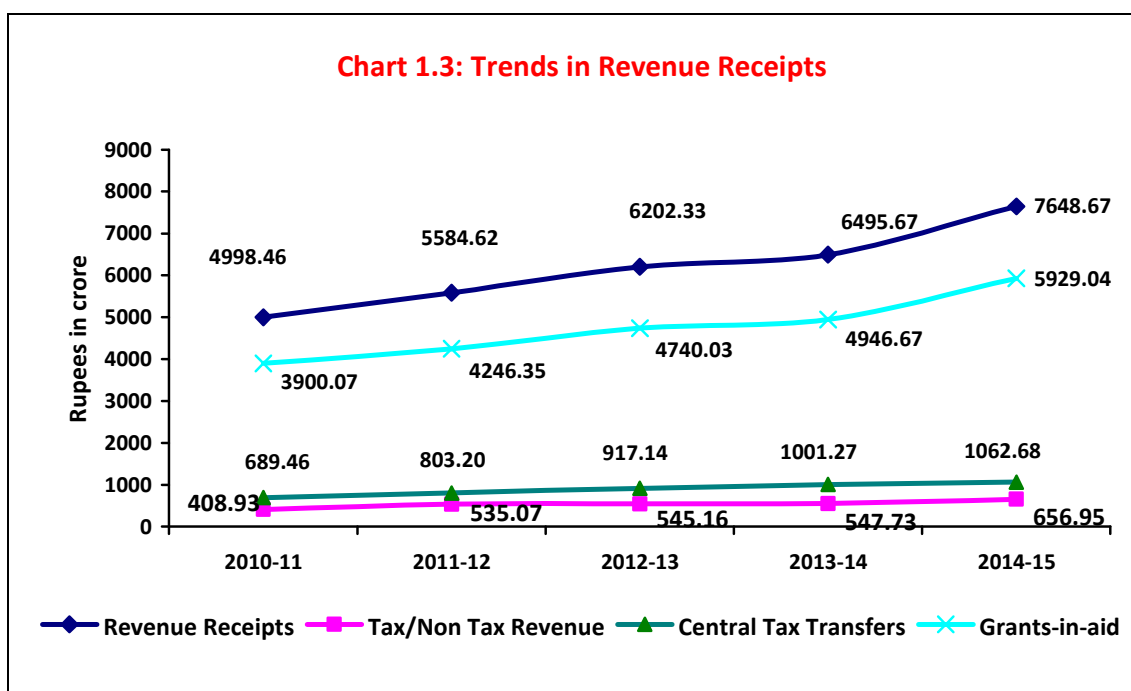
With the transfer of an approximate amount of ₹ 122.99 crore directly by GOI to the State Implementing Agencies, the total availability of State resources during 2014-15 had increased from ₹ 12728.44 crore to ₹ 12851.43 crore. There is no single agency in the State to monitor the funds directly transferred by the GOI to the implementing agencies and no data readily available as to how much money has actually been spent in a

<sup>6</sup> State Implementing Agency includes any Organisation/Institution including Non-Governmental Organisation which is authorised by the State Government to receive the funds from the Government of India for implementing specific programmes in the State, e.g. State Mission Authority for SSA and State Health Mission for NRHM etc.

particular year on major flagship schemes and other important schemes which are being implemented by State implementing agencies and funded directly by the GOI.

### 1.3 Revenue Receipts

**Statement-14** of the Finance Accounts details the revenue receipts of the Government. The revenue receipts consist of its own tax and non-tax revenues, central tax transfers and grants-in-aid from GOI. The trends and composition of revenue receipts over the period 2010-15 are depicted in **Charts 1.3** and **1.4** respectively.



The revenue receipts have shown a progressive increase with inter-year variations and changes in its composition i.e. the share of own taxes, non-tax revenue and Central transfers during the period 2010-15.

Tax and non-tax revenue receipts together (i.e States Own Resources) increased by ₹ 248.92 crore (60.65 per cent) from ₹ 408.93 in 2010-11 to ₹ 656.95 crore in 2014-15 at a compound annual growth rate of 9.95 per cent.

The Revenue Receipts of the State increased from ₹ 4998.46 crore in 2010-11 to ₹ 7648.67 crore in 2014-15 at a compound annual growth rate of 11.80 per cent. While 8.59 per cent of the revenue receipts during 2014-15 have come from the State's Own Resources comprising taxes and non-taxes, Central Tax Transfers and Grants-in-aid together contributed 91.41 per cent. The percentage share of State's Own Resources and the Central Transfers in Revenue receipts of the State exhibited relative stability during the last five years (2010-15).

Central tax transfers to the State increased by ₹ 61.41 crore (6.13 per cent) from ₹ 1001.27 crore in 2013-14 to ₹ 1062.68 crore in 2014-15. This was due to increase in Corporation Tax (₹ 34.36 crore), Tax on Income other than Corporation Tax (₹ 43.27 crore), Customs (₹ 8.49 crore) and Tax on Wealth (₹ 0.08 crore) offset by decrease in Union Excise Duties (₹ 18.35 crore) and Service Tax (₹ 6.44 crore).

The trends in revenue receipts as well as buoyancy ratios relative to GSDP are presented in **Table 1.7** below:

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

	2010-11	2011-12	2012-13	2013-14	2014-15
<b>Revenue Receipts (RR) (₹ in crore)</b>	<b>4998.46</b>	<b>5584.62</b>	<b>6202.33</b>	<b>6495.67</b>	<b>7648.67</b>
Rate of growth of RR ( <i>per cent</i> )	34.42	11.73	11.06	4.73	17.75
R R/GSDP ( <i>per cent</i> )	42.51	40.30	39.57	36.60	38.05
<b>Buoyancy Ratios</b>					
Revenue receipts Buoyancy w.r.t GSDP	2.94	0.66	0.84	0.36	1.34
State's Own Tax Buoyancy w.r.t GSDP	2.22	1.89	1.36	(-)0.15	1.25

(Source: Finance Accounts of respective years)

The Revenue Receipts buoyancy with respect to GSDP was 0.36 in 2013-14 which increased to 1.34 in 2014-15. The State's own tax buoyancy with respect to GSDP was (-) 0.15 in 2013-14 which increased to 1.25 in 2014-15.

### **1.3.1 State's Own Resources**

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

The States actual tax and non-tax receipts for the year 2014-15 vis-à-vis assessment made by XIII FC and Medium Term Fiscal Policy (MTFP) (latest) are given in the table below:



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

(₹ in crore)

	XIII FC projections	Budget estimates	MTFP projection	Actuals
Tax revenue	311.06	386.78	386.78	388.61
Non-tax revenue	142.60	205.82	NA	268.34

The tax and non-tax revenue for the years 2013-14 and 2014-15 are detailed in **Charts 1.5** and **1.6** below.

### 1.3.1.1 Tax Revenue

The gross collection in respect of major taxes and duties are given in **Table 1.9**.

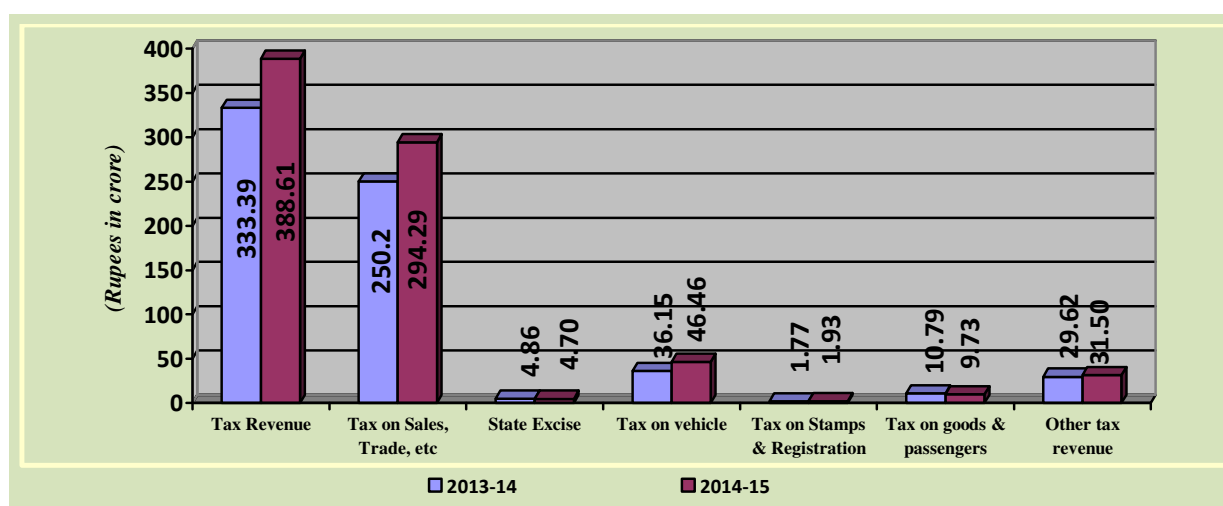
**Table 1.9: Collection of Tax Revenue 2010-15**

(₹ in crore)

Heads	2010-11	2011-12	2012-13	2013-14	2014-15		Percentage of increase(+)/ decrease(-) in 2014-15 over 2013-14
					Budget Estimates	Actual	
Taxes on Sales	167.22	231.12	257.21	250.20	294.36	294.29	17.62
State Excise	3.00	3.37	3.73	4.86	4.47	4.70	(-)3.29
Taxes on Vehicle	23.92	34.58	41.59	36.15	46.00	46.46	28.52
Stamps and Registration Fees	1.35	1.85	1.58	1.77	1.67	1.93	9.04
Land Revenue	0.59	0.68	0.72	0.70	0.81	0.74	5.71
Taxes on goods & Passengers	6.62	4.85	6.71	10.79	7.50	9.73	(-)9.82
Other taxes	24.62	27.43	28.41	28.92	31.97	30.76	6.36
<b>Total</b>	<b>227.32</b>	<b>303.88</b>	<b>339.95</b>	<b>333.39</b>	<b>386.78</b>	<b>388.61</b>	<b>16.56</b>

(Source: Finance Accounts of respective years)

**Chart 1.5 : Tax Revenue component during 2013-14 and 2014-15 (₹ in crore)**



The major contributions to the State's tax revenue during the year were Tax on Sales, Trade, etc (₹ 294.29 crore), Taxes on Vehicles (₹ 46.46 crore) and Tax on Goods and Passengers (₹ 9.73 crore).

The own tax revenue increased by ₹ 55.22 crore (16.56 per cent) from ₹ 333.39 crore in 2013-14 to ₹ 388.61 crore in 2014-15 due to increase in Land Revenue (₹ 0.04 crore), Tax on Sales, Trade, etc (₹ 44.09 crore), Tax on Vehicles (₹ 10.31 crore), Stamp duty & Registration fees (₹ 0.16 crore) and other taxes (₹ 1.84 crore) offset by decrease in Tax on Goods & Passengers (₹ 1.06 crore) and State Excise (₹ 0.16 crore).

### 1.3.1.2 Non-tax Revenue

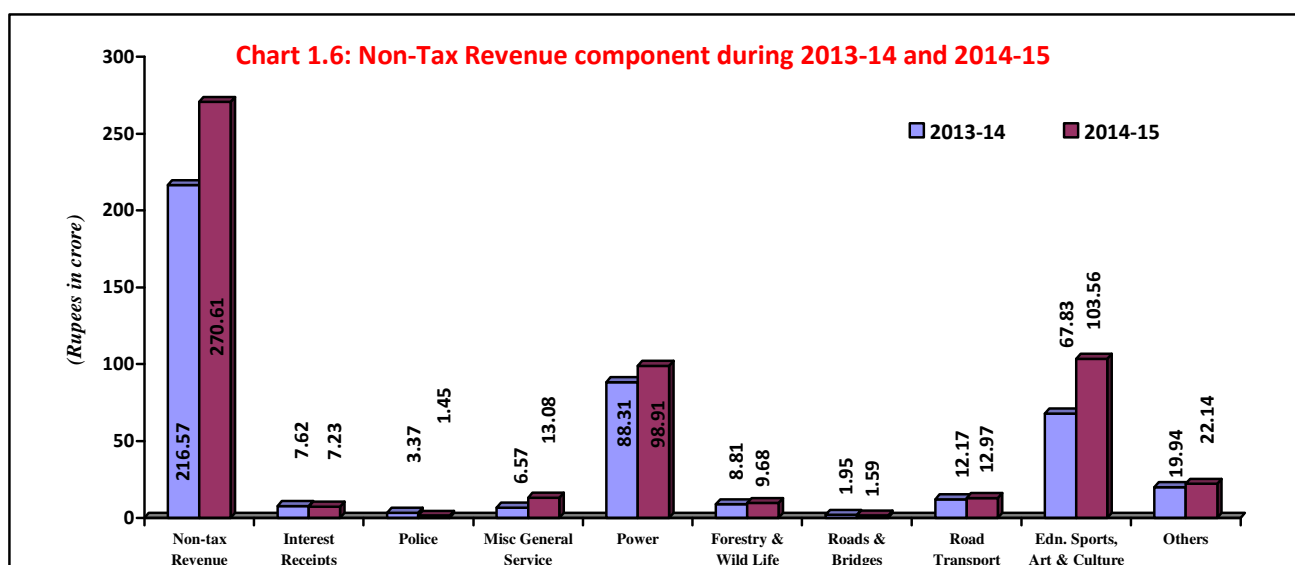
The gross collection of non-tax revenue is given in **Table 1.10** and the details of other non-tax receipts are given in **Chart 1.7**:

**Table 1.10: Collection of Non-Tax Revenue 2010-15**

(₹ in crore)

Revenue Head	2010-11	2011-12	2012-13	2013-14	2014-15	% increase 2014-15 over 2013-14
Interest receipts	14.35	9.62	5.90	7.62	7.23	(-)5.12
Other non-tax receipts	167.26	221.57	199.31	208.95	263.38	26.05
<b>Total</b>	<b>181.61</b>	<b>231.19</b>	<b>205.21</b>	<b>216.57</b>	<b>270.61</b>	<b>24.95</b>

(Source: Finance Accounts of respective years)



Non-Tax Revenue (NTR) appreciated by 24.95 per cent during 2014-15 over the previous year. NTR at ₹ 270.61 crore, constituted 3.53 per cent of the Revenue Receipts.

The major contributors to NTR during the year included Power (₹ 98.91 crore), Police (₹ 1.45 crore), Miscellaneous General Services (₹ 13.08 crore), Road Transport (₹ 12.97 crore), Education, Sports, Arts & Culture (₹ 103.56 crore), Interest Receipts (₹ 7.23 crore), Forestry and Wildlife (₹ 9.68 crore) and Roads & Bridges (₹ 1.59 crore).

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

The break-up of Grants-in-aid received from GOI during 2010-15 is given in the **table 1.11**:

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

(₹ in crore)

	2010-11	2011-12	2012-13	2013-14	2014-15
Grants for State Plan Schemes	936.32	1858.21	2174.93	2283.84	2257.17
Non-Plan Grants	2658.28	1831.88	2039.07	2071.26	2068.04
Grants for Central Plan Schemes	8.83	39.98	7.78	26.66	80.93
Grants for Centrally Sponsored Plan Schemes	248.07	431.73	393.49	445.30	1428.26
Grants for Special Plan Schemes	48.57	84.55	124.76	119.61	94.64
<b>Total</b>	<b>3900.07</b>	<b>4246.35</b>	<b>4740.03</b>	<b>4946.67</b>	<b>5929.04</b>
Percentage of increase/decrease over previous year	30.92	8.88	11.63	4.36	19.86

(Source: Finance Accounts of respective years)

Grants-in-aid from Government of India have increased by ₹ 982.37 crore (19.86 per cent) from ₹ 4946.67 crore in 2013-14 to ₹ 5929.04 crore in 2014-15 contributing 77.52 per cent of the total Revenue Receipts during 2014-15. This increase was due to enhanced grants for Centrally Sponsored Plan Schemes (₹ 982.96 crore) and grants for Central Plan Schemes (₹ 54.26 crore) offset by decrease in non-plan grants (₹ 3.21 crore), grants for State Plan Schemes (₹ 26.67 crore) and grants for Special Plan Schemes (₹ 24.97 crore).

### 1.3.3 Optimisation of 13<sup>th</sup> Finance Commission grants

The details of Central transfers to the State on the basis of recommendations of the 13<sup>th</sup> FC during the entire period (2010-15) covered under the 13<sup>th</sup> FC are as follows:

**Table 1.12: 13<sup>th</sup> Finance Commission Grants**

(₹ in crore)

Sl No.	Year Name of the grant/scheme	2010-11		2011-12		2012-13		2013-14		2014-15		Total		
		FC-XIII	Rel- ease	FC-XIII	Rel- ease	FC-XIII	Rel- ease	FC-XIII	Rel- ease	FC-XIII	Rel- ease	FC-XIII	Rel- ease	Short release
1	<b>Local Bodies</b>													
i	Grants for Rural Local Bodies	31.65	15.82	48.98	17.61	71.37	0.00	83.19	7.16	97.18	17.97	332.37	58.56	273.81
ii	Grants for Urban Local Bodies	7.95	3.95	12.31	8.55	17.93	1.03	20.91	0.37	24.22	0.00	83.32	13.90	69.42
2	Disaster Relief Fund	4.47	2.24	4.70	0.00	4.93	11.86	5.18	5.18	5.44	5.44	24.72	24.72	0.00
3	Capacity Building (Disaster Mangament)	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	5.00	5.00	0.00
4	<b>Elementary Education</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>0.00</b>	<b>1.00</b>	<b>1.00</b>	<b>2.00</b>	<b>0.00</b>	<b>2.00</b>	<b>2.00</b>	<b>7.00</b>	<b>4.00</b>	<b>3.00</b>
5	<b>Environment</b>													
i	Maintenance of Forest (Protection of Forests)	17.32	17.32	17.32	17.32	34.64	25.98	34.64	25.98	34.64	25.98	138.56	112.58	25.98
ii	Water Sector Management	0.00	0.00	2.00	2.00	2.00	0.00	2.00	0.00	2.00	0.00	8.00	2.00	6.00
6	<b>Improving Outcomes</b>													
i	Improvement of Justice	1.24	1.24	1.24	0.00	1.24	0.00	1.24	0.62	1.24	0.72	6.18	2.58	3.60
ii	Incentive for Issuing UIDs	0.80	0.40	0.80	0.00	0.80	0.00	0.80	0.00	0.80	0.00	4.00	0.40	3.60
iii	District Innovation Fund	0.00	0.00	5.50	0.00	0.00	5.50	5.50	0.00	0.00	5.50	11.00	11.00	0.00
iv	Statistical improvement	2.20	0.00	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	11.00	8.80	2.20
v	Employees and Pensioners Data base	2.50	2.50	0.00	0.00	0.00	0.00	2.50	0.00	0.00	2.50	5.00	5.00	0.00
7	<b>Maintenance of Roads and Bridges</b>	<b>0.00</b>	<b>0.00</b>	<b>34.00</b>	<b>34.00</b>	<b>38.00</b>	<b>38.00</b>	<b>42.00</b>	<b>42.00</b>	<b>45.00</b>	<b>45.00</b>	<b>159.00</b>	<b>159.00</b>	<b>0.00</b>
	<b>Total (A)</b>	<b>70.13</b>	<b>45.47</b>	<b>131.05</b>	<b>82.68</b>	<b>175.11</b>	<b>86.57</b>	<b>203.15</b>	<b>84.51</b>	<b>215.71</b>	<b>108.31</b>	<b>795.15</b>	<b>407.54</b>	<b>387.61</b>

Sl No.	Year Name of the grant/scheme	2010-11		2011-12		2012-13		2013-14		2014-15		Total		
		FC-XIII	Rel- ease	FC-XIII	Rel- ease	FC-XIII	Rel- ease	FC-XIII	Rel- ease	FC-XIII	Rel- ease	FC-XIII	Rel- ease	Short release
8	<b>State Specific Needs</b>													
i	Social Welfare	0.00	0.00	7.50	7.50	7.50	0.00	7.50	7.50	7.50	7.50	30.00	22.50	7.50
ii	Police Residential Accommodation	0.00	0.00	25.00	25.00	25.00	0.00	25.00	25.00	25.00	25.00	100.00	75.00	25.00
iii	Staff qr. PAC/CHC/SC	0.00	0.00	7.50	7.50	7.50	0.00	7.50	0.00	7.50	7.50	30.00	15.00	15.00
iv	Rural Tourism	0.00	0.00	8.75	8.75	8.75	0.00	8.75	8.75	8.75	0.00	35.00	17.50	17.50
v	Warehouses (Horticulture)	0.00	0.00	5.00	5.00	5.00	0.00	5.00	0.00	5.00	5.00	20.00	10.00	10.00
vi	Roads & Drinking water in Border Areas	0.00	0.00	8.75	8.75	8.75	0.00	8.75	0.00	8.75	8.75	35.00	17.50	17.50
	<b>Total (B)</b>	<b>0.00</b>	<b>0.00</b>	<b>62.50</b>	<b>62.50</b>	<b>62.50</b>	<b>0.00</b>	<b>62.50</b>	<b>41.25</b>	<b>62.50</b>	<b>53.75</b>	<b>250.00</b>	<b>157.50</b>	<b>92.50</b>
	<b>Grand total (A+B)</b>	<b>70.13</b>	<b>45.47</b>	<b>193.55</b>	<b>145.18</b>	<b>237.61</b>	<b>86.57</b>	<b>265.64</b>	<b>125.76</b>	<b>278.21</b>	<b>162.06</b>	<b>1045.15</b>	<b>565.04</b>	<b>480.11</b>

From the table above, it could be seen that the State received ₹ 565.04 crore against the recommendation of ₹ 1045.15 crore leaving a short release of ₹ 480.11 crore. In case of State specific needs, the State Government has received ₹ 157.04 crore against the allocation of ₹ 250.00 crore.

### 1.3.4 Central Tax Transfers

The break-up of State's share of union taxes and duties received during 2010-15 is given in the **Table 1.13** below:

**Table 1.13: Central Tax Transfers**

Head	(₹ in crore)				
	2010-11	2011-12	2012-13	2013-14	2014-15
Corporation Taxes	269.56	316.26	329.59	336.90	371.26
Taxes on income other than corporation tax	142.45	160.65	197.31	221.84	265.11
Tax on wealth	0.55	1.22	0.55	0.92	1.00
Customs	120.60	139.31	152.48	163.45	171.94
Union Excise Duties	87.74	90.14	103.63	115.44	97.09
Service Tax	68.56	95.62	133.58	162.72	156.28
<b>Total</b>	<b>689.46</b>	<b>803.20</b>	<b>917.14</b>	<b>1001.27</b>	<b>1062.68</b>

(Source: Finance Accounts of respective years)

State's share of union taxes and duties increased by ₹ 61.41 crore (6.13 per cent) from ₹ 1001.27 crore in 2013-14 to ₹ 1062.68 crore in 2014-15 contributing 13.89 per cent of the total Revenue Receipts during 2014-15. This increase was due to increase in Corporation tax (₹ 34.36 crore), Taxes on income other than corporation tax (₹ 43.27 crore), Customs (₹ 8.49 crore) and Tax on Wealth (₹ 0.08 crore) offset by decrease in Union Excise Duties (₹ 18.35 crore) and Service tax (₹ 6.44 crore). Central Tax Transfers during the year (₹ 1062.68 crore) was less than the assessment made in budget estimate (₹ 1202.83 crore) by ₹ 140.15 crore.

## 1.4 Capital Receipts

The capital receipts for the period from 2010-11 to 2014-15 is given below:

**Table No. 1.14: Capital Receipts**

Source of State's Receipt	2010-11	2011-12	2012-13	2013-14	2014-15
<b>Capital Receipts (CR)</b>	<b>465.66</b>	<b>1321.29</b>	<b>2730.97</b>	<b>1977.42</b>	<b>2415.58</b>
Miscellaneous Capital Receipts	0.00	0.00	0.00	0.00	0.00
Recovery of Loans and Advances	2.31	2.44	0.85	1.01	0.71
Public Debt Receipt	463.35	1318.85	2730.12	1976.41	2414.87
Rate of growth of debt capital receipts	(-)42.46	184.63	107.01	(-)27.61	22.18
Rate of growth of non-debt capital receipts	(-)45.00	5.63	(-)65.16	18.82	(-)29.70
Rate of growth of CR	(-)42.47	183.75	106.69	(-)27.59	22.16
Debt Capital buoyancy w.r.t GSDP	(-)3.63	10.34	8.16	(-)2.09	1.68
Non Debt Capital Buoyancy w.r.t GSDP	(-)3.84	0.32	(-)4.97	1.42	(-)2.24

(Source: Finance Accounts of respective years)

### 1.4.1 Proceeds from disinvestment

During the financial year 2014-15, the Government of Nagaland did not resort to any disinvestment.

### 1.4.2 Recoveries of loans and advances

The State Government in its Medium Term Fiscal Policy Statement targeted recovery of Loans and Advances of ₹ 2.45 crore which was subsequently revised to ₹ 4.82 crore. However, the actual recovery of ₹ 0.71 crore was only 15 per cent of the revised target set and showed an decreasing trend compared to 2013-14 by 29.70 per cent.

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

Debt receipts from internal sources increased by ₹ 438.46 crore (22.18 per cent) from ₹ 1976.41 crore in 2013-14 to ₹ 2414.87 crore in 2014-15. Debt receipts from internal sources of ₹ 2414.87 crore comprised mainly of Market loans (₹ 600.00 crore), loans from NABARD (₹ 31.73 crore), loans from other Institutions (₹ 70.99 crore) and Ways and Means Advances from RBI (₹ 1689.87 crore). Debt receipts constituted 99.97 per cent of the total Capital receipts.

## 1.5 Public Accounts Receipts

Receipts and disbursements in respect of certain transactions such as small savings, Provident Funds, Reserve Funds, Deposits, Suspense, Remittances, etc. which do not form part of the Consolidated Fund are kept in the Public Account set up under Article 266(2) of the Constitution and are not subject to vote by the State Legislature. Here the Government acts as a banker. The balance after disbursement is the fund available with the Government for use.

