



**State Finances Audit Report of the
Comptroller and Auditor General of India
for the year ended 31 March 2018**



लोकहितार्थं सत्यनिष्ठा
Dedicated to Truth in Public Interest



GOVERNMENT OF NAGALAND
Report No. 1 of the year 2019

**STATE FINANCES AUDIT REPORT
OF THE
COMPTROLLER AND AUDITOR GENERAL
OF INDIA**

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Preface

1. This Report has been prepared for submission to the Governor of Nagaland under Article 151 (2) of the Constitution for being laid before the Legislature of the State.
2. This Report has three chapters. 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 2018.
3. Chapter III on 'Financial Reporting' provides an overview and status of the State Government's compliance with various financial rules, procedures and directives relating to Financial Reporting during the current year.

EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

The Report

This report provides an analysis of the finances of the State Government, based on the audited accounts of the Government of Nagaland for the year ended March 2018. The Report has three Chapters.

Chapter I is based on the Finance Accounts and makes an assessment of the State's fiscal position as on 31 March 2018. It presents and analyses the State Government's resources and their application.

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

Chapter III gives an overview and status of the State Government's compliance with various financial rules, procedures and directives during 2017-18.

The Report has 22 appendices containing additional data collated from several sources in support of the audit observations.

Audit findings:

Analysis of Finances of the State Government (Chapter I)

- ❖ *State's Own Resources (Own Tax and Non-Tax Resources) were a meagre nine per cent of the total Receipts of the State.*

(Paragraph 1.1.1)

- ❖ *The State registered revenue surplus of ₹827.86 crore during 2017-18. Fiscal deficit (₹446.09 crore) stood at 1.89 per cent of Gross State Domestic Product (GSDP).*

(Paragraph 1.1.3)

- ❖ *Capital expenditure (₹1274.85 crore) was more than the Budget Estimates (₹1149.20 crore). Its ratio to total expenditure stood at 11.12 per cent which was less than the combined average (15.50 per cent) of Special Category States.*

(Paragraphs 1.1.2 & 1.7.1)

- ❖ *The Capital Expenditure of the State (₹1274.85 crore) increased by ₹198.75 crore during 2017-18 as compared to previous year.*

(Paragraph 1.6.1)

- ❖ *In view of opening General Cash Balance (2017-18) (₹ 262.33 crore), the State could have considered restricting to need-based borrowings by utilizing the existing cash balances before resorting to market borrowings (₹1235.02 crore) at higher rates of interest.*

(Paragraph 1.8.4)

- ❖ *The State paid an interest of ₹677.75 crore towards the outstanding liabilities during the year 2017-18.*

(Paragraph 1.6.3)

- ❖ *During the year, revenue expenditure accounted for 89 per cent of the State's aggregate expenditure, which was in the nature of current consumption, leaving only 11 per cent capital expenditure for investment in infrastructure and asset creation.*

(Paragraph 1.6.1)

- ❖ *The overall Development Expenditure of the State did not change much in terms of percentages, even as the total receipt of the State had seen a substantial increase with enhanced devolution during the year (2017-18) as per the recommendations of the XIV Finance Commission.*

(Paragraphs 1.3, 1.3.2 & 1.7.2)

- ❖ *During 2017-18, the return of the Government on its investments (₹ 293.19 crore) in Statutory Corporations, Government Companies, Joint Stock Companies and Co-operatives was NIL. Accumulated losses in all the five working Government Companies had exceeded their paid-up capital.*

(Paragraph 1.8.2)

- ❖ *The maturity profile of Debt as on 31 March 2018 indicated that State has to repay 50 per cent of debt amounting to ₹3,919.38 crore within the next seven years which might put strain on the Government budgets during that period.*

(Paragraphs 1.10.2 & 1.10.3)

Financial Management and Budgetary Control (Chapter II)

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

- ❖ *The overall saving of ₹2,507.64 crore (13.59 per cent of total allocation) was the result of savings of ₹2522.15 crore offset by an excess of ₹14.51 crore under various Grants/ Appropriations. During the year, though there was an overall savings of ₹2507.64 crore only, the amount surrendered was ₹2571.60 crore (102.55 per cent).*

(Paragraph 2.2)

- ❖ *In 174 sub-heads, the surrender of funds amounted to more than 50 per cent of the provisions. At the close of the year 2017-18, savings in six grants (amounting to ₹ 27.54 crore) occurred, which were not surrendered by the departments concerned. Besides, in 24 cases (surrender of funds amounting to ₹ 10.00 crore and above), ₹2315.32 crore were surrendered on the last two*

working days of March 2018 indicating inadequate financial control. As such, these funds could not be utilised for other developmental purposes.

(Paragraphs 2.3.9 & 2.3.11)

- ❖ *Excess expenditure over the allocations amounting to ₹ 709.18 crore pertaining to the years 2012-13 to 2016-17 was not regularised till December 2018. The cases of excess expenditure over grants were serious violations of the will of the Legislature. It is, thus, important to fix the responsibility of erring officials in this regard.*

(Paragraph 2.3.4)

- ❖ *Detailed Contingent (DC) bills were not submitted (December 2018) for an amount of ₹359.16 crore drawn on 219 Abstract Contingent (AC) bills by various departments. In the absence of DC bills, it was not possible to ascertain whether expenditure had actually taken place or not. Non-adjustment of AC Bills for long periods in violation of prescribed rules and regulations was fraught with the risk of embezzlement/ misappropriation of funds.*

(Paragraph 2.4)

Financial Reporting (Chapter III)

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

- ❖ *An amount of ₹11.71 crore was lying in Civil Deposits at the end of the year. In addition, an amount of ₹19.44 crore was lying in the Bank accounts of 70 Drawing & Disbursing Officers. Paying interest at higher rates on borrowings while keeping amounts in Civil Deposits and Bank Accounts which did not bear any interest showed poor cash and financial management by the State Government.*

(Paragraph 3.5)

- ❖ *Utilisation Certificates were not furnished in 255 cases involving ₹ 865.30 crore since the last one to seven years. There were delays in submission of annual accounts by 22 Autonomous Bodies/Authorities, which diluted accountability and defeated the very purpose of preparation of accounts.*

(Paragraphs 3.1 & 3.2)

- ❖ *As on 31 March 2018, 29 cases of misappropriation, defalcation etc., involving ₹ 178.96 crore were pending for final action by 13 departments.*

(Paragraph 3.7)

CHAPTER-I

FINANCES OF THE STATE GOVERNMENT

Chapter I

Finances of the State Government

Profile of Nagaland

The State, located in North-Eastern region of India, is a Special Category State¹. It is the twenty-fifth largest State in terms of geographical area (16,579 sq. km) as well as by population (19,78,502). As indicated in **Appendix 1.1 Part D**, the State's population decreased from 19,90,036 in 2001 to 19,78,502 in 2011 recording a decadal decrease of 0.58 *per cent*. The state's literacy rate increased from 66.59 *per cent* (as per 2001 census) to 79.60 *per cent* (as per 2011 census) against the country's average of 73 *per cent*. The per capita GSDP of the State stood at ₹ 102810 against the country's average of ₹ 129800 in the year 2017-18. The general data relating to the State is given in **Appendix 1.1 Part D**.

Gross State Domestic Product

Gross State Domestic Product (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 people of the State. The Advance Estimates of GSDP for 2017-18 amounted to ₹ 23,623 crore. A trend analysis of growth of GSDP 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 2013-18 compared with India's GDP is presented in the **Table 1.1** below:

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

Year	2013-14	2014-15	2015-16	2016-17	2017-18
State's GDP (<i>in crore</i>)	16,612	18,414	20,524	21,119*	23,623(A)**
Growth in <i>per cent</i>	21.98	10.85	11.46	2.90	11.86
India's GDP (<i>in crore</i>)	112,33,522	124,45,128	136,82,035	151,83,709	167,73,145
Growth in <i>per cent</i>	12.97	10.76	9.94	10.98	10.46

Source: Central Statistical Office (CSO), Ministry of Statistics and Programme Implementation as on July 2018.

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

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

1.1 Introduction

This report provides an analysis of the finances of the State Government, based on the audited accounts of the Government of Nagaland for the year ended March 2018.

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

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

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

This chapter provides a broad perspective of the finances of the Government of Nagaland during the period from 2013-14 to 2017-18. It analyses important changes in the major fiscal indicators compared to the previous year keeping in view the overall trends during the last five years. The analysis is based on the Finance Accounts and information obtained from the State Government. The structures of the Government Accounts and layout of the Finance Accounts have been explained in **Appendix 1.1 – Parts A and B**.

1.1.1 Summary of Fiscal Transactions in 2017-18

Table 1.2 presents the summary of the State Government’s fiscal transactions during the current year (2017-18) *vis-à-vis* the previous year (2016-17) 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 Transactions in 2017-18

(Rupees in crore)

Receipts			Disbursements				
Description	2016-17	2017-18	Description	2016-17	2017-18		Total
					Non-Dev.	Dev.	
Section-A: Revenue							
Revenue Receipts²	9442.28	11019.21	Revenue Expenditure³	8651.94	7602.23	2589.12	10191.35
Tax revenue	510.75	638.28	General services	3896.45	4276.66	42.75	4319.41
Non-tax revenue	345.52	388.53	Social services	2295.21	1750.92	807.64	2558.56
Share of Union Taxes/ Duties	3032.63	3353.13	Economic services	2460.28	1574.65	1738.73	3313.38
Grants from Government of India	5553.38	6639.27	Grants-in-Aid and Contributions	0.00	0.00	0.00	0.00
Section-B: Capital							
Misc. Capital Receipts	0.00	0.00	Capital Outlay	1076.10	0.00	1274.85	1274.85
Recoveries of Loans and Advances	1.09	1.09	Loans and Advances disbursed	0.19	0.19	0.00	0.19
Public Debt receipts	5444.35	5141.02*	Repayment of Public Debt	5065.03	–	–	4452.01 [#]
Contingency Fund	0.00	0.00	Contingency Fund	0.00	–	–	0.00
Public Account receipts	2933.99	3319.54	Public Account disbursements	2661.41	–	–	3124.67
Opening Cash Balance	893.35	1260.39	Closing Cash Balance	1260.39	–	–	1698.18
Total	18,715.06	20741.25	Total	18,715.06	–	–	20741.25

* Including Ways and Means Advance of ₹3906.00 crore # Including Ways and Means Advance of ₹ 3906.00 crore.

Source: Finance Accounts for the respective years.

The following were the significant changes during 2017-18 over the previous year:

The State’s Own Resources (Own Tax and Non-Tax Resources) were a meagre nine *per cent* of the total Receipts of the State. Government of Nagaland generated a revenue surplus of ₹ 827.86 crore during 2017-18. Its fiscal deficit (₹ 446.09 crore) stood at 1.89 *per cent* of GSDP during the current year. The Fiscal Deficit was well within the

² Revenue Receipts and Non-tax Revenue are inclusive of gross receipt (₹ 15.41 crore) from State Lotteries.

³ Revenue expenditure and General Services (Non-Development) are inclusive of expenditure (₹ 2.76 crore) on State Lotteries.

ceiling of 3.25 *per cent* prescribed for 2017-18 by the XIV FC and target of three *per cent* under Fiscal Responsibility and Budget Management (FRBM) legislation.

Significant changes in fiscal position of the State during 2017-18 over the previous year are given below:

Revenue Receipt	<ul style="list-style-type: none"> • Revenue Receipts increased by 16.70 <i>per cent</i> • Own Tax Revenue increased by 24.97 <i>per cent</i> • Share of union Taxes/Duties increased by 10.57 <i>per cent</i> • Grants from GoI increased by 19.55 <i>per cent</i>
Revenue Expenditure	Increased by 17.79 <i>per cent</i>
Capital Expenditure	Increased by 18.47 <i>per cent</i>
Loans and Advances	Recoveries and Disbursements remained same as compared to the previous year (2016-17)
Public Debt	<ul style="list-style-type: none"> • Receipts decreased by 5.57 <i>per cent</i> • Repayment decreased by 12.10 <i>per cent</i>
Cash Balance	Increased by 34.73 <i>per cent</i>

The total inflow of receipts increased⁴ by ₹ 1659.15 crore (9.31 *per cent*) from ₹ 17,821.71 crore in 2016-17 to ₹ 19480.86 crore in 2017-18. The total outflow also increased by ₹ 1588.40 crore (9.10 *per cent*) from ₹ 17,454.67 crore in 2016-17 to ₹ 19043.07 crore in 2017-18. The cash balance of the State at the end of 2017-18 increased by ₹ 437.79 crore (34.73 *per cent*) from ₹ 1260.39 crore in 2016-17 to ₹ 1698.18 crore in 2017-18.

1.1.1 (a) Ways and Means Advances

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

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	<u>2016-17</u>	<u>2017-18</u>
Total Receipts	18715.06	20741.25
Less: OB	893.35	1260.39
Actual receipt	17821.71	19480.86

The limit for ordinary⁵ ways and means advances to the State Government was ₹ 205.00 crore with effect from 1 April 2017. The extent to which the Government maintained the minimum cash balance with the RBI during 2017-18 is as given in **Table 1.3:**

Table 1.3: Details of Cash Balance with RBI during 2017-18

<i>(Rupees in crore)</i>			
Sl. No.	Period	Days	Amount
1	Number of days on which the minimum balance was maintained without taking any advance	261	0.00
2	Number of days on which the minimum balance was maintained by taking ordinary ways and means advances	14	611.95
3	Number of days on which the minimum balance was maintained by taking special ways and means advances	81	3034.82
4	Number of days on which there was a shortfall in minimum balance even after taking the above advances, but no overdraft was taken	0	0.00
5	Number of days on which the overdrafts were taken	9	259.23
Total			3906.00

During the year, the State Government availed Ways and Means Advances (WMA) of ₹ 3906.00 crore and discharged all WMA of ₹ 3906.00 crore. From the above, it is clear that State resorted to heavy amounts of Special WMA (77.70 per cent) where the advances are provided against the pledge of Government of India (GOI), which attract higher interest rates. The State Government had to pay an interest of ₹ 6.17 crore on the WMA as well. The analysis of the WMA revealed that:

- The WMA constituted 34.07 per cent of the Total Revenue and Capital Expenditure;
- It constituted 35.45 per cent of the Total Revenue Receipts of the State;
- During the year, the WMA stood at 16.53 per cent of the GSDP; and
- The State had a closing cash balance of ₹1698.18 crore and had availed market loans of ₹1135.00 crore during the year. Against the budget estimates, the State had also surrendered ₹2571.60 crore at the end of the year

1.1.2 Budget estimates and actuals

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

Table 1.4 and Chart 1.1 represent the budget estimates and actuals for some important fiscal parameters during 2017-18:

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

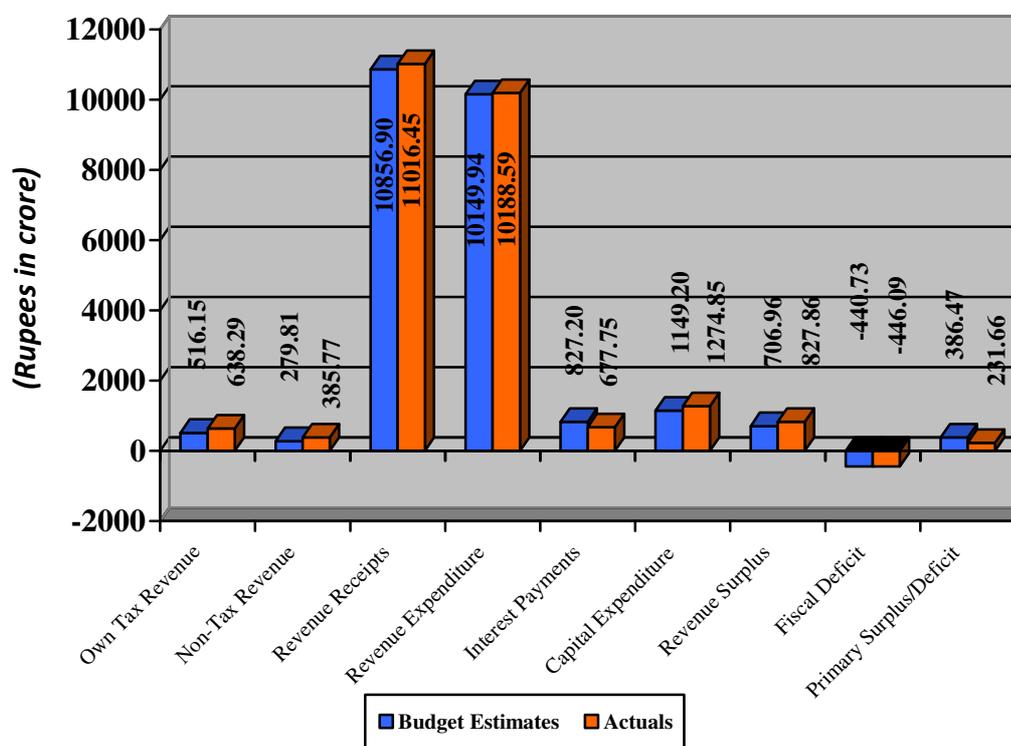
Table 1.4: Variation in Actual Fiscal parameters over estimates

(Rupees in crore)

Parameters	2016-17	2017-18		
	Actuals	Budget Estimates	Revised Estimates	Actuals
Own Tax Revenue	510.75	516.15	570.70	638.28
Non-tax Revenue	343.03	279.81	294.25	385.77
Revenue Receipts ⁶	9439.79	10856.90	10592.54	11016.45
Non-debt Capital Receipts	1.09	1.91	1.94	1.09
Revenue Expenditure ⁷	8649.45	10149.94	10562.35	10188.59
Interest Payments	635.50	827.20	723.50	677.75
Capital Expenditure	1076.10	1149.20	1637.21	1274.85
Disbursement of Loans & Advances	0.19	0.40	0.40	0.19
Revenue Deficit (-)/Surplus (+)	790.34	706.96	30.19	827.86
Fiscal Deficit (-)/Surplus (+)	(-) 284.86	(-) 440.73	(-) 1605.48	(-) 446.09
Primary Deficit(-)/Surplus (+)	350.64	386.47	(-) 881.98	231.66

Source: Finance Accounts of respective year.

Chart 1.1: Selected fiscal Parameters: Estimates vis-à-vis Actuals in 2017-18



- During 2017-18, the actual Revenue Receipts were more than the budget estimates by ₹ 159.55 crore (1.47 per cent) while the actual Revenue Expenditure was more by ₹ 38.65 crore (0.38 per cent). Actual Revenue Surplus was more by ₹ 120.90 crore as compared to the projections made in the budget estimates.

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

⁷ Revenue Expenditure is exclusive of expenditure (₹ 2.76 crore) on State Lotteries from this point onwards in the Report.

- The actual collection of Own Tax Revenue during the year exceeded by ₹ 122.13 crore (23.66 per cent) over the budget estimates for the year.
- The increase in Non-Tax Revenue was ₹ 105.96 crore (37.87 per cent) as compared to the budget estimates for 2017-18.
- During the year 2017-18, the actual Capital Expenditure was more than the budget provision by ₹ 125.65 crore (10.93 per cent).
- Actual Fiscal Deficit slightly increased over the assessment made in the budget estimates by ₹ 5.36 crore (1.22 per cent). The increase was due to net impact of increase in Revenue Receipts by ₹ 159.55 crore, increase in Revenue Expenditure by ₹38.65 crore, increase in Capital Expenditure by ₹ 125.65 crore and decrease in re-payment of Loans and Advances by ₹0.82 crore and disbursement of Loans and Advances by ₹ 0.21 crore as compared with the projected budget estimates for these items. Primary Surplus decreased over the assessment made in the budget estimates by ₹ 154.81 crore (40.06 per cent).

1.1.3 Review of the fiscal situation

Twelfth Finance Commission (XII FC) recommended that each State should enact a fiscal responsibility legislation prescribing specific annual targets with a view to eliminating the Revenue Deficit by 2008-09 and to reducing Fiscal Deficit based on a path for reduction of borrowings and guarantees. The State of Nagaland enacted Nagaland Fiscal Responsibility and Budget Management (NFRBM) Act in 2005. The position of targets prescribed in NFRBM Act and projections made by the State Government in its Medium Term Fiscal Policy Statement (MTFPS), XIV FC targets for the State *vis-à-vis* achievements during the year 2017-18 are depicted in **Table 1.5**:

Table: 1.5: Major fiscal variables provided in XIV FC recommendations, targets in the NFRBM Act *vis-à-vis* actuals for the year 2017-18

Fiscal variables	As per XIV FC	Prescribed in FRBM Act	Made in Five Year Fiscal Plan/MTFPS	Actuals
Revenue Deficit(-)/ Surplus(+) (<i>Rupees in crore</i>)	Maintain revenue surplus			827.86
Fiscal deficit/GSDP (<i>in per cent</i>)	3.25	3.00	1.85	1.89
Ratio of outstanding debt to GSDP (<i>in per cent</i>)	40.18	Not specified	43.49	33.04

The State registered a revenue surplus of ₹ 827.86 crore during 2017-18. Fiscal deficit (₹ 446.09 crore) stood at 1.89 per cent of Gross State Domestic Product (GSDP). During 2017-18, the State Government projected zero Revenue Deficit in NFRBM and MTFPS. The State projected a Revenue Surplus of ₹ 706.96 crore in the BEs for 2017-18 and actually achieved a Revenue Surplus of ₹ 827.86 crore (3.50 per cent of GSDP).

For the year 2017-18, the ratio of Fiscal Deficit to GSDP was proposed at 3.25 per cent, 3.00 per cent and 1.85 per cent in XIV FC, NFRBM and MTFPS respectively. Actual ratio of fiscal deficit to GSDP was 1.89 per cent which was 1.36 per cent, 1.11 per cent less than XIV FC, NFRBM and 0.04 per cent more than MTFPS projections respectively.

During 2017-18, the ratio of outstanding debt to GSDP (33.04 *per cent*) was less than the projected figures as per XIV FC and MTFPS.

Recommendation (1): State Government may explore the possibility to mobilise additional resources both through tax and non-tax sources to bring down its fiscal deficit.

1.1.4 Gender Budgeting

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

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

Among others, Gender Budgeting serves in (i) identifying the felt needs of women and re-prioritising and/ or increasing expenditure to meet these needs; (ii) Supporting gender mainstreaming in macro economics; (iii) Strengthening civil society participation in economy; (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 Sustainable Development Goals (SDGs).

Gender Budgeting was, however, not implemented in Nagaland State.

1.2 Resources of the State

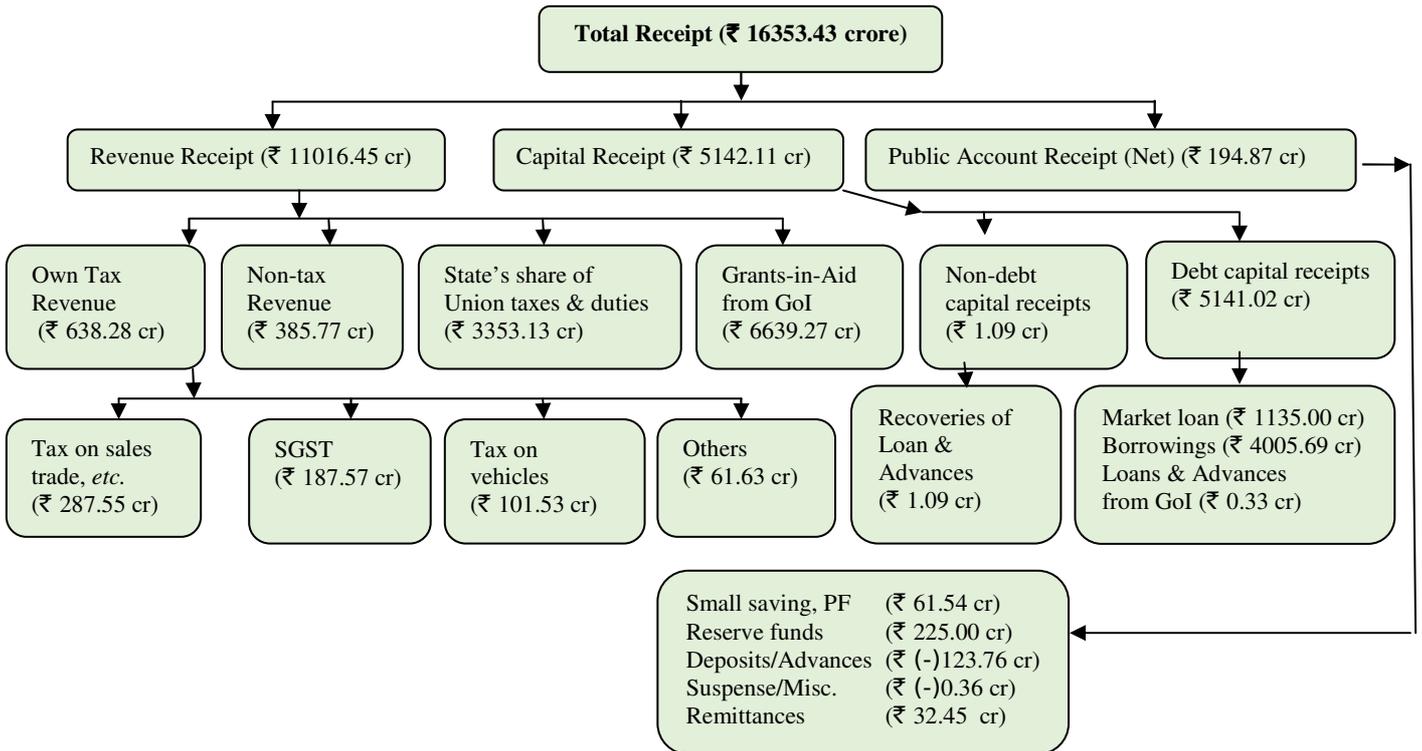
1.2.1 Resources of the State as per Annual Finance Accounts

Revenue and Capital are the two streams of receipts that constitute the resources of the State Government. Revenue Receipts consist of Own Tax Revenue, Non-tax Revenue, State’s share of Union Taxes and Duties and Grants-in-Aid (GIA) from the 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.

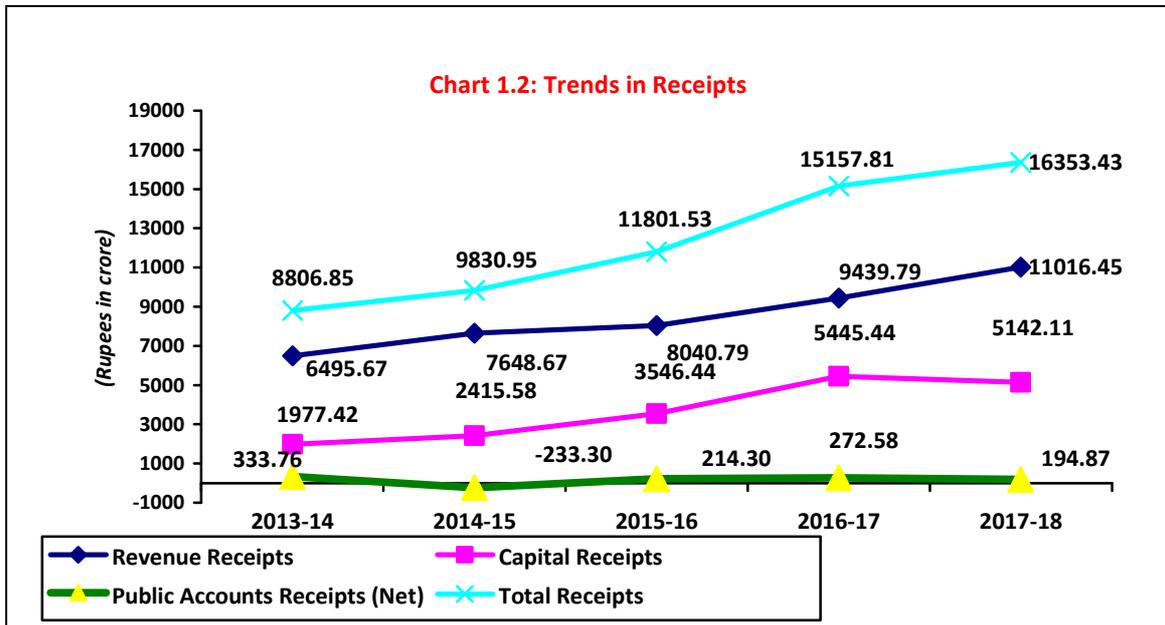
Chart 1.2 below depicts the trends in various components of the receipts of the State during 2013-18. **Chart 1.3** depicts the composition of the receipts during 2017-18. **Table 1.6** presents the trends in growth during 2013-18 and composition of receipts for the current year 2017-18.

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

Audit Report on State Finances for the year ended 31 March 2018



Source: Finance Accounts of respective year.



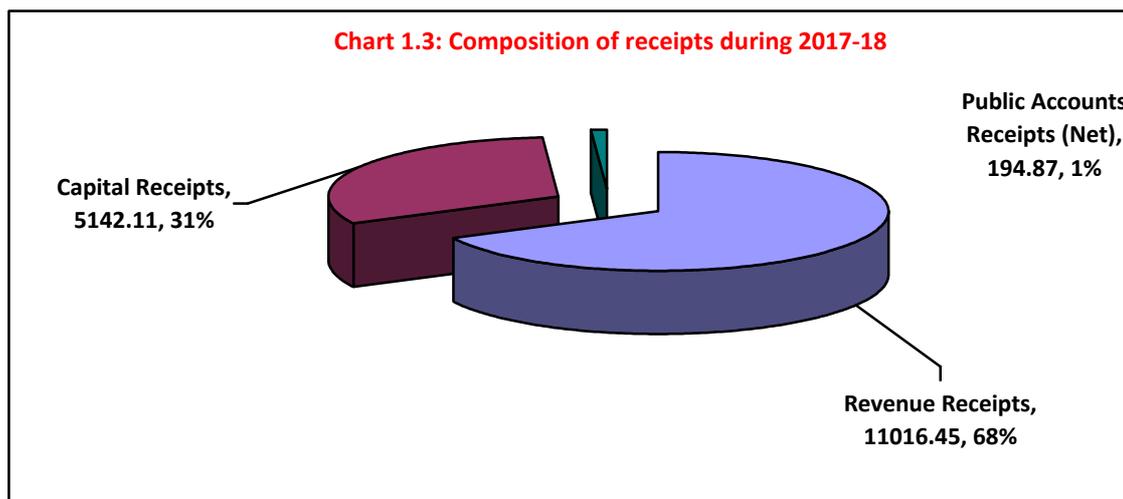


Table 1.6: Composition of receipts

(Rupees in crore)

	Sources of State receipts	2013-14	2014-15	2015-16	2016-17	2017-18
I	Revenue Receipts	6495.67	7648.67	8040.79	9439.79	11016.45
II	Capital Receipts (CR)	1977.42	2415.58	3546.44	5445.44	5142.11
	Recovery of Loans and Advances	1.01	0.71	0.50	1.09	1.09
	Public Debt Receipts	1976.41	2414.87	3545.94	5444.35	5141.02
III	Public Account Receipts (Net)	333.76	(-)233.30	214.30	272.58	194.87
	Total Receipts	8806.85	9830.95	11801.53	15157.81	16353.43

Source: Finance Accounts of respective years.