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

(₹ in crore)

Resources under various heads	2010-11	2011-12	2012-13	2013-14	2014-15
Small Savings, Provident Fund etc	88.47	36.43	72.49	112.07	55.35
Reserve Fund	32.64	29.00	24.13	12.15	41.01
Deposits and Advances	(-)102.44	(-)133.80	(-)80.22	240.68	(-)607.76
Suspense and Miscellaneous	80.38	309.64	209.22	(-)0.76	0.56
Remittances	8.89	5.54	(-)6.63	(-)30.38	277.54
<b>Total</b>	<b>107.94</b>	<b>246.81</b>	<b>218.99</b>	<b>333.76</b>	<b>(-)233.30</b>

(Source: Finance Accounts of respective years)

The net receipts from Public Account decreased by ₹ 567.06 crore (169.90 per cent) from ₹ 333.76 crore in 2013-14 to ₹ (-) 233.30 crore in 2014-15. The decrease was due to decrease in Deposit and Advances (₹ 848.44 crore) and Small Savings, Provident Funds (₹ 56.72 crore) offset by increase in Suspense and Miscellaneous (₹ 1.32 crore), Remittances (₹ 307.92 crore) and Reserve Fund (₹ 28.86 crore). The net availability of funds under Small Savings, PF etc, Reserve Fund and Remittances had a predominant share in financing the fiscal deficit.

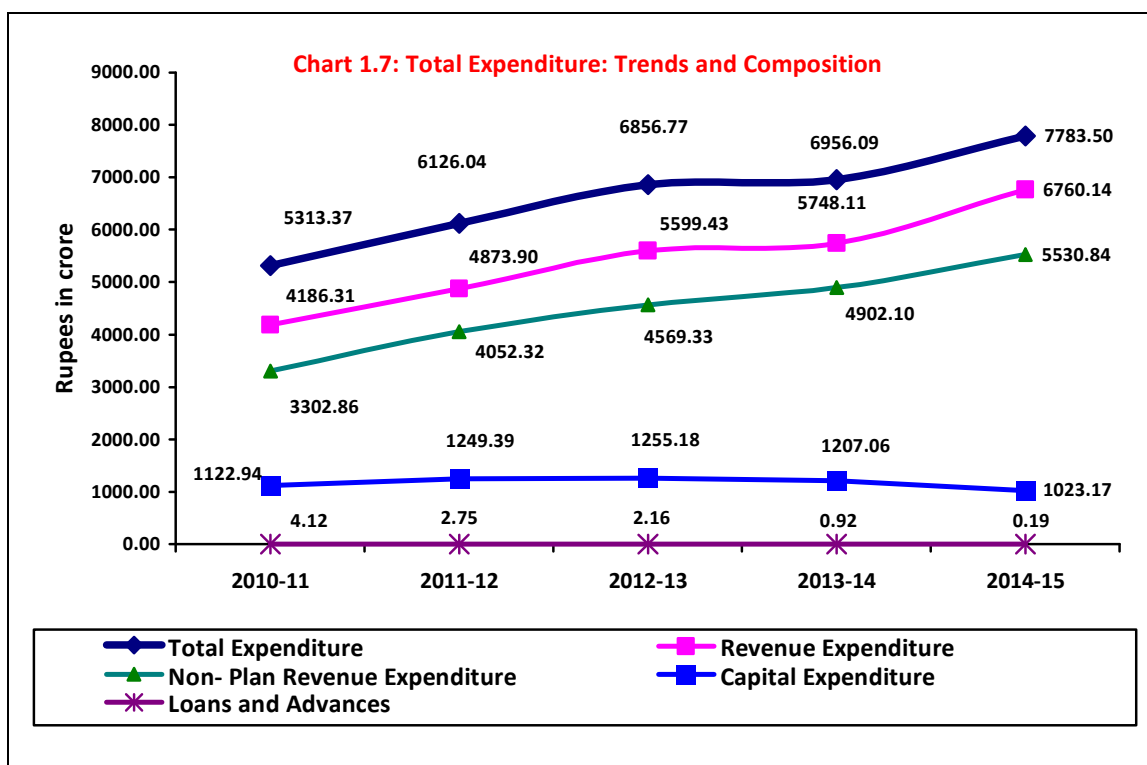
## 1.6 Application of resources

Analysis of the allocation of expenditure at the State Government level assumes significance since the Government is entrusted with major expenditure responsibilities.

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

### 1.6.1 Growth and Composition of Expenditure

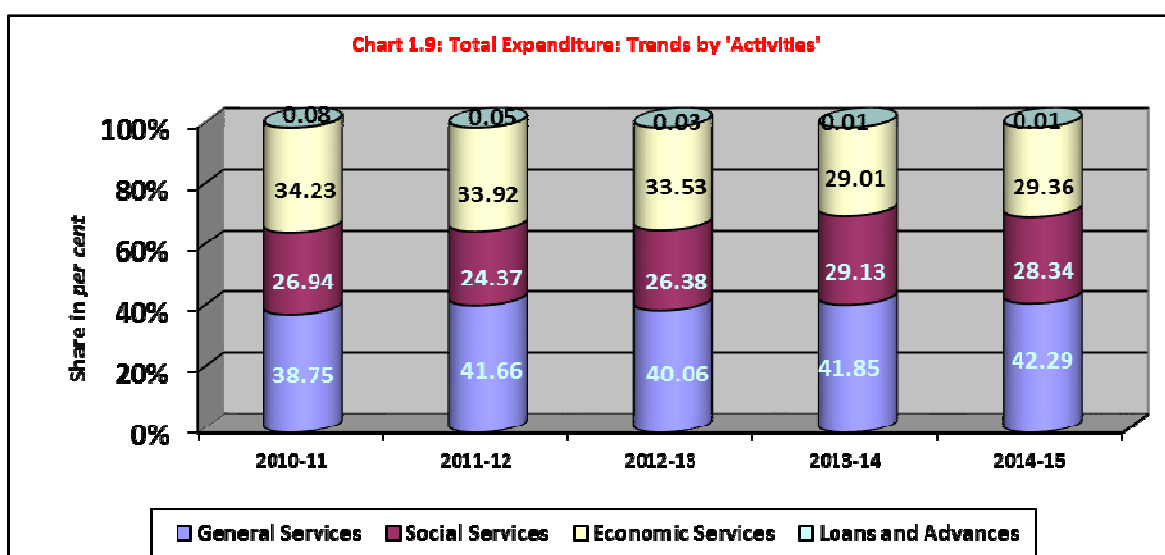
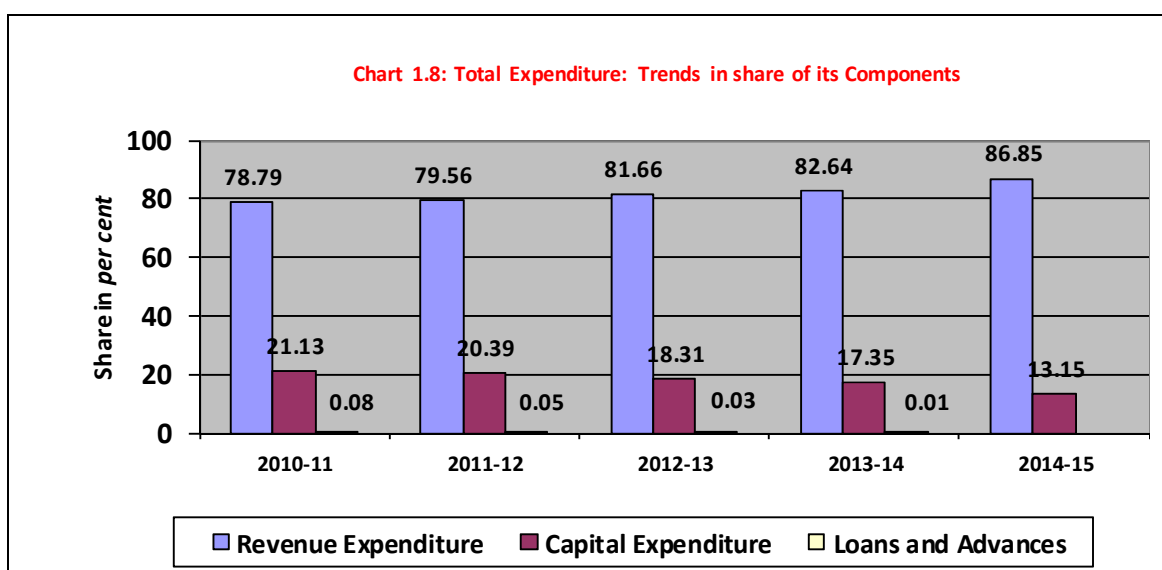
**Chart 1.7** presents the trends in total expenditure over a period of five years (2010-15) and its composition both in terms of 'classification of expenditure' and 'expenditure by activities' is depicted respectively in **Charts 1.8 and 1.9**.



Statements 15 & 16 of the Finance Accounts depict the detailed revenue expenditure by minor heads and capital expenditure respectively. States raise resources to perform their sovereign functions, maintain their existing nature of delivery of social and economic services and extend the network of these services through capital expenditure and investments to discharge their debt service obligations. The total expenditure of the State increased by ₹ 2470.13 (46.49 per cent) crore from ₹ 5313.37 crore in 2010-11 to ₹ 7783.50 crore in 2014-15.

Total expenditure during 2014-15 at ₹ 7783.50 crore increased by ₹ 827.41 crore (11.89 per cent) over the previous year. Out of the total expenditure in 2014-15, revenue expenditure was ₹ 6760.14 crore (86.85 per cent) while capital expenditure was ₹ 1023.17 crore (13.15 per cent) and loans and advances was ₹ 0.19 crore. The increase in total expenditure during 2014-15 over the previous year was due to increase of revenue expenditure by ₹ 1012.03 crore offset by decrease in capital expenditure by ₹ 183.89 crore and disbursement of loans and advances by ₹ 0.73 crore.

The non-plan revenue expenditure (₹ 5530.84 crore) was short by ₹ 75.90 crore (1.35 per cent) during the year as compared to the projection made by the State Government in its Fiscal Consolidation Roadmap (FCR) for 2014-15 (₹ 5606.74 crore). The capital expenditure (₹ 1023.17 crore) was lower by ₹ 863.62 crore (45.77 per cent) as compared to the assessment made by the State Government in its FCR (₹ 1886.79 crore).



The total expenditure, its annual growth rate, the ratio of expenditure to the GSDP and to revenue receipts and its buoyancy with respect to GSDP and revenue receipts are indicated in **Table 1.16**.

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

	2010-11	2011-12	2012-13	2013-14	2014-15
Total Expenditure (TE) (₹ in crore)	5313.37	6126.04	6856.77	6956.09	7783.50
Rate of growth of TE (per cent)	25.19	15.29	11.93	1.45	11.89
TE/GSDP ratio (per cent)	45.19	44.20	43.74	39.19	38.73
RR/TE (per cent)	94.07	91.16	90.46	93.38	98.27
Buoyancy of Total expenditure with reference to:					
GSDP (ratio)	2.15	0.86	0.91	0.11	0.90
Revenue Receipt (ratio)	0.73	1.30	1.08	0.31	0.67

(Source: Finance Accounts of respective years)



During the current year, 98.27 per cent of the total expenditure was met from revenue receipts and the remaining from capital receipts and borrowed funds.

The General Service expenditure increased by ₹ 380.48 crore (13.07 per cent) from ₹ 2911.44 crore in 2013-14 to ₹ 3291.92 crore in 2014-15, Social Services expenditure increased by ₹ 180.13 crore (8.89 per cent) and Economic Services expenditure increased by ₹ 280.53 crore (13.90 per cent).

The pattern of total expenditure in the form of non-plan and plan expenditure during 2014-15 showed that they contributed 71.06 per cent (₹ 5531.25 crore) and 28.94 per cent (₹ 2252.25 crore) respectively. The non-plan expenditure increased by ₹ 609.71 crore as compared to the previous year due to increase in expenditure under General Services (₹ 384.85 crore), Social Services (₹ 60.16 crore) and Economic Services (₹ 164.70 crore).

Plan expenditure increased by ₹ 218.28 crore as compared to the previous year due to increase in expenditure under Economic Services (₹ 102.83 crore) and Social Services (₹ 119.97 crore), offset by decrease in expenditure under General Services (₹ 4.52 crore).

### **1.6.2 Revenue Expenditure**

Revenue expenditure had predominant share varying from 78.79 per cent to 86.85 per cent of the total expenditure of the State during 2010-15. Revenue expenditure is incurred to maintain the current level of services and payments for the past obligations and as such does not result in any addition to the State's infrastructure and service network.

The revenue expenditure, its rate of growth, the ratio of revenue expenditure to GSDP and to revenue receipts and its buoyancy is indicated in **Table 1.17**.

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

	2010-11	2011-12	2012-13	2013-14	2014-15
Revenue Expenditure (RE), of which (₹ in crore)	4186.31	4873.90	5599.43	5748.11	6760.14
Non-plan Revenue Expenditure (NPRE) (₹ in crore)	3302.86	4052.32	4569.33	4902.10	5530.84
Plan Revenue Expenditure (PRE) (₹ in crore)	883.45	821.58	1030.10	846.01	1229.30
Rate of growth of RE (per cent)	28.75	16.42	14.89	2.66	17.61
Rate of growth of NPRE (per cent)	24.05	22.69	12.76	7.28	12.83
Rate of growth of PRE (per cent)	50.11	(-7.00)	25.38	(-17.87)	45.31
RE as percentage to TE	78.79	79.56	81.66	82.63	86.85
NPRE/GSDP (per cent)	28.09	29.24	29.15	27.62	27.52
NPRE/TE (per cent)	62.16	66.15	66.64	70.47	71.06
NPRE/RR (per cent)	66.08	72.56	73.67	75.47	72.31
Buoyancy of RE with GSDP (ratio)	2.46	0.92	1.14	0.20	1.33
Buoyancy of RE with RR (ratio)	0.84	1.40	1.35	0.56	0.99

(Source: Finance Accounts of respective years)

Revenue expenditure of the State had increased by ₹ 2573.83 crore (61.48 per cent) from ₹ 4186.31 crore in 2010-11 to ₹ 6760.14 crore in 2014-15 at a compound annual growth rate of 10.06 per cent. Non plan revenue expenditure (NPRE) had shown a consistent increase over the period 2010-15 while plan revenue expenditure (PRE) had shown fluctuation and has increased by ₹ 383.29 crore in 2014-15 over previous year. Of the total increase of ₹ 1012.03 crore in revenue expenditure during 2014-15 over the previous year, increase in NPRE contributed 62.13 per cent (₹ 628.74 crore) and increase in PRE accounted for 37.87 per cent (₹ 383.29 crore).

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

**Table 1.18: NPRE assessments made by XIII-FC and FCR**

(₹ in crore)

	Assessment made by XIII-FC	Assessment made by State Government in FCR	Actual
Non-Plan Revenue Expenditure	3280.69	5606.74	5530.84

The actual NPRE exceeded the normative assessment made by XIII-FC by ₹ 2250.15 crore (68.59 per cent). However, it was lower than assessment made by the State in FCR by ₹ 75.90 crore (1.35 per cent).

### 1.6.3 Committed Expenditure

The committed expenditure of the State Government on revenue account mainly consists of interest payments, expenditure on salaries and wages, pension and subsidies. **Table 1.19** and **Chart 1.10** present the trends in the expenditure on these components during 2010-15.

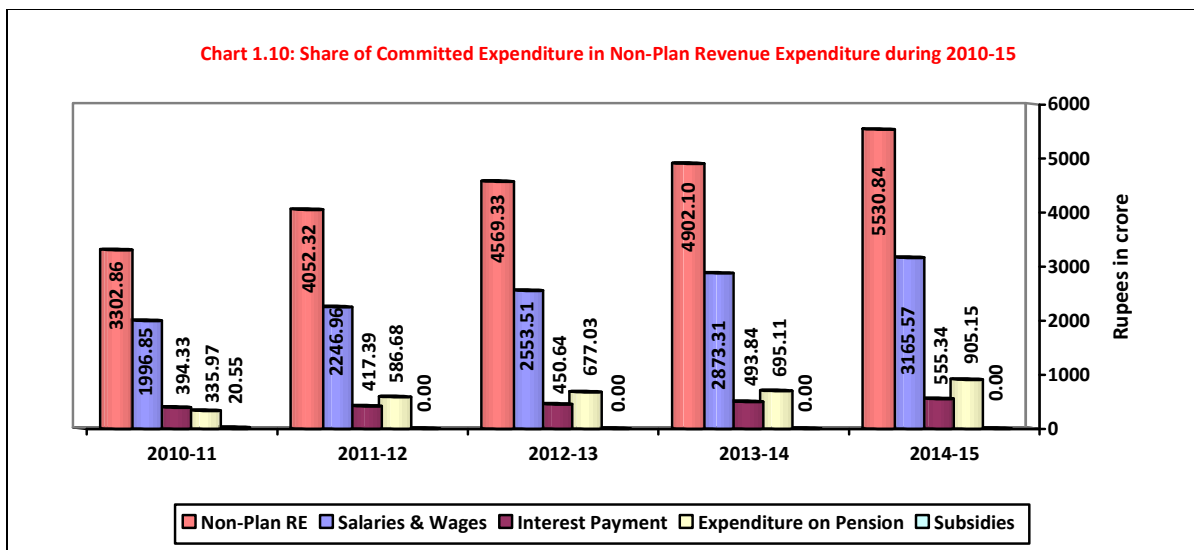
The committed expenditure (i.e., interest payment, pension, salaries and subsidies) of the State Government increased from ₹ 4129.75 crore in 2013-14 to ₹ 4734.65 crore in 2014-15. The overall percentage of committed expenditure to NPRE and Revenue Receipts was 85.60 per cent and 61.90 per cent respectively in 2014-15.

**Table 1.19: Components of Committed Expenditure**

(₹ in crore)

	2010-11	2011-12	2012-13	2013-14	2014-15
Salaries & Wages, of which	2033.93	2283.75	2603.87	2940.80	3274.16
(i) Non-plan	1996.85	2246.96	2553.51	2873.31	3165.57
(ii) Plan	37.08	36.79	50.36	67.49	108.59
Interest Payment	394.33	417.39	450.64	493.84	555.34
Expenditure on Pension	335.97	586.68	677.03	695.11	905.15
Subsidies	20.55	0.00	0.00	0.00	0.00
<b>Total</b>	<b>2784.78</b>	<b>3287.82</b>	<b>3731.54</b>	<b>4129.75</b>	<b>4734.65</b>
As per cent of RR					
Salaries & Wages	40.69	40.89	41.98	45.27	42.81
Interest Payment	7.89	7.47	7.27	7.60	7.26
Expenditure on pension	6.72	10.51	10.92	10.70	11.83
Subsidies	0.41	0.00	0.00	0.00	0.00

(Source: Finance Accounts of respective years)

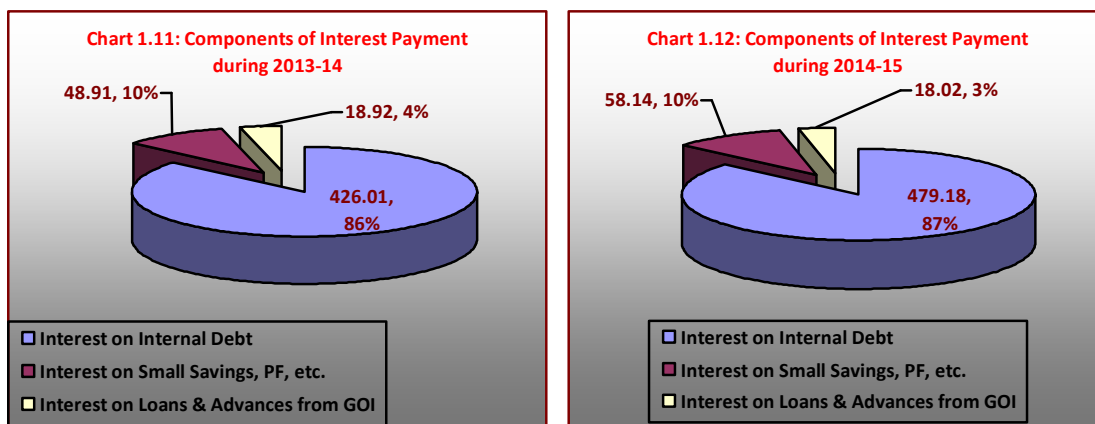


### Salaries & Wages:

Expenditure on salaries under Non-Plan and Plan during the current year was ₹ 3165.57 crore and ₹ 108.58 crore respectively. The expenditure on salaries increased by ₹ 1240.23 crore (60.98 *per cent*) from ₹ 2033.93 crore in 2010-11 to ₹ 3274.16 crore in 2014-15 and was ₹ 1701.97 crore more than the projection made in XIII-FC (₹ 1572.19 crore). Expenditure on salaries and wages increased by ₹ 333.36 crore (11.34 *per cent*) over the previous year mainly due to release of dearness allowance installments and incremental benefits. Salary and wages accounted for 42.81 *per cent* of the revenue receipts during 2013-14.

### Pension Payment:

The expenditure on pension had increased by ₹ 210.04 crore (30.22 *per cent*) from ₹ 695.11 crore in 2013-14 to ₹ 905.15 crore in 2014-15. The pension payment were ₹ 329.84 crore more than the assessment made by XIII-FC (₹ 575.31 crore). However, it was ₹ 90.15 crore more than the assessment made by the State Government in its MTFPS (₹ 815.00 crore) for the year 2014-15.

**Interest Payments:**

Interest payment increased by ₹ 161.01 crore (40.83 per cent) from ₹ 394.33 crore in 2010-11 to ₹ 555.34 crore in 2014-15. The interest payment increased by ₹ 61.50 crore (12.45 per cent) during 2014-15 over the previous year due to increase in interest payment on Internal Debt (₹ 53.17 crore) and Small Savings, Provident Fund etc. (₹ 9.23 crore) offset by decrease in Interest on Loan and Advances from Central Government (₹ 0.90 crore).

The interest payment for the year 2014-15 was lower than the projection made by the State Government in MTFPS (₹ 570.08 crore) but higher than the projections made in XIII-FC (₹ 434.61 crore).

**Subsidies:**

In any welfare State, it is not uncommon to provide subsidies/subventions to the disadvantaged sections of the society. Subsidies are dispensed not only explicitly but also implicitly by providing subsidised public service to the people. Budgetary support to financial institutions, inadequate returns on investments and poor recovery of user charges from social and economic services provided by the Government fall in the category of implicit subsidies. However, no subsidies were given by the State Government during the year 2011-12, 2012-13, 2013-14 and 2014-15.

**1.6.4 Financial Assistance by State Government to local bodies and other Institutions**

The quantum of assistance provided by way of grants and loans to local bodies and others during the current year relative to the previous years is presented in **Table 1.20**.

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

Financial Assistance to Institutions	2010-11	2011-12	2012-13	2013-14	2014-15
Educational Institutions (Aided Schools, Aided Colleges, Universities, etc.)	5.50	6.40	51.17	30.47	10.51
Co-Operation	3.44	6.55	8.40	19.18	1.00
Municipal councils	...	2.98	0.00	5.98	6.34
Development Agencies	26.56	28.29	29.04	29.18	103.44

(₹ in crore)

Financial Assistance to Institutions	2010-11	2011-12	2012-13	2013-14	2014-15
Hospitals and Other Charitable Institutions	12.59	14.70	15.50	14.46	16.42
Panchayati Raj	0.00	0.55	16.62	0.09	6.19
Special Area Programme	0.00	4.75	0.00	0.00	60.87
Other Institutions	54.80	100.51	111.77	193.75	45.83
<b>Total</b>	<b>102.89</b>	<b>164.73</b>	<b>232.50</b>	<b>293.11</b>	<b>250.60</b>
Assistance as percentage of RE	2.46	3.38	4.15	5.10	3.71

(Source: Finance Accounts of respective years)

The total assistance to local bodies etc. decreased by ₹ 42.51 crore (14.50 per cent) from ₹ 293.11 crore in 2013-14 to ₹ 250.60 crore in 2014-15. **Table 1.19** shows that the assistance decreased by ₹ 19.96 crore (65.51 per cent) from ₹ 30.47 crore in 2013-14 to ₹ 10.51 crore in 2014-15 in respect of Educational Institutions whereas, it remained nil during the period except in 2011-12 and 2014-15 in respect of Special Area Programme.

## 1.7 Quality of Expenditure

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

### 1.7.1 Adequacy of Public Expenditure

The expenditure responsibilities relating to social sector and economic infrastructure are largely assigned to State Governments. Enhancing human development levels requires the States to step up their expenditure on key social services like education, health, etc. **Table 1.21** analyses the fiscal priority given by the Nagaland Government to various expenditure heads in 2011-12 and the current year viz 2014-15 with regard to developmental expenditure, social sector expenditure and capital expenditure.

**Table-1.21: Fiscal priority of the State in 2011-12 & 2014-15**

Fiscal priority by the State	AE/GSDP	DE/AE	SSE/AE	CE/AE	Education/AE	Health/AE
*Special Category States Average (Ratio) 2011-12	26.39	61.26	37.02	14.02	18.86	5.40
Nagaland's Average (Ratio) 2011-12	44.22	58.32	24.36	20.39	12.74	4.54
Special Category States Average (Ratio) 2014-15	NA	63.51	38.14	14.22	19.31	5.49
Nagaland's Average (Ratio) 2014-15	38.73	57.71	28.34	13.15	14.28	5.34

*(in per cent)*

\*Based on 8 Special Category States such as Assam, Himachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, Tripura and Uttrakhand  
 AE: Aggregate Expenditure DE: Developmental Expenditure SSE: Social Sector Expenditure  
 CE: Capital Expenditure  
 # Developmental expenditure includes Developmental Revenue Expenditure, Developmental Capital Expenditure and Loans and Advances disbursed.  
 (Source: For GSDP, Central Statistical Office (CSO), Ministry of Statistics and Programme Implementation website as on 31 July 2015)

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

- Development expenditure as a proportion of aggregate expenditure has been lower in the State compared to the SCS average both during 2011-12 and 2014-15.
- Expenditure on Social Sector as a proportion of aggregate expenditure was lower than the SCS average during 2011-12 and 2014-15. The share of expenditure on education as a proportion of aggregate expenditure was also lower than the SCS averages in both the years, though it improved in 2014-15. The share of expenditure on health as a proportion of aggregate expenditure was also less than the SCS averages in 2011-12 and 2014-15.
- It was observed that the share of capital expenditure of the State was higher than the SCS average in 2011-12 but lower during the year 2014-15.