The total receipts of the State Government for the year 2017-18 were ₹ 16353.43 crore out of which, the Revenue Receipts constituting 67.36 per cent of the total receipts were ₹ 11016.45 crore.

The Revenue Receipts of the State increased from ₹ 9439.79 crore in 2016-17 to ₹ 11016.45 crore in 2017-18 at an annual growth rate of 16.70 per cent. The buoyancy of Revenue Receipts with reference to GSDP during the year was 1.41 per cent.

Public Account receipts (net) decreased by ₹ 77.71 crore (28.51 per cent) from ₹ 272.58 crore in 2016-17 to ₹ 194.87 crore in 2017-18.

1.2.2 Funds transferred to State Implementing Agencies

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

During the year 2017-18, central funds amounting to ₹ 363.79 crore were directly transferred to the State Implementing Agencies (**Appendix 1.5**). Details of major amount of funds transferred directly to Implementing Agencies are shown in **Table 1.7**:

Table-1.7: Funds transferred directly to State Implementing Agencies

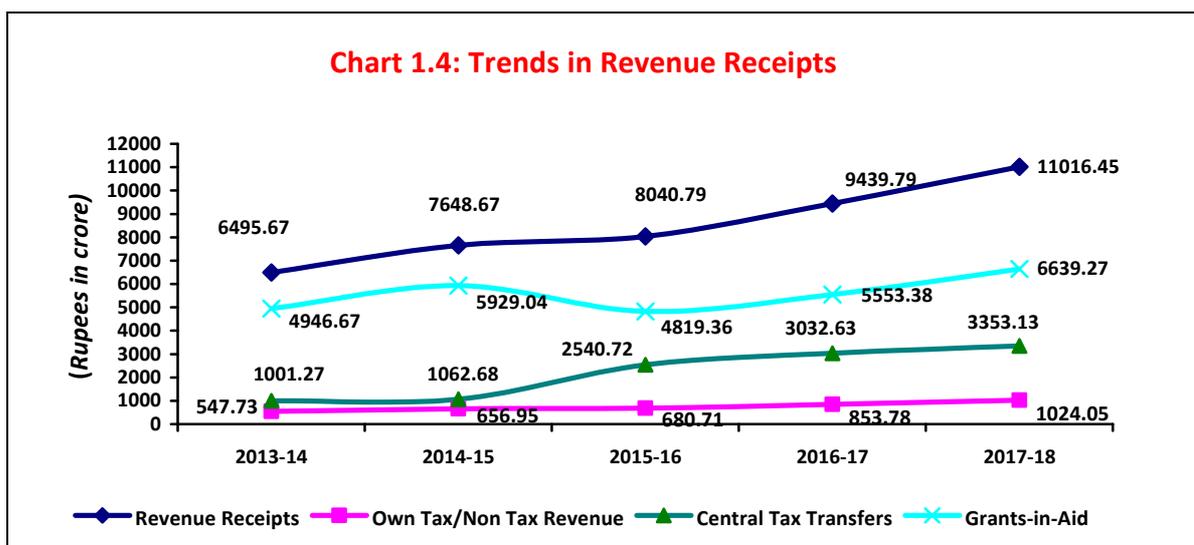
		(Rupees in crore)
Programme/Scheme	Implementing Agency in the State	Funds transferred directly by GoI during 2017-18
National Institute of Technology	National Institute of Technology	62.00
Swadesh Darshan-Integrated Development Theme	Nagaland Tourism Board	53.27
NER Textile Promotion Scheme	Directorate of Sericulture	21.30
National AIDS and STD Control	Nagaland State AIDS Control Society	19.79
National Mission on Food Processing	Doys Agri Resources Private. Limited	15.00
Support of Academies	North East Zonal Cultural Centre	6.12
OFF GRID/Distributed and Decentralised	New and Renewable Energy Development Agency (NREDA)	11.49
Pradhan Mantri Kausal Vikas Yojana CS	Department of Social Welfare, Nagaland	8.75
Organic Value Chain Development of NE Region	Nagaland Organic Mission	19.28
Electronic Governance	Nagaland State E-Governance Society	21.56
Others	Other 110 other implementing Agencies against 52 Schemes	125.23
Total		363.79

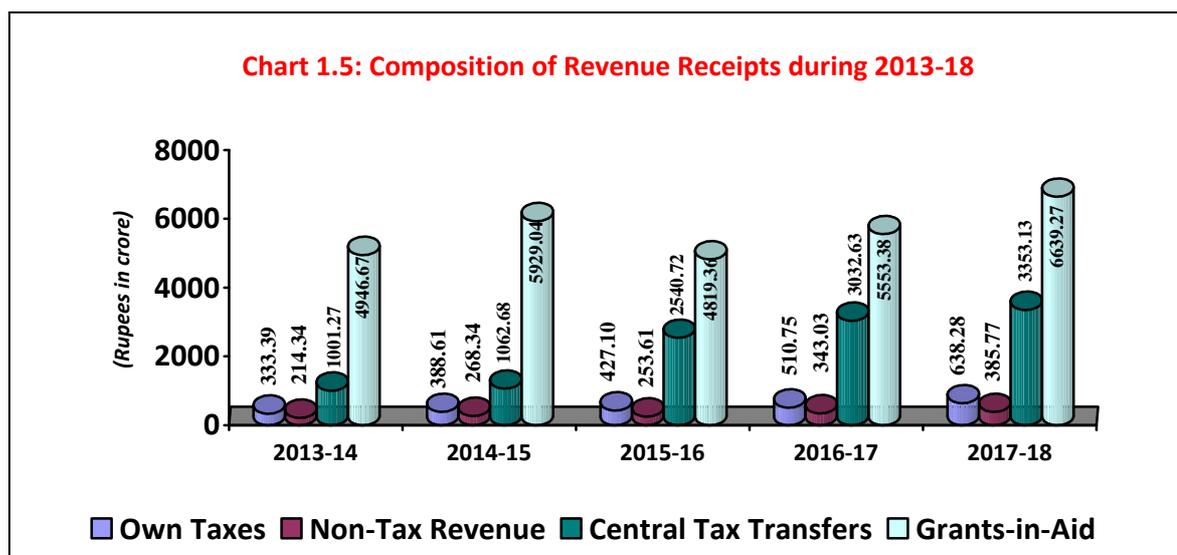
Source: 'Central Plan Scheme Monitoring System' portal in Controller General of Account's website.

Out of an amount of ₹ 363.79 crore directly transferred to Implementing Agencies during the year, major amount of ₹ 62.00 crore (17.04 per cent) was given to National Institute of Technology.

1.3 Revenue Receipts

Statement-14 of the Finance Accounts details the Revenue Receipts of the State Government. The trends and composition of Revenue Receipts over the period 2013-18 are presented in **Appendix 1.2** and depicted in **Charts 1.4** and **1.5** respectively:





The Revenue Receipts have shown a progressive increase with inter-year variations and changes in its composition, *i.e.*, the share of Own Taxes, Non-Tax Revenue and Central transfers during the period 2013-18.

Own Tax and Non-tax Revenue receipts together (*i.e.*, States Own Resources) increased by ₹ 476.32 crore (86.96 *per cent*) from ₹ 547.73 crore in 2013-14 to ₹ 1024.05 crore in 2017-18 at a compound annual growth rate of 16.93 *per cent*.

The Revenue Receipts of the State increased from ₹ 6495.67 crore in 2013-14 to ₹ 11016.45 crore in 2017-18 at a compound annual growth rate of 14.12 *per cent*. While 9.30 *per cent* of the Revenue Receipts during 2017-18 have come from the State's Own Resources comprising own taxes and non-taxes, Central Tax Transfers and GIA together contributed 90.70 *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 (2013-18).

Central tax transfers to the State increased by ₹ 320.50 crore (10.57 *per cent*) from ₹ 3032.63 crore in 2016-17 to ₹ 3353.13 crore in 2017-18. This was due to implementation of GST (CGST & IGST) (₹386.44 crore) and increase in Corporation Tax (₹ 53.92 crore), Tax on Income other than Corporation Tax (₹ 190.98 crore) offset by decrease in Customs (₹ 80.16 crore), Union Excise Duties (₹ 124.19 crore), Service Tax (₹ 104.23 crore), Tax on wealth (₹ 2.25 crore) and Other tax and duties (₹ 0.01 crore).

The trends in Revenue Receipts as well as buoyancy ratios⁸ relative to GSDP are presented in **Table 1.8**:

⁸ Buoyancy ratio indicates the elasticity or degree of responsiveness of a fiscal variable with respect to a given change in the base variable as explained in Appendix 1.1 Part C.

Table 1.8: Trends in Revenue Receipts and buoyancy ratios relative to GSDP

(Rupees in crore)

	2013-14	2014-15	2015-16	2016-17	2017-18
Revenue Receipts (RR) (₹ in crore)	6495.67	7648.67	8040.79	9439.79	11016.45
Rate of growth of RR (<i>per cent</i>)	4.73	17.75	5.13	17.40	16.70
R R/GSDP (<i>per cent</i>)	39.10	41.54	39.18	44.70	46.63
Buoyancy Ratios					
Revenue receipts Buoyancy <i>w.r.t</i> GSDP	0.22	1.64	0.45	6.00	1.41
State's Own Tax Buoyancy <i>w.r.t</i> GSDP	(-) 0.09	1.53	0.86	6.76	2.11

Source: Finance Accounts of respective years.

The Revenue Receipts buoyancy with respect to GSDP was 6.00 in 2016-17 which decreased to 1.41 in 2017-18 mainly due to increase in the growth of advance estimates of GSDP. The State's Own Tax buoyancy with respect to GSDP was 6.76 in 2016-17 which decreased to 2.11 in 2017-18, indicating that GSDP grew at a faster pace than Revenue Receipts as well as State's Own Tax.

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 2017-18 *vis-à-vis* assessment made by XIV FC and MTFPS are given in **Table 1.9**:

Table 1.9: Tax and Non-Tax Receipts *vis-à-vis* assessment made by XIV FC and MTFPS

(Rupees in crore)

	XIV FC projections	Budget estimates	MTFPS projection	Actuals
Own Tax revenue	835.00	516.15	516.15	638.28
Non-tax revenue	275.00	279.81	NA	385.77

Actual realisation of Own Tax Revenue was lower than the projection made by XIV FC (23.56 *per cent*) but higher than the projections (Budget Estimates) made by the Government (23.66 *per cent*). Actual Non-Tax Revenue realised was higher than the estimates made by the Government (37.87 *per cent*) and by that of XIV FC (40.28 *per cent*). The revenue surplus registered by the State was due to receipt of huge Revenue Deficit Grant from the GoI (*para 1.3.3 refers*) and not owing to its Own Tax mobilisation efforts. The State Government should, therefore, consider improving its Tax mobilisation in view of XIV FC projections.

1.3.1.1 Tax Revenue

The gross collection in respect of major taxes and duties are given in **Table 1.10**:

Table 1.10: Collection of Tax Revenue 2013-18

(Rupees in crore)

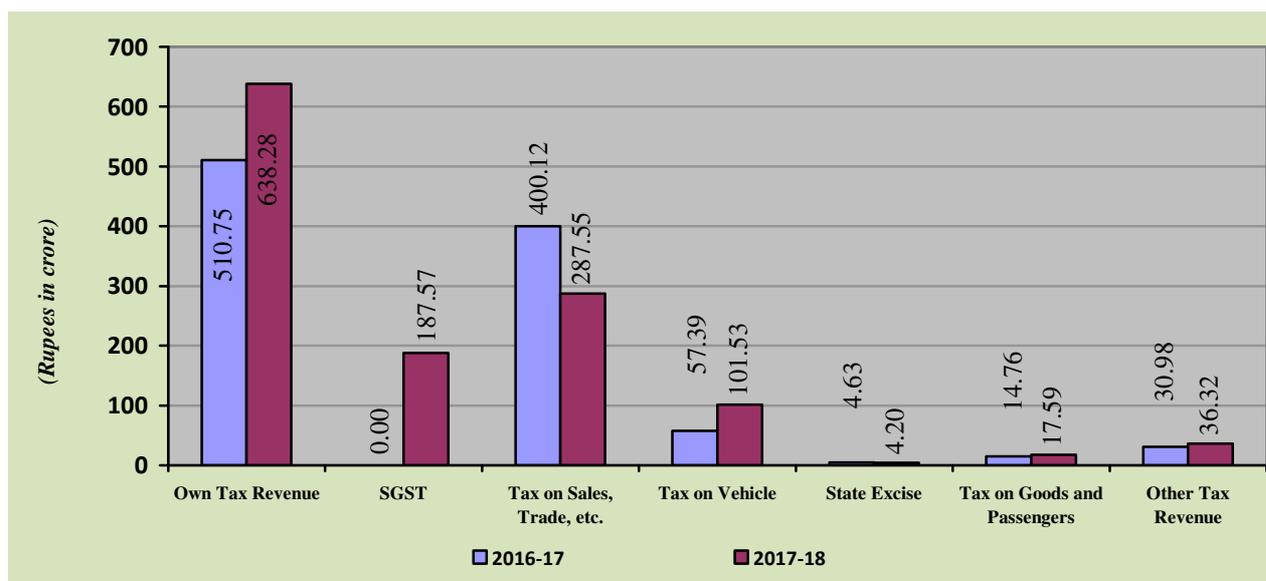
Heads	2013-14	2014-15	2015-16	2016-17	2017-18		Percentage of increase(+)/ decrease(-) over previous year
					Budget Estimates	Actual	
Goods and Services Tax	-	-	-	-	-	187.57	18.74
Taxes on Sales, Trade, etc.	250.20	294.29	328.58	400.12	410.00	287.55	
State Excise	4.86	4.70	5.12	4.63	5.60	4.20	(-) 9.29

Taxes on Vehicle	36.15	46.46	53.09	57.39	58.00	101.53	76.91
Stamps and Registration Fees	1.77	1.93	2.04	2.05	2.31	2.62	27.8
Land Revenue	0.70	0.74	0.75	0.82	1.08	0.90	9.76
Taxes on Goods and Passengers	10.79	9.73	5.88	14.76	7.00	17.59	19.17
Other taxes	28.92	30.76	31.64	30.98	32.16	36.32	17.24
Total	333.39	388.61	427.10	510.75	516.15	638.28	24.97

Source: Finance Accounts of respective years.