### 1.7.2 Efficiency of Expenditure Use

In view of the importance of public expenditure on developmental heads from the point of view of social and economic development, it is important for the State Governments to take appropriate expenditure rationalisation measures and lay emphasis on provision of core public and merit goods<sup>7</sup>. Apart from improving the allocation towards developmental expenditure<sup>8</sup>, particularly in view of the fiscal space being created on account of decline in debt servicing in recent years, the efficiency of expenditure use is also reflected by the ratio of capital expenditure to total expenditure (and/or GSDP) and proportion of revenue expenditure being spent on operation and maintenance of the existing social and economic services. The higher the ratio of these components to total expenditure (and/or GSDP), the better would be the quality of expenditure. While **Table 1.22** presents the trends in developmental expenditure relative to the aggregate expenditure of the State during the current year vis-à-vis budgeted and the previous years, **Table 1.23** provides the details of capital expenditure and the components of revenue expenditure incurred on the maintenance of the selected social and economic services.

<sup>7</sup> As detailed in Appendix 1.1 C

<sup>8</sup> The analysis of expenditure data is disaggregated into developmental and non-developmental expenditure. All expenditure relating to Revenue Account, Capital Account and Loans and Advances are categorised into social services, economic services and general services. Broadly, the social and economic services constitute developmental expenditure, while expenditure on general services is treated as non-developmental expenditure.

**Table-1.22: Developmental Expenditure**

(₹ in crore)

Components of Developmental Expenditure	2010-11	2011-12	2012-13	2013-14	2014-15	
					BE	Actual
<b>Developmental Expenditure (a to c)</b>	3254.56 (61.25)	3573.79 (58.34)	4109.92 (59.94)	4044.65 (58.15)	6160.13	4491.58 (57.71)
a. Developmental Revenue Expenditure	2344.67 (44.13)	2557.39 (41.74)	3063.59 (44.68)	3017.86 (43.38)	4922.50	3629.17 (46.63)
b. Developmental Capital Expenditure	905.77 (17.05)	1013.64 (16.55)	1044.17 (15.23)	1025.87 (14.75)	1233.66	862.22 (11.08)
c. Developmental Loans and Advances	4.12 (0.08)	2.76 (0.04)	2.16 (0.03)	0.92 (0.01)	3.97	0.19 (0.00)
<i>Figures in parentheses indicate percentage to aggregate expenditure</i>						

The developmental expenditure (₹ 4491.58 crore) was lesser than the assessment made by the State Government in the budget by ₹ 1668.55 crore. The developmental revenue expenditure increased by ₹ 611.31 crore (20.26 per cent) and capital expenditure, however, decreased by ₹ 163.65 crore (15.95 per cent) respectively over the previous year.

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

(₹ in crore)

Sector	2013-14			2014-15		
	Ratio of CE to TE	Revenue Expenditure		Ratio of CE to TE	Revenue Expenditure	
		Salaries & Wages	Operation & Maintenance		Salaries & Wages	Operation & Maintenance
<b>Social Services (SS)</b>						
Education, Sports, Art & Culture	6.90	801.28	228.75	4.29	871.65	192.32
Health and Family Welfare	4.23	250.56	37.63	5.11	276.68	117.79
WS, Sanitation, & HUD	72.64	65.58	17.21	67.08	70.72	57.23
Others	9.59	78.00	222.55	9.59	86.12	182.66
<b>Total (SS)</b>	<b>16.02</b>	<b>1195.42</b>	<b>506.14</b>	<b>15.91</b>	<b>1305.17</b>	<b>550.00</b>
<b>Economic Services (ES)</b>						
Agri & Allied Activities	20.89	214.66	126.59	4.03	246.30	230.77
Irrigation and Flood Control	0.76	20.25	64.33	19.25	22.37	39.59
Power & Energy	23.17	79.94	217.36	12.94	95.03	249.03
Transport	58.63	166.54	55.15	51.50	202.04	59.59
Others	35.76	120.63	250.85	18.99	166.38	462.90
<b>Total (ES)</b>	<b>34.76</b>	<b>602.02</b>	<b>714.28</b>	<b>22.37</b>	<b>732.12</b>	<b>1041.88</b>
<b>Total (SS+ES)</b>	<b>25.37</b>	<b>1797.44</b>	<b>1220.42</b>	<b>19.20</b>	<b>1797.44</b>	<b>1831.73</b>

**Table 1.23** shows that the ratios of CE to TE under Education, Sports, Art & Culture and Water Supply, Sanitation, Housing & Urban Development decreased by 2.61 per cent and 5.56 per cent respectively over the previous year. However, it increased under Health & Family Welfare by 0.88 per cent over the previous year. The ratio of CE to TE under Social Services decreased from 16.02 per cent in 2013-14 to 15.91 per cent in 2014-15. Moreover, that in respect of Economic Services decreased from 34.76 per cent in 2013-14 to 22.37 per cent in 2014-15.

## 1.8 Financial Analysis of Government Expenditure and Investments

In the post-FRBM framework, the State is expected to keep its fiscal deficit (and borrowing) not only at low levels but also meet its capital expenditure/investment (including loans and advances) requirements. In addition, in a transition to complete dependence on market based resources, the State Government needs to initiate measures to earn adequate return on its investments and recover its cost of borrowed funds rather than bearing the same on its budget in the form of implicit subsidy and take requisite steps to infuse transparency in financial operations. This section presents the broad financial analysis of investments and other capital expenditure undertaken by the Government during the current year vis-à-vis previous years.

### 1.8.1 Financial result of Irrigation Projects

According to Para 7.46 of XIII Finance Commission Report, the cost recovery rate of the receipts from irrigation should be 75 per cent of Non-plan Revenue Expenditure for 2014-15 in order to ensure viability of Irrigation Projects.

There was no commercial irrigation project in Nagaland. However, 1091 minor irrigation projects covering 43571 hectares involving a cost of ₹ 575.76 crore were taken up under Accelerated Irrigation Benefit Programme during 2000-2014. During 2014-15, another 159 minor irrigation projects at a cost of ₹ 37.17 crore were also taken up.

Further, as mentioned in para 7.138 of XIII-FC report, the Controller General of Accounts (CGA) had issued instructions that the maintenance expenditure under the head Minor Irrigation should be divided into two sub heads - Work Charged Expenditure and Other Maintenance Expenditure. These changes should be brought into the State and Union Budget and Finance Accounts immediately. Due to non-operation of these sub-heads, the State was not able to provide budget provision for maintenance expenditure under the head Minor Irrigation, hence actual expenditure incurred on maintenance of minor irrigation projects against the XIII-FC projection of ₹ 13.46 crore for 2014-15 could not be assessed.

### 1.8.2 Incomplete projects

The department-wise information pertaining to incomplete projects as on 31 March 2015 is given in **Table 1.24**.

**Table 1.24: Department-wise Profile of Incomplete Projects**

(₹ in crore)

Department	No. of Incomplete Projects	Initial Budgeted Cost	Revised Cost	Cumulative expenditure as on 31-03-2015
1	2	3	4	5
PHE Department	32	270.38	278.28	108.38
P.W.D. (R&B)	34	642.85	675.43	502.77
Technical Education	4	51.50	51.50	37.95
Geology and Mining	3	52.08	79.48	48.73



**Audit Report on State Finances for the year ended 31 March 2015**

Department	No. of Incomplete Projects	Initial Budgeted Cost	Revised Cost	Cumulative expenditure as on 31-03-2015
Department of Under Developed Area	75	83.69	83.69	23.82
S.C.E.R.T.	1	4.28	4.97	4.63
Transport Commissioner	2	17.35	17.35	12.05
P.W.D. (Housing)	16	329.56	329.56	181.35
Medical Engineering Division	2	26.82	26.82	4.00
Veterinary and Animal Husbandry	60	48.71	48.55	20.59
Urban Development	14	378.75	378.75	149.08
C.A.W.D.	2	3.90	3.90	1.22
Power	1	19.67	19.67	13.42
Police Engineering Project	41	689.90	689.90	74.88
Industries and Commerce	2	9.67	9.67	4.67
Directorate of Evaluation	2	1.39	1.39	1.39
Youth Resource and Sports	4	174.59	168.81	79.78
Directorate of School Education	1	2.51	2.51	0.85
Economics and Statistics	2	3.72	3.72	3.72
Social Welfare	2	37.92	37.92	13.92
Addl. Principal Chief Conservator of Forest (Development and Planning)	1	18.56	43.28	29.56
Irrigation and Flood Control	2	3.39	3.39	1.69
Employment and Craftsmen Training	2	2.63	2.63	0.00
Commissioner of Excise	2	7.70	7.70	1.42
<b>Total</b>	<b>307</b>	<b>2881.53</b>	<b>2968.87</b>	<b>1319.87</b>

(Source: Finance Accounts and Departmental records)

There were 307 incomplete projects (estimated cost ₹ 2881.53 crore and actual expenditure incurred was ₹ 1319.87 crore as of March 2015) pertaining to 24 departments. Out of the 307 incomplete projects 213 projects (estimated cost ₹ 1990.40 crore and actual expenditure ₹ 863.09 crore) were due to be completed by March 2015 but remained incomplete as of October 2015 and 2 projects (estimated cost ₹ 10.93 crore and actual expenditure ₹ 8.63 crore) taken up under P.W.D (R&B) had been suspended without completion.

Out of the 213 projects, the cost of five incomplete projects pertaining to Geology and Mining (₹ 52.08 crore), State Council of Educational Research and Training (₹ 4.28 crore) and Addl. Principal Chief Conservator of Forest (Development and Planning) (₹ 18.56 crore) had been revised and increased by ₹ 52.81 crore (70.49 per cent). The estimated cost of the five projects was ₹ 74.92 crore which was revised to ₹ 127.73 crore.

The completion in respect of 49 projects was not due as on 31 March 2015. The date of completion in respect of 43 projects could not be furnished by the departments. Hence, it could not be ascertained as to whether the 43 projects were incomplete or were in progress.

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

### 1.8.3 Investment and returns

As on 31 March 2015, Government had invested ₹ 278.44 crore in Statutory Corporations, Rural Banks, Joint Stock Companies and Co-operatives (Table 1.25). The return on this investment was 'Nil' during the last five years while the Government paid an average interest rate of 6.81 per cent on its borrowings during 2014-15.

**Table-1.25: Return on Investment**

(₹ in crore)

Investment/Return/Cost of Borrowings	2010-11	2011-12	2012-13	2013-14	2014-15
Investment at the end of the year (a-e) (₹ in crore)	213.41	228.01	242.65	270.01	278.44
(a) Joint Stock Companies	32.10	32.11	32.10	32.10	32.10
(b) Government Companies	145.60	160.19	168.69	182.05	190.48
(c) Statutory Corporations	0.04	0.04	0.04	0.04	0.04
(d) Rural Banks	0.00	0.00	0.00	0.00	0.00
(e) Co-operatives	35.67	35.67	41.82	55.82	55.82
Return (₹ in crore)	0.00	0.00	0.00	0.00	0.00
Return (per cent)	0.00	0.00	0.00	0.00	0.00
Average rate of interest on Govt borrowing (per cent)	6.96	6.61	6.34	6.25	6.81
Difference between interest rate and return (per cent)	6.96	6.61	6.34	6.25	6.81

(Source: Finance Accounts of respective years)

Out of the total Government investment of ₹ 278.44 crore at the close of the current year, ₹ 190.48 crore was invested in five Government companies (₹ 105.57 crore), Distillery Project (₹ 0.30 crore) and Public Sector & other Undertakings (₹ 84.61 crore). The remaining amount of ₹ 87.96 crore was invested in two Joint Stock Companies (₹ 32.11 crore) and Statutory Corporations, Co-operative Bank and Co-operative Societies etc. (₹ 55.85 crore). During the current year, the Government made additional investment of ₹ 8.43 crore in State Mineral Development Corporations (₹ 6.93 crore) and Public Sector and Other Undertakings (₹ 1.50 crore).

Out of five Government companies in the State, one company viz., Nagaland Sugar Mills Ltd. (₹ 7.29 crore-investment up to 2001-02) was non-working whose accounts were in arrears for 37 years. The four working companies - Nagaland Industrial Development Corporation Ltd. (₹ 8.39 crore), Nagaland Industrial Raw Materials & Supply

Corporation Ltd., (₹ 4.05 crore), State Mineral Development Corporations (₹ 81.51 crore) and Nagaland Handloom & Handicrafts Development Corporation Ltd., (₹ 2.82 crore) were incurring losses. Except Nagaland Industrial Development Corporation Ltd. whose accounts were in arrears for one year, the accounts of the remaining three working Government Companies were in arrears for periods ranging between 2 and 5 years. Hence, the actual financial status of the companies as of March 2015 could not be assessed.

Effective steps should be taken by the Government to increase profitability in the Government Companies/Statutory Corporations. The Government should ensure better value for money in investments by identifying the Companies/Corporations which are endowed with low financial but high socio-economic returns and see if high cost borrowings need to be invested in those Companies/Corporations. Besides, as no purpose is served by keeping the non-working company in existence, the Government may expedite closing down of the non-working company.

#### **1.8.4 Loans and advances by State Government**

In addition to investments in Co-operative Societies, Corporations and Companies, Government has also been providing loans and advances to many institutions/organisations. **Table 1.26** presents the outstanding loans and advances as on 31 March 2015 and interest receipts vis-à-vis interest payments during the last three years.

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

(₹ in crore)

Quantum of loans/interest receipts/ cost of borrowings	2011-12	2012-13	2013-14	2014-15	
				BE	Actual
<b>Opening Balance</b>	25.80	26.11	27.42	26.26	27.33
Amount advanced during the year	2.75	2.16	0.92	3.97	0.19
Amount repaid during the year	2.44	0.85	1.01	2.45	0.71
<b>Closing Balance</b>	<b>26.11</b>	<b>27.42</b>	<b>27.33</b>	<b>27.78</b>	<b>26.81</b>
Net addition	0.31	1.31	(-)0.09	-	(-)0.52
Interest Receipts	1.10	0.00	3.49	-	3.29
Interest receipts as <i>per cent</i> to outstanding loans and advances	4.24	0.00	12.75	-	12.15
Interest payments as <i>per cent</i> to outstanding fiscal liabilities of the State Government.	6.61	6.34	6.25	-	6.81
Difference between interest payments and interest receipts ( <i>per cent</i> )	2.37	6.34	(-)6.50	-	(-)5.34

(Source: Finance Accounts of respective years)

At the end of March 2015, the Government had outstanding loans and advances of ₹ 26.81 crore. The amount of loans disbursed during the year decreased by ₹ 0.73 crore from ₹ 0.92 crore in 2013-14 to ₹ 0.19 crore in 2014-15. Out of the total amount of loans and advances of ₹ 26.81 crore as on 31 March 2015, ₹ 23.24 crore (86.68 *per cent*) were for Agriculture and Allied Activities, ₹ 1.39 crore (5.19 *per cent*) to Government Servants, ₹ 2.17 crore (8.09 *per cent*) for Industry & Minerals and ₹ 0.01 crore (0.04 *per cent*) for Water Supply, Sanitation, Housing and Urban Development.

The recovery of loans and advances decreased by ₹ 0.16 crore (15.84 per cent) from ₹ 1.01 crore in 2013-14 to ₹ 0.71 crore in 2014-15. During 2014-15, 88.73 per cent (₹ 0.63) loans were repaid by Government Servants and 11.27 per cent (₹ 0.08 crore) by Co-operatives. The interest receipts as a percentage of outstanding loans decreased from 12.75 per cent in 2013-14 to 12.15 per cent in 2014-15.

### 1.8.5 Cash Balances and Investment of Cash balances

A summary of the contents of Annexure A to Statement 2 of Finance Account are given below:

**Table 1.27: Summary of contents of Annexure A to Statement 2 of Finance Accounts**  
(₹ in crore)

	Opening balance on 01.04.2014	Closing balance on 31.03.2015
(a) General Cash Balance		
Cash in treasuries	0.00	0.00
Deposits with Reserve Bank	112.92	(-)250.36
Deposits with other Banks	0.00	0.00
Remittances in transit- Local	0.00	0.00
<b>Total</b>	<b>112.92</b>	<b>(-)250.36</b>
Investments held in Cash Balance investment account	0.00	141.48
<b>Total (a)</b>	<b>112.92</b>	<b>(-)108.88</b>
(b) Other Cash Balances and Investments		
Cash with departmental officers viz. Public Works Dept/ Officers, Forest department Officers, District Collectors	393.92	316.08
Permanent advances for contingent expenditure with departmental officers	0.00	0.00
Investment of earmarked funds	187.53	228.53
<b>Total (b)</b>	<b>581.45</b>	<b>544.61</b>
<b>Total (a) + (b)</b>	<b>694.37</b>	<b>435.73</b>

(Source: Finance Accounts)

Perusal of the table above indicate that the cash with the departmental officers viz., public works departmental officers, forest department officers and district collectors had decreased by ₹ 77.84 crore (19.76 per cent) from ₹ 393.92 crore in 2013-14 to ₹ 316.08 crore in 2014-15.

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

Major Head 8670 Cheques and Bills is an intermediary accounting head for initial record of transactions which are eventually to be cleared. There would normally be a credit balance outstanding under this head, representing unencashed cheques. The accounts of the Government of Nagaland however, show an outstanding debit balance of ₹ 0.03 crore as on 31 March 2015, which is to be reconciled by the State Government.

## 1.9 Assets and Liabilities

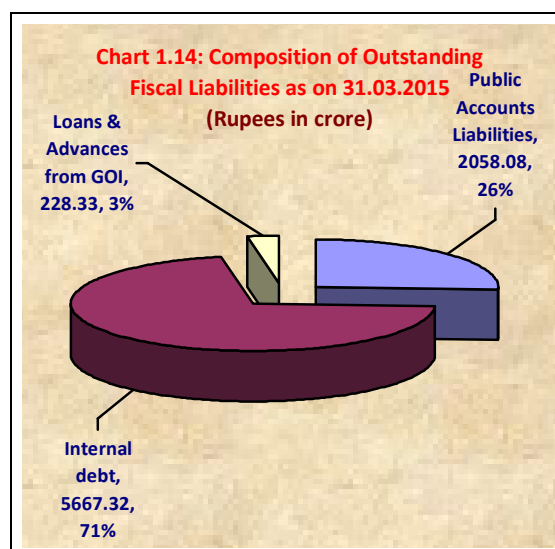
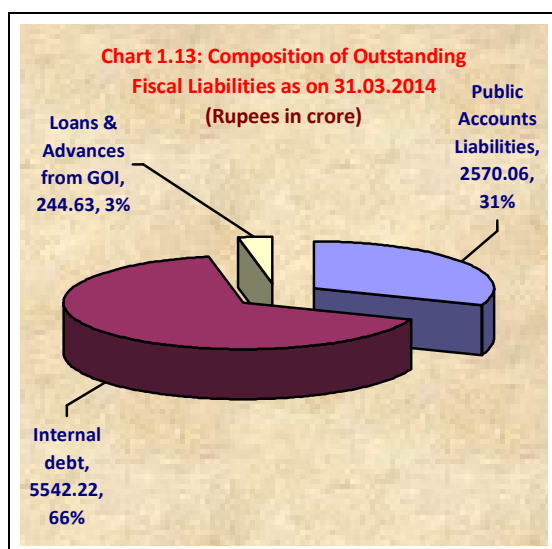
### 1.9.1 Growth and composition of Assets and Liabilities

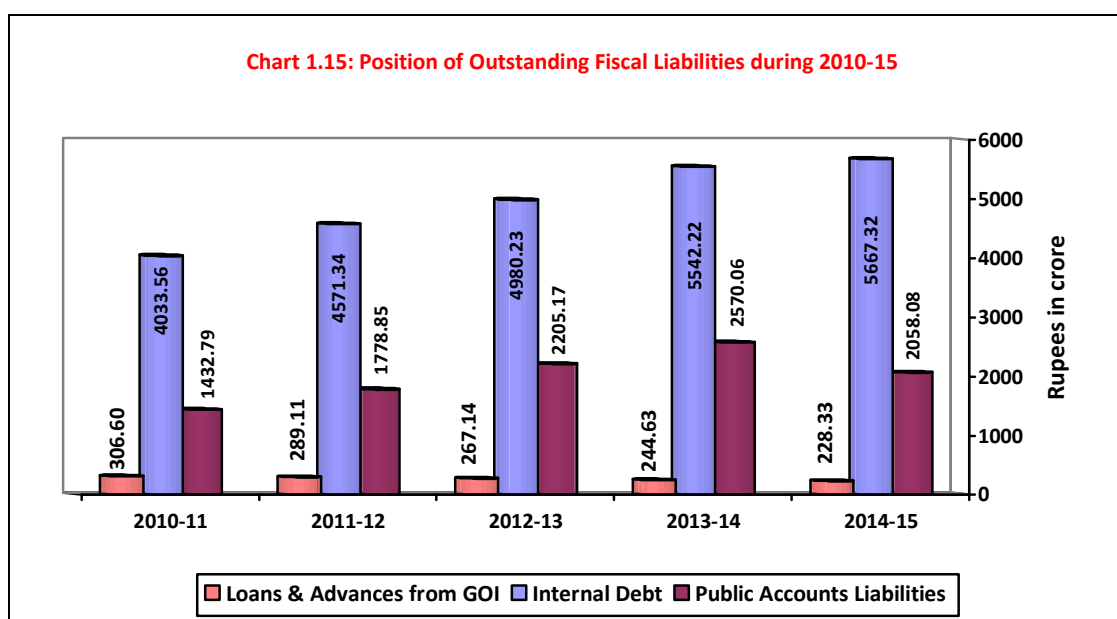
In the existing Government accounting system, comprehensive accounting of fixed assets like land and buildings owned by the Government is not done. However, the Government accounts do capture the financial liabilities of the Government and the assets created out of the expenditure incurred. **Appendix 1.4** gives an abstract of such liabilities and the assets as on 31 March 2015, compared with the corresponding position on 31 March 2014. While the liabilities in the Appendix consist mainly of internal borrowings, loans and advances from the GOI, receipts from the Public Account and Reserve Funds, the assets comprise mainly the capital expenditure, loans and advances given by the State Government and cash balances.

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

### 1.9.2 Fiscal Liabilities

The trends in outstanding fiscal liabilities of the State are presented in **Appendix 1.2**. However, the composition of fiscal liabilities during the current year vis-à-vis the previous year is presented in **Charts 1.13** and **1.14**. **Chart 1.15** gives the composition of the last five years. Moreover, **Table 1.28** represents the trend of fiscal liabilities during 2010-11 to 2014-15.



**Table 1.28 Trend of Fiscal liabilities during 2010-11 to 2014-15**

(₹ in crore)

	2010-11	2011-12	2012-13	2013-14	2014-15
Fiscal Liabilities	5864.53	6759.87	7452.54	8356.91	7953.73
Revenue Receipts	4998.46	5584.62	6202.33	6495.67	7648.67
Rate of growth of Fiscal Liabilities (per cent)	7.39	15.27	10.25	12.14	(-)4.82
Rate of growth Revenue Receipts (per cent)	34.42	11.73	11.06	4.73	17.75
Fiscal Liabilities/Revenue Receipts (per cent)	117.33	121.04	120.16	128.65	103.99
Buoyancy of Fiscal liabilities with Revenue Receipt (ratio)	0.21	1.30	0.93	2.57	(-)0.27

(Source: Finance Accounts of respective years)

**Fiscal Liability**

The growth rate of fiscal liability was (-) 4.82 per cent during 2014-15 over the previous year. The buoyancy of Fiscal Liabilities with reference to Revenue Receipt during the year was (-) 0.27. Fiscal Liabilities of the State comprise Consolidated Fund Liabilities and Public Account Liabilities. The Consolidated Fund Liability (₹ 5895.65 crore) comprised market loan (₹ 4764.65 crore), loans from Government of India (₹ 228.33 crore) and other loans (₹ 902.67 crore). The Public Account Liabilities (₹ 2058.08 crore) comprise Small Savings, Provident Funds (₹ 850.33 crore), interest bearing obligations (₹ 59.91 crore) and non-interest bearing obligations like deposits and other earmarked funds (₹ 1147.84 crore).

The ratio of fiscal liabilities to GSDP had decreased from 47.08 *per cent* in 2013-14 to 39.57 *per cent* in 2014-15. These fiscal liabilities stood at nearly 1.04 times the revenue receipts and 20.47 times of the State's own tax revenue at the end of 2014-15. The fiscal liabilities to GSDP (39.57 *per cent*) was 8.52 *per cent* and 12.73 *per cent* less than the assessment made by the State Government in its Medium Term Fiscal Policy Statement (MTFPS) (48.09 *per cent*) and the norm of 52.30 *per cent* recommended by the XIII-FC for the year 2014-15 respectively.

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

The Twelfth Finance Commission had recommended that States should set up (i) Sinking Funds for amortisation of all loans including loans from banks, liabilities on account of National Small Savings Funds etc., which should not be used for any other purpose, except for redemption of loans and (ii) Guarantee Redemption Funds for discharge of the States' obligations on guarantees. Out of the 4 (four) funds operated by the State Government, Depreciation/Renewal Reserve Fund (₹ 0.07 crore) was dormant. The total accumulated balance at the end of 31 March 2015 in those funds was ₹ 426.38 crore, of which ₹ 228.53 crore (54 *per cent*) had been invested. The remaining amount lying in the Fund has, however, not been invested as required under the guidelines of the Fund. Loss of interest due to such non-investment has not been estimated. Details of significant Reserve Funds of the Government of Nagaland are given below:

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

The State Government created a consolidated Sinking Fund in 2006-07, for amortisation of liabilities, with an initial corpus of ₹ 12.17 crore. Though the State Government had not framed any rules regarding annual contributions to the Fund, in terms of the guidelines of the Reserve Bank of India which is responsible for management of the Fund, the State Government was required to contribute a minimum of 0.5 *per cent* of its outstanding liabilities (Internal Debt + Public Account) as at the end of the previous year. Against ₹ 40.56 crore (0.5 *per cent*) of the outstanding liabilities of ₹ 8112.27 crore as on 31 March 2014 due from the State Government in 2014-15, the State Government contributed ₹ 40.00 crore, a shortfall of ₹ 0.56 crore in contribution, which resulted in overstatement of Revenue Surplus and understatement of Revenue Deficit to that extent. The entire corpus of the Fund amounting to ₹ 205.75 crore as on 31 March 2015, was invested in Government of India Securities.

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

The State Government constituted a Guarantee Redemption Fund in 2006-07 with an initial corpus of ₹ 4.00 crore determined on the basis of guarantees invoked during the preceding five years. In terms of the Guarantee Redemption Fund Scheme of the Government of Nagaland, contributions shall be made to the Fund annually or at lesser intervals so as to reach the levels deemed sufficient to meet the amount of anticipated guarantees devolving on the Government as a result of the likely invocation of outstanding guarantees in the succeeding five years. No guarantees of the State

Government were invoked from inception of the Scheme. During 2014-15, ₹ 1.00 crore was transferred by the State Government and the entire corpus of ₹ 7.34 crore as on 31 March 2015 was invested by the Reserve Bank of India in Government of India Securities.

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

The State Government commenced operation of the State Disaster Response Fund in 2010-11 as recommended by the Thirteenth Finance Commission. In terms of the guidelines applicable to special category States like Nagaland, the Central and State Governments are required to contribute to the fund in the proportion of 90:10. There was an opening balance of ₹ 0.86 crore in the Fund as on 01 April 2014. Following Government of India's release of ₹ 5.44 crore in 2014-15, the State Government transferred ₹ 8.92 crore to SDRF (including State's share of ₹ 0.60 crore + ₹ 2.88 crore shortfall release of previous year). During the year, the State Government adjusted expenditure of ₹ 8.92 crore on natural calamities leaving a balance of ₹ 0.86 crore in the Fund as on 31 March 2015.

Government of India may provide funds from the National Disaster Response Fund (NDRF) to meet the shortfall in the SDRF to meet expenditure on natural calamities in the State during the year. Following Government of India's release of ₹ 19.43 crore, the State Government transferred ₹ 19.43 crore to NDRF and the same was adjusted as expenditure without leaving any balance at the end of year.

**1.9.4 Contingent liabilities**

**Status of Guarantees**

Guarantees are liabilities contingent on the Consolidated Fund of the State in case of default by the borrower for whom the guarantees had been extended. As per NFRBM Act 2005, the State Government set up a guarantee redemption fund in 2006-07 and decided to charge guarantee fee at the rate of 1 per cent to cover the risk in the guarantees. During the year 2014-15, the State had not extended any guarantees.

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

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

	(₹ in crore)				
Guarantees	2010-11	2011-12	2012-13	2013-14	2014-15
Total amount of guarantees given up to	55.22	65.22	70.22	70.22	70.22
Outstanding amount of guarantees at the end of the year	55.22	65.22	70.22	70.22	70.22
Percentage of maximum amount guaranteed to total revenue receipts	1.10	1.17	1.13	1.08	0.92
Outstanding amount of guarantee as percentage of GSDP	0.47	0.47	0.45	0.40	0.35

(Source: Finance Accounts of respective years)



The outstanding guarantees remained the same over the previous year. The outstanding guarantees of ₹ 70.22 crore mainly pertained to Nagaland Industrial Development Corporation 48.29 per cent (₹ 33.91 crore) for repayment of principal and payment of interest on loan obtained. The outstanding guarantees were 0.92 per cent of the revenue receipts of the Government.

### **1.10 Debt Management**

Apart from the magnitude of debt of State Government, it is important to analyse various indicators that determine the debt sustainability of the State. This section assesses the sustainability of debt of the State Government in terms of sufficiency of non-debt receipts<sup>9</sup>; net availability of borrowed funds; burden of interest payments (measured by interest payments to revenue receipts ratio) and maturity profile of State Government securities. **Table 1.30** analyses the debt sustainability of the State according to these indicators for a period of five years beginning from 2010-11.

During 2014-15, Government raised internal debt of ₹ 2409.57 crore. Government repaid internal debt of ₹ 2284.46 crore and GOI loans of ₹ 21.61 crore. An amount of ₹ 555.34 crore was also paid as interest during the year.

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

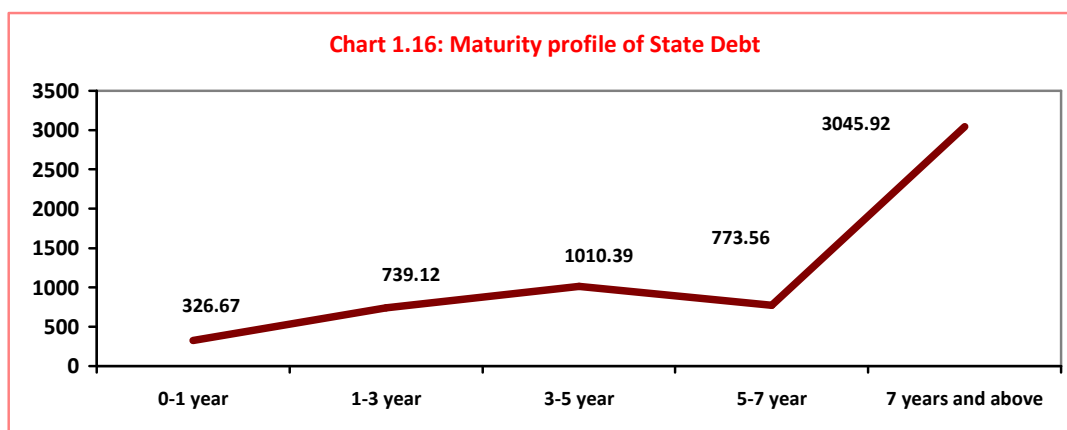
(₹ in crore)

Indicators of Debt Sustainability	2010-11	2011-12	2012-13	2013-14	2014-15
Debt/GSDP (as per cent)	37.48	35.07	33.47	32.62	29.33
Sufficiency of Non-debt Receipts (Resource Gap)	209	(-)226	(-)114.61	194.66	324.81
Net Availability of Borrowed Funds	(-)18.58	279.93	265.84	209.34	(-)999.01
Burden of Interest Payments (IP/RR Ratio) (in per cent)	7.89	7.47	7.27	7.60	7.44
Maturity Profile of State Debt (in Years)					
0 – 1	20.56(1)	193.31(4)	144.56(3)	269.59(5)	326.67(5)
1 – 3	392.43(9)	303.93(6)	471.06(9)	618.61(11)	739.12(11)
3 – 5	302.41(7)	617.90(13)	738.14(14)	702.51(12)	1010.39(12)
5 – 7	617.36(14)	702.57(14)	1032.56(20)	1123.63(19)	773.56(19)
7 and above	3007.40(69)	3042.73(63)	2861.05(54)	3072.51(53)	3045.92(53)
<b>Total</b>	<b>4340.16</b>	<b>4860.44</b>	<b>5247.37</b>	<b>5789.85</b>	<b>5895.66</b>

Figures in the parenthesis indicate percentage to total debt.

The persistent negative non-debt receipts (Resource Gap) indicate the non-sustainability of debt while the positive resource gap strengthens the capacity of the State to sustain the debt. The resource gap remained positive during 2013-14 (₹ 194.66 crore) and 2014-15 (₹ 324.81 crore).

<sup>9</sup> As detailed in Appendix-1.1 C



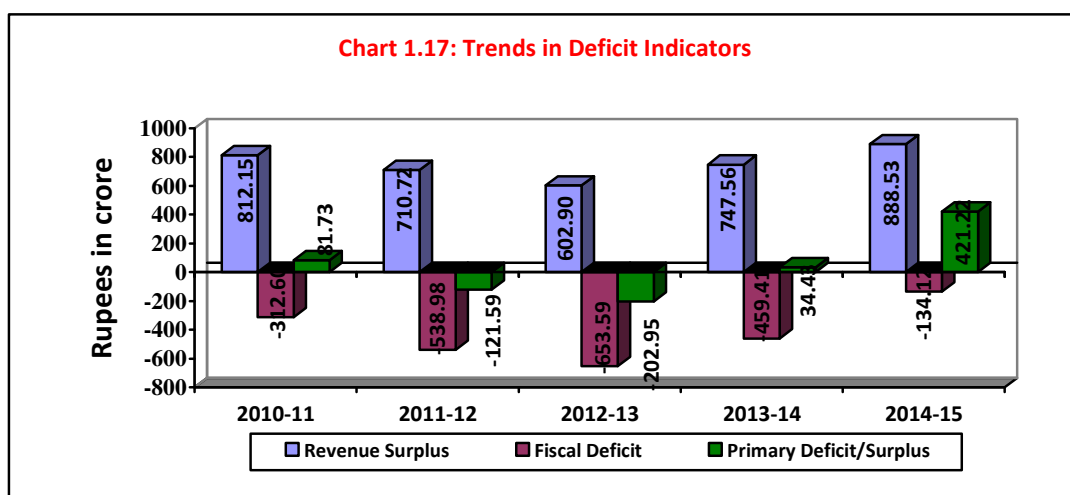
As per data shown in **Table 1.30**, out of the total debt burden of ₹ 5895.66 crore, repayments in around 1-3 years time is ₹ 739.12 crore and 3-5 years time is ₹ 1010.39 crore as well as 5-7 years time is ₹ 773.56 crore. A well thought out debt repayment strategy will ensure that no additional borrowings which mature in these critical years are undertaken.

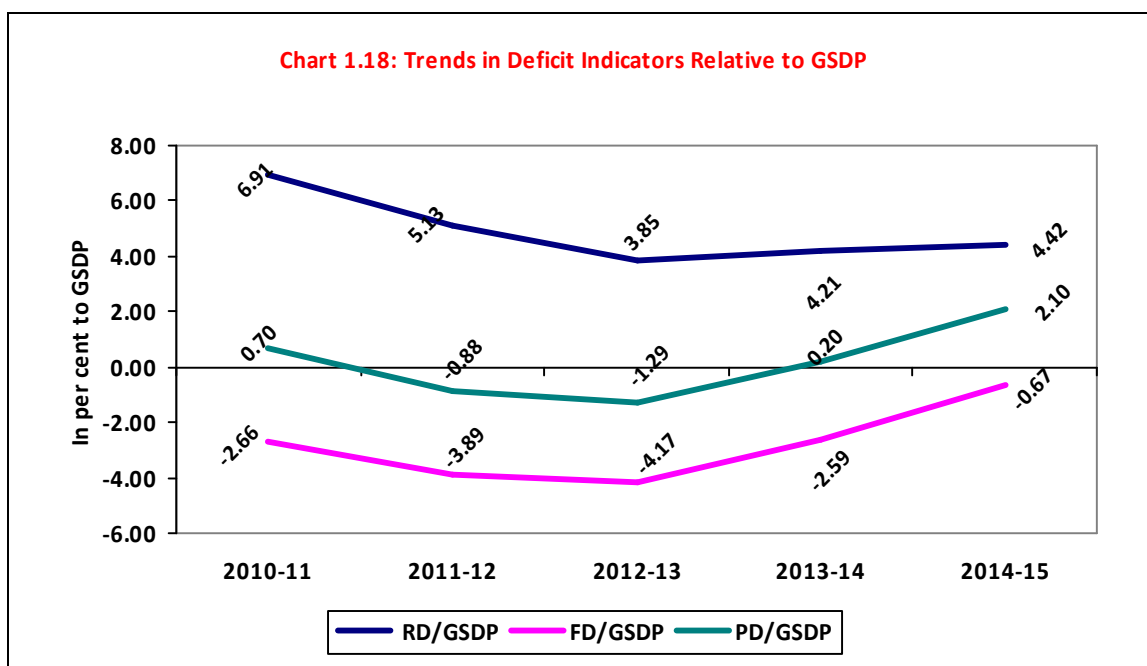
## 1.11 Fiscal Imbalances

Three key fiscal parameters - revenue, fiscal and primary deficits - indicate the extent of overall fiscal imbalances in the finances of the State Government during a specified period. The deficit in the Government accounts represents the gap between its receipts and expenditure. The nature of deficit is an indicator of the prudence of fiscal management of the Government. Further, the ways in which the deficit is financed and the resources raised applied are important pointers to its fiscal health. This section presents trends, nature, magnitude and the manner of financing these deficits and also the assessment of actual levels of revenue and fiscal deficits vis-à-vis targets set under FRBM Act/Rules for the financial year 2014-15.

### 1.11.1 Trends in Deficits

**Charts 1.17 and 1.18** present the trends in deficit indicators over the period 2010-15.





**Chart 1.17** reveals that the revenue account experienced a surplus of ₹ 888.53 crore during 2014-15, an increase of ₹ 76.38 crore from ₹ 812.15 crore in 2010-11. Moreover, the Revenue surplus increased during the current year by ₹ 140.97 crore as compared to the previous year mainly on account of increase in revenue receipts by ₹ 1153.00 crore (17.75 per cent) over the previous year against an increase of revenue expenditure by ₹ 1012.03 crore (17.61 per cent).

Due to the increase in revenue surplus along with a marginal decrease of ₹ 0.30 crore in non-debt capital receipts accompanied by a decrease of ₹ 183.89 crore in capital expenditure and decrease in loans & advances disbursement of ₹ 0.73 crore during 2014-15 over the previous year, the fiscal deficit decreased by ₹ 325.29 crore during the current year from the level of ₹ 459.41 crore in 2013-14.

The primary surplus of ₹ 34.43 crore in 2013-14 increased to ₹ 421.22 crore in 2014-15. The increase in primary surplus over the previous year was due to decrease of fiscal deficit (₹ 325.29 crore) and increase in interest payment (₹ 61.50 crore) during the current year.

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

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

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

		(₹ in crore)				
	Particulars	2010-11	2011-12	2012-13	2013-14	2014-15
<b>Components of Fiscal Deficit</b>		<b>313</b>	<b>539</b>	<b>654</b>	<b>459</b>	<b>134</b>
		<b>(2.77)</b>	<b>(4.39)</b>	<b>(4.91)</b>	<b>(2.59)</b>	<b>(0.67)</b>
1	Revenue deficit(+)/Surplus(-)	(-812)	(-711)	(-603)	(-748)	(-889)
2	Net Capital Expenditure	1123	1249	1255	1207	1023
3	Net Loans and Advances	2	1	2	0	0
<b>Financing Pattern of Fiscal Deficit*</b>						
1	Market Borrowings	236	325	469	411	452
2	Loans from GOI	-23	-18	(-22)	(-23)	(-16)
3	Special Securities Issued to National Small Savings Fund	17	3	(-2)	(-3)	11
4	Loans from Financial Institutions	(-28)	210	(-58)	153	(-338)
5	Small Savings, PF etc	89	36	72	112	55
6	Deposits and Advances	80	310	209	241	(-608)
7	Suspense and Miscellaneous	41	35	18	12	41
8	Remittances	(-102)	(-134)	(-80)	(-30)	278
9	Increase (-) Decrease (+) in Cash Balances	3	-228	48	(-414)	259
<i>Figures in brackets indicate the per cent to GSDP.</i>						
<i>*All these figures are net of disbursements/outflows during the year.</i>						

(Source: Finance Accounts of respective years)

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

It can be seen from **Table 1.31** that the revenue surplus increased by ₹ 141 crore from ₹ 748 crore in 2013-14 to ₹ 889 crore in 2014-15. The decrease in fiscal deficit was the combined effect of decrease in capital expenditure and increase in revenue surplus.

During 2014-15, the fiscal deficit stood at ₹ 134 crore which was mainly financed through borrowings from market.

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

### 1.11.3 Quality of Deficit/Surplus

The ratio of revenue deficit to fiscal deficit and the decomposition of primary deficit into primary revenue deficit and capital expenditure (including loans and advances) would indicate the quality of deficit in the State's finances. The ratio of revenue deficit to fiscal deficit indicates the extent to which borrowed funds were used for current consumption. Further, persistently high ratio of revenue deficit to fiscal deficit also indicates that the asset base of the State was continuously shrinking and borrowings (fiscal liabilities) were not having any asset backup. The bifurcation of the primary deficit (**Table 1.32**) would

indicate the extent to which the deficit/surplus had been on account of enhancement in capital expenditure which may be desirable to improve the productive capacity of the State's economy.

**Table 1.32: Primary deficit/surplus – Bifurcation of factors**

(₹ in crore)

Year	Non-debt receipts	Primary revenue expenditure <sup>10</sup>	Capital expenditure	Loans and Advances	Primary expenditure <sup>11</sup>	Primary revenue surplus	Primary deficit (-) /surplus (+)
1	2	3	4	5	6 (3+4+5)	7 (2-3)	8 (2-6)
2010-11	5000.77	3791.98	1122.94	4.12	4919.04	1208.79	81.73
2011-12	5587.06	4456.51	1249.39	2.75	5708.65	1130.55	(-)121.59
2012-13	6203.18	5148.79	1255.18	2.16	6406.13	1054.39	(-)202.95
2013-14	6496.68	5254.27	1207.06	0.92	6462.25	1242.41	34.43
2014-15	7649.38	6204.80	1023.17	0.19	7228.16	1444.58	421.22

(Source: Finance Accounts of respective years)

The non-debt receipts of the State during 2010-15 were sufficient to meet the primary revenue expenditure. The non-debt receipts increased by 52.96 per cent from ₹ 5000.77 crore in 2010-11 to ₹ 7649.38 crore in 2014-15 while the primary revenue expenditure increased by 63.63 per cent from ₹ 3791.98 crore in 2010-11 to ₹ 6204.80 crore in 2014-15. During this period (2010-15) capital expenditure decreased by 8.88 per cent. The State had a primary deficit during 2011-12 and 2012-13 but maintained a primary surplus during 2010-11, 2013-14 and 2014-15.

### 1.12 Follow up

The preparation of Stand Alone Report of the State Finances had been started since 2008-09 onwards and no Report of the State Finances had been discussed by the Public Accounts Committee (PAC) and hence, no recommendation by the PAC/Finance Commission had been made on the Reports of the State Finances.

### 1.13 Conclusion and Recommendations

The fiscal position of the State viewed in terms of the key fiscal parameters during 2014-15 revealed that the State's revenue surplus had increased by ₹ 140.97 crore while the fiscal deficit had decreased by ₹ 325.29 crore and the primary surplus had increased by ₹ 421.22 crore in 2014-15 relative to the previous year.

During 2014-15, 91 per cent of the total revenue came from the Government of India as Central transfers (14 per cent) and grants-in-aid (77 per cent). The State achieved the total revenue collection targets fixed by the XIII-FC during 2014-15.

During 2014-15, non-plan revenue expenditure was ₹ 2250.15 crore (68.59 per cent) more than the XIII-FC normative assessment. The salary expenditure of ₹ 3274.16 crore during the current year exceeded the projections made in XIII-FC (₹ 1572.19 crore) and was 42.81 per cent of revenue receipts during the year.

<sup>10</sup> Primary revenue expenditure is revenue expenditure net of the interest payments.

<sup>11</sup> Primary expenditure of the State, defined as the total expenditure net of the interest payments indicates the expenditure incurred on the transactions undertaken during the year.

GOI directly transferred ₹ 122.99 crore to the State Implementing Agencies without routing through the State budget. There is no single agency in the State to monitor the expenditure of these funds.

The overall fiscal liabilities of the State increased at a compound annual growth rate of 6.28 *per cent* during 2010-15. The fiscal liabilities decreased by ₹ 403 crore (5 *per cent*) from ₹ 8357 crore in 2013-14 to ₹ 7954 crore in 2014-15. The committed liabilities for the State projected by the XIII-FC was 52.30 *per cent* of GSDP for the year 2014-15. Against this, the committed liabilities of the State was 39.57 *per cent* which was 12.73 *per cent* below the projections.

The Government had invested ₹ 278.44 crore in Statutory Corporations, Rural Banks, Joint Stock Companies and Co-operatives at the end of March 2015. The average return on this investment was NIL during the last five years. The Government should ensure better value for money in investment by identifying the Companies/Corporations which are endowed with low financial but high socio-economic returns and justify if high cost borrowings are worth being channelised there. Initiatives may be taken to revive or close down or sell out the huge loss making Corporations/Companies.

As on 31 March 2015, there were 307 incomplete projects, out of which 212 projects (estimated cost ₹ 1990.40 crore and actual expenditure ₹ 863.09 crore) were to be completed by March 2015 and 2 projects (estimated cost ₹ 10.93 crore and actual expenditure ₹ 8.63 crore) had been suspended/abandoned. Delay in completion of works invites the risk of escalation in the cost of the works. Besides, due to delay in completion of the projects, the intended benefits from those projects did not reach the beneficiaries in the State. The State needs to ensure timely and effective implementation of incomplete projects.

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

## Chapter II

### Financial Management and Budgetary Control

#### 2.1 Introduction

**2.1.1** Appropriation Accounts are accounts of the expenditure, voted and charged, of the Government for each financial year compared with the amounts of the voted grants and appropriations charged for different purposes as specified in the schedules appended to the Appropriation Acts. These Accounts list the original budget estimates, supplementary grants, surrenders and re-appropriations distinctly and indicate actual capital and revenue expenditure on various specified services *vis-à-vis* those authorised by the Appropriation Act in respect of both charged and voted items of budget. Appropriation Accounts, thus, facilitate management of finances and monitoring of budgetary provision and are therefore complementary to Finance Accounts.

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

#### 2.2 Summary of Appropriation Accounts

The summarised position of actual expenditure during 2014-15 against 82 grants/appropriations is given in **Table 2.1**:

**Table 2.1: Summarised Position of Actual Expenditure vis-à-vis Original/Supplementary provision for the year 2014-15**

(₹ in crore)								
	Nature of expenditure	Original grant/ appropriation	Supplementary grant/ appropriation	Total	Actual expenditure	Saving (-)/ Excess (+)	Amount* surrendered	Percentage of savings surrendered by 31 March 2015 (col. 7/col.6)
	1	2	3	4	5	6	7	8
<b>Voted</b>	I Revenue	7325.16	310.90	7636.06	6180.95	(-)1455.11	1476.54	101.47
	II Capital	2217.50	227.52	2445.02	1023.35	(-)1421.67	1416.53	99.64
	III Loans and Advances	3.97	0.00	3.97	0.19	(-)3.78	3.06	80.95
<b>Total Voted</b>		<b>9546.63</b>	<b>538.42</b>	<b>10085.05</b>	<b>7204.49</b>	<b>(-)2880.56</b>	<b>2896.13</b>	<b>100.54</b>
<b>Charged</b>	IV Revenue	628.13	0.37	628.50	613.04	(-)15.46	10.15	65.65
	V Capital	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	VI Public Debt-Repayment	2302.67	0.00	2302.67	2306.08	(+ )3.41	1.96	NA
<b>Total Charged</b>		<b>2930.80</b>	<b>0.37</b>	<b>2931.17</b>	<b>2919.12</b>	<b>(-)12.05</b>	<b>12.11</b>	<b>100.50</b>
<b>Appropriation to Contingency Fund (if any)</b>		0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Grand Total</b>		<b>12477.43</b>	<b>538.79</b>	<b>13016.22</b>	<b>10123.61</b>	<b>(-)2892.61</b>	<b>2908.24</b>	<b>100.54</b>

\* Entire amount was surrendered on 31 March 2015.



The overall saving of ₹ 2892.61 crore was the result of saving of ₹ 2909.98 crore in 71 grants and 6 appropriations under Revenue Section, 51 grants under Capital Section offset by excess of ₹ 17.37 crore in 5 grants under Revenue Section and 3 grants under Capital Section and 1 appropriation (Public Debt-Repayment). During the year, though the overall saving was ₹ 2892.61 crore only, the amount surrendered was ₹ 2908.24 crore (100.54 per cent).

The savings/excess (Detailed Appropriation Accounts for the year 2014-15) were intimated to all concerned Controlling Officers requesting them to explain the significant variations. Around one per cent (one Department) (August 2015) of the replies were obtained from various Controlling Officers of the State before finalisation of the Appropriation Accounts 2014-15.

## 2.3 Financial Accountability and Budget Management

### 2.3.1 Appropriation vis-à-vis Allocative Priorities

The outcome of the appropriation audit revealed that in 81 cases, savings exceeded rupees one crore in each case or by more than 20 per cent of total provision (**Appendix 2.1**). Against the total savings of ₹ 2934.49 crore, savings of ₹ 2251.15 crore (76.71 per cent) occurred in ten grants<sup>14</sup> as indicated in **Table 2.2**.

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

(₹ in crore)

Sl. No.	Grant No	Name of the Grant/Appropriation	Original	Supplementary	Total	Actual Expenditure	Savings	Percentage
1	2	3	4	5	6	7	8	9
<b>Revenue (Voted)</b>								
1	11	District Administration & Special Welfare schemes	199.70	0.30	200.00	115.39	84.61	42
2	27	Planning Machinery	201.00	0.00	201.00	91.73	109.27	54
3	31	School Education	1240.10	0.00	1240.10	906.69	333.41	27
4	35	Medical, Public Health & Family Welfare	462.53	8.65	471.18	396.86	74.32	16
5	42	Rural Development	624.88	0.00	624.88	268.75	356.13	57
6	43	Social Security & Welfare	156.45	32.40	188.85	135.37	53.48	28
7	59	Irrigation & Flood Control	190.24	0.00	190.24	61.96	128.28	67
8	72	Land Resource Development	186.42	0.00	186.42	102.75	83.67	45
<b>Capital (Voted)</b>								
9	27	Planning Machinery	893.74	0.00	893.74	77.90	815.84	91
10	36	Urban Development	237.21	0.00	237.21	75.69	161.52	68
11	64	Housing	37.51	61.14	98.65	48.02	50.63	51
<b>Total</b>			<b>4429.78</b>	<b>102.49</b>	<b>4532.27</b>	<b>2281.11</b>	<b>2251.16</b>	<b>50</b>

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

The reasons for savings had not been intimated (August, 2015) by the departments mentioned above.

### 2.3.2 Persistent Savings

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

**Table 2.3: List of Grants indicating Persistent Savings during 2010-2015**

(₹ in crore)

Sl. No.	No. and Name of the grant	Amount of savings				
		2010-11	2011-12	2012-13	2013-14	2014-15
<b>Capital-Voted</b>						
1	27-Planning Machinery	65.27	260.55	392.24	480.45	815.84
2	35- Medical, Public Health and Family Welfare	5.49	7.68	21.97	6.49	28.68
3	36- Urban Development	104.62	52.57	117.71	121.81	161.52
4	55- Power Projects	27.73	20.65	56.18	34.76	39.06

The reasons for persistent savings had not been intimated by any department (August 2015).

### 2.3.3 Expenditure without Provision

As per the Budget Manual, expenditure should not be incurred on a scheme/service without provision of funds. It was however, noticed that expenditure of ₹ 15.21 crore was incurred in 5 cases as detailed in Table 2.4 without any provision in the original estimates/supplementary demand and without any re-appropriation orders to that effect.