Tax Revenue and its components for the years 2016-17 and 2017-18 are shown in **Chart 1.6**.

Chart 1.6: Tax Revenue component during 2016-17 and 2017-18



The major contributions to the State’s Tax Revenue during the year were State Goods and Services Tax (SGST) (₹ 187.57 crore), Tax on Sales, Trade, etc (₹ 287.55 crore), Taxes on Vehicles (₹ 101.53 crore), Tax on Goods and Passengers (₹ 17.59 crore) and State Excise (₹ 4.20 crore), and Stamps and Registration Fees (₹ 2.62 crore).

Growth rate in respect of Tax Revenue (₹ 127.53 crore) of Nagaland for the period 2016-17 to 2017-18 was 24.97 per cent in 2017-18 as per details given in **Table 1.10**. It was 12.20 per cent for General Category States and 49.30 per cent for Special Category States. Therefore, the growth of Tax Revenue in Nagaland was greater than that of General Category States while it was lesser than that of the Special Category States. Moreover, Tax Revenue-GSDP ratio for the State was 2.70 per cent during 2017-18 as compared to 8.31 per cent for the Special Category States.

Table 1.11 Major increase/ decrease in current year’s Own Resources

Sl. No.	Major Heads of Account	Increase (+)/ Decrease(-) (Rupees in crore)	Main Reasons
1	0006 -State Goods and Services Tax	187.57	Due to implementation of GST
2	0029- Land Revenue	0.08	-
3	0030-Stamps and registration fee	0.57	-
4	0039-State Excise	(-) 0.42	-
5	0040- Taxes on Sales, Trades, etc.	(-) 112.57	Due to implementation of GST
6	0041-Tax on Vehicles	44.14	Due to increase in Motor registration cases
7	0042-Tax on Goods and Passengers	2.83	-

Source: Finance Accounts of respective year.

1.3.1.2 Non-Tax Revenue

Non-Tax revenue accounts for receipts from services rendered and supplies made by various departments of Government and interest receipts. Non-Tax Revenue constituted 3.50 per cent of the total Revenue Receipts during the year. The gross collection of Non-Tax Revenue is given in **Table 1.12** (the details are given in **Chart 1.7**):

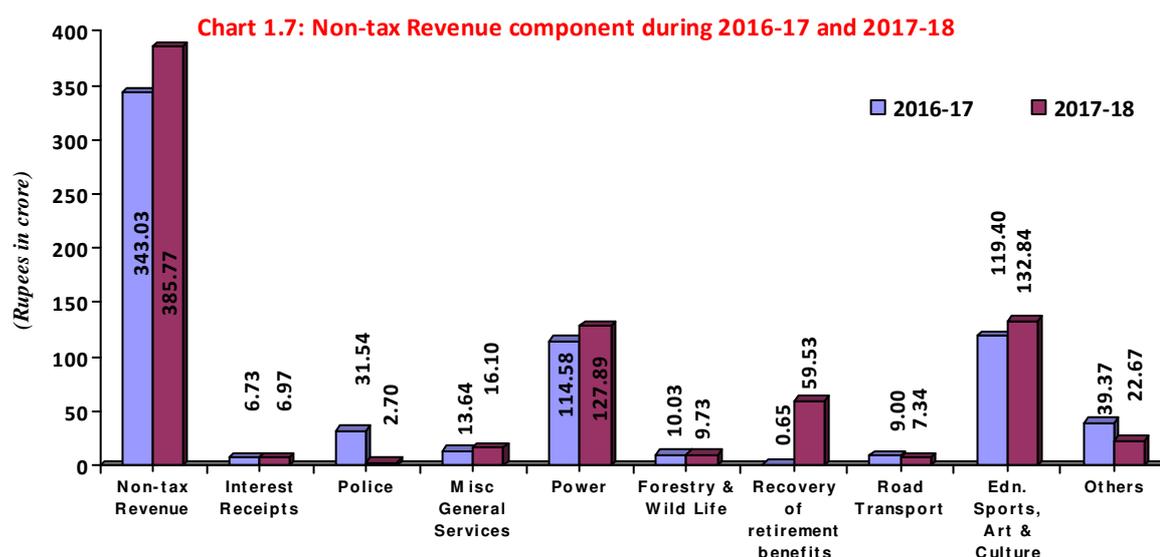
Table 1.12: Collection of Non-tax Revenue 2013-18

(Rupees in crore)

Revenue Head	2013-14	2014-15	2015-16	2016-17	2017-18	Percentage increase(+)/ decrease(-) over previous year
Interest receipts	7.62	7.23	5.19	6.73	6.97	3.57
Dividends and profits	0.00	0.00	4.94	0.00	0.00	0.00
Other non-tax receipts	206.72	261.11	243.48	336.30	378.80	12.64
Total	214.34	268.34	253.61	343.03	385.77	12.46

Source: Finance Accounts of respective years.

The Non-Tax Revenue and its components for the years 2016-17 and 2017-18 are shown in **Chart 1.7**.



The major contributors to Non-Tax Revenue during the year included Police (₹ 2.70 crore), Power (₹ 127.89 crore), Miscellaneous General Services (₹ 16.10 crore), Road Transport (₹ 7.34 crore), Education, Sports, Arts & Culture (₹ 132.84 crore), Interest Receipts (₹ 6.97 crore), Forestry and Wildlife (₹ 9.73 crore), and recovery towards Pension and other Retirement Benefits (₹ 59.53 crore).

There was an increase of 12.46 per cent over the previous year under Non-Tax Revenue which was also more than the targets projected in the Budget Estimates (₹ 279.81 crore).

1.3.1.3 Position of protected revenue to actual collection after implementation of GST

The Nagaland Goods and Services Tax (GST) Act, 2017 was passed by the State Legislature in May 2017 and made effective from 01 July 2017 in the State. The

Protected revenue⁹ of the State for the year 2017-18 in accordance with Section 6 of GST (Compensation to States) Act, 2017, was fixed at ₹ 332.83 crore with a monthly average¹⁰ protected revenue amounting to ₹ 27.74 crore per month for the period.

Accordingly, the protected revenue of the State during the period from July 2017 to March 2018 was worked out to ₹ 249.66 crore (₹ 27.74 crore x 9 months). The actual revenue received by the State under Goods and Services Tax (SGST) was ₹ 276.57 crore including an amount of ₹ 144.27 crore on account of apportionment of Integrated Goods and Services Tax (IGST) and pre- GST arrear of VAT collection of ₹ 89.00 crore. Details of different components of SGST including arrears of VAT received by the State during the corresponding period are shown in **Table 1.13**:

Table 1.13: Details of SGST receipt of the Government of Nagaland including apportionment of IGST and pre GST arrears of VAT during July 2017 to March 2018

(Rupees in crore)

Sl. No.	Components	Amount ¹¹
1	State Goods and Services Tax (SGST)	
	(a) Tax	43.30
	(b) Apportionment of Taxes from IGST	133.27
	(c) Advance apportionment of Taxes from IGST	11.00
2	VAT collection (Arrear pre- GST)	89.00
	Total GST Collection	276.57

Source: Finance Accounts & Min. of Finance, Department of Revenue (State Taxes Section) OM dated 7th November, 2017.

Thus, the revenue collection of the Government of Nagaland was more than the protected revenue of the State during the period (July 2017 to March 2018). As such, the State Government did not receive any compensation from the GoI during 2017-18 under Section 6 of GST (Compensation to States) Act, 2017.

1.3.2 Grants-in-Aid from Government of India

The break-up of Grants-in-Aid (GIA) received from GoI during 2013-18 is given in the **Table 1.14**:

Table 1.14: Grants-in-Aid from Government of India

(Rupees in crore)

	2013-14	2014-15	2015-16	2016-17	2017-18
Grants for State Development Schemes	2283.84	2257.17	193.05	214.71	290.01
Non- Development Grants	2071.26	2068.04	3310.43	3545.73	3976.63
Grants for Central Development Schemes	26.66	80.93	18.41	26.84	25.92

⁹ The GST (Compensation to state) Act, 2017 provides that Union shall compensate the states for loss of revenue due to implementation of GST. Base year for calculating the compensation shall be the revenue collection of the State for 2015-16. Protected revenue is calculated/arrived at, by taking into consideration the revenue collection of base year plus 14 per cent increase for every following year.

¹⁰ Ministry of Finance, GoI Office Memorandum No. S-31011/03/2014-SO (ST)-Pt-I dated 29 August 2017.

¹¹ Figures mentioned in the column are provisional.

Grants for Centrally Sponsored Development Schemes	445.30	1428.26	1203.85	1660.65	2224.45
Grants for Special Development Schemes	119.61	94.64	93.62	105.45	122.26
Total	4946.67	5929.04	4819.36	5553.38	6639.27
Percentage of increase (+) /decrease (-) over previous year	(+) 4.36	(+) 19.86	(-) 18.72	15.23	19.55

Source: Finance Accounts of respective years.

GIA from GoI has increased by ₹ 1085.89 crore (19.55 per cent) from ₹ 5553.38 crore in 2016-17 to ₹ 6639.27 crore in 2017-18 contributing 60.27 per cent of the total Revenue Receipts during 2017-18. This increase was mainly due to more grants under Centrally Sponsored Development Schemes (₹ 563.80 crore), grants for State Development Schemes (₹ 75.30 crore), and Non- Development grants (₹ 430.90 crore).

There was a substantial change in the pattern of devolution of funds under the recommendations of the XIV FC. Devolution to the State was enhanced to the tune of ₹ 1,406.39 crore during 2017-18 on the basis of XIV FC recommendations. Audit noted that additional devolution led to increase in revenue expenditure by ₹ 1,539.14 crore over the previous year 2016-17 (Para 1.6.2 refers).

The details of the devolution of taxes as well as grants for the last two years of XIII FC (2013-15) and first three years of XIV FC (2015-18) are given in **Table 1.15**:

Table 1.15: Devolution of taxes as well as grants

(Rupees in crore)

	2013-14	2014-15	2015-16	2016-17	2017-18
1. State share of Union taxes and duties	1001.27	1062.69	2540.72	3032.63	3353.13
2. Grants-in-Aid from GoI	4946.67	5929.04	4819.36	5553.38	6639.27
TOTAL: (1+2)	5947.94	6991.73	7360.08	8586.01	9992.40
Revenue Receipts	6495.67	7648.67	8040.79	9439.79	11016.45
Percentage of devolution to revenue receipts	91.57	91.41	91.53	90.96	90.70

Source: Finance Account of respective years.

1.3.3 Grant under XIV Finance Commission

The details of release of funds to the State on the basis of recommendations of the XIV FC during the first two years (2016-18) and expenditure thereagainst have been shown in **Table 1.16**.

Table 1.16: XIV Finance Commission Grants

(Rupees in crore)

Year	2016-17		2017-18	
	Received	Expenditure	Received	Expenditure
Disaster Management	9.00	10.00*	9.90	11.00*
Revenue Deficit Grant	3451.00	3451.00	3700.00	3700.00
Total	3460.00	3461.00	3709.90	3711.00

Source: Finance Accounts of respective years.

*Including 10 per cent of State's matching share

From the table above, it could be seen that during 2017-18, the State received ₹ 3709.90 crore which was ₹ 249.90 crore more than the previous year's grant of

₹ 3460.00 crore. The Revenue Deficit grants received by the State during the first two years of XIV FC were as per the recommendations made by the FC. However, the Revenue Deficit Grants, being grants to cover deficit on Non- Development Revenue account, the details of the Non- Development Revenue expenditure made were not available grant-wise/ department-wise.

The details of the Revenue Receipts and its components (pre and post XIV FC), net public debt and fiscal parameters are given in **Table 1.17**:

Table 1.17: Revenue Receipts (its components), net public debt and fiscal parameters (2014-18)

(Rupees in crore)

Year	2014-15	2015-16	2016-17	2017-18
Revenue Receipt	7648.67	8040.79	9439.79	11016.45
Own Tax Revenue	388.61	427.10	510.75	638.28
Non-Tax Revenue	268.34	253.61	343.03	385.77
Central transfers	1062.68	2540.72	3032.63	3353.13
Grants-in-Aid from GoI	5929.04	4819.36	5553.38	6639.27
FC Grant out of GIA (Revenue Deficit Grant)	2023.00	3203.00	3451.00	3700.00
Net Public Debt	108.79	840.59	379.31	689.01
Own Tax and Non-Tax Revenue as <i>percentage</i> of Revenue Receipt	8.59	8.47	9.04	9.30
Revenue deficit (-)/Surplus (+)	888.53	461.65	790.34	827.86
Fiscal Deficit (-)/Surplus (+)	(-) 134.12	(-) 597.27	(-) 284.86	(-) 446.09

Source: Finance Accounts of respective years.

It can be seen from the table that Own Tax and Non-Tax Revenue ranged between 9.04 *per cent* (2016-17) and 9.30 *per cent* (2017-18) of the Revenue Receipt during the post XIV FC period (2015-18). This implied that the State was hugely dependent on Central transfers and GIA. It could also be seen that though FC grant (Revenue Deficit Grant) had increased by 7.22 *per cent* over the previous year, the GIA had increased by 19.55 *per cent* in 2017-18 as compared to the previous year.

During 2016-17, the actual Revenue Surplus (₹ 790.34 crore) was less than its budget estimates (₹ 901.85 crore) and during 2017-18, the actual Revenue Surplus (₹ 827.86 crore) was more than the corresponding budget estimates (₹ 706.96 crore). The net public debt decreased in 2016-17 (₹ 379.31 crore) as compared with 2015-16 (₹ 840.59 crore) which, however, increased in 2017-18 (₹ 689.01 crore) as compared to the previous year. The Fiscal Deficit decreased during 2016-17 as compared to the year 2015-16, but it increased during 2017-18.

1.3.4 Central Tax Transfers

The XIV FC had recommended that the States' share of central taxes may be increased to 42 *per cent* from 2015-16 onwards. Consequently, the State's share in the net proceeds of Central Taxes (excluding Service Tax) and net proceeds of Service Tax has been fixed at 0.498 *per cent* and 0.503 *per cent* of the net proceeds of Central Taxes and Service Tax respectively. The break-up of State's share of Union Taxes and Duties received during 2013-18 is given in **Table 1.18**:

Table 1.18: Central Tax Transfers

(Rupees in crore)

Head	2013-14	2014-15	2015-16	2016-17	2017-18
CGST/IGST	0.00	0.00	0.00	0.00	386.44
Corporation Taxes	336.90	371.26	804.56	973.28	1027.20
Taxes on income other than Corporation Tax	221.84	265.11	564.00	676.44	867.42
Tax on Wealth	0.92	1.00	0.13	2.22	(-) 0.03
Customs	163.45	171.94	405.10	418.66	338.50
Union Excise Duties	115.44	97.09	332.50	478.09	353.90
Service Tax	162.72	156.28	433.27	483.93	379.70
Other Taxes and Duties on Commodities and Services	0.00	0.00	1.16	0.01	0.00
Total	1001.27	1062.68	2540.72	3032.63	3353.13
Central Tax Transfer to <i>per cent</i> of RR	15.41	13.89	31.60	32.13	30.44

Source: Finance Accounts of respective years.

Central Tax transfers during the year (₹ 3353.13 crore) were more than the assessment made in budget estimate (₹ 3200.00 crore) by ₹ 153.13 crore (4.79 *per cent*). State's share of Union Taxes and Duties increased by ₹ 320.50 crore (10.57 *per cent*) from ₹ 3032.63 crore in 2016-17 to ₹ 3353.13 crore in 2017-18 contributing 30.44 *per cent* of the total Revenue Receipts during 2017-18. This increase was mainly due to implementation of GST and collection of revenue from CGST/IGST.

The Government accepted (December 2018) the facts pointed out by Audit.

1.4 Capital Receipts

The details of capital receipts for the period from 2013-14 to 2017-18 are given in **Table 1.19**:

Table 1.19: Capital Receipts

Source of State's Receipt	2013-14	2014-15	2015-16	2016-17	2017-18
Capital Receipts (CR)	1977.42	2415.58	3546.44	5445.44	5142.11
Recovery of Loans and Advances (Rupees in crore)	1.01	0.71	0.50	1.09	1.09
Public Debt Receipt (Rupees in crore)	1976.41	2414.87	3545.94	5444.35	5141.02
Rate of growth of Debt Capital Receipts (<i>per cent</i>)	(-)27.61	22.18	46.84	53.54	(-) 5.57
Rate of growth of non-Debt Capital Receipts (<i>per cent</i>)	18.82	(-)29.70	(-)29.58	118.00	0.00
Rate of growth of CR (<i>per cent</i>)	(-)27.59	22.16	46.82	53.55	(-) 5.57
Debt Capital buoyancy w.r.t GSDP	(-)1.26	2.04	4.09	18.46	(-) 0.47
Non Debt Capital Buoyancy w.r.t GSDP	0.86	(-)2.74	(-)2.58	40.69	0.00

Source: Finance Accounts of respective years.

Public Debt Receipts constituted 99.98 *per cent* of the Capital Receipts in 2017-18. The Capital Receipts had decreased by ₹ 303.33 crore, which was the result of less drawal of Ways and Means Advances (₹ 355.65 crore), Loans from other Institutions (₹ 14.54 crore) offset by increase in Market Loans (₹ 65.37 crore), Loans from National Bank for Agriculture and Rural Development (₹ 1.42 crore) and Loans and Advances from Central Government (₹ 0.07 crore). This indicates that the State was able to optimally utilise the available resources during 2017-18.

1.4.1 Proceeds from disinvestment

During the financial year 2017-18, 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 (MTFPS) for the year 2017-18 targeted recovery of Loans and Advances of ₹ 2.91 crore. During the year, the actual recovery was only ₹ 1.09 crore (37.46 per cent). Recovery of loans and advances had not shown any increase over the previous year.

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

Debt Receipts from internal sources decreased by ₹ 303.33 crore (5.57 per cent) from ₹ 5444.35 crore in 2016-17 to ₹ 5141.02 crore in 2017-18. Debt Receipts from internal sources of ₹ 5141.02 crore comprised of Market loans (₹ 1135.00 crore), loans from NABARD (₹ 19.54 crore), loans from GoI (₹ 0.33 crore), loans from other Institutions (₹ 80.15 crore) and WMA from RBI (₹ 3906.00 crore).

The Government accepted (December 2018) the facts pointed out by Audit

1.5 Public Account 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 remains the fund available with the Government for use.

Table 1.20: Net transactions under Public Account*(Rupees in crore)*

Resources under various heads	2013-14	2014-15	2015-16	2016-17	2017-18
Small Savings, Provident Fund, etc.	112.07	55.35	11.76	29.10	61.54
Reserve Fund	12.15	41.01	200.67	225.00	225.00
Deposits and Advances	240.68	(-)607.76	(-)75.07	(-)7.69	(-)123.76
Suspense and Miscellaneous	(-)0.76	0.56	2.98	(-)5.83	(-)0.36
Remittances	(-)30.38	277.54	73.96	32.00	32.45
Total	333.76	(-)233.30	214.30	272.58	194.87

Source: Finance Accounts of respective years.

The net availability of funds under Small Savings, Provident Funds, Reserve Fund and Remittances had a major share in financing the Fiscal Deficit.

The net receipts from Public Account decreased by ₹ 77.71 crore (28.51 per cent) from ₹ 272.58 crore in 2016-17 to ₹ 194.87 crore in 2017-18. The decrease was due to decrease in Deposit and Advances (₹ 116.07 crore) offset by increase in Small Savings, Provident Funds (₹ 32.44 crore), Suspense and Miscellaneous (₹ 5.47 crore) and Remittances (₹ 0.45 crore).

The Government accepted (December 2018) the facts pointed out by Audit.

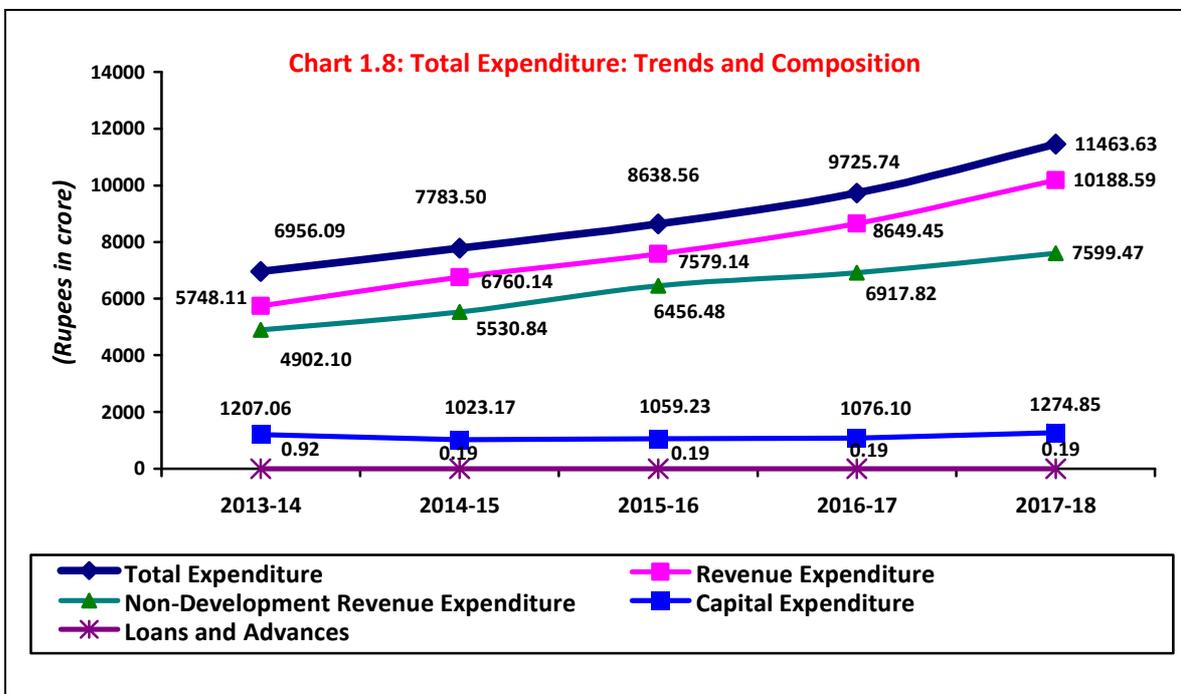
1.6 Application of resources

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

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

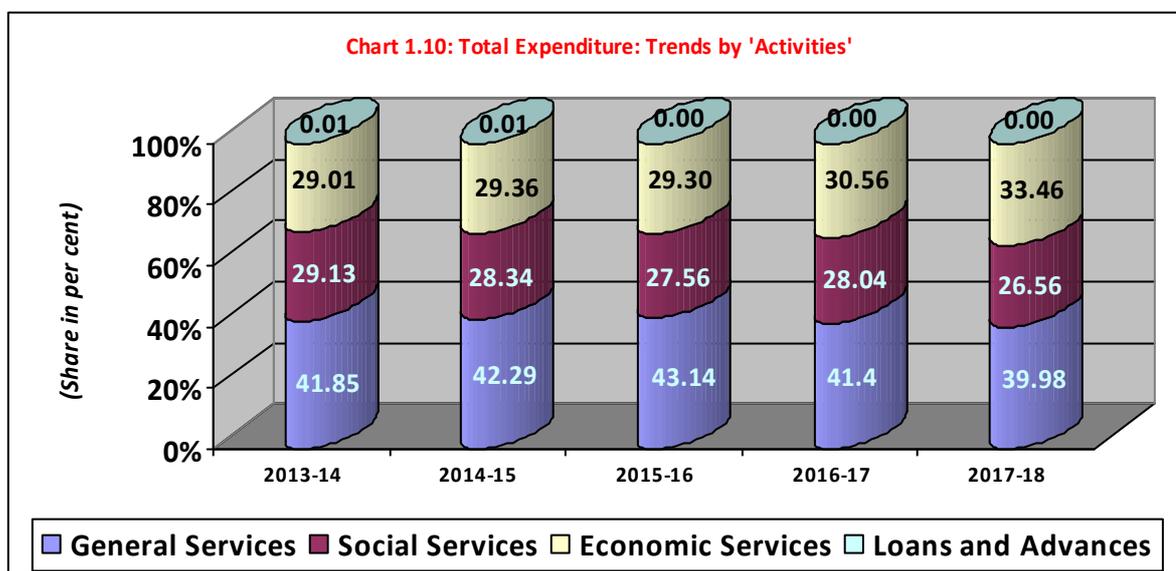
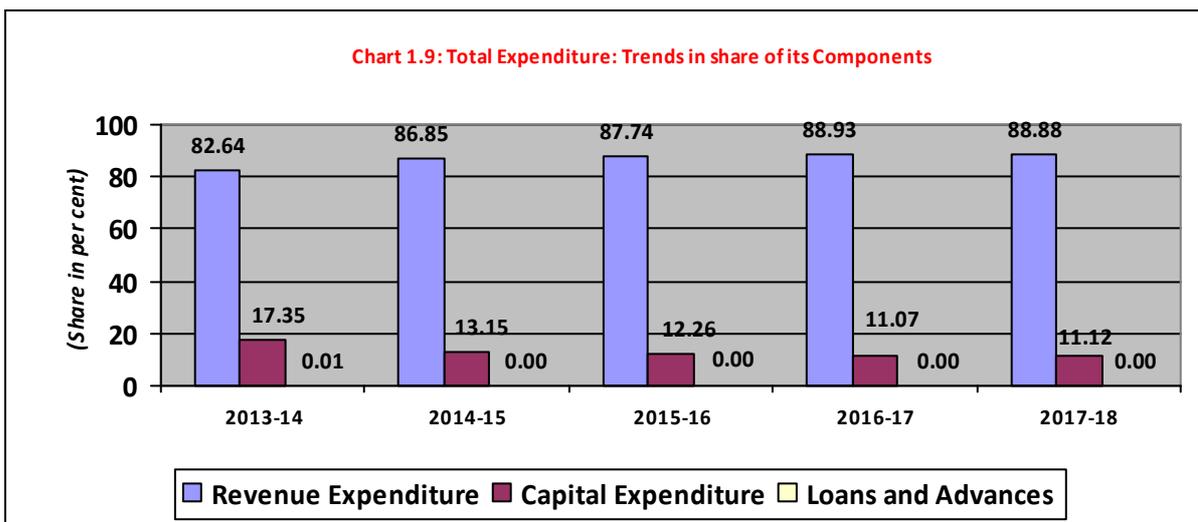
1.6.1 Growth and Composition of Expenditure

Chart 1.8 presents the trends in Total Expenditure over a period of five years (2013-18) and its composition both in terms of ‘classification of expenditure’ and ‘expenditure by activities’ is depicted respectively in **Charts 1.9 and 1.10**.



Statements 15 & 16 of the Finance Accounts depict the detailed Revenue Expenditure by minor heads and Capital Expenditure respectively. States raise resources to perform their sovereign functions, maintain their existing nature of delivery of social and economic services and extend the network of these services through capital expenditure and investments to discharge their debt service obligations.

Total expenditure during 2017-18 was ₹ 11463.63 crore as compared to an expenditure of ₹ 9725.74 crore during 2016-17. Thus, the expenditure had increased by ₹ 1737.89 crore (17.87 per cent) over the previous year. The Total Expenditure in 2017-18 comprised of Revenue Expenditure of ₹ 10188.59 crore (88.88 per cent), Capital Expenditure ₹ 1274.85 crore (11.12 per cent) and Loans and Advances ₹ 0.19 crore. The increase in Total Expenditure during 2017-18 over the previous year was due to increase in Revenue Expenditure by ₹ 1539.14 crore and Capital Expenditure by ₹ 198.75 crore.



Buoyancy of expenditure

The Total Expenditure (TE), its annual growth rate, the ratio of expenditure to the GSDP and to Revenue Receipts (RR) and its buoyancy with respect to GSDP and Revenue Receipts are indicated in **Table 1.21**:

Table 1.21: Total expenditure-basic parameters

	2013-14	2014-15	2015-16	2016-17	2017-18
Total Expenditure (TE) (Rupees in crore)	6956.09	7783.50	8638.56	9725.74	11463.63
Growth rate of TE (per cent)	1.45	11.89	10.99	12.59	17.87
TE/GSDP ratio (per cent)	41.87	42.27	42.09	46.05	48.53
RR/TE (per cent)	93.38	98.27	93.08	97.06	96.10
Buoyancy of Total Expenditure with reference to:					
GSDP (ratio)	0.07	1.10	0.96	4.34	1.51
Revenue Receipt (ratio)	0.31	0.67	2.14	0.72	1.07

Source: Finance Accounts of respective years.

During the current year, 96.10 per cent of the Total Expenditure was met from Revenue Receipts and the remaining was met from Capital Receipts and borrowed funds.

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

The General Services expenditure increased by ₹ 557.24 crore (13.84 *per cent*) from ₹ 4026.51 crore in 2016-17 to ₹ 4583.75 crore in 2017-18, Social Services expenditure increased by ₹ 317.30 crore (11.64 *per cent*) and Economic Services expenditure increased by ₹ 863.35 crore (29.05 *per cent*).

1.6.2 Revenue Expenditure

Revenue Expenditure was incurred to maintain the current level of services and payments for the past obligations and as such does not result in any addition to the State's infrastructure and service network. Revenue Expenditure had predominant share varying from 82.63 *per cent* to 88.93 *per cent* of the total expenditure of the State during 2013-18. The Revenue Expenditure, its rate of growth, the ratio of Revenue Expenditure to GSDP and to Revenue Receipts and its buoyancy are indicated in **Table 1.22:**

Table 1.22: Revenue Expenditure-basic parameters

	2013-14	2014-15	2015-16	2016-17	2017-18
Revenue Expenditure (RE), of which (<i>Rupees in crore</i>)	5748.11	6760.14	7579.14	8649.45	10188.59
Non-Development Revenue Expenditure (<i>Rupees in crore</i>)	4902.10 (85.28%)	5530.84 (81.82%)	6456.48 (85.19%)	6917.82 (79.98%)	7599.47 (74.59%)
Development Revenue Expenditure (<i>Rupees in crore</i>)	846.01 (14.72%)	1229.30 (18.18%)	1122.66 (14.81%)	1731.63 (20.02%)	2589.12 (25.41%)
Rate of growth of RE (<i>per cent</i>)	2.66	17.61	12.12	14.12	17.79
RE as percentage to TE	82.63	86.85	87.74	88.93	88.88
Buoyancy of RE with GSDP (ratio)	0.12	1.62	1.06	4.87	1.50
Buoyancy of RE with RR (ratio)	0.56	0.99	2.36	0.81	1.07

Source: Finance Accounts of respective years.