**Table 2.4: Expenditure incurred without provision during 2014-15**

(₹ in crore)

Number and Name of		Amount of Expenditure without provision
Grants	Head of Account	
11-District Administration & Special Welfare Schemes	2575-03-800-11 (Backward Area Development Programme)	0.80
37-Municipal Administration	4217-60-051-37 (Works)	10.86
38- Information and Public Relations	2220-60-102-01 (Information Centre, New Delhi)	0.02
43- Social Security and Welfare	4235-02-800-03 (Construction of Tribal Welfare Training Complex)	3.50
58- Roads and Bridges	3054-80-799-01 (Stock (Dr))	0.03
<b>Total</b>		<b>15.21</b>

### 2.3.4 Excess over provision relating to previous years requiring regularisation

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

However, the excess expenditure amounting to ₹ 572.19 crore for the years 2000-01, 2005-06, 2008-09 to 2013-14 was not regularised till October 2015 (**Appendix 2.2**).

**2.3.5 Excess over provision during 2014-15 requiring regularisation**

**Appendix 2.3** contains the summary of total excess in 9 grants amounting to ₹ 38.78 crore over authorisation from the Consolidated Fund of the State during 2014-15 requiring regularisation under Article 205 of the Constitution.

**2.3.6 Persistent Excess in Grants**

There were persistent savings of more than 10 *per cent* or more of the total grant and the excess occurred in four out of five years in three cases during the last five years (**Table 2.5**).

**Table 2.5: List of Grants indicating Persistent Excess during 2010-2015**

Sl. No.	No. and Name of the grant	Amount of excess				
		2010-11	2011-12	2012-13	2013-14	2014-15
<i>(₹ in crore)</i>						
<b>Revenue Voted</b>						
1	35- Medical, Public Health & Family	2.19	4.26	7.54	1.62	-
2	62- Civil Administration Works	0.05	-	4.90	3.89	1.49
<b>Capital-Voted</b>						
1	50- Animal Husbandry & Dairy	0.55	9.26	5.23	9.11	-

**2.3.7 Appropriateness of supplementary provision**

Supplementary provision aggregating ₹ 104.22 crore obtained by 9 Departments, ₹ 10 lakh or more in each case, during the year proved unnecessary as the expenditure either did not come up to the level of original provision or the subsequent supplementary provision were not utilised by the concerned departments as detailed in **Appendix 2.4**.

In 4 cases, supplementary provision of ₹ 93.30 crore proved insufficient by ₹ one crore or above in each case leaving an aggregate uncovered excess expenditure of ₹ 19.85 crore (**Appendix 2.5**).

**2.3.8 Excessive/Insufficient re-appropriation of funds**

Re-appropriation is transfer of funds within a grant from one unit of appropriation, where savings are anticipated, to another unit where additional funds are needed. Injudicious re-appropriation proved excessive or insufficient resulting in savings of ₹ 51.07 crore in 50 sub-heads and excess of ₹ 478.04 crore in 60 sub-heads as detailed in **Appendix 2.6**.

**2.3.9 Unexplained re-appropriations**

According to Financial Rules, reasons for the additional expenditure and the savings should be explained in the re-appropriation statement and specific expressions should be used and expressions such as “based on actual requirements”, “based on trend of expenditure”, etc., should be avoided. However, scrutiny of re-appropriation orders

issued by the Finance Department revealed that out of a total of 82 grants, re-appropriation was done in 58 grants (70 *per cent*) on the last day without stating specific reasons for withdrawal of provision or additional provision. This re-appropriation on last day of the financial year resulted in unnecessary savings in some grants on the one hand and avoidable excess in some grants on the other hand as discussed in *Para 2.3.8* above.

### **2.3.10 Substantial surrenders**

Substantial surrenders (the cases where more than 50 *per cent* of total provision was surrendered) were made in respect of 75 Sub Heads. Out of the total provision amounting to ₹ 3339.13 crore in those Sub Heads, ₹ 2575.93 crore (77.08 *per cent*) were surrendered, which included cent *per cent* surrender under a Sub Head (₹ 0.56 crore). The details of such cases are given in **Appendix 2.7**.

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

In 8 cases, the amount surrendered was in excess of actual savings indicating lack of or inadequate budgetary control in those departments. As against savings of ₹ 458.97 crore, the amount surrendered was ₹ 473.54 crore resulting in excess surrender of ₹ 14.57 crore. Details are given in **Appendix 2.8**. Departments did not furnish any reason/explanation regarding surrender in excess of actual savings.

### **2.3.12 Anticipated savings not surrendered**

As per Budget Manual, the spending departments are required to surrender the grants/appropriations or portion thereof to the Finance Department as and when the savings are anticipated. At the close of the year 2014-15, there were 4 grants in which savings occurred but no part of which had been surrendered by the concerned departments. The amount involved in those cases was ₹ 0.85 crore (**Appendix 2.9**).

An amount of ₹ 37.76 crore being savings in 5 grants, ₹ 2 crore and above in each case, were not surrendered, details of which are given in **Appendix 2.10**. Besides, in 27 cases (surrender of funds for ₹ 10 crore and above), ₹ 2716.97 crore (**Appendix 2.11**) were surrendered on the last two working days of March 2015 indicating inadequate financial control. Thus, those funds could not be utilised for other developmental purposes.

### **2.3.13 Rush of expenditure**

According to Rule 56 of GFR, rush of expenditure in the closing month of the financial year should be avoided. Contrary to this, in respect of 6 Major Heads listed in **Appendix 2.12**, the expenditure exceeded ₹ 10 crore or more than 50 *per cent* of the total expenditure for the year either during the last quarter or during the last month of the financial year.

The expenditure in the month of March/last quarter of the financial year was upto 100 per cent of the total expenditure in 2 cases which indicates lack of effective financial control and violation of financial rules.

## 2.4 Non-reconciliation of Departmental figures

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

As per rule 309 of Central Treasury Rules, every drawing officer has to certify in each abstract contingent bill that detailed bills for all contingent charges drawn by him prior to the first of the current month have been forwarded to the respective controlling officers for countersignature and transmission to the Accountant General (Accounts & Entitlement). The total amount of DCC bills received upto the period 2014-15 was only ₹ 203.41 crore (52.30 per cent) against ₹ 388.93 crore drawn on AC bills leading to pendency of DCC bills of ₹ 185.52 crore as on 31 March 2015. Year wise details are given in Table 2.6.

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

(₹ in crore)

Year	AC bills drawn		DCC bills submitted		Outstanding DCC bills	
	Number	Amount	Number	Amount	Number	Amount
Up to 2012-13	263	202.35	126	107.29	137	95.06
2013-14	139	95.89	123	90.49	16	5.40
2014-15	52	90.69	7	5.63	45	85.06
<b>Total</b>	<b>454</b>	<b>388.93</b>	<b>256</b>	<b>203.41</b>	<b>198</b>	<b>185.52</b>

As on 31 March 2015, there were 198 unadjusted AC bills involving ₹ 185.52 crore drawn by various Departments. Details are given in Appendix 2.13.

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

An analysis of pending AC bills in respect of Civil Police Department showed that 25 AC bills amounting to ₹ 59.76 crore was pending regularisation as follows:-

**Table 2.7: Pendency of DCC bills in respect of Civil Police Department as on 31 March 2015**

(₹ in crore)

Year	Number of Vouchers	Amount
2011-12	5	16.26
2012-13	5	9.15
2013-14	9	24.28
2014-15	6	10.07
<b>Total</b>	<b>25</b>	<b>59.76</b>

As can be seen from the above table, out of pending DCC bills of 25 vouchers of ₹ 59.76 crore as on March 2015, maximum number of pending AC bills pertained to 2013-14 involving 9 vouchers (36 per cent) of ₹ 24.28 crore (40.63 per cent). As

most of the AC bills are outstanding for a long time, efforts may be made for clearance of AC bills on priority basis.

#### **2.4.2 Reconciliation of Receipts and Expenditure**

As per General Financial Rules, all the Controlling Officers are required to reconcile the receipts and expenditure booked by them every month during the financial year with that recorded in the books of the Accountant General (Accounts & Entitlement). During the year 2014-15, all 82 CCOs had reconciled their figures (both receipt & expenditure) in full. Thus, there was cent *per cent* reconciliation in respect of all 82 CCOs.

### **2.5 Outcome of the Review of Selected Grant**

A review of Grant No. 58-Roads and Bridges was conducted mainly to assess the efficiency in the process of budgeting and consequent control of expenditure for both the Revenue and Capital heads during the year 2014-15.

#### **2.5.1 Budget and expenditure**

The summarised position of budget provision and actual expenditure there against during 2014-15 in respect of Grant No. 58-Roads and Bridges is given in **Table 2.8**.

**Table 2.8: Summarised Position of budget provision and actual expenditure**

(₹ in crore)

Nature of Expenditure	Budget Provision				Total	Actual Expenditure			Saving(-)/ Excess(+)
	Original		Supplementary			Non-Plan	Plan	Total	
	Non-Plan	Plan	Non-Plan	Plan					
Revenue	210.65	0.00	11.55	0.00	222.20	213.97	0.00	213.97	(-)8.23
Capital	0.00	341.72	0.00	0.00	341.72	0.00	314.34	314.34	(-)27.38
<b>Total</b>	<b>210.65</b>	<b>341.72</b>	<b>11.55</b>	<b>0.00</b>	<b>563.92</b>	<b>213.97</b>	<b>314.34</b>	<b>528.31</b>	<b>(-)35.61</b>

The above table shows that during the year 2014-15 there was overall savings of ₹ 35.61 crore representing 6.31 *per cent* of the total budget provision as a result of savings under Revenue expenditure (₹ 8.23 crore) and Capital expenditure (₹ 27.38 crore). As per Financial Rules, the spending departments are required to surrender the anticipated savings to the Finance Department as and when occurred. The Department however, surrendered ₹ 21.87 crore (₹ 0.14 crore under Revenue section and ₹ 21.73 crore under Capital section) during the year 2014-15 against the savings of ₹ 35.61 crore.

An analysis of the expenditure vis-à-vis the budget provision revealed that there was a saving of ₹ 27.38 crore under Capital section. This was mainly due to the fact that the Department expended ₹ 58.98 crore only against the the actual provision of ₹ 175.00 crore in Road works under PMGSY.

### 2.5.2 Savings/excess in the grant

Audit Review also disclosed excess ranging between ₹ 26.53 crore and ₹ 29.79 crore in 2010-12 and savings ranging between ₹ 14.56 crore and ₹ 240.23 crore during 2012-15 as detailed in **Table 2.7**.

**Table 2.9: Details of Savings/excess during 2010-15**

(₹ in crore)

Year	Budget			Expenditure			Savings(-) / Excess(+)
	Revenue	Capital	Total	Revenue	Capital	Total	
2010-11	104.94	313.74	418.68	106.58	341.89	448.47	(+)29.79
2011-12	146.80	372.84	519.64	173.75	372.42	546.17	(+)26.53
2012-13	160.58	602.91	763.49	191.02	332.24	523.26	(-)240.23
2013-14	190.34	368.56	558.90	180.69	363.65	544.34	(-)14.56
2014-15	222.20	341.72	563.92	213.97	314.34	528.31	(-)35.61

(Source: Appropriation Accounts of respective years)

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

### 2.5.3 Excessive supplementary provision

It was noticed that during 2014-15 under the Major Head, 3054-Roads and Bridges Plan and Non Plan against the total provision of ₹ 222.20 crore (Original: ₹ 210.65 crore and Supplementary: ₹ 11.55 crore) an expenditure of ₹ 213.97 crore was incurred. As the expenditure was less than the total provision, the supplementary provision of ₹ 11.55 crore proved to be excessive by ₹ 8.23 crore.

### 2.5.4 Injudicious Re-appropriation of funds

The overall position of a Major Head where the re-appropriations done proved injudicious is shown in **Table 2.10**:

**Table 2.10: Injudicious re-appropriation during 2014-15**

(₹ in crore)

Sl No.	Major Head (Details)	Total provision	Re-appropriation	Excess (+)/Savings (-)
<b>Capital Section</b>				
1	5054- Capital Outlay on Roads and Bridges	341.71	(-)66.73	(-)5.65
<b>Grand Total</b>		<b>341.71</b>	<b>(-)66.73</b>	<b>(-)5.65</b>

(Source: Appropriation Accounts)

From the above table, it is seen that injudicious re-appropriation proved injudicious resulting in savings of ₹ 5.65 crore in a Major Head under the Grant No. 58.

### 2.5.5 Re-appropriation on the last day of the financial year

According to Financial Rules, reasons for additional expenditure and the savings should be explained in the re-appropriation statement and specific expressions should be used and expressions such as “based on actual requirements”, “based on trend of expenditure” etc. should be avoided.

It was noticed that during 2014-15, re-appropriation orders of ₹ 115.26 crore in respect of Grant No. 58- Roads and Bridges were issued on 31 March 2015 being the last day of the financial year 2014-15 where either there was no scope for expenditure or the expenditure against re-appropriation had already been incurred during that year. This indicated poor financial management and inadequate control over expenditure. The details are given in **Table 2.11**.

**Table 2.11 Details of Re-appropriation on 31 March 2015**

(₹ in lakh)

Sl. No.	Head of Account	Savings			Excesses		
		Plan/CSS	Non-Plan	Total	Plan/CSS	Non-Plan	Total
<b>Revenue Section</b>							
1	3054-Roads and Bridges	0.00	11.82	11.82	0.00	11.82	11.82
<b>Capital Section</b>							
2	5054-Capital Outlay on R&B	103.44	0.00	103.44	103.44	0.00	103.44
<b>Total</b>		<b>103.44</b>	<b>11.82</b>	<b>115.26</b>	<b>103.44</b>	<b>11.82</b>	<b>115.26</b>

### 2.5.6 Expenditure incurred through re-appropriation

Details of a case where the entire expenditure under the Grant was met out through re-appropriation during 2014-15 are given in **Table 2.12**.

**Table 2.12 Cases where expenditure during 2014-15 was incurred through Re-appropriation only**

(₹ in lakh)

Sl. No.	Head of Account	Provision	Re-appropriation	Expenditure incurred	Percentage of expenditure through Re-appropriation
1	4552-04-800(1)- Roads & Bridges (NEC)	0.00	4500.00	4500.00	100

It would be seen from the table above that in a case the entire expenditure under the Grant during 2014-15 was incurred through re-appropriation only without getting the demands approved from the State legislature.

## 2.6 Advances from contingency fund

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



During the year no expenditure was incurred under this fund. An amount of ₹ 0.35 crore pertaining to expenditure from the contingency fund a number of years back had not been recouped till the end of the year 2014-15.

## 2.7 Conclusion and recommendations

The overall saving of ₹ 2892.61 crore was the result of saving of ₹ 2909.98 crore in 71 grants and 6 appropriations under Revenue Section, 51 grants under Capital Section offset by excess of ₹ 17.37 crore in 5 grants under Revenue Section and 3 grants under Capital Section and 1 appropriation (Public Debt-Repayment). During the year, though the overall saving was ₹ 2892.61 crore, the amount surrendered was ₹ 2908.24 crore (100.54 *per cent*). There was an excess expenditure of ₹ 38.78 crore in 9 grants during 2014-15. This excess expenditure together with an excess expenditure of ₹ 572.19 crore pertaining to 2000-01, 2005-06 and 2008-09 to 2013-14 require regularisation by the Legislature under Article 205 of the Constitution of India. A rush of expenditure was noticed in 6 cases in which expenditure exceeding ₹ 10 crore or more than 50 *per cent* of the total expenditure was incurred in the last quarter of 2014-15 and in some cases in the month of March 2015. There were 198 AC Bills involving ₹ 185.52 crore awaiting adjustment due to non-submission of DCC Bills for long periods and therefore, was fraught with the risk of misappropriation.

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

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

## Chapter III

### Financial Reporting

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

#### 3.1 Delay in furnishing utilisation certificates

Financial Rules provide that for the grants provided for specific purposes, Utilisation Certificates (UCs) should be obtained by the departmental officers from the grantees and after verification, these should be forwarded to the Accountant General (Accounts & Entitlement) within 12 months from the date of their sanction unless specified otherwise. However, of the 629 grants in respect of 11 (Eleven) departments aggregating ₹ 830.33 crore paid up to 2014-15, 104 Utilisation Certificates (UCs) (16.53 per cent) for an aggregate amount of ₹ 217.65 crore were in arrears<sup>16</sup>. The department-wise break-up of outstanding UCs is given in **Appendix 3.1** and the age-wise delay in submission of UCs is summarised in **Table 3.1**.

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

(₹ in crore)

Sl. No.	Range of delay in number of years	Total grants paid		Utilisation certificates outstanding	
		Number of cases	Amount	Number of cases	Amount
1	0 - 1	1	2.00	1	2.00
2	1 - 3	357	129.85	35	59.56
3	3 - 5	271	698.48	68	156.09
<b>Total</b>		<b>629</b>	<b>830.33</b>	<b>104</b>	<b>217.65</b>

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

<sup>16</sup> Grants-in-aid paid during 2014-15, although not due for submission of UCs within 2014-15, were in arrears.

### **3.2 Non-submission/delay in submission of Accounts**

In order to identify the institutions which attract audit under Sections 14 and 15 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, (DPC) 1971, the Government/Head of the Departments are required to furnish to Audit every year detailed information about the financial assistance given to various Institutions, the purpose of assistance granted and the total expenditure of the Institutions.

55 annual accounts of 21 Autonomous Bodies/Authorities due up to 2014-15 had not been received as of August 2015 by the Accountant General (Audit). The details of those accounts are given in **Appendix 3.2** and their age-wise pendency is presented in **Table 3.2**.

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

Sl. No.	Delay in number of years	No. of the Bodies/ Authorities	Grants received (₹ in Lakhs)
1	1 – 3	28	Not Available
2	>3 – 5	5	Not Available
3	>5 – 7	-	Not Available

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

Due to the absence of Annual Accounts and subsequent audit of those 22 Bodies and Authorities involving 55 Annual Accounts, the proper accounting/utilisation of the grants and loans disbursed to those Bodies/Authorities remained unverified. The reasons for non-preparation of the accounts were however, not intimated.

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

Several Autonomous Bodies have been set up by the State Government in the field of development of Khadi and Village Industries, State Legal activities, Power and Pollution Regulations etc. Of these, the audit of accounts of the Nagaland Khadi and Village Industries Board (NKVIB) up to 2014-15 was entrusted to the Comptroller and Auditor General of India under Section 19 (3) of the DPC Act. However, the annual account of the Board for the period 2014-15 had not been furnished (August 2015). The status of entrustment of audit, issuance of Separate Audit Report (SAR) and its placement in respect of NKVIB in the Legislature is indicated in **Table 3.3**.

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

Year of SAR	Period of entrustment	Date of issue of SAR	Date of placement in the Legislature	Delay in placement in the Legislature (Years)
2010-11	2009-14	10-01-2013	16-07-2013	-
2011-12	2009-14	09-06-2015	NA	-
2012-13	2009-14	09-06-2015	NA	-
2013-14	2009-14	09-06-2015	NA	-
2014-15	2014-19	Accounts not yet received	NA	-

Nagaland Electricity Regularity Commission and Nagaland Hospital Authority were established<sup>17</sup> under the State Legislative Act and the audit of accounts entrusted to the Comptroller and Auditor General of India under Section 104 and 105 of Central Electricity Act 2003 and Rule 14 of Notification issued under Section 22 of Hospital Authority Bill 2003 by the Government of Nagaland. However, though the annual accounts of those Authorities/Bodies were due for submission to the Accountant General (Audit) every year, the Accounts had not been furnished since their inception.

### 3.4 Departmental Commercial Undertakings

Activities of quasi-commercial nature are also performed by the departmental undertakings of certain Government departments. The department-wise position of the year up to which proforma accounts were not finalised in those undertakings are given in **Appendix 3.3**. It was noticed that:

As on 31 March 2015, there were eight departmentally managed Government commercial undertakings.

A mention was made in the Report of the Comptroller and Auditor General of India on State Finances for the year 2012-13 about delay in preparation of Proforma accounts of those undertakings. Despite this, accounts were in arrears for periods ranging from 1 to 35 years as of March 2015.

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

<sup>17</sup> Nagaland Electricity Regulatory Commission (04.03.2008), Nagaland Hospital Authority (01.04.2004)

### **3.5 Balances lying unspent in Civil Deposits and Bank Accounts**

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

The details of funds drawn, its utilisation and funds kept in civil deposit/current bank accounts in respect of 16 Departments/Agencies are presented in the table below:

**Table 3.4: Non-utilisation of funds during the year 2014-15**

(₹ in crore)

Sl. No.	Name of Department/Directorate	Amount drawn	Expenditure incurred	Amount kept in Civil Deposit	Amount kept in Bank Account
1	Controller of Legal Metrology & Consumer Protection	4.00	0.00	0.00	4.00
2	Directorate of Science & Technology	2.00	0.24	1.76	0.00
3	State Institute of Rural Development	2.10	0.00	2.10	0.00
4	Directorate of Information Technology & Communication	5.36	0.00	5.36	0.00
5	Directorate of Evaluation	2.69	0.00	2.69	0.00
6	Directorate of Horticulture	4.62	0.00	4.62	0.00
7	Directorate of Economics & Statistics	0.88	0.00	0.88	0.00
8	Transport Commissioner	2.70	0.00	2.70	0.00
9	Directorate of Veterinary & Animal Husbandry	14.61	0.00	14.61	0.00
10	Election Department	2.80	2.46	0.00	0.34
11	Directorate of Women Resource Development	1.59	0.00	1.59	0.00
12	Directorate of Land Records & Survey	1.12	0.00	1.12	0.00
13	Directorate of Youth Resources & Sports	11.41	0.00	11.41	0.00
14	Directorate of Printing & Stationery	1.69	1.00	0.00	0.69
15	Directorate of Rural Development	5.63	1.74	3.89	0.00
16	Department of Justice & Law	17.26	14.97	2.29	0.00
<b>Total</b>		<b>80.46</b>	<b>20.41</b>	<b>55.02</b>	<b>5.03</b>

(Source: Departmental Figures)

The above table shows that an amount of ₹ 80.46 crore was drawn by 16 departments during the year 2014-15 for implementation of different schemes. Out of the amount drawn, the departments utilised only an amount of ₹ 20.41 crore (25.37 per cent) during the financial year. The remaining amount was kept in Civil Deposit ₹ 55.02 crore (68.38 per cent) and current Bank Account ₹ 5.03 crore (6.25 per cent). In addition to the above, information furnished by two banks revealed that an aggregate amount of ₹ 467.76 crore was lying in the respective bank accounts of 93 DDOs as on 31<sup>st</sup> March 2015.

### 3.6 End use of Cess

The State Government notified (August 2011) the enforcement of Levy and Collection of Cess for the purpose of the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996. The levy and collection of such cess will be at a rate of 1 per cent of the cost of construction incurred by an employer. In compliance of this notification, Finance Department advised and instructed the DDOs to ensure that deduction of the cess as prescribed is made against all civil construction works involving employment of labour and deposit the same to the account of the Nagaland Building and Other Construction Workers' Welfare Board (NBOCW Welfare Board) by DD/Cheque. As such the Board has been receiving the cess from 2011-12 onwards.

Details of amount collected and actual expenditure incurred during the period from 2011-12 to 2014-15 are in **Table 3.5**.

**Table 3.5: Statement of cess collection and expenditure incurred during 2011-12 to 2014-15**

(₹ in crore)

Year	Receipt during the year	Expenditure	Balance at the end of the year
2011-12	0.71	0.06	0.65
2012-13	3.60	0.00	4.25
2013-14	3.56	0.68	7.13
2014-15	6.17	0.42	12.88

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

During 2014-15, out of total available cess fund of ₹ 13.30 crore, the Board could spend only ₹ 0.42 crore (3.16 per cent). Out of the total expenditure during the year, grant for purchase of tools was ₹ 0.25 crore (57.14 per cent). Moreover, an expenditure of ₹ 0.17 crore was also made in Monitoring & Evaluation and Skill Development Training.

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

There were 34 cases of misappropriation, loss etc. involving Government money amounting to ₹ 616.13 crore up to the period 31 March 2015 on which final action was pending. The department-wise break up of pending cases and age wise analysis is given in **Appendix 3.4** and nature of the cases are given in **Appendix 3.5**. The age-profile of the pending cases and the number of cases pending in each category are summarised in **Table 3.6**.

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

Age-Profile of the Pending Cases			Nature of the Pending Cases		
Range in Years	Number of Cases	Amount Involved (₹ in crore)	Nature/Characteristics of the Cases	Number of Cases	Amount Involved (₹ in crore)
0 - 5	30	Bifurcation amount of range in years were not provided by the Deptts. Hence, only the consolidated total is shown.	Theft	6	2.11
5 - 10	4		Misappropriation	22	580.58
10 - 15	-		Defalcation	6	33.62
<b>Total</b>	<b>34</b>			<b>34</b>	<b>616.31</b>

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

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

Reasons for the Delay/ Outstanding Pending Cases		Number of Cases	Amount (₹ in crore)
i)	Awaiting departmental and criminal investigation	30	210.67
ii)	Departmental action initiated but not finalised	1	0.01
iii)	Criminal proceedings finalized but execution of certificate cases for recovery of the amount pending.	0	0
iv)	Awaiting orders for recovery or write off.	0	0
v)	Pending in the courts of law	3	405.63
<b>Total</b>		<b>34</b>	<b>616.31</b>

(Source: Vigilance & Anti-Corruption)


The highest amount of misappropriation and loss amounting to ₹ 402.66 crore involving two cases of misappropriation occurred in Food & Civil Supply, where final action had not been taken by the State Government.



### 3.8 Conclusion and recommendations

Timely submission of utilisation certificates is a major area of concern. At the end of March 2015, 104 UCs involving an aggregate amount of ₹ 217.65 crore were pending for submission even after a lapse of one to five years from various departments. Though the accounts of the State Autonomous Bodies and Departmental Commercial Undertakings were over due, those accounts were not submitted to Audit. Non-submission of accounts in time indicates non-compliance with the financial rules. The accounts of Autonomous Bodies/Authorities and Departmental Undertakings need to be finalised at the earliest. As on 31 March 2015, 34 cases of misappropriation, defalcation etc. involving ₹ 616.31 crore pertaining to 15 Departments were pending finalisation. Departmental inquiries in all fraud and misappropriation cases should be expedited to bring the defaulters to book.