The Non-Development Revenue Expenditure decreased by five *per cent* from 80 *per cent* in 2016-17 to 75 *per cent* during the current year. It had ranged between 75 to 85 *per cent* during the last five years which indicates that the expenditure of the State was not managed efficiently.

Revenue Expenditure of the State had increased by ₹ 4440.48 crore (77.25 *per cent*) from ₹ 5748.11 crore in 2013-14 to ₹ 10188.59 crore in 2017-18 at a compound annual growth rate of 15.38 *per cent*.

The actual Revenue Expenditure *vis-à-vis* assessment made by XIV FC is given in **Table 1.23:**

Table 1.23: Revenue Expenditure assessment made by XIV FC and actual

(*Rupees in crore*)

	Assessment made by XIV FC for 2017-18	Actuals
Revenue Expenditure (RE)	8662.00	10188.59

The actual Revenue Expenditure exceeded the normative assessment made by XIV FC by ₹ 1526.59 crore (17.62 *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 1.24** and **Chart 1.11** present the trends in the expenditure on these components during 2013-18.

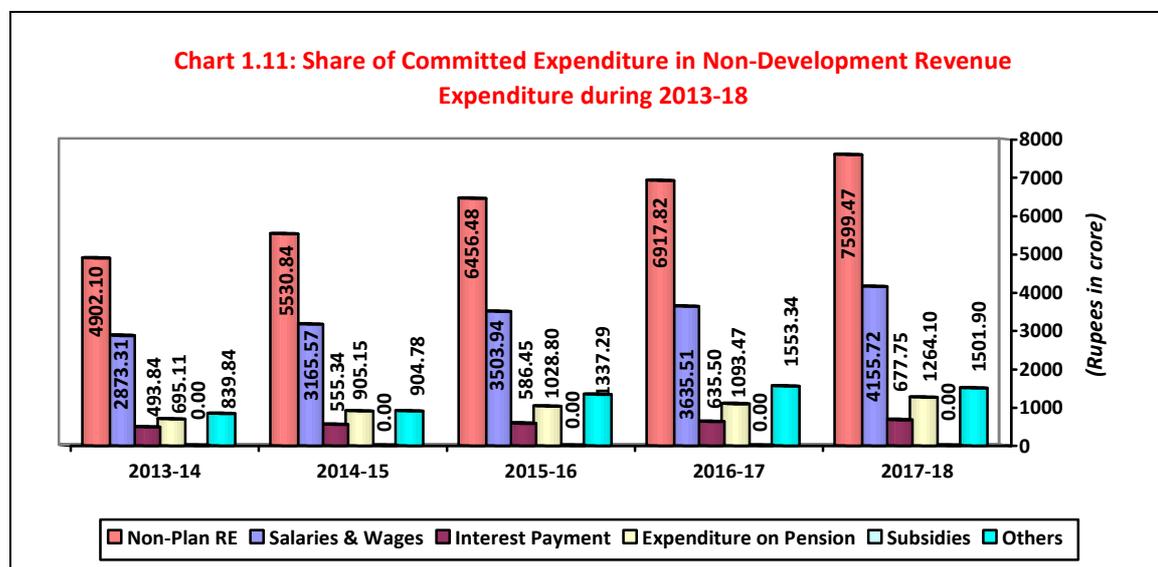
The Committed Expenditure (*i.e.*, interest payment, pension, salaries and subsidies) of the State Government increased by ₹ 618.55 crore (11.29 *per cent*) from ₹ 5479.02 crore in 2016-17 to ₹ 6097.57 crore in 2017-18. The overall percentage of Committed Expenditure to Revenue Receipts was 55.35 *per cent* in 2017-18.

Table 1.24: Components of Committed Expenditure

(Rupees in crore)

	2013-14	2014-15	2015-16	2016-17	2017-18
Salaries & Wages, of which	2940.80	3274.16	3688.50	3750.05	4155.72
<i>Non- Development</i>	2873.31	3165.57	3503.94	3635.51	3968.07
<i>Development</i>	67.49	108.59	184.56	115.54	187.65
Interest Payment	493.84	555.34	586.45	635.50	677.75
Expenditure on Pension	695.11	905.15	1028.80	1093.47	1264.10
Total	4129.75	4734.65	5303.75	5479.02	6097.57
As per cent of Revenue Receipts					
Salaries & Wages	45.27	42.81	45.87	39.73	37.72
Interest Payment	7.60	7.26	7.29	6.73	6.15
Expenditure on pension	10.70	11.83	12.79	11.58	11.47

Source: Finance Accounts of respective years.



1.6.3.1 Salaries & Wages

Expenditure on salaries and wages increased by ₹ 1214.92 crore (41.31 *per cent*) from ₹ 2940.80 crore in 2013-14 to ₹ 4155.72 crore in 2017-18 at a compound annual growth rate of 9.03 *per cent*. Expenditure on salaries and wages increased by ₹ 405.67 crore (10.82 *per cent*) over the previous year mainly due to release of dearness allowance

installments and incremental benefits. It may be seen that 37.72 per cent of the Revenue Receipts went towards disbursement of Salary and Wages during the year 2017-18.

1.6.3.2 Pension Payment

The expenditure on pension had increased by ₹ 170.63 crore (15.60 per cent) from ₹ 1093.47 crore in 2016-17 to ₹ 1264.10 crore (including ₹ 62.44 crore on New Pension Scheme) in 2017-18. The pension payment was ₹ 179.10 crore more than the assessment made by XIV FC (₹ 1085.00 crore). However, it was ₹ 158.35 crore less than the assessment made by the State Government in its MTFPS (₹ 1422.45 crore) for the year 2017-18.

Migration to New Pension Scheme

State Government employees appointed on or after 01 January 2010 are covered under the New Pension Scheme *i.e.*, National Pension Scheme (NPS), which is a defined contributory pension scheme. In terms of the scheme, employee contributes 10 per cent of their basic pay plus dearness allowances and the State Government is required to make matching contribution.

The details of employee's share, Government contribution, interest accrued thereon and transfer to the trustee Bank/NSDL is given in **Table 1.25**:

Table 1.25: Details of contribution and transfers to NSDL under NPS

(Rupees in crore)

Year	Opening Balance	Details of contribution by			Transfer to NSDL	Less Transfer	Rate of interest applicable	Interest due on Opening Balance
		Employees	Government	Total				
2013-14	30.00	21.76	21.76	43.52	1.28	72.24	8.80	2.64
2014-15	72.24	34.83	34.83	69.66	21.55	120.35	8.80	6.36
2015-16	120.35	38.92	38.92	77.84	40.01	158.18	8.80	10.59
2016-17	158.18	47.28	47.28	94.56	52.21*	200.53	8.00	12.65
2017-18	200.53	65.00	65.00	130.00	119.13	211.40	7.60	15.24
Total		207.79	207.79	415.58	234.18			47.48

* Apart from ₹ 52.21 crore, the Government transferred ₹ 13.91 crore towards interest and ₹ 1.33 crore towards service charges.

During the year 2017-18, there was an opening balance of ₹ 200.53 crore and ₹ 130.00 crore (Employees' + Employer's share) was contributed to the fund. Out of this, an amount of ₹ 119.13 crore (Employee's contribution- ₹ 56.69 crore; and Employer's contribution- ₹ 62.44 crore) was transferred to the NSDL/Trustee Bank leaving a balance of ₹ 211.40 crore (Employees' contribution ₹ 103.68 crore and Employers' contribution ₹ 107.72 crore) un-transferred as on 31 March 2018. The accumulated balance was due to persistent short transfer of funds to NSDL/Trustee Bank over the years. Over the last five years, the State Government has acquired the interest liability of amounting to ₹ 47.48 crore on the amount not transferred to NSDL.

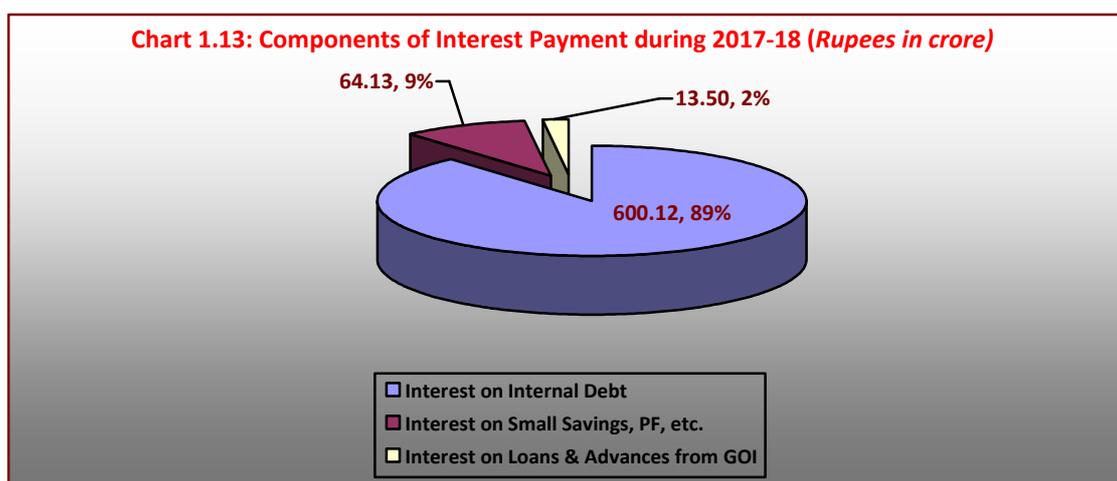
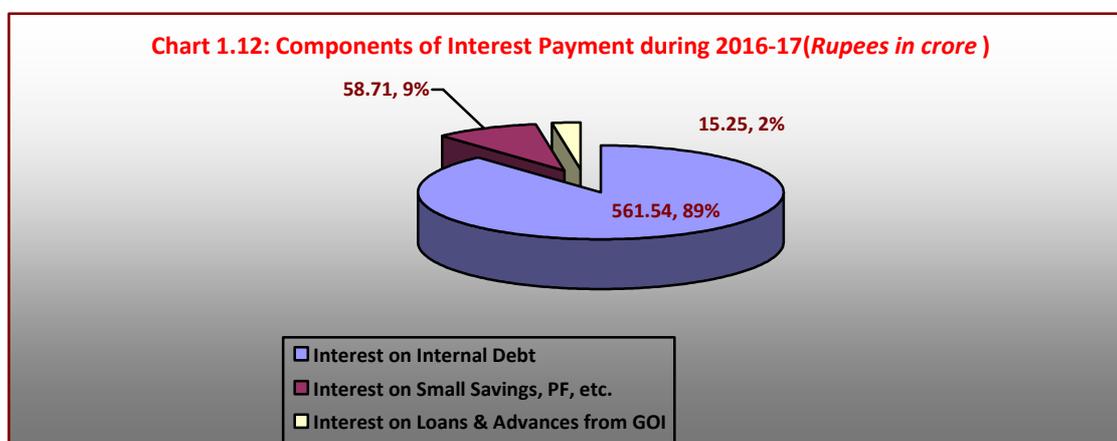
While accepting (December 2018) the fact, the Government stated that the Employees' and Employers' contribution by the Government to NSDL/Trustee Bank could not be remitted due to non-generation of Permanent Retirement Account Number (PRAN) in

respect of employees who had either submitted the Registration forms with delay or not submitted the same due to not having Permanent Account Number (PAN), Aadhar and Bank Account, etc. However, online e-NPS has been introduced and the process to regularize the outstanding amounts had been started.

Failure of the State Government to transfer the entire amount of pension contribution to NSDL/Trustee Bank would not only eventually deplete the NPS Corpus but also increase the liability of the Government and the risk of failure of the scheme.

Recommendation (2): The State Government should ensure that employees recruited on or after 01 January 2010 are fully covered under the New Pension Scheme from the date of their recruitment by ensuring that employees' contributions are fully deducted, fully matched by Government contributions, and fully transferred to NSDL/Trustee Bank in a timely manner to avoid interest liability.

1.6.3.3 Interest Payments



Interest payment increased by ₹ 183.91 crore (37.24 per cent) from ₹ 493.84 crore in 2013-14 to ₹ 677.75 crore in 2017-18 at a compound annual growth rate of 8.24 per cent. The interest payment increased by ₹ 42.25 crore (6.65 per cent) during 2017-18 over the previous year due to increase in interest payment on Internal Debt (₹ 38.58 crore) and Small Savings, Provident Fund, etc. (₹ 5.42 crore) offset by decrease in interest payment on Loans and Advances from Central Government (₹ 1.75 crore).

The interest payment for the year 2017-18 was lower than the projection made by the State Government in MTFPS (₹ 827.20 crore) but higher than the projections made in XIV FC (₹ 595.00 crore).

1.6.3.4 Subsidies

No subsidies were given by the State Government during the years 2013-18.

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 1.26**:

Table 1.26: Financial Assistance to Local bodies, etc.

(Rupees in crore)

Financial Assistance to Institutions	2013-14	2014-15	2015-16	2016-17	2017-18
Educational Institutions (Aided Schools, Aided Colleges, Universities, etc.)	30.47	10.51	9.47	8.91	10.60
Co-operation	19.18	1.00	1.50	2.00	0.00
Municipal councils	5.98	6.34	1.62	0.00	1.62
Development Agencies	29.18	103.44	0.00	10.00	11.51
Hospitals and Other Charitable Institutions	14.46	16.42	17.31	17.76	19.49
Panchayati Raj	0.09	6.19	0.00	0.00	0.00
Special Area Programme	0.00	60.87	0.00	0.00	0.00
Other Institutions	193.75	45.83	90.73	132.20	285.18
Total	293.11	250.60	120.63	170.87	328.40
Assistance as percentage of RE	5.10	3.71	1.59	1.98	3.22

Source: Finance Accounts of respective years.

The total assistance to local bodies, etc., increased by ₹ 157.53 crore (92.19 per cent) from ₹ 170.87 crore in 2016-17 to ₹ 328.40 crore in 2017-18. **Table 1.26** shows that the assistance increased by ₹ 1.69 crore (18.96 per cent) from ₹ 8.91 crore in 2016-17 to ₹ 10.60 crore in 2017-18 in respect of educational institutions. In respect of Hospitals and Other Charitable Institutions, the assistance increased by ₹ 1.73 crore (9.74 per cent) from ₹ 17.76 crore in 2016-17 to ₹ 19.49 crore in 2017-18. During 2017-18, no financial assistance was extended in respect of Special Area Programme and Co-operation and Panchayati Raj.

While accepting the facts (December 2018), Government stated that being a deficit state, priority was given to meet the minimum needs of current expenditure. Hence, the Government could not provide more funds for capital investment.

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 1.27** analyses the fiscal priority given by the Nagaland Government to various expenditure heads in 2013-14 and 2017-18 with regard to Developmental Expenditure, Social Sector Expenditure, Economic Sector Expenditure and Capital Expenditure.

Table 1.27: Fiscal priority of the State in 2013-14 & 2017-18

(In per cent)

Fiscal priority by the State	AE/GSDP	*DE/AE	SSE/AE	ESE/AE	CE/AE	Education/AE	Health/AE
Special Category States Average (Ratio) 2013-14	23.50	64.00	37.60	29.30	13.80	18.30	5.40
Nagaland's (Ratio) 2013-14	39.19	58.20	29.10	29.00	17.40	15.90	4.30
Special Category States Average (Ratio) 2017-18	25.80	58.90	34.90	28.90	15.50	18.20	6.20
Nagaland's (Ratio) 2017-18	48.53	60.01	26.56	33.46	11.12	13.20	5.31

AE: Aggregate Expenditure DE: Developmental Expenditure SSE: Social Sector Expenditure

CE: Capital Expenditure ESE: Economic Sector Expenditure.

*Developmental expenditure includes Developmental Revenue Expenditure, Developmental Capital Expenditure and Loans & Advances disbursed. (Source: For GSDP, Central Statistical Office (CSO), Ministry of Statistics and Programme Implementation website as on July 2018).

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 was lower in the State compared to the SCS average during 2013-14 but higher during 2017-18.
- Expenditure on Social Sector as a proportion of aggregate expenditure was lower than the SCS average both during 2013-14 and 2017-18. The share of expenditure on education and health as a proportion of aggregate expenditure was also lower than the SCS averages, both in 2013-14 and 2017-18.
- Expenditure on Economic Sector as a proportion of aggregate expenditure was slightly lower than the SCS average during 2013-14 but it was higher during 2017-18.
- Ratio of Capital Expenditure to Aggregate Expenditure stood at 11.12 *per cent* which was less than the combined average (15.50 *per cent*) of the SCS in 2017-18. It indicates that the State Government did not accord prudent fiscal priorities to enhance the productive capacity of the State.

Recommendation (3): Efforts should be made to increase the capital expenditure in order to improve the productive capacity of the State's economy.

1.7.2 Efficiency of Expenditure Use

In view of the importance of public expenditure on development, it is important for the State Governments to take appropriate expenditure rationalisation measures and lay emphasis on provision of core public and merit goods¹². Apart from improving the

¹² As detailed in Appendix 1.1 Part-C

allocation towards developmental expenditure¹³, particularly in view of the fiscal space being created on account of decline in debt servicing in the current year, 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. **Table 1.28** 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-1.28: Developmental Expenditure

(Rupees in crore)

Components of Developmental Expenditure	2013-14	2014-15	2015-16	2016-17	2017-18	
					BEs	Actuals
Developmental Expenditure (a to c)	4044.65 (58.15)	4491.58 (57.71)	4912.31 (56.86)	5699.23 (58.60)	7403.17	6879.88 (60.01)
a. Developmental Revenue Expenditure	3017.86 (43.38)	3629.17 (46.63)	3958.67 (45.83)	4755.49 (48.90)	5788.16	5871.94 (51.22)
b. Developmental Capital Expenditure	1025.87 (14.75)	862.22 (11.08)	953.45 (11.04)	943.55 (9.70)	1614.61	1007.75 (8.79)
c. Developmental Loans and Advances	0.92 (0.01)	0.19 (0.00)	0.19 (0.00)	0.19 (0.00)	0.40	0.19 (0.00)

Figures in parentheses indicate percentage to Total Expenditure.

Source: Finance Accounts of respective years.

The Developmental Expenditure (₹ 6879.88 crore) was lesser than the assessment made by the State Government in the budget (₹ 7403.17 crore) by ₹ 523.29 crore during 2017-18. The Developmental Revenue Expenditure increased by ₹ 1116.45 crore (23.48 per cent) and Developmental Capital Expenditure by ₹ 64.20 crore (6.80 per cent) over the previous year. Overall, the Development Expenditure of the State did not change much in terms of the percentages, even as the total receipts of the State have seen a substantial increase with enhanced devolutions as per recommendations of the XIV FC.

While accepting the facts (December 2018), Government stated that one of the reasons for incurring more expenditure in Economic Sector was that the State Power and State Transport departments were not corporatized.

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 to take requisite steps to infuse transparency in financial operations. This section presents the broad financial analysis of investments and Capital Expenditure incurred by the Government during the current year *vis-à-vis* previous years.

¹³ The analysis of expenditure data is disaggregated into developmental and non-developmental expenditure. All expenditure relating to Revenue Account, Capital Account and Loans and Advances are categorised into social services, economic services and general services. Broadly, the social and economic services constitute developmental expenditure, while expenditure on general services is treated as non-developmental expenditure.

1.8.1 Incomplete projects

The department-wise information pertaining to incomplete projects as on 31 March 2018 is given in **Table 1.29**:

Table 1.29: Department-wise Profile of Incomplete Projects

(Rupees in crore)

Department	No. of Incomplete Projects	Initial Budgeted Cost	Revised Cost	Cumulative expenditure as on 31-03-2018
Department of Under Developed Area	75	83.69	83.69	23.82
Police Engineering Projects	54	701.71	701.71	181.35
Veterinary and Animal Husbandry	37	44.86	45.00	18.17
Public Works Department (Road & Bridges)	13	309.03	369.52	278.71
Civil Administrative Works Department (CAWD)	26	9.00	9.00	0.00
Public Works Department (Housing)	15	222.38	222.38	150.13
Urban Development	14	378.75	378.75	149.08
Department of Higher Education	10	24.22	24.22	8.85
Technical Education	4	3.00	3.00	37.95
Youth Resource and Sports	4	174.59	190.11	79.78
Geology and Mining	3	52.08	79.49	48.73
Transport Commissioner	7	46.28	46.62	32.93
23 Other Departments	49	336.11	344.95	728.18
Total	311	2385.70	2498.44	1737.68

Source: Finance Accounts and Departmental records.

As on 31 March 2018, 311 projects involving an expenditure of ₹ 1737.68 crore were incomplete. Out of those, two projects involving an expenditure of ₹ 10.47 crore, which were taken up under PWD (Roads & Bridges), had been suspended.

Age-wise analysis of delay in completion of projects from the stipulated date of their completion showing status as on 31 March 2018 is given in **Table 1.30**:

Table 1.30: Age profile of incomplete projects

(In number)

Sl. No.	Delay of projects in number of years from stipulated date of completion	Number of incomplete projects
1	0 to 3 years	149
2	3 to 5 years	80
3	5 to 7 years	37
4	Above 7 years	04
	Total	270

Source: Finance Accounts and Departmental records.

Information regarding target year of completion in respect of 41 out of 311 projects was not furnished by the Department, though called for. The remaining 270 projects were stipulated to be completed on or before 31 March 2018, had remained incomplete as of December 2018.

Project cost in respect of 11 incomplete projects was revised from ₹ 151.46 crore to ₹ 264.20 crore. Increase in cost was related to projects under PWD (Road & Bridges- ₹ 60.49 crore), Geology and Mining (₹ 27.41 crore), State Council of Educational Research and Training (₹ 0.69 crore), Transport (₹ 0.34 crore), Veterinary and Animal

Husbandry (₹ 0.14 crore), Youth Resources and Sports (₹ 15.52 crore), Agriculture (₹ 0.17 crore) and Social Welfare (₹ 7.98 crore).

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.

While accepting the facts (December 2018), the Government stated that due to discontinuation of Special Plan Assistance, some of the projects could not be completed. However, the Government assured that it would carry out a comprehensive review to complete the project in a time bound manner.

Recommendation (4): State Government should conduct a serious review of the incomplete projects and provide required funds to complete the projects in a time bound manner so that the funds spent already, do not get wasted.

1.8.2 Investment and returns

As on 31 March 2018, Government had invested ₹ 293.19 crore in Government Companies, Statutory Corporations, Joint Stock Companies and Co-operatives (**Table 1.31**). The average return on this investment was 'Nil' during the four years while there was a return of ₹ 4.94 crore during the year 2015-16 which indicated non-performing investments. The Government paid an average interest rate of 6.79 per cent on its borrowings during 2017-18.

Table 1.31: Return on Investment

(Rupees in crore)

Investment/Return/Cost of Borrowings	2013-14	2014-15	2015-16	2016-17	2017-18
Investment at the end of the year (a-e)	270.01	278.44	290.60	291.75	293.19
(a) Joint Stock Companies	32.10	32.10	43.10	43.10	43.10
(b) Government Companies	182.05	190.48	191.60	192.75	194.19
(c) Statutory Corporations	0.04	0.04	0.04	0.04	0.04
(d) Co-operatives	55.82	55.82	55.86	55.86	55.86
Return	0.00	0.00	4.94	0.00	0.00
Return (per cent)	0.00	0.00	1.70	0.00	0.00
Average rate of interest on Government borrowing (per cent)	6.25	6.81	6.95	6.87	6.79
Difference between interest rate and return (per cent)	6.25	6.81	5.25	6.87	6.79

Source: Finance Accounts of respective years.

Out of the total Government investment of ₹ 293.19 crore at the close of the current year, ₹194.19 crore was invested in five Government companies (₹ 107.78 crore), Distillery Project (part of Nagaland Sugar Mills Ltd.) (₹ 0.30 crore) and other Undertakings (Nagaland Hotels Ltd.) (₹ 86.11 crore). The remaining amount of ₹ 99.00 crore was invested in two Joint Stock Companies (₹ 43.10 crore) and Statutory Corporations, Co-operative Bank and Co-operative Societies, etc., (₹ 55.90 crore). During the current year, the Government made additional investment of ₹ 1.44 crore in State Mineral Development Corporation Ltd.

Out of six Government companies in the State, one company viz., Nagaland Sugar Mills Ltd. along with Distillery Project (₹ 7.59 crore-investment up to 2001-02) was non-

working whose accounts were in arrears for 16 years. The five working companies include Nagaland Industrial Development Corporation Ltd. (₹ 8.39 crore), Nagaland Industrial Raw Materials and Supply Corporation Ltd., (₹ 4.05 crore), State Mineral Development Corporations (₹ 85.23 crore), Nagaland Handloom and Handicrafts Development Corporation Ltd. (₹ 2.82 crore) and Nagaland Hotels Ltd. (₹ 86.11 crore). The accounts of the five working Government Companies were in arrears for periods ranging between one and eight years. Hence, the actual financial status of the companies as of March 2018 could not be assessed by Audit.

The capital investment and accumulated losses of the working State PSUs as per their latest finalised accounts were ₹ 27.70 crore and ₹ 63.40 crore respectively. Out of the five working Government Companies, accumulated losses (₹ 63.40 crore) in all the five working Government Companies had exceeded their paid-up capital (₹ 27.70 crore).

The Government accepted (December 2018) the facts pointed out by Audit.

1.8.3 Loans and Advances by State Government

In addition to investments in Co-operative Societies, Corporations and Companies, Government has also been providing Loans and Advances to many institutions/organisations. **Table 1.32** presents the outstanding Loans and Advances as on 31 March 2018 and interest receipts *vis-à-vis* interest payments during the last three years:

Table-1.32: Average Interest received on Loans advanced by the State Government

(Rupees in crore)

Quantum of loans/interest receipts/ cost of borrowings	2013-14	2014-15	2015-16	2016-17	2017-18	
					BES	Actuals
Opening Balance	27.42	27.33	26.81	26.50	23.76	25.60
Amount advanced during the year	0.92	0.19	0.19	0.19	0.40	0.19
Amount repaid during the year	1.01	0.71	0.50	1.09	1.91	1.09
Closing Balance	27.33	26.81	26.50	25.60	22.25	24.70
Net addition	(-)0.09	(-)0.52	(-)0.31	(-)0.90	#	(-)0.90
Interest Receipts	3.49	3.29	1.81	3.11	#	2.18
Interest receipts as <i>per cent</i> to outstanding loans and advances	12.75	12.15	6.79	11.94	#	8.67
Interest payments as <i>per cent</i> to outstanding fiscal liabilities of the State Government	6.25	6.81	6.95	6.87	#	6.79
Difference between interest receipts and interest payments (<i>per cent</i>)	6.50	5.34	(-)0.16	5.07	#	1.88

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

At the end of March 2018, the Government had outstanding Loans and Advances of ₹ 24.70 crore. The amount of loans disbursed during the year remained the same as compared with the previous year. Out of the total amount of ₹ 24.70 crore as on 31 March 2018, the main shares of Loans and Advances were ₹ 21.90 crore (88.66 *per cent*) for Agriculture and Allied Activities, ₹ 0.63 crore (2.55 *per cent*) to Government Servants and ₹ 2.17 crore (8.79 *per cent*) for Industry and Minerals.

The recovery of Loans and Advances during the year remained the same as compared to the previous year. During 2017-18, 37.61 *per cent* (₹ 0.41 crore) of loans were repaid by

the government servants and 62.39 per cent (₹ 0.68 crore) by the Co-operatives. The interest receipts as a percentage of outstanding loans decreased from 11.94 per cent in 2016-17 to 8.67 per cent in 2017-18.

1.8.4 Cash Balances and Investment of Cash balances

As per Rule 100 (2) of Receipts & Payment Rules, 1983, no money shall be drawn from Government Account unless it is required for immediate disbursement. It is not permissible to draw money from Government Account in anticipation of demands or to prevent the lapse of budget grants. A summary of the contents of Annexure 'A' of Finance Accounts are given in **Table 1.33**:

Table 1.33: Summary of contents of Annexure 'A' of Finance Accounts

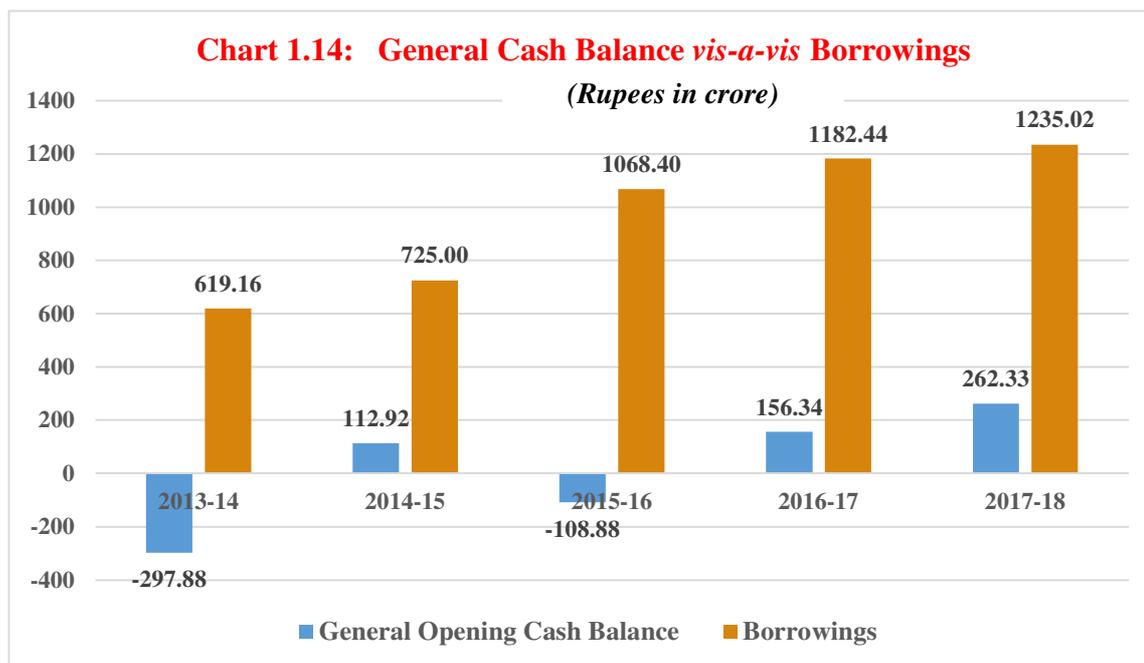
(Rupees in crore)

	Opening balance on 01.04.2017	Closing balance on 31.03.2018
(a) General Cash Balance		
Cash in treasuries	0.00	0.00
Deposits with Reserve Bank	226.92	339.01
Deposits with other Banks	0.00	0.00
Remittances in transit- Local	0.00	0.00
Total	226.92	339.01
Investments held in Cash Balance investment account	35.41	63.16
Total (a)	262.33	402.17
(b) Other Cash Balances and Investments		
Cash with departmental officers viz., Public Works Department/ Officers, Forest department Officers, District Collectors	343.86	416.81
Permanent advances for contingent expenditure with departmental officers	0.00	0.00
Investment of earmarked funds	654.20	879.20
Total (b)	998.06	1296.01
Total (a) + (b)	1260.39	1698.18

Source: Finance Accounts of respective years.