Date: 15-02-2016  
Kohima

  
(A Pitoho Choppy)  
Accountant General (Audit),  
Nagaland

Countersigned

Date: 20-02-2016  
New Delhi

  
(Shashi Kant Sharma)  
Comptroller and Auditor General of India

# **APPENDICES**

## Appendix – 1.1

(Reference: Para 1.1; Page 2)

### Part A: Structure and Form of Government Accounts

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

#### Part I : Consolidated Fund

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

#### Part II : Contingency Fund

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

#### Part III : Public Account

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

**Appendix – 1.1**

(Reference: Para 1.1; Page 2)

**Part B: Layout of Finance Accounts**

Statement	Layout
<b>VOLUME I</b>	
	Certificate of the Comptroller and Auditor General of India
	Guide to Finance Accounts ( Introduction)
Statement No.1	Statement of Financial Position
Statement No.2	Statement of Receipts and Disbursements Annexure A. Cash Balances and Investments of Cash Balances
Statement No.3	Statement of Receipts (Consolidated Fund)
Statement No. 4	Statement of Expenditure (Consolidated Fund)
Statement No.5	Statement of Progressive Capital expenditure
Statement No. 6	Statement of Borrowings and Other Liabilities
Statement No. 7	Statement of Loans and Advances given by the Government
Statement No. 8	Statement of Investment of the Government
Statement No. 9	Statement of Guarantees given by the Government
Statement No. 10	Statement of Grants-in-aid given by the Government
Statement No. 11	Statement of Voted and Charged Expenditure
Statement No. 12	Statement of Sources and Application of Funds for Expenditure other than Revenue Account
Statement No. 13	Statement of Balances under Consolidated Fund, Contingency Fund and Public Account
	Notes to Accounts
<b>VOLUME II</b>	
<b>Part I</b>	
Statement No. 14	Detailed Statement of Revenue and Capital Receipts by Minor Heads
Statement No. 15	Detailed Statement of Revenue Expenditure by Minor Heads
Statement No. 16	Detailed Statement of Capital Expenditure by Minor Heads and Sub Heads
Statement No. 17	Detailed Statement of Borrowings and Other Liabilities
Statement No. 18	Detailed Statement on Loans and Advances made by the Government
Statement No. 19	Detailed Statement of Investments of the Government
Statement No. 20	Detailed Statement of Guarantees given by the Government
Statement No. 21	Detailed Statement of Contingency Fund and Other Public Account Transactions
Statement No. 22	Detailed Statement on Investments of Earmarked Funds
<b>PART II Appendices</b>	
I	Comparative Expenditure on Salary
II	Comparative Expenditure on Subsidy
III	Grants-in-aid/Assistance given by the State Government (Institution wise and Scheme wise)
IV	Details of Externally Aided Projects
V	Plan Scheme expenditure (Central and State Plan schemes) A. Central Schemes (Centrally Sponsored Schemes and Central Plan Schemes) B. State Plan Schemes
VI	Direct transfer of Central Scheme Funds to Implementing Agencies in the State (Funds routed outside State Budget) (Unaudited Figures)
VII	Acceptance and Reconciliation of balances (As depicted in Statement 7 and 8)
VIII	Financial results of Irrigation Works
IX	Commitments of the Government- List of Incomplete Capital Works
X	Maintenance Expenditure with segregation of Salary and Non-Salary portion
XI	Major Policy Decisions of the Government during the year or new Schemes proposed in the Budget
XII	Committed Liabilities of the Government
XIII	Re-organisation of the States- Items for which allocation of balances between/among the States has not been finalized.

## Appendix – 1.1

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

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

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

**Trends in Gross State Domestic Product (GSDP)**

	2010-11	2011-12	2012-13	2013-14	2014-15
Gross State Domestic Product (₹ in crore)	11759	13859	15676	17749	20099
Growth rate of GSDP	11.70	17.86	13.11	13.22	13.24

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

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

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

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

**Appendix – 1.1**

(Reference Page 1)

**Part D: State Profile**

<b>A. General Data</b>					
<b>Sl. No</b>	<b>Particulars</b>			<b>Figures</b>	
1	Area (in sq. kms.)			16579	
2	Population				
	As per 2001 census			1990036	
	As per 2011 census			1978502	
3	Density of Population (2011) (per sq. kms.) (All India Average 382 persons per sq km)			119	
4	Below Poverty Line (BPL) (2011-12) (All India Population Below Poverty Line -29.5) (2011-12)			14.00	
5	Literacy (2011) (in per cent) (All India Average 74.04%)			79.55	
6	Infant Mortality Rate (2014) (All India average per 1000 live births-40 (SRS Bulletin of September 2014)			18.00	
7	Life Expectancy at Birth (2015) (All India Average in years-67.50) (2015)			73.40	
8	Gini Co-efficient (a measure of inequality of income among the population. Value rate is from zero to one. Value closer to zero indicates inequality is less and vice versa)				
	a	Rural (All India=0.29)			0.19
	b	Urban (All India=0.38)			0.24
9	Gross State Domestic Product (GSDP) 2014-15 (₹ in crore)			20099	
10	Per Capita GSDP CAGR (2006-15)		Nagaland	11.88 per cent	
			Special Category States	NA	
11	GSDP CAGR (2006-15)		Nagaland	13.19 per cent	
			Special Category States	NA	
<b>B. Financial Data</b>					
<b>Particulars</b>		<b>Figures (in per cent)</b>			
		<b>2005-06 to 2013-14</b>		<b>2013-14 to 2014-15</b>	
<b>CAGR (per cent)</b>		<b>Special Category States (SCS)*</b>	<b>Nagaland</b>	<b>SCS</b>	<b>Nagaland</b>
a.	Revenue Receipts	13.72	14.07	15.34	17.74
b.	Tax Revenue	16.00	15.46	13.39	16.56
c.	Non Tax Revenue	10.67	10.59	(-)06.79	24.95
d.	Total Expenditure	13.86	13.21	20.99	11.89
e.	Capital Expenditure	11.36	11.16	26.12	(-)15.23
f.	Revenue Expenditure on Education	16.09	16.39	17.68	3.30
g.	Revenue Expenditure on Health	16.70	12.84	23.67	36.88
h.	Salary and Wages	16.40	15.11	4.52	11.34
i.	Pension	19.95	18.45	14.94	30.22

\*Based on 8 special category states such as Assam, Himachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, Tripura and Utrakhand.



## Appendix - 1.2

(Reference: Para 1.1, 1.3 &amp; 1.9.2; Pages 2, 10 &amp; 32)

## Time series data on the State Government finances

(₹ in crore)

	2010-11	2011-12	2012-13	2013-14	2014-15
<b>Part A. Receipts</b>					
<b>1. Revenue Receipts</b>	<b>4998.46</b>	<b>5584.62</b>	<b>6202.33</b>	<b>6495.67</b>	<b>7648.67</b>
<b>(i) Tax Revenue</b>	<b>227.32(4)</b>	<b>303.88(6)</b>	<b>339.95(6)</b>	<b>333.39(5)</b>	<b>388.61(5)</b>
Taxes on Agricultural Income	-	-	-	-	-
Taxes on Sales, Trade, etc.	167.22(74)	231.12(76)	257.21(76)	250.20(75)	294.29(76)
State Excise	3.00(1)	3.37(1)	3.73(1)	4.86(1)	4.70(1)
Taxes on Vehicles	23.92(11)	34.58(11)	41.59(12)	36.15(11)	46.46(12)
Stamps and Registration fees	1.35(1)	1.85(1)	1.58(1)	1.77(1)	1.93(1)
Land Revenue	0.59(0)	0.68(0)	0.72(0)	0.70(0)	0.74(0)
Taxes on Goods and Passengers	6.62(3)	4.85(2)	6.71(2)	10.79(3)	9.73(2)
Other Taxes	24.62(10)	27.43(9)	28.41(8)	28.92(9)	30.76(8)
<b>(ii) Non Tax Revenue</b>	<b>181.61(4)</b>	<b>231.19(4)</b>	<b>205.21(3)</b>	<b>214.34(3)</b>	<b>268.34(3)</b>
<b>(iii) State's share of Union taxes and duties</b>	<b>689.46(14)</b>	<b>803.20(14)</b>	<b>917.14(15)</b>	<b>1001.27(16)</b>	<b>1062.68(14)</b>
<b>(iv) Grants in aid from Government of India</b>	<b>3900.07(78)</b>	<b>4246.35(76)</b>	<b>4740.03(76)</b>	<b>4946.67(76)</b>	<b>5929.04(78)</b>
<b>2. Miscellaneous Capital Receipts</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>3. Recoveries of Loans and Advances</b>	<b>2.31</b>	<b>2.44</b>	<b>0.85</b>	<b>1.01</b>	<b>0.71</b>
<b>4. Total Revenue and Non debt capital receipts (1+2+3)</b>	<b>5000.77</b>	<b>5587.06</b>	<b>6203.18</b>	<b>6496.68</b>	<b>7649.38</b>
<b>5. Public Debt Receipts</b>	<b>463.35</b>	<b>1318.85</b>	<b>2730.12</b>	<b>1976.41</b>	<b>2414.87</b>
Internal debt (excluding Ways and Means Advances and Overdrafts)	463.35	651.25	764.72	619.16	719.70
Net transactions under Ways and Means Advances and Overdrafts	0.00	646.63	1965.40	1357.25	1689.87
Loans and Advances from Government of India	0.00	20.97	0.00	0.00	5.30
<b>6. Total Receipts in the Consolidated Fund (4+5)</b>	<b>5464.12</b>	<b>6905.91</b>	<b>8933.30</b>	<b>8473.09</b>	<b>10064.25</b>
<b>7. Contingency Fund Receipts</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>8. Public Account Receipts</b>	<b>2267.53</b>	<b>2611.38</b>	<b>3041.66</b>	<b>3130.09</b>	<b>2661.92</b>
<b>9. Total Receipts of the State (6+7+8)</b>	<b>7731.65</b>	<b>9517.29</b>	<b>11974.96</b>	<b>11603.18</b>	<b>12726.17</b>
<b>Part B. Expenditure/Disbursement</b>					
<b>10 Revenue Expenditure</b>	<b>4186.31</b>	<b>4873.90</b>	<b>5599.43</b>	<b>5748.11</b>	<b>6760.14</b>
Plan	883.45(21)	821.58(17)	1030.10(18)	846.01(15)	1229.29(18)
Non Plan	3302.86(79)	4052.32(83)	4569.33(82)	4902.10(85)	5530.85(82)
General Services (including interest payments)	1841.64(44)	2316.51(47)	2535.84(45)	2730.25(47)	3130.97(46)
Social Services	1125.72(27)	1154.12(24)	1461.78(26)	1701.56(30)	1855.17(28)
Economic Services	1218.95(29)	1403.27(29)	1601.81(29)	1316.30(23)	1774.00(26)
Grants-in-aid and contributions	0.00	0.00	0.00	0.00	0.00
<b>11. Capital Expenditure</b>	<b>1122.94</b>	<b>1249.39</b>	<b>1255.18</b>	<b>1207.06</b>	<b>1023.17</b>
Plan	1122.93(100)	1249.35(100)	1249.13(99)	1187.96(98)	1022.95(100)
Non Plan	0.01(0)	0.04(0)	6.05(1)	19.10(2)	0.22(0)
General Services	217.17(19)	235.75(19)	211.01(17)	181.19(15)	160.95(16)
Social Services	306.09(27)	338.77(27)	346.81(28)	324.47(27)	350.99(34)
Economic Services	599.68(54)	674.87(54)	697.36(55)	701.40(58)	511.23(50)

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<b>12. Disbursement of Loans and Advances</b>	<b>4.12</b>	<b>2.75</b>	<b>2.16</b>	<b>0.92</b>	<b>0.19</b>
<b>13. Total Expenditure(10+11+12)</b>	<b>5313.37</b>	<b>6126.04</b>	<b>6856.77</b>	<b>6956.09</b>	<b>7783.50</b>
<b>14. Repayments of Public Debt</b>	<b>261.16</b>	<b>798.57</b>	<b>2343.19</b>	<b>1436.92</b>	<b>2306.08</b>
Internal Debt (excluding Ways and Means Advances and Overdrafts)	238.28	282.19	313.45	246.32	279.11
Net transactions under Ways and Means Advances and Overdraft	0.00	477.91	2007.77	1168.10	2005.36
Loans and Advances from Government of India	22.88	38.47	21.97	22.50	21.61
<b>15. Appropriation to Contingency Fund</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>16. Total disbursement out of Consolidated fund (13+14+15)</b>	<b>5574.53</b>	<b>6924.61</b>	<b>9199.96</b>	<b>8393.01</b>	<b>10089.58</b>
<b>17. Contingency Fund disbursements</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>18. Public Account disbursements</b>	<b>2159.59</b>	<b>2364.57</b>	<b>2822.67</b>	<b>2796.33</b>	<b>2895.22</b>
<b>19. Total disbursement by the State (16+17+18)</b>	<b>7734.12</b>	<b>9289.18</b>	<b>12022.63</b>	<b>11189.34</b>	<b>12984.80</b>
<b>Part C. Deficits</b>					
<b>20. Revenue Deficit(-)/ Revenue surplus(+) (1-10)*</b>	<b>812.15</b>	<b>710.72</b>	<b>602.90</b>	<b>747.56</b>	<b>888.53</b>
<b>21. Fiscal Deficit(-)/ Fiscal Surplus(+) (4-13)</b>	<b>-312.60</b>	<b>-538.98</b>	<b>-653.59</b>	<b>-459.41</b>	<b>-134.12</b>
<b>22. Primary deficit(-)/Surplus(+) (21+23)</b>	<b>81.73</b>	<b>-121.59</b>	<b>-202.95</b>	<b>34.43</b>	<b>421.22</b>
<b>Part D. Other data</b>					
<b>23. Interest Payments (included in revenue expenditure)</b>	<b>394.33</b>	<b>417.39</b>	<b>450.64</b>	<b>493.84</b>	<b>555.34</b>
<b>24. Financial assistance to local bodies etc.</b>	<b>102.89</b>	<b>164.73</b>	<b>232.50</b>	<b>293.11</b>	<b>250.60</b>
<b>25. Ways and Means Advances/ Overdraft availed (days)</b>	<b>0.00</b>	<b>646.63(19)</b>	<b>1965.40(109)</b>	<b>1357.25(83)</b>	<b>1689.87</b>
Ways and Means Advances availed (days)	0.00	577.45(17)	1481.41(97)	812.22(60)	1329.40 (96)
Overdraft availed (days)	0.00	69.18(2)	483.99(12)	545.03(23)	360.47 (30)
<b>26. Interest on Ways and Means Advances/ Overdraft</b>	<b>0.00</b>	<b>0.13</b>	<b>3.07</b>	<b>2.66</b>	<b>4.00</b>
<b>27. Gross State domestic Product (GSDP)</b>	<b>11759</b>	<b>13859</b>	<b>15676</b>	<b>17749</b>	<b>20099</b>
<b>28. Outstanding Fiscal liabilities (year end)</b>	<b>5864.53</b>	<b>6759.87</b>	<b>7452.54</b>	<b>8356.91</b>	<b>7953.73</b>
<b>29. Outstanding guarantees (year end) (including interest)</b>	<b>55.22</b>	<b>65.22</b>	<b>70.22</b>	<b>70.22</b>	<b>70.22</b>
<b>30. Maximum amount guaranteed (year end)</b>	<b>NA</b>	<b>10.00</b>	<b>5.00</b>	<b>0.00</b>	<b>0.00</b>
<b>31. Number of incomplete projects</b>	<b>54</b>	<b>57</b>	<b>75</b>	<b>77</b>	<b>213</b>
<b>32. Capital blocked in incomplete projects</b>	<b>122.16</b>	<b>326.31</b>	<b>623.85</b>	<b>702.97</b>	<b>863.09</b>
<b>Part E. Fiscal Health Indicators</b>					
<b>I Resource Mobilization</b>					
Own Tax Revenue/GSDP	1.93	2.19	2.17	1.88	1.93
Own Non-Tax Revenue/GSDP	1.54	1.67	1.31	1.21	1.34
Central Transfer/GSDP	39.03	36.44	36.09	33.51	34.79
<b>II Expenditure Management</b>					
Total Expenditure/GSDP	45.19	44.20	43.74	39.19	38.73
Total Expenditure/Revenue Receipts	106.30	109.69	110.55	107.09	101.76
Revenue Expenditure/Total Expenditure	78.79	79.56	81.66	82.63	86.85
Expenditure on Social Services/Total Expenditure	26.95	24.37	26.38	29.13	28.34

Expenditure on Economic Services/Total Expenditure	34.23	33.92	33.53	29.01	29.36
Capital Expenditure/Total Expenditure	21.13	20.39	18.31	17.35	13.15
Capital Expenditure on Social and Economic Services/Total Expenditure.	17.05	16.55	15.23	14.75	11.08
<b>III Management of Fiscal Imbalances</b>					
Revenue Deficit (surplus)/GSDP	6.91	5.13	3.85	4.21	4.42
Fiscal Deficit/GSDP	-2.66	-3.89	-4.17	-2.59	-0.67
Primary Deficit (surplus)/GSDP	0.70	-0.88	-1.29	0.19	2.10
Revenue Deficit/Fiscal Deficit	*	*	*	*	*
Primary Revenue Balance/GSDP	3.41	3.79	3.44	3.04	3.23
<b>IV Management of Fiscal Liabilities</b>					
Fiscal Liabilities/GSDP	49.87	48.78	47.54	47.08	39.57
Fiscal Liabilities/RR	117.33	121.04	120.16	128.65	103.99
Primary deficit vis-à-vis quantum spread	259.43	762.60	301.59	617.39	545.85
Debt Redemption (Principal+Interest)/Total debt Receipts	132.36	103.39	96.89	115.28	110.06
<b>V Other Fiscal Health Indicators</b>					
Return on Investment	0.00	0.00	0.00	0.00	0.00
Balance from Current Revenue (₹ in crore)	479.81	-853.17	-1036.96	-1269.84	-1702.17
Financial Assets/Liabilities	1.46	1.49	1.51	1.54	1.72

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

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



		<i>Section B: Others</i>								
280.52	III	<b>Opening Cash balance including Permanent advances and cash Balance Investment</b>	694.36	0.00	III	<b>Opening Overdraft from Reserve Bank of India</b>				0.00
0.00	IV	<b>Miscellaneous Capital receipts</b>	0.00	1207.06	IV	<b>Capital Outlay</b>	0.22	1022.95	1023.17	1023.17
				181.19		General Services	0.00	160.95	160.95	
				324.47		Social services	0.00	350.99	350.99	
				76.38		Education, Sports, Art and culture	0.00	47.69	47.69	
				12.74		Health and Family Welfare	0.00	21.23	21.23	
				219.83		Water supply, Sanitation, Housing and Urban Development	0.00	260.72	260.72	
				0.88		Information and Broadcasting	0.00	0.00	0.00	
				0.00		Welfare of scheduled Castes, Scheduled Tribes and Other Backward Classes	0.00	0.00	0.00	
				12.40		Social Welfare and Nutrition	0.00	20.47	20.47	
				2.24		Others	0.00	0.88	0.88	
				701.40		Economic Services	0.22	511.01	511.23	
				90.14		Agriculture and Allied activities	0.01	20.01	20.02	
				0.65		Rural Development	0.00	0.00	0.00	
				147.69		Special Areas Programmes	0.00	100.10	100.10	
				0.40		Irrigation and Flood Control	0.00	14.77	14.77	
				89.64		Energy	0.00	51.12	51.12	
				44.98		Industry and Minerals	0.21	25.36	25.57	
				314.15		Transport	0.00	277.85	277.85	
				13.75		General Economic Services	0.00	20.04	20.04	
				0.00		Science, Technology and Environment	0.00	1.76	1.76	
1.01	V	<b>Recoveries of Loans and Advances</b>	0.71	0.92	V	<b>Loans and Advances disbursed</b>	0.19	0.00	0.19	0.19
0.00		From Power Projects	0.00	0.00		For Power Projects	0.00	0.00	0.00	
0.77		From Government Servants	0.63	0.34		To Government Servants	0.19	0.00	0.19	
0.24		From Others	0.08	0.58		To Others	0.00	0.00	0.00	
747.56	VI	<b>Revenue surplus brought down</b>	888.53		VI	<b>Revenue Deficit brought down</b>				0.00

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<b>1976.41</b>	<b>VII</b>	<b>Public debt receipts</b>	<b>2414.87</b>	<b>1436.92</b>	<b>VII</b>	<b>Repayment of Public debt</b>		<b>2306.08</b>	<b>2306.08</b>
0.00		External debt	0.00	0.00		External debt		0.00	
619.16		Internal debt other than Ways and Means Advances and Overdrafts	719.70	246.32		Internal debt other than Ways and Means advances and Overdrafts		279.11	
812.22		Net transactions under Ways and Means Advances	1329.4	799.79		Net transactions under ways and Means Advances		1468.17	
545.03		Net transactions under overdraft	360.47	368.31		Net transactions under Overdrafts		537.19	
0.00		Repayment of Loans and Advances from Central Government	5.30	22.50		Repayment of Loans and Advances to Central Government		21.61	
<b>0.00</b>	<b>VIII</b>	<b>Appropriation to Contingency Fund</b>	<b>0.00</b>	<b>0.00</b>	<b>VIII</b>	<b>Appropriation to Contingency Fund</b>		<b>0.00</b>	<b>0.00</b>
<b>0.00</b>	<b>IX</b>	<b>Amount transferred to Contingency Fund</b>	<b>0.00</b>	<b>0.00</b>	<b>IX</b>	<b>Expenditure from Contingency Fund</b>		<b>0.00</b>	<b>0.00</b>
<b>3130.09</b>	<b>X</b>	<b>Public Account receipts</b>	<b>2661.92</b>	<b>2796.33</b>	<b>X</b>	<b>Public Account disbursements</b>		<b>2895.22</b>	<b>2895.22</b>
287.38		Small Savings and Provident funds	301.80	175.31		Small Savings and Provident Funds		246.45	
54.22		Reserve Funds	69.36	42.07		Reserve Funds		28.35	
13.06		Suspense and Miscellaneous	56.36	13.82		Suspense and Miscellaneous		55.80	
1840.97		Remittance	2062.54	1871.35		Remittances		1785.00	
934.46		Deposits and Advances	171.86	693.78		Deposits and Advances		779.62	
<b>0.00</b>	<b>XI</b>	<b>Closing Overdraft from Reserve Bank of India</b>	<b>0.00</b>	<b>694.36</b>	<b>XI</b>	<b>Cash Balance at end of year</b>		<b>435.73</b>	<b>435.73</b>
				0.00		Cash in Treasuries and Local Remittances		0.00	
				112.92		Deposits with Reserve Bank		(-)250.36	
				393.92		Departmental Cash Balance including permanent Advances		316.08	
				0.00		Cash Balance Investment		141.48	
				187.52		Investment in earmarked funds		228.53	
<b>6135.59</b>		<b>Total</b>	<b>6660.39</b>	<b>6135.59</b>		<b>Total</b>			<b>6660.39</b>

## Appendix - 1.4

(Reference: Para 1.9.1; Page 32)

## Summarised financial position of the Government of Nagaland as on 31.03.2015

(`in crore)

As on 31.03.2014		Liabilities	As on 31.03.2015	
5542.22		Internal Debt -		5667.32
	4312.58	Market Loans bearing interest	4764.62	
	0.03	Market Loans not bearing interest	0.03	
	36.05	Loans from Life Insurance Corporation of India	28.22	
	878.07	Loans from other Institutions	874.45	
	315.49	Ways and Means Advances	0.00	
	0.00	Overdrafts from Reserve Bank of India	0	
244.63		Loans and Advances from Central Government-		228.32
	0.55	Pre 1984-85 Loans	0.35	
	16.00	Non-Plan Loans	15.25	
	194.79	Loans for State Plan Schemes	174.51	
	0.18	Loans for Central Plan Schemes	0.18	
	24.21	Loans for Centrally Sponsored Plan schemes	29.38	
	0.00	Ways and Means Advances	0.00	
	8.90	Loans for Spl. Scheme	8.65	
0.35		Contingency Fund		0.35
794.98		Small Savings, Provident Funds, etc.		850.33
1618.23		Deposits		1009.90
156.85		Reserve Funds		197.85
0.00		Suspense and Miscellaneous Balances		0
(-)1079.68		Remittance Balances		(-)802.16
<b>7277.58</b>		<b>Total</b>		<b>7151.91</b>
<b>Assets</b>				
12066.82		Gross Capital Outlay on Fixed Assets -		13089.99
	270.01	Investments in shares of Companies, Corporations, etc.	278.44	
	11796.81	Other Capital Outlay	12811.55	
27.34		Loans and Advances -		26.82
	0.00	Loans for Power Projects	0	
	25.51	Other Development Loans	25.43	
	1.83	Loans to Government servants and Miscellaneous loans	1.39	
0.00		Reserve Fund Investments		0
0.93		Advances		0.36
94.95		Suspense and Miscellaneous Balances		94.37
0.00		Cash -		0
	0.00	Cash in Treasuries and Local Remittances	0	
	112.92	Deposits with Reserve Bank		(-)250.36
	393.92	Departmental Cash Balance		316.08
	0.00	Permanent Advances		0
	187.52	Investment on earmarked funds		228.53
	0.00	Cash Balance investments		141.48
(-)5606.82		Deficit on Government account -		(-)6495.36
	(-)747.56	(i) Less Revenue Surplus of the current year	(-)888.53	
	0.00	(ii) Miscellaneous deficit	0	
	(-)4859.26	Accumulated deficit at the beginning of the year	(-)5606.83	
<b>7277.58</b>				<b>7151.91</b>

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

**Appendix –1.5**

(Reference: Para 1.2.2; Page 9)

**Statement showing the funds transferred to the State Implementing Agencies under Programmes/Schemes outside the State budget during 2013-14**

(₹ in lakh)

Sl. No	Programme/Scheme	Implementing Agency	2014-15
1	Medicinal Plants	Medicinal Plants Board Agency	82.77
2			
3	Support to National Institute of Technology	Support to National Institute of Technology, National Research Centre on Mithun, ICAR	4000.00
4	Human Resource Development.	Nagaland Handloom and Handicrafts Development Corporation Ltd.	17.69
5	Assistance to disabled Persons for Purchase/Fitting	Cherry Blossoms Society, Kohima	11.75
6		Yankee Multipurpose Welfare Society	6.60
7	Bioinformatics	Nagaland University	15.31
8		National Research Centre on Needy People Society	5.41
9	Support to NGO's institution /SRC's for Adult Education and Skill	Jan Shikshan Sansthan, Dimapur	29.66
10		Nagaland State Science & Technology Council	376.75
11	Science and Technology Programme for Socio Eco. Development	Nagaland Institute of Health	5.73
12	Biotechnology Clusters	Nagaland State Science & Technology Council	118.46
13	MPLADs	DC, Dimapur	1000.00
14		Women Welfare Society	12.48
15	Training Centre in Tribal areas	M/S Vitole Women Society	91.44
16	Zonal Culture Centre	ABIOGENESIS Society	6.96
17		North East Zone Cultural Centre	3431.78
18		Tenak Society	0.38
19		Pauna Resource Centre (N)	0.56
20		Koza Boys Club	0.13
21		Indigenous Society	1.60
22		Goodwill Society	1.50
23		Keviru Multipurpose Co-operative Society	416.40
24	Memorials, Centenaries and Others	North-East-Zone Cultural Centre	0.75
25	North Eastern Areas	Nagaland GIS Centre	90.00
26		Horticulture	100.00
27		Principal, Patkai Christian College	148.14
28		Director of Youth Resources and Sports	46.89
29	Environment Information Education and Awareness	Nagaland Pollution Control Board	91.56
30		Nagaland Institute of Health, Environment and Social Welfare (Environment and Forest)	13.60
31	Pollution Abatement	Pollution Control Board	0.95



Sl. No	Programme/Scheme	Implementing Agency	2014-15
32	Promotional Services Institutions	Rural Development Society	6.33
33	National Child Labour Project including Grants-in-aid to Voluntary Agencies	District Child Labour Project Society, Dimapur	151.17
34	Information Publicity and Extension	New and Renewable Energy	68.73
35		V.Kikhi Welfare Society	0.40
36	GRID Interactive Renewable Power MNRE	New and Renewable Energy	486.65
37		Nagaland Empowerment of People through Energy Development	22.50
38	OFF GRID DRPS	New and Renewable Energy	396.79
39	Renewable Energy for Rural Applications for all villages	Nagaland Renewable Energy	10.44
40	Renewable Energy for Urban Industrial Sector	Nagaland Renewable Energy	4.50
41		Development Association of Dilong Women's Welfare Society	4.45
42		Good Samaritan Women Society	1.12
43	Assistance to Voluntary Organization for Social Defense	Youth Mission Agency	3.48
44		Bethesda Youth Welfare Centre, Dimapur	10.79
45		Prodigal Homes, Dimapur	6.19
46	WWH Working Women Hostel	Sharon Welfare Agency	58.53
47	Comprehensive Handloom Dev. Scheme (CHDS)	Director of Industries and Commerce	23.00
48		Nagaland Handloom & Handicrafts Development Corporation Ltd.	25.00
49	Marketing Support and Services and Export Promotion Scheme	Nagaland Handloom and Handicrafts Development Corporation Ltd.	48.30
50		Pisgah Handicrafts Co-operative	1.47
51	Grants-in-aid to NGOs	Nagaland Children's Home, Diphupar	10.43
52		Dayanand Sewashram Sangh, Dimapur	21.73
53	Scheme for the Welfare of Working Children in need of care and Protection	Dilong Women's Welfare Society	14.00
54	Step support to Training and Employment Programme for Women	Botso Welfare Society	13.10
55		Doyang Valley Multipurpose Co-operative Societies	21.50
56		Society of Aborigines	6.61
57		Zutso Society, Kohima Nagaland	6.46
58	NER- Textile Promotion Scheme	Nagaland Handloom and Handicrafts Development Corporation Ltd.	18.75
59		Directorate of Industries & Commerce	33.50

**Audit Report on State Finances for the year ended 31 March 2015**

Sl. No	Programme/Scheme	Implementing Agency	2014-15
60	Buddhist and Tibetan Students	Dimapur Tamang Buddhist Welfare Society	1.00
61	National Programme for Youth and Adolescent Development	Charity Welfare Society	2.28
62		Tenak Society	4.56
63		Tender Mission Society	3.93
64		V.Kikhi Welfare Society	3.93
65		East Zone Sports & Games Dev. Association	2.28
66		Enyathung Women Society	2.28
67		Vikehie Welfare society	2.28
68		Vimhazo Multipurpose Society	1.96
69		Women Welfare Society	2.28
70		Ahon Welfare Society	4.56
71		Ayolta Human Resources Society	4.56
72		Kada Welfare Society	4.56
73		Iepthori Organisation	1.96
74		Needy People Society	1.17
75		Sholho Multipurpose Welfare Society of Aborigines	4.56
76	Museums	Tribal Art and Textile Museum Society	36.79
77	Research and Development	Nagaland University	9.08
78		National Research Centre on Needy People Society	25.82
79	Technology Development Programme	Nagaland University	4.60
80		Uzho Cultural Society	5.00
81	Seismology Research	Nagaland University	7.26
82	Grant for Construction of Boys and Girls Hostel	Nagaland University	215.29
83	Biotechnology for Societal Development	Keyho Farmers' Multipurpose	4.20
84		Rural and Urban Development	8.77
85	Promotional Services Institutions	Insight Welfare Society	7.19
86	Design and Technical Upgradation Scheme	Nagaland Industrial Development Corporation Ltd.	9.00
87		Nagaland Handloom and Handicrafts Development Corporation Ltd.	26.86
88	Research and Development (Handicrafts)	Nagaland Handloom and Handicrafts Development Corporation Ltd.	2.48
89	Propogation of RTI Act- Improving Transparency	Nagaland Information Commission	3.00
90	Infrastructure Development and Capacity Building	Director of Industries and Commerce	8.21
91		Mokokchung Municipal Council	110.73
92	National Mission for Justice and Legal Services	Nagaland State Legal Services Authority	68.20
93	Higher Education Statistics and Public	Aishe, Nagaland	1.50

<b>Sl. No</b>	<b>Programme/Scheme</b>	<b>Implementing Agency</b>	<b>2014-15</b>
94	Science and Technology Mines	Directorate of Geology and Mining	7.42
95	Scheme for leadership Development of minority women	Development Association of Nagaland	3.22
96		School of Social Work	3.22
97		Women Welfare Society	1.43
98	Handicrafts- infrastructure and Technical Development Scheme	Nagaland Handloom and Handicrafts Development Corporation Ltd.	75.62
<b>GRAND TOTAL</b>			<b>12299.21</b>

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

## Audit Report on State Finances for the year ended 31 March 2015

### Appendix 2.1

(Reference: Para 2.3.1; Page 44)

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

(₹ in crore)

Sl. No.	Grant No	Name of the Grant/Appropriation	Total Grant/Appropriation	Savings	Percentage
1	2	3	4	5	6
<b>Revenue (Voted)</b>					
1	1	State Legislature	18.98	1.15	6
2	5	Election	14.29	4.50	31
3	11	District Administration & Special Welfare schemes	200.00	84.61	42
4	18	Pensions and Other Retirement Benefits	891.00	14.14	2
5	22	Civil Supplies	20.31	3.31	16
6	25	Land Records and Survey	20.24	6.11	30
7	26	Civil Secretariat	143.61	8.62	6
8	27	Planning Machinery	201.00	109.27	54
9	29	Stationery & Printing	17.54	1.39	8
10	31	School Education	1240.10	333.40	27
11	32	Higher Education	154.76	42.82	28
12	33	Youth Resources & Sports	32.16	15.14	47
13	35	Medical, Public Health & Family Welfare	471.18	74.31	16
14	36	Urban Development	10.20	1.89	18
15	37	Municipal Administration	27.42	19.53	71
16	39	Tourism	18.47	1.35	7
17	40	Employment & Training	25.40	1.81	7
18	41	Labour	14.10	3.83	27
19	42	Rural Development	624.88	356.12	57
20	43	Social Security & Welfare	188.85	53.48	28
21	45	Co-operation	17.50	3.90	22
22	46	Statistics	27.08	1.13	4
23	47	Legal Metrology & Consumer Protection	10.50	1.08	10
24	48	Agriculture	182.82	14.05	8
25	49	Soil & Water Conservation	42.22	6.47	15
26	50	Animal Husbandry & Dairy Development	83.90	8.11	10
27	52	Forest, Ecology, Environment & Wild Life	107.58	13.35	12
28	53	Industries	54.41	14.58	27
29	54	Mineral Development	17.84	1.89	11
30	58	Roads & Bridges	222.20	8.23	4
31	59	Irrigation & Flood Control	190.24	128.28	67

## Appendix

Sl. No.	Grant No	Name of the Grant/Appropriation	Total Grant/Appropriation	Savings	Percentage
1	2	3	4	5	6
32	60	Water Supply	63.80	3.99	6
33	63	Science, Technology, Ecology & Environment	2.29	0.90	39
34	65	SCERT	38.10	11.65	31
35	66	Sericulture	26.87	4.51	17
36	67	Home Guards	18.52	1.27	7
37	70	Horticulture	77.98	27.20	35
38	72	Land Resource Development	186.42	83.68	45
39	73	State Institute of Rural Development	7.78	1.10	14
40	77	Development of Under Developed Areas	10.80	3.58	33
41	78	Technical Education	15.44	1.13	7
42	79	Border Affairs	2.58	0.71	28
43	81	Information Technology & Communication	15.15	7.39	49
<b>Capital (Voted)</b>					
44	1	State Legislature	5.48	3.48	64
45	4	Administration of Justice	27.16	2.00	7
46	22	Civil Supplies	2.57	1.22	48
47	27	Planning Machinery	893.74	815.84	91
48	31	School Education	37.12	18.09	49
49	33	Youth Resources & Sports	29.00	8.89	31
50	35	Medical, Public Health & Family Welfare	49.91	28.68	57
51	36	Urban Development	237.21	161.52	68
52	39	Tourism	34.50	15.34	44
53	40	Employment & Training	2.18	2.18	100
54	43	Social Security & Welfare	16.00	2.87	18
55	45	Co-operation	8.30	6.31	76
56	46	Statistics	1.72	0.84	49
57	48	Agriculture	16.99	5.40	32
58	49	Soil & Water Conservation	0.33	0.33	100
59	50	Animal Husbandry & Dairy Development	4.15	4.06	98
60	51	Fisheries	13.85	13.85	100
61	52	Forest, Ecology, Environment & Wild Life	0.98	0.98	100
62	53	Industries	27.33	9.14	33
63	55	Power	91.67	39.06	43
64	56	Road Transport	15.01	3.63	24
65	58	Roads & Bridges	341.72	27.38	8
66	59	Irrigation & Flood Control	36.90	21.25	58
67	60	Water Supply	153.09	48.44	32

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Sl. No.	Grant No	Name of the Grant/Appropriation	Total Grant/Appropriation	Savings	Percentage
1	2	3	4	5	6
68	62	Civil Administration	28.00	6.31	23
69	64	Housing	98.65	50.63	51
70	65	SCERT	4.88	3.98	82
71	66	Sericulture	1.34	1.34	99
72	68	Police Engineering Project	69.91	39.91	57
73	70	Horticulture	7.00	2.00	29
74	72	Land Resources Development	1.25	1.25	100
75	76	Woman Welfare	3.00	1.41	47
76	77	Development of Under Developed Areas	67.20	44.90	67
77	78	Technical Education	34.75	29.39	85
78	79	Border Affairs	1.50	1.50	100
79	81	Information Technology & Communication	4.00	0.81	20
80	82	New & Renewable Energy	21.00	10.59	50
<b>Revenue (Charged)</b>					
81	75	Servicing of Debt	611.08	14.74	2
<b>Total</b>			<b>8756.94</b>	<b>2934.49</b>	<b>34</b>

## Appendix 2.2

(Reference: Para 2.3.4; Page 46)

## Excess over provision of previous years requiring regularisation

(₹ in crore)

Year	Number of Grants	Number of Appropriation	Amount of excess over provision	Status of regularisation
2000-01	16	1	51.81	Not yet regularised
2005-06	23	2	64.96	Not yet regularised
2008-09	16	0	43.52	Not yet regularised
2009-10	24	1	61.77	Not yet regularised
2010-11	17	0	90.55	Not yet regularised
2011-12	13	0	54.94	Not yet regularised
2012-13	23	0	166.13	Not yet regularised
2013-14	19	0	38.51	Not yet regularised
<b>Total</b>			<b>572.19</b>	

**Audit Report on State Finances for the year ended 31 March 2015**

**Appendix 2.3**

(Reference: Para 2.3.5; Page 46)

**Excess over provision requiring regularisation during the year 2014-15**

(₹ in crore)

Sl. No.	Number and title of grant/appropriation		Total grant appropriation	Expenditure	Excess
<b>Revenue (Voted)</b>					
1	18	Pensions and Other Retirement benefits	891.01	905.15	14.14
2	28	Civil Police	1028.66	1029.07	0.41
3	39	Tourism	18.46	19.81	1.35
4	51	Fisheries	25.43	29.45	4.02
5	62	Civil Administration Works	2.78	4.27	1.49
<b>Total- Revenue (Voted)</b>			<b>1966.34</b>	<b>1987.75</b>	<b>21.41</b>
<b>Capital(Voted)</b>					
1	37	Municipal Administration	3.94	14.80	10.86
2	43	Social Security and Welfare	16.00	18.87	2.87
3	54	Mineral Development	7.15	7.38	0.23
<b>Total- Capital (Voted)</b>			<b>27.09</b>	<b>41.05</b>	<b>13.96</b>
<b>Capital (Charge)</b>					
1	75	Servicing of Debt	2302.67	2306.08	3.41
<b>Total - Capital(Charged)</b>			<b>2302.67</b>	<b>2306.08</b>	<b>3.41</b>
<b>Grand Total</b>			<b>4296.10</b>	<b>4334.88</b>	<b>38.78</b>



## Appendix 2.4

(Reference: Para 2.3.7 ; Page 46)

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

(₹ in lakhs)

Sl. No.	Number and Name of the Grant	Original Provision	Actual Expenditure	Savings out of Original provision	Supplementary provision
<b>Revenue (Voted)</b>					
1	7-State Excise	1760.22	1740.07	20.15	23.00
2	11-District Administration & Special Welfare Schemes	19969.59	11539.28	8430.31	30.25
3	32-Higher Education	14783.70	11193.49	3590.21	692.16
4	43-Social Security and Welfare	15645.08	13536.72	2108.36	3239.93
5	65-SCERT	3330.34	2644.55	685.79	479.24
6	70-Horticulture	6913.61	5078.11	1835.50	884.27
<b>Total Revenue (Voted)</b>		<b>62402.54</b>	<b>45732.22</b>	<b>16670.32</b>	<b>5348.85</b>
<b>Capital (Voted)</b>					
7	51-Fisheries	291.66	0.00	291.66	1093.34
8	66-Sericulture	45.00	0.00	45.00	89.23
9	68-Police Engineering Projects	3100.00	3000.00	100.00	3890.88
<b>Total-Capital (Voted)</b>		<b>3436.66</b>	<b>3000.00</b>	<b>436.66</b>	<b>5073.45</b>
<b>Grand Total</b>		<b>65839.20</b>	<b>48732.22</b>	<b>17106.98</b>	<b>10422.30</b>

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**Appendix 2.5**

(Reference: Para 2.3.7; Page 46)

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

(₹ in crore)

Sl. No.	Grant Number	Name of the Grants and Appropriation	Original Provision	Supplementary provision	Total	Expenditure	Excess
<b>Revenue (Voted)</b>							
1	18	Pensions and other Retirement Benefits	815.00	76.01	891.01	905.15	14.14
2	39	Tourism	8.96	9.50	18.47	19.81	1.35
3	62	Civil Administration Works	2.54	0.25	2.79	4.28	1.49
<b>Total Revenue (Voted)</b>			<b>826.50</b>	<b>85.76</b>	<b>912.26</b>	<b>929.24</b>	<b>16.98</b>
<b>Capital (Voted)</b>							
4	43	Social Security & Welfare	8.46	7.54	16.00	18.87	2.87
<b>Total Capital (Voted)</b>			<b>8.46</b>	<b>7.54</b>	<b>16.00</b>	<b>18.87</b>	<b>2.87</b>
<b>Grand Total</b>			<b>834.96</b>	<b>93.30</b>	<b>928.26</b>	<b>948.11</b>	<b>19.85</b>

**Appendix 2.6**  
(Reference: Para 2.3.8; Page 46)

**Excessive /Insufficient re-appropriation of funds**

(₹ in lakh)

Sl. No.	Grant No.	Description	Head of Account	Re-appropriation	Final	
					Excess(+)	Saving (-)
<b>Revenue (Voted)</b>						
1	4	Legal Remembrancer, Advocate General, Government Advocate & Standing Counsels	2014-00-114-01	(+)266.64	-	61.30
2	4	Nagaland Legal Services Authority	2014-00-800-01	(-)56.85	65.00	-
3	4	Furniture, Stationeries for Judicial Establishment	2014-00-800-03	(+)58.60	-	32.91
4	5	Chief Electoral Officers-Establishment	2015-00-102-01	(-)24.05	6.30	
5	5	Sub-ordinate Establishment	2015-00-102-02	(+)15.43	-	4.45
6	5	Enumeration Computerisation of Electoral Rolls	2015-00-103-01	(+)271.07	55.00	-
7	5	Printing	2015-00-103-02	(+)55.00	-	55.00
8	9	Collection Charges	2041-00-101-00	(+)23.61	0.60	
9	11	Commissioners Establishment	2053-00-101-00	(+)1.00	-	10.00
10	14	Other Jails	2056-00-101-02	(-)77.61	21.42	-
11	16	Nagaland House, New Delhi	2070-00-115-01	(-)40.15	8.71	-
12	16	Nagaland House, Kolkata	2070-00-115-02	(+)4.99	-	7.00
13	22	Direction	2408-01-001-01	(-)119.81	0.76	-
14	25	Direction & Administration	2029-00-001-00	(+)8.06	0.62	-
15	25	Survey & Settlement Operations	2029-00-102-00	(-)17.96	0.16	-
16	26	Secretariat	2052-00-090-00	(-)859.55	-	6.04
17	27	Planning Board/Planning Commission	3451-00-001-00	(-)136.55	-	46.27
18	28	Police Headquarters	2055-00-101-01	(-)46.28	-	0.11
19	28	District Police	2055-00-109-00	(+)2643.64	41.15	-
20	31	Primary School	2202-01-101-01	(-) 2899.41	91.03	-
21	31	Direction	2202-02-001-01	(-)5345.44	-	26.99
22	31	Subordinate Establishment (DIS)	2202-02-101-02	(-)2492.41	120.00	-
23	36	Sub-ordinate Establishment	2217-80-001-02	(-)116.63	-	0.87
24	37	Direction	2217-80-001-04	(-)19.26	-	15.84
25	38	Information Centres	2220-60-102-00	(-)99.72	-	17.02
26	39	Subordinate Establishment	3452-80-001-02	(-)32.65	168.57	-
27	42	Direction	2515-00-102--01	(+)70.83	-	4.62
28	42	Block Headquarters	2515-00-102-02	(+)498.39	-	2.30
29	45	State Schemes	2425-00-108-01	(-)198.00	100.00	-
30	47	Direction	3475-00-106-01	(+)44.43	-	10.74
31	47	Laboratories	3475-00-106-03	(-)6.80	35.00	-
32	48	Direction (Agri)	2401-00-001-01	(+)316.72	-	1.68
33	48	Sub-ordinate Establishment	2401-00-001-02	(-)385.69	172.51	-

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Sl. No.	Grant No.	Description	Head of Account	Re-appropriation	Final	
					Excess(+)	Saving (-)
		(Agriculture)				
34	48	Seed Farm	2401-00-103-07	(-)27.27	-	36.81
35	48	Farm Mechanisation	2401-00-104-04	(+)2.13	79.50	-
36	48	Demonstration Farm	2401-00-104-06	(-) 1.26	17.13	-
37	48	Manure and Fertilisers	2401-00-105-00	(+) 8.56	11.37	-
38	48	Demonstration and Supply of plant Protection Chemicals and Equipment	2401-00-107-01	(+)187.67	-	214.06
39	48	Sugarcane Development Scheme	2401-00-108-01	(-)1.95	-	21.65
40	48	Farmers Training	2401-00-109-01	(+)367.06	-	200.88
41	48	Agriculture Statistics	2401-00-111-01	(+)12.93	42.47	-
42	48	Agriculture Engineering Superintendence	2401-00-11301	(-)152.84	-	161.60
43	48	Building (Maintenance )	2401-00-800-01	(+)154.69	-	79.50
44	48	High yielding Varieties Programme	2401-00-800-07	(-)56.72	59.54	-
45	48	Agriculture Marketing and Quality Control	2401-00-800-09	(+)573.95	18.17	-
46	48	Chemistry Laboratory	2415-01-004-01	(-)162.86	8.29	-
47	48	Sugarcane Research	2415-01-004-02	(+)37.05	113.12	-
48	48	State Agriculture Research Station Yisemyung	2415-01-004-06	(-)15.06	-	9.94
49	48	Integrated Extension Training Centre	2415-01-277-01	(-)72.87	-	1.97
50	48	Agri Education Training Expenses	2415-01-277-02	(-)45.00	-	2.43
51	49	Direction	2402-00-001-01	(-)85.37	-	8.29
52	49	Subordinate Establishment	2402-00-001-02	(+)87.53	8.09	-
53	51	Fish Farmers Development Agencies, RKVY(CSS)	2405-00-101-27	(+)716.86	177.64	-
54	51	Direction	2405-00-001-01	(-)96.03	3.58	-
55	51	Fish Farmers Development Agencies, RKVY	2405-00-101-07	(+)5.30	47.70	-
56	51	Community Based Fishery Project	2405-00-101-10	(-)400.00	100.00	-
57	51	Extension and Publicity	2405-00-109-02	(-)3.07	73.35	-
58	52	Direction	2406-01-001-01	(+)1577.71	-	612.77
59	52	Maintenance of Forest under TFC Award	2406-01-101-06	(-)3464.00	946.00	-
60	52	Grant to State Pollution Control Board	2406-01-800-01	(-)225.00	-	3.48
61	52	Zoological Park	2406-02-111-00	(-)215.04	-	29.44
62	52	Rangapahar Zoological Park, Central Zoo Authority	2406-02-800-04	(-)30.00	41.33	-
63	52	Forestry Training School	2415-06-277-01	(-)162.15	-	76.04
64	55	Machinery and Equipment	2801-04-800-03	(-)15.51	25.20	-
65	55	Execution	2801-05-001-02	(+)212.94	-	25.20
66	55	Maintenance	2801-05-800-01	(+)135.21	-	38.40
67	58	National Highways Establishment	3054-01-800-01	(-)13.54	-	814.50
68	58	Traffic Engineering Cell	3054-80-001-02	(-)116.25	1.61	-
69	59	Direction and Administration	2702-80-001-00	(+)142.50	-	0.32

## Appendix

Sl. No.	Grant No.	Description	Head of Account	Re-appropriation	Final	
					Excess(+)	Saving (-)
70	59	Other Minor Irrigation Works	2702-80-800-02	(-)105.00	61.69	-
71	60	Urban Water Supply Programme	2215-01-101-00	(-)19.44	-	4.99
72	60	Operation and Maintenance	2215-01-102-01	(+)19.44	-	4.99
73	62	Direction (CAWD)	2059-80-001-11	(-)2.53	151.54	-
74	65	DIET (CSS)	2202-02-004-13	(-)562.50	-	7.74
75	68	Police Engineering	2055-00-001-03	(-)17.61	-	0.76
76	74	Direction (Mech. Engineering)	2059-80-001-31	(-)172.53	2.15	-
77	74	Superintending Engineer's (Mech. Engineering)	2059-80-001-32	(-)3.87	-	2.16
78	74	Execution (Mech. Engineering)	2059-80-001-33	(+)100.17	-	0.28
79	75	LIC Loans	2049-01-200-02	(+)0.69	0.13	-
80	76	Grant-in-aid to Nagaland State Social Welfare Advisory Board	2235-02-107-05	(+) 253.83	-	0.22
81	77	Direction	2575-03-001-01	(-)586.19	292.49	-
82	82	Direction and Administration (IREP-NPBD)	2810-01-001-00	(+)13.85	-	0.97
83	82	Jawaharlal Nehru Solar Mission	2810-02-101-02	(-)20.00	38.10	-
<b>Capital(Voted)</b>						
84	22	Construction of Godowns in Different Districts (CSS)	4408-02-800-11	(-)11.10	-	9.00
85	31	Construction	4202-01-800-03	(+)1343.44	-	1235.10
86	31	Construction Works	4552-31-800-01	(-)923.51	-	333.51
87	36	EAP (Asian Development Bank)	4217-01-051-01	(+)3322.58	-	570.30
88	36	National Urban Renewal Mission	4217-60-051-14	(-)17222.58	44.27	-
89	36	Construction Works	4217-60-051-10	(-)1194.44	149.85	-
90	39	Tourist Centres (CSS)	5452-01-101-10	(-)1308.96	-	137.02
91	39	Tourist Accommodation	5452-01-102-00	(+)25.00	-	12.00
92	43	Other Works (CSS)	4235-02-800-14	(+) 161.92	-	62.48
93	44	Construction (Evaluation)	4216-01-700-05	(-) 15.00	-	35.94
94	45	Construction works	4425-00-800-01	(-) 52.13	1.01	-
95	45	Other Schemes	6425-00-108-02	(-)305.94	-	50.43
96	50	Buildings	4403-00-800-01	(+)10.45	-	42006.00
97	54	State Mineral development Cooperation	4853-60-190-01	(+)170.00	22.77	-
98	55	Other Micro Hydel Scheme	4801-01-800-03	(-)50.00	3.00	-
99	55	Direction and Administration	4801-05-001-00	(-)35.00	-	0.56
100	55	Sub-Transmission Scheme	4801-05-800-01	(+)730.00	-	0.99
101	56	Special Pool	5055-00-800-03	(+)90.00	-	0.56
102	58	Department Schemes	5054-04-800-01	(+)4958.55	60.87	-
103	58	Special Programme Roads (Non Relapsable Pool)	5054-04-800-02	(+)885.00	-	625.67
104	61	Special Development Programme	4575-03-800-02	(-)700.00	700.00	-
105	63	Other Expenditure	5425-00-800-00	(-)200.00	176.00	-
106	64	Housing	4059-80-051-64	(-)2331.93	400.94	-

***Audit Report on State Finances for the year ended 31 March 2015***

Sl. No.	Grant No.	Description	Head of Account	Re-appropriation	Final	
					Excess(+)	Saving (-)
107	76	Women Development Complex	4235-02-103-02	(-)120.00	-	20.71
108	80	Information Technology and Communication	4059-01-051-81	(-)40.00	-	41.42
<b>Revenue (Charged)</b>						
109	75	Ways and Means Advances from RBI	6003-00-110-00	(+)194.59	341.06	-
<b>Total</b>				<b>(+)20780.01</b> <b>(-)44433.80</b>	<b>5106.79</b>	<b>47804.22</b>

**Appendix 2.7**  
(Reference: Para 2.3.10; Page 47)

**Results of review of substantial surrenders made during the year 2014-15**

(₹ in crore)

Sl. No.	Number and title of Grant	Name of the Scheme	Total Grant/ Appropriation	Amount of Surrender	Percentage of Surrender
		(Head of Account)			
<b>Revenue (Voted)</b>					
1	4-Administration of Justice	2014-00-105-01 (District & Session Judge Establishment)	2.17	1.54	70.97
2		2014-00-800-01 (Nagaland Legal Services Authority)	0.56	0.56	100.00
3	11-District Administration & Special Welfare Schemes	2515-00-101-01 (Grant to Rural Local Bodies (FC XIII Award)	83.19	77.00	92.56
4	18-Pensions & Other Retirement Benefits	2071-01-117-00 (Contribution for Defined Contribution Schemes)	20.50	10.90	53.17
5	27-Planning Machinery	2552-27-101-01 (Pool for Development of NE Region Schemes under North Eastern Council)	101.79	99.20	97.46
6	28-Civil Police	2055-00-001-02 (Central Workshop)	8.44	6.78	80.33
7		2055-00-003-01 (Police Training School)	18.64	11.96	64.16
8	31-School Education	2202-01-800-12 ( Sarv Shiksha Abhiyan-State Share)	153.18	83.84	54.73
9		2202-01-800-14 (Nutrition Support Against Conversion of MDM-CSS)	56.58	47.53	84.00
10		2202-02-103-01 (Integrated Education for Disabled Children-CSS/CPS)	6.50	3.25	50.00
11		2202-01-800-02 (Sarva Shiksha Abhiyan)	110.34	96.06	87.06
12		2202-02-001-01 (Direction)	99.15	53.45	53.91
13		2202-02-800-01 (Engineering Division)	5.09	2.95	57.96
14		2202-05-102-01 (Hindi Training Institute)	2.36	1.43	60.59
15	32-Higher Education	2225-02-277-01 (Centralised Sponsored Schemes for Post Matric Scholarship)	52.47	27.24	51.92
16		2225-02-277-04 (Centralised Sponsored Schemes of Post Matric Scholarship for Minority Community)	53.04	27.60	52.04
17	33-Youth Resources & Sports	2204-00-102-13 (National Service Scheme (Centrally Aided) (CSS)	0.69	0.60	86.96
18	35-Medical, Public Health & Family Welfare	2210-06-800-11 (National Health Mission-CSS)	123.78	69.73	56.33
19		2210-03-104-00 (Medical Store Depots)	5.32	4.78	89.85
20		2210-01-110-07 (Drug De-addiction Clinic)	0.97	0.61	62.89
21		2210-01-110-08 (Artificial Limb Centre)	0.85	0.70	82.35

## Audit Report on State Finances for the year ended 31 March 2015

Sl. No.	Number and title of Grant	Name of the Scheme	Total Grant/ Appropriation	Amount of Surrender	Percentage of Surrender
		(Head of Account)			
22		2211-00-001-01 (Direction -CSS)	26.22	15.27	58.24
23	37-Municipal Administration	2217-80-191-01 (Grants to Urban Local Bodies)	20.91	14.57	69.68
24	42-Rural Development	2501-06-101-11 (SGSY- CSS)	3.10	2.18	70.32
25		2505-02-101-10 (NREGS-CSS)	461.21	348.16	75.49
26		2575-02-800-01 (Backward Region Grant Fund)	48.39	41.68	86.13
27	43-Social Security and Welfare	2235-02-102-02 (Establishment of Children's Parks and Children's Wards)	0.63	0.57	90.48
28		2235-02-107-01 (Grant-in-aid Under State Schemes)	1.19	1.00	84.03
29		2236-02-101-01 (Special Nutrition Schemes)	0.28	0.24	85.71
30	48-Agriculture	2401-00-104-52 (Farm Mechanisation-CSS)	3.30	2.69	81.52
31		2401-00-109-21(Farmers Training)	16.30	8.75	53.68
32		2401-00-800-07(High Yielding Varieties Programme)	0.89	0.57	64.04
33		2415-01-004-01(Chemistry Laboratory)	2.10	1.63	77.62
34		2415-01-004-03 (Plant Protection Laboratory)	0.70	0.29	41.43
35	50-Animal Husbandry and Dairy Development	2403-00-107-01 (Feed Manufacturing Centres)	3.60	2.76	76.67
36	51-Fisheries	2405-00-101-06 (Riverine Fisheries)	0.34	0.20	58.82
37		2405-00-101-09 (Survey of Fisheries Resources)	0.96	0.74	77.08
38		2405-00-101-11(Fish Farms)	0.83	0.30	36.14
39		2552-05-101-01(Thizama Fish Seed Multiplication Farm)	0.57	0.31	54.39
40	52-Forest Ecology, Environment and Wild Life	2406-01-800-01(Grant to State Pollution Control Board)	2.97	2.25	75.76
41		2406-02-111-00(Zoological Park)	2.45	2.15	87.76
42		2415-06-277-01(Forestry Training School)	2.69	1.62	60.22
43	53-Industries	2851-00-103-13 (Handloom Development Scheme-CSS)	15.00	11.20	74.67
44		2851-00-800-19 (Food Processing Industry-CSS)	5.00	2.89	57.80
45	55-Power	2801-05-800-02(Linemen Training Centre)	0.84	0.52	61.90
46	59-Irrigation and Flood Control	2702-80-800-10 (Accelerated Irrigation Benefit Programme)	157.00	119.82	76.32
47	60-Water Supply	2215-01-102-12(National Rural Water Drinking Programme-CSS)	4.36	2.38	54.59
48	77-Development of Under Development Areas	2575-03-001-01(Direction)	8.84	5.86	66.29
<b>Capital (Voted)</b>					
49	1-State Legislature	4059-60-051-01 (Functional Buildings, Assembly Complex)	5.48	3.48	63.50



## Appendix

Sl. No.	Number and title of Grant	Name of the Scheme	Total Grant/ Appropriation	Amount of Surrender	Percentage of Surrender
		(Head of Account)			
50	4-Administration of Justice	4216-01-106-14 (Administration of Justice-CSS)	22.16	18.00	81.23
51	22-Civil Supplies	4408-01-101-03 (Other Charges)	1.25	0.82	65.60
52	27-Planning Machinery	4059-60-051-27 ( Non-functional Buildings- Planning Machinery)	893.74	815.84	91.28
53	31-School Education	4202-31-800-01 (Construction Works)	13.09	9.24	70.59
54	35-Medical, Public Health and Family Welfare	4210-01-800-02 (Upgradation of Standards of Administration under Award of TFC)	15.00	7.50	50.00
55		4210-80-800-01 (Nagaland Multi Sectoral Health Project)	5.00	3.73	74.60
56	36-Urban Development	4217-60-051-14 (National Urban Renewal Mission)	185.00	172.22	93.09
57		4217-60-051-10 (Construction Works)	14.50	11.94	82.34
58		4217-60-190-01 (Development Authority Nagaland)	3.00	1.50	50.00
59	39-Tourism	5452-01-101-10 (Tourist Centre - CSS)	25.00	13.09	52.36
60	45-Cooperation	6425-00-108-02(Other Schemes-CSS)	3.56	3.06	85.96
61	48-Agriculture	4408-02-800-04(Maintenance)	8.89	7.30	82.11
62	51-Fisheries	4405-00-101-02(Construction)	0.60	0.35	58.33
63	53-Industries	4860-60-800-01(Works Expenditure)	10.60	10.39	98.02
64	55-Power	4801-01-800-01(Other Hydel Investigation Scheme)	7.00	4.86	69.43
65		4801-05-800-02 (Sub Transmission Scheme)	28.60	15.10	52.80
66	56-Road Transport	5055-00-800-22 (ISBT-CSS)	5.77	3.97	68.80
67	58-Road and Bridges	5054-04-337-01(PMGSY)	175.00	116.01	66.29
68	59-Irrigation and Flood Control	4702-00-800-03 (Flood Control (Non-Lapsable Pool))	26.50	13.42	50.64
69	60-Water Supply	4215-01-800-26(National Lake Conservation Plan)	3.00	1.95	65.00
70		4215-02-102-13(State Share Towards Sanitation Campaining)	43.00	22.13	51.47
71	64-Housing	4059-80-051-64(Housing)	34.25	23.32	68.09
72	68-Police Engineering Project	4055-00-211-06(FC-XIII Grant)	50.00	25.00	50.00
73	69-Fire Service	4059-01-051-69 (Works-Fire Service)	1.41	0.91	64.54
74	77-Development of Under Development Areas	4575-03-800-11 (DUDA Particularly Tuensang and Mon Districts-CSS)	26.70	23.10	86.52
75	78-Technical Education	4202-02-104-11(Building Government Polytechnic-CSS)	34.75	29.39	84.58
<b>Total</b>			<b>3339.13</b>	<b>2575.93</b>	<b>77.08</b>

**Audit Report on State Finances for the year ended 31 March 2015**

**Appendix 2.8**  
**(Reference: Para 2.3.11; Page 47)**  
**Surrender in excess of actual savings**

(₹ in crore)

Sl. No.	Number and name of the grant/ appropriation	Total grant/ appropriation	Savings	Amount surrendered	Amount surrendered in excess
<b>Revenue (Voted)</b>					
1	4-Administration of Justice	22.42	0.89	0.98	0.09
2	5-Election	14.29	4.50	4.52	0.02
3	11-District Administration & Special Welfare Schemes	200.00	84.61	85.51	0.90
4	31-School Education	1240.10	333.40	335.24	1.84
5	45-Co-operation	17.50	3.90	4.90	1.00
6	52-Forest Ecology, Environment and Wildlife	107.58	13.35	16.01	2.66
7	77-Development of Under Developed Areas	10.80	3.58	6.50	2.92
<b>Total</b>		<b>1612.69</b>	<b>444.23</b>	<b>453.66</b>	<b>9.43</b>
<b>Revenue (Charged )</b>					
8	75-Servicing of Debt	611.08	14.74	19.88	5.14
<b>Total</b>		<b>611.08</b>	<b>14.74</b>	<b>19.88</b>	<b>5.14</b>
<b>Grand Total</b>		<b>2223.77</b>	<b>458.97</b>	<b>473.54</b>	<b>14.57</b>

## Appendix 2.9

(Reference Para 2.3.12;Page 47)

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

(₹ in crore)

Sl. No.	Grant No.	Name of grant/appropriation	Saving
<b>Capital (Voted)</b>			
1	13	Village Guard	0.12
2	41	Labour	0.12
3	57	Housing Loans	0.22
<b>Total</b>			<b>0.46</b>
<b>Revenue (Charged)</b>			
4	4	Administration of Justice	0.39
<b>Total</b>			<b>0.39</b>
<b>Grand Total</b>			<b>0.85</b>

**Audit Report on State Finances for the year ended 31 March 2015**

**Appendix 2.10**

(Reference Para 2.3.12; Page 47)

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

(₹ in crore)

Sl. No.	Number and Name of Grants/Appropriation	Saving	Surrender	Saving which remained to be surrendered
1	2	3	4	5
<b>Revenue (Voted)</b>				
1	48-Agriculture	14.05	11.98	2.07
2	58-Roads and Bridges	8.23	0.14	8.09
<b>Total</b>		<b>22.28</b>	<b>12.12</b>	<b>10.16</b>
<b>Capital (Voted)</b>				
3	31-School Education	18.09	2.40	15.69
4	36-Urban Development	161.52	157.76	3.76
5	39-Tourism	15.34	12.84	2.50
6	58-Roads and Bridges	27.38	21.73	5.65
<b>Total</b>		<b>222.33</b>	<b>194.73</b>	<b>27.60</b>
<b>Grand Total</b>		<b>244.61</b>	<b>206.85</b>	<b>37.76</b>

## Appendix 2.11

(Reference Para 2.3.12;Page 47)

Cases of surrender of funds in excess of ₹ 10 crore on 30<sup>th</sup> and 31<sup>st</sup> March 2015

(₹ in crore)

Sl. No.	Grant No.	Major Head	Amount of Surrender	Total Provision	%age of Total Provision
1	2	3	4	5	6
<b>Revenue (Voted)</b>					
1	18	2071. Pension and Other Retirement Benefits	10.90	891.01	1.22
2	27	2552. North Eastern Areas	99.20	101.79	97.46
3	31	2202. General Education	335.24	1240.10	27.03
4	32	2202. General Education	15.29	101.72	15.03
5	32	2225. Welfare of Scheduled Caste, Scheduled Tribes and Other Backward Tribes	27.60	53.04	52.04
6	33	2204. Sports and Youth Services.	15.13	32.16	47.05
7	35	2210. Medical, Public Health and Family Welfare	74.41	442.00	16.83
8	37	2217. Urban Development	19.22	27.26	70.51
9	42	2216.Housing	34.25	80.00	42.81
10	42	2505. Rural Employment	337.13	461.21	73.10
11	43	2235. Social Security and Welfare	40.85	143.57	28.45
12	43	2236. Nutrition	12.63	45.28	27.89
13	48	2401. Crop Husbandary	12.46	174.87	7.13
14	52	2406. Forestry and Wild Life	14.39	104.89	13.72
15	53	2851. Village and Small Industries	14.58	54.41	26.80
16	59	2702. Minor Irrigation	128.89	190.23	67.75
17	70	2401. Crop Husbandary	27.17	76.88	35.34
18	72	2501. Special Programme for Rural Development	83.68	186.42	44.89
<b>Capital (Voted)</b>					
19	27	4059. Capital out lay on Public Works	815.84	893.74	91.28
20	35	4552. Capital outlay on North Eastern Areas	21.75	21.75	100.00
12	36	4217.Capital outlay on Urban Development	157.76	237.21	66.51
13	39	5452. Capital outlay on Tourism	12.84	34.50	37.22
14	51	4405. capital outlay on Fisheries	13.60	13.85	98.19
15	55	4801.Capital outlay on Power Projects	48.91	89.61	54.58
16	58	5054.Capital outlay on Roads and Bridges	66.73	341.72	19.53
17	59	4702. Capital outlay on Minor Irrigation	12.13	26.90	45.09

**Audit Report on State Finances for the year ended 31 March 2015**

Sl. No.	Grant No.	Major Head	Amount of Surrender	Total Provision	%age of Total Provision
1	2	3	4	5	6
18	60	4215. Capital outlay on Water Supply and Sanitation	28.44	133.09	21.37
19	60	4552. Capital Outlay on North Eastern Areas	20.00	20.00	100.00
20	64	4059. Capital out lay on Public Works	23.32	34.25	68.09
21	64	4216. Capital outlay on Housing	31.32	64.40	48.63
22	65	2202. General Education	11.73	38.10	30.79
23	68	4055. Capital outlay on Police	39.91	69.91	57.09
24	77	4575. Capital outlay on Other Special Area Programme.	44.90	67.20	66.82
25	78	4202. Capital Outlay on Education, Sports, Arts and Culture	29.39	34.75	84.58
26	82	4810. Capital outlay on Non-Conventional Sources of Energy.	15.50	16.50	93.94
<b>Revenue (Charged)</b>					
27	75	2049. Interest Payment	19.88	570.08	3.49
<b>Total</b>			<b>2716.97</b>	<b>7114.40</b>	<b>38.19</b>

## Appendix 2.12

(Reference Para 2.3.13;Page 47)

## Rush of Expenditure

(₹ in crore)

Sl. No	Head of Account	Description	Expenditure incurred during Jan-March 2015	Expenditure incurred in March 2015	Total Expenditure	Percentage of total expenditure incurred during	
						Jan.-March	March
						2015	2015
1	2047	Other Fiscal Services	0.05	0.05	0.05	100.00	100.00
2	2236	Nutrition	32.61	15.43	32.65	99.88	47.26
3	4059	Capital outlay on Public Works	116.85	84.05	130.07	89.84	64.62
4	4202	Capital outlay on Education, Sports, Arts & Culture	40.40	15.09	47.69	84.71	31.64
5	4235	Capital outlay on Social Security & Welfare	20.47	20.47	20.47	100.00	100.00
6	4408	Capital outlay on Food, Storage and Warehousing	2.44	2.44	2.94	82.99	82.99
<b>Total</b>			<b>212.82</b>	<b>137.53</b>	<b>233.87</b>	<b>91.00</b>	<b>58.81</b>

**Appendix 2.13**

(Reference Para 2.4.1; Page 48)

**Pending DCC bills for the year upto 2014-15**

(₹ in crore)

Sl. No.	Department	Number of AC bills	Amount
1	Civil Police	25	59.76
2	Social Security and Welfare	16	41.91
3	Home	49	32.10
4	Election	7	10.47
5	School Education	35	10.15
6	Others	66	31.13
<b>Total</b>		<b>198</b>	<b>185.52</b>



## Appendix – 3.1

(Reference Para 3.1; Page 53)

## Utilisation certificates outstanding as on 31 March, 2015

(₹ in lakh)

Sl. No.	Department	Year of Payment of grant	Total grants paid		Utilization Certificates			
					Received		Outstanding	
			Number	Amount	Number	Amount	Number	Amount
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	Urban Development	2010-11	19	6386.58	17	6157.36	2	229.22
		2011-12	8	3016.87	0	0.00	8	3016.87
		2012-13	12	6884.74	6	2508.66	6	4376.08
		2013-14	7	691.32	0	0.00	7	691.32
		<b>Total</b>	<b>46</b>	<b>16979.51</b>	<b>23</b>	<b>8666.02</b>	<b>23</b>	<b>8313.49</b>
2	Agriculture	2010-11	22	300	20	256.63	2	43.37
		<b>Total</b>	<b>22</b>	<b>300</b>	<b>20</b>	<b>256.63</b>	<b>2</b>	<b>43.37</b>
3	PHED	2010-11	5	7838.17	4	7795.93	1	42.24
		2011-12	8	8950.87	7	8803.95	1	146.92
		<b>Total</b>	<b>13</b>	<b>16789.04</b>	<b>11</b>	<b>16599.88</b>	<b>2</b>	<b>189.16</b>
4	Planning & Co-ordination	2010-11	48	14950.34	40	12536.22	8	2414.12
		2011-12	76	22344.43	30	12628.28	46	9716.15
		<b>Total</b>	<b>124</b>	<b>37294.77</b>	<b>70</b>	<b>25164.5</b>	<b>54</b>	<b>12130.27</b>
5	Registrar of Co-operative Societies	2013-14	16	750.00	13	547.00	3	203.00
		<b>Total</b>	<b>16</b>	<b>750.00</b>	<b>13</b>	<b>547.00</b>	<b>3</b>	<b>203.00</b>
6	Information & Public Relations	2013-14	2	79.16	0	36.24	2	42.92
		<b>Total</b>	<b>2</b>	<b>79.16</b>	<b>0</b>	<b>36.24</b>	<b>2</b>	<b>42.92</b>
7	Technical Education	2013-14	1	40.00	0	0.00	1	40.00
		<b>Total</b>	<b>1</b>	<b>40.00</b>	<b>0</b>	<b>0.00</b>	<b>1</b>	<b>40.00</b>
8	Youth Resources & Sports	2014-15	1	200.00	0	0.00	1	200.00
		<b>Total</b>	<b>1</b>	<b>200.00</b>	<b>0</b>	<b>0.00</b>	<b>1</b>	<b>200.00</b>
9	Art & Culture	2010-11	42	20.00	42	20.00	0	0.00
		2011-12	41	31.00	41	31.00	0	0.00
		2012-13	142	150.00	142	150.00	0	0.00
		2013-14	172	140.00	160	137.40	12	2.60
		<b>Total</b>	<b>397</b>	<b>341</b>	<b>385</b>	<b>338.4</b>	<b>12</b>	<b>2.6</b>
10	Department of Underdeveloped Areas	2013-14	3	402.50	0	0	3	402.50
		<b>Total</b>	<b>3</b>	<b>402.50</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>402.50</b>
11	Director General of Police	2010-11	1	3188.07	1	3188.07	0	0.00
		2011-12	1	2822.17	1	2822.17	0	0.00
		2012-13	1	546.00	1	546.00	0	0.00
		2013-14	1	3301.00	0	3103.50	1	197.50
		<b>Total</b>	<b>4</b>	<b>9857.24</b>	<b>3</b>	<b>9659.74</b>	<b>1</b>	<b>197.5</b>
<b>Grand Total</b>			<b>629</b>	<b>83033.22</b>	<b>525</b>	<b>61268.41</b>	<b>104</b>	<b>21764.81</b>

## **Audit Report on State Finances for the year ended 31 March 2015**

### **Appendix - 3.2**

(Reference Para 3.2;Page 54)

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

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

## Appendix – 3.3

(Reference Para 3.4; Page 55)

## Summarised Financial Statement of Departmentally Managed Commercial Undertakings

Sl. No.	Name of the Undertaking	Period of accounts
1	2	3
1	Nagaland State Transport Department	2013-14 to 2014-15
2	Nagaland Power Department	2011-12 to 2014-15
3	Farms Under Agriculture Department	
	(a) Potato Seed Farm, Kuthur	1999-01 to 2014-15
	(b) Medium Size Seed Farm, Merapani	2001-02 to 2014-15
	(c) Seed Farm, Tizit	2000-01 to 2014-15
4	Changki Valley Fruit Preservation Factory	2006-07 to 2014-15
5	Timber Treatment and Seasoning Plant, Dimapur	1998-99 to 2014-15
6	Government Cottage Industries Emporia, Kohima	1998-99 to 2014-15
7	Farms under Veterinary and Animal Husbandry Department	
	(a) Cattle Breeding Farm, Medziphema	1998-99 to 2014-15
	(b) Cattle Breeding Farm, Tuensang	1998-99 to 2014-15
	(c) Cattle Breeding Farm, Aliba	1998-99 to 2014-15
	(d) Chick Rearing Centre, (with Hatchery unit), Mokokchung	1998-99 to 2014-15
	(e) Chick Rearing Centre ( with Hatchery unit), Dimapur	1998-99 to 2014-15
	(f) Chick Rearing Centre, Tuensang	1985-86 to 2014-15
	(g) Chick Rearing Centre, Medziphema	1985-86 to 2014-15
	(h) Pig breeding centre, Medziphema	1997-98 to 2014-15
	(i) Pig Breeding Centre, Tizit	1997-98 to 2014-15
	(j) Pig Breeding Centre, Tuensang	1985-86 to 2014-15
	(k) Pig Breeding Centre, Tuli	1980-81 to 2014-15
	(l) Regional Rabbit Breeding Farm, Jharnapani	1998-99 to 2014-15
	(m) Pig Breeding Centre, Merangkong	1998-99 to 2014-15
	(n) Chick Rearing Centre, Kohima	1998-99 to 2014-15
	(o) Pig Breeding Centre, Sathuja	1998-99 to 2014-15
	(p) Cattle Breeding Farm, Baghty	1998-99 to 2014-15
	(q) Sheep Farm, Poilwa	1998-99 to 2014-15
	(r) Buffalo Farm, Jalukie	1998-99 to 2014-15
8	Farms Under Horticulture Department	
	(a) Regional Progeny Orchard, Lognak	1987-88 to 2014-15

## ***Audit Report on State Finances for the year ended 31 March 2015***

### **Appendix – 3.4**

*(Reference Para 3.7;Page 58)*

**Department wise/duration wise break-up of the cases of misappropriation, defalcation, etc.  
(Cases where final action was pending at the end of March 2015)**

<b>Sl. No.</b>	<b>Name of the Department</b>	<b>Up to 5 years</b>	<b>5 to 10 years</b>	<b>10 to 15 years</b>	<b>15 to 20 years</b>	<b>Total No. of Cases</b>
1	School Education	1	2			3
2	Power	2				2
3	Rural Development	3				3
4	PWD	2				2
5	Transport	1				1
6	Finance	2				2
7	Planning & Co-ordination	-	1			1
8	Medical	9				9
9	DMC	1				1
10	Food & Civil Supplies	1	1			2
11	Irrigation & Flood Control	4				4
12	Industries & Commerce	1				1
13	Hogher Education	1				1
14	Youth Resource	1				1
15	Land Records	1				1
<b>Total</b>		<b>30</b>	<b>4</b>			<b>34</b>

*(Source: Vigilance & Anti-Corruption)*

## Appendix - 3.5

(Reference Para 3.7; Page 58)

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

(₹ in Lakhs)

Name of Department	Theft Cases		Misappropriation/ Loss of Government Material		Defalcation		Total	
	Number of Cases	Amount	Number of Cases	Amount	Number of Cases	Amount	Number of Cases	Amount
School Education	2	4.72	1	1279.50	0	0.00	3	1284.22
Power	0	0.00	1	209.00	1	2156.20	2	2365.20
Rural Development	0	0.00	1	323.86	2	587.17	3	911.03
PWD	1	78.51	1	1820.00	0	0.00	2	1898.51
Transport	0	0.00	1	300.00	0	0.00	1	300.00
Finance	0	0.00	2	4369.79	0	0.00	2	4369.79
Planning & Co-ordination	0	0.00	1	2.50	0	0.00	1	2.50
Health & Family Welfare (Medical)	1	3.18	6	1439.00	2	58.00	9	1500.18
DMC	0	0.00	0	0.00	1	560.46	1	560.46
Food & Civil	0	0.00	2	40266.25	0	0.00	2	40266.25
Irrigation & Flood Control	0	0.00	4	560.00	0	0.00	4	560.00
Industries & Commerce	1	0.50	0	0.00	0	0.00	1	0.50
Higher Education	0	0.00	1	5.49	0	0.00	1	5.49
Youth Resources	0	0.00	1	7483.00	0	0.00	1	7483.00
Land Records	1	124.00	0	0.00	0	0.00	1	124.00
<b>Total</b>	<b>6</b>	<b>210.91</b>	<b>22</b>	<b>58058.39</b>	<b>6</b>	<b>3361.83</b>	<b>34</b>	<b>61631.13</b>

(Source: Vigilance &amp; Anti-Corruption)