It was noticed that State Government's opening general cash balance as on 01 April 2017 was ₹ 262.33 crore (Deposits with Reserve Bank - ₹226.92 crore and Investments held in Cash Balance investment account - ₹ 35.41 crore). The closing general cash balance (31 March 2018) showed an increase of 53 per cent (₹139.84 crore) and stood at ₹ 402.17 crore (Deposits with Reserve Bank - ₹339.01 crore and Investments held in Cash Balance investment account - ₹ 63.16 crore). The State Government had earned ₹ 3.67 crore from the cash balance investments during 2017-18.

The average cash balance vis-à-vis borrowings during the last five years is depicted in the **Chart 1.14**:



The above chart shows that during 2017-18, there was an opening general cash balance of ₹ 262.33 crore (Opening Cash balance 2017-18), the Government resorted to market borrowings to the tune of ₹ 1235.02 crore (excluding WMA and Over draft). Audit analysis showed that interest realised on cash balance investment account was 1.10 per cent (₹ 3.67 crore) while Government paid an average interest of 9.08 per cent on its market borrowings during the year. Maturity profile of outstanding public debt (borrowings) as on 31 March 2018 (*Para 1.10.3 refers*) indicates that the State had to repay 49.78 per cent of its outstanding debt within seven years, which could cause stress on the State in the repayment of debt. Hence, it would have been prudent for the State Government to have utilised the available cash balance to minimise the borrowings.

Recommendation (5): *The State Government should consider restricting to need-based borrowings by utilizing the existing cash balances before resorting to market borrowings at higher rates of interest.*

Outstanding balances under the head ‘Cheques and Bills’

Major Head 8670 Cheques and Bills is an intermediary accounting head for initial record of transactions which are eventually to be cleared. There would normally be a credit balance outstanding under this head, representing cheques not encashed. The accounts of the State Government, however, showed an outstanding debit balance of ₹ two lakh as on 31 March 2018, which needs 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 2018, compared with the corresponding position on 31 March

2017. While the liabilities in the Appendix consist mainly of internal borrowings, Loans and Advances from the GoI, receipts from the Public Account and Reserve Funds, the assets comprise mainly the Capital Expenditure, Loans and Advances given by the State Government and Cash Balances.

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

1.9.2 Fiscal Liabilities

The composition of fiscal liabilities during the current year *vis-à-vis* the previous year is presented in **Charts 1.15** and **1.16**. The **Chart 1.17** gives the position of outstanding Fiscal liabilities during the last five years. Moreover, **Table 1.34** represents the trend of Fiscal liabilities during 2013-14 to 2017-18 (**Appendix 1.2**).

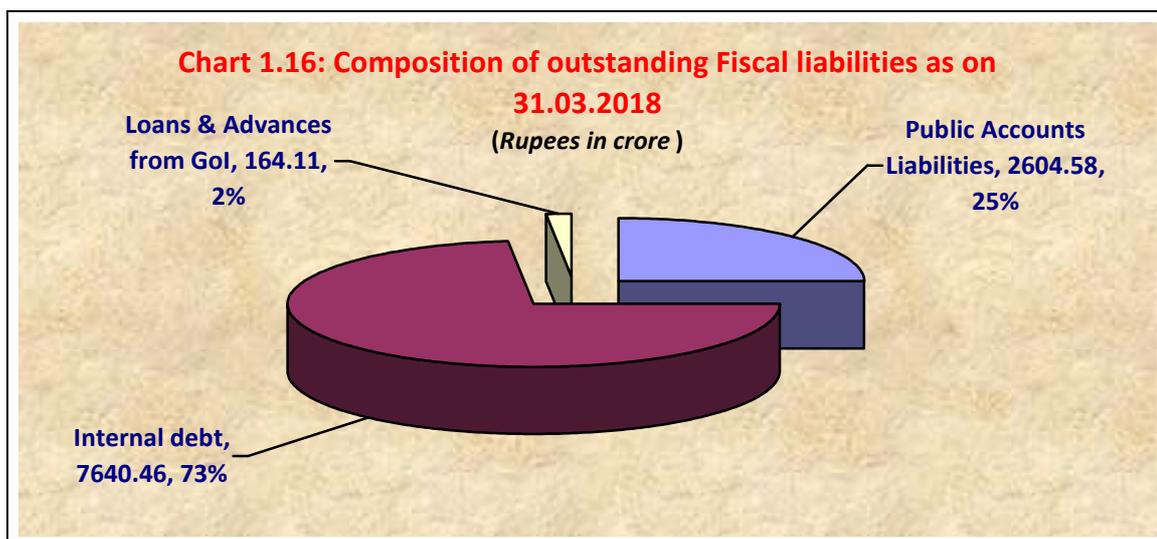
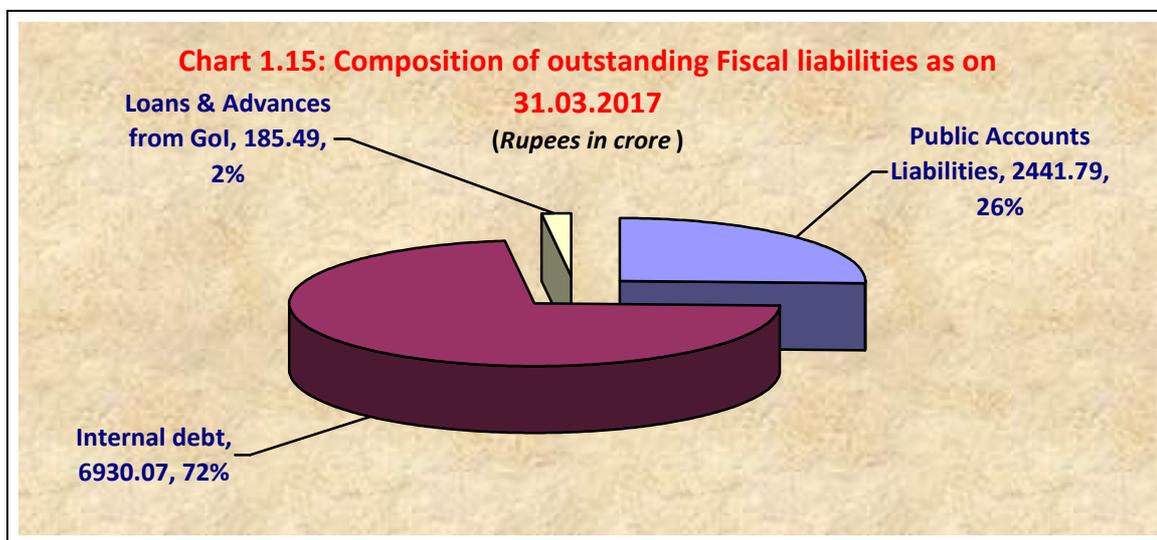


Chart 1.17: Position of outstanding Fiscal liabilities during 2013-18

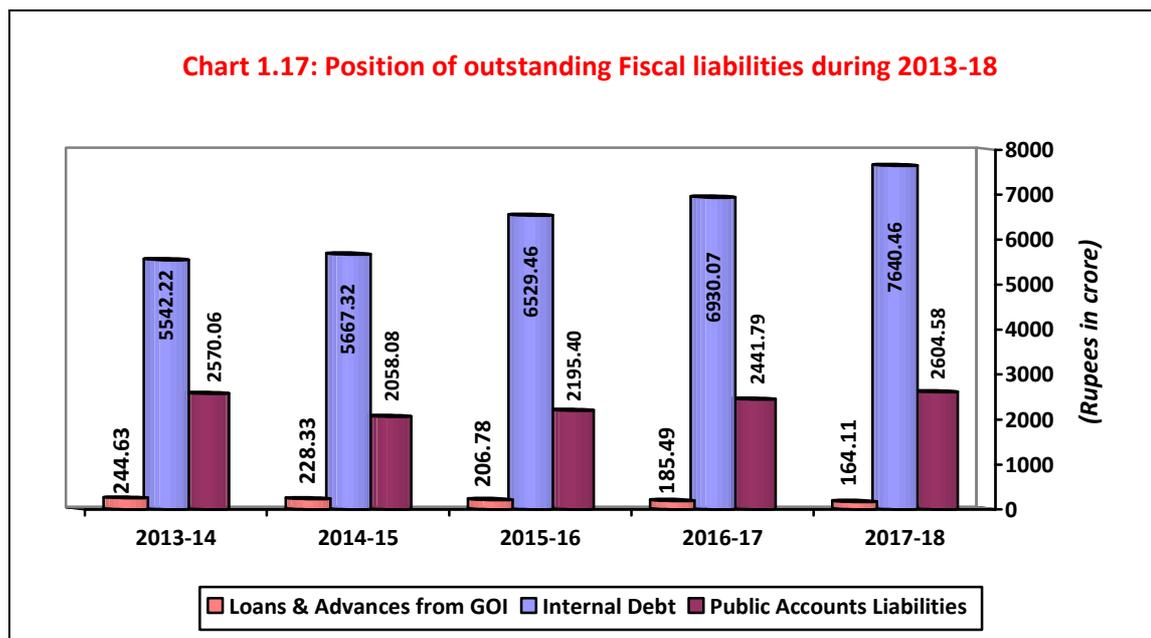


Table 1.34 Trend of Fiscal liabilities during 2013-14 to 2017-18

(Rupees in crore)

	2013-14	2014-15	2015-16	2016-17	2017-18
Fiscal liabilities	8356.91	7953.73	8931.64	9557.35	10409.15
Revenue Receipts	6495.67	7648.67	8040.79	9439.79	11016.45
Rate of growth of Fiscal liabilities (<i>per cent</i>)	12.14	(-4.82)	12.29	7.01	8.91
Rate of growth of Revenue Receipts (<i>per cent</i>)	4.73	17.75	5.13	17.40	16.70
Fiscal liabilities/ Revenue Receipts (<i>per cent</i>)	128.65	103.99	111.08	101.25	94.49
Buoyancy of Fiscal liabilities with Revenue Receipt (ratio)	2.57	(-0.27)	2.40	0.40	0.53
Own Tax Revenue /Fiscal liabilities (<i>per cent</i>)	3.99	4.89	4.78	5.34	6.13

Source: Finance Accounts of respective years.

Fiscal Liability

Fiscal liabilities of the State comprise Consolidated Fund liabilities and Public Account liabilities. The growth rate of Fiscal liability was 8.91 *per cent* during 2017-18 over the previous year. The buoyancy of Fiscal liabilities with reference to Revenue Receipt during the year was 0.53. The Consolidated Fund liability (₹ 7804.58 crore) comprised market loan (₹ 6849.76 crore), loans from GoI (₹ 164.11 crore) and other loans (₹ 790.71 crore). The Public Account Liabilities (₹ 2604.58 crore) comprised of Small Savings/Provident Funds (₹ 952.72 crore), interest bearing obligations (₹ 103.68 crore) and non-interest bearing obligations like deposits and other earmarked funds (₹ 1548.18 crore).

The ratio of Fiscal liabilities to GSDP had decreased from 45.25 *per cent* in 2016-17 to 44.06 *per cent* in 2017-18. These Fiscal liabilities stood at nearly 0.94 times the Revenue Receipts and 16.31 times of the State's Own Tax Revenue at the end of 2017-18. The Fiscal liabilities to GSDP (44.06 *per cent*) were more than the assessment (43.49 *per cent*) made by the State Government in its Medium Term Fiscal Policy Statement (MTFPS).

On this being pointed out, the Government stated (December 2018) that other obligations like Civil Deposits (CD) needed proper reconciliation with Pr. Accountant General

(A&E), which was under process as there was some mismatch due to wrong accounting or misclassification showing more credits in 8443-CD than the actual.

1.9.3 Transactions under Reserve fund

The Thirteenth Finance Commission (XIII FC) had recommended that States should set up (i) Sinking Funds for amortisation of all loans including loans from banks, liabilities on account of National Small Savings Funds, *etc.*, which should not be used for any other purpose, except for redemption of loans; and (ii) Guarantee Redemption Funds for discharge of the States' obligations on guarantees.

Out of the Reserve 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 2018 in the Reserve funds was ₹ 1727.72 crore, of which ₹ 879.20 crore (50.89 *per cent*) had been invested.

Details of significant Reserve Funds of the Government of Nagaland are given below:

(a) Consolidated Sinking Fund (CSF)

The State Government created a consolidated Sinking Fund in 2006-07, for amortisation of liabilities, with an initial corpus of ₹ 12.17 crore. As per the constitution of CSF of Nagaland, the State Government was to contribute 1 to 3 *per cent* of the outstanding open market loans at the end of the previous years to the Fund. In terms of the revised guidelines of the RBI for fund management, the State Government was required to contribute a minimum of 0.5 *per cent* of its outstanding liabilities (Internal Debt + Public Account) as at the end of the previous year. During the year, the State Government transferred ₹ 224.00 crore to the Fund from Revenue Account which works out to 3.68 *per cent* of total outstanding (Open Market Loans) of ₹ 6,083.81 crore as on 31 March 2017 and to 2.34 *per cent* of total outstanding liability of ₹ 9557.35 crore (Internal Debt + Public Account) as on 31 March 2017. The balance in the Consolidated Sinking Fund as on 31 March 2018 was ₹ 16.17 crore. However, the balance amount lying in the CSF was not being invested by the Government and as a result, no interest was credited to the Fund. Thus, the balances in the Fund were only book entries without being invested.

(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 since inception of the Scheme. During 2017-18, ₹ one crore was transferred by the State Government and the entire corpus of ₹ 10.34 crore as on 31 March 2018 was invested by the RBI in GoI Securities.

(c) State Disaster Response Fund (SDRF)

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

The status of funds under SDRF during the period 2013-14 to 2017-18 is given in **Table 1.35**:

Table 1.35: Position of funds under SDRF during 2013-14 to 2017-18

(Rupees in crore)

Year	Opening Balance	Central share	State share	Total funds available	Expenditure	Closing Balance
2013-14	0.71	5.05	0.57	6.33	5.47	0.86
2014-15	0.86	5.44	3.48	9.78	8.92	0.86
2015-16	0.86	9.00	1.00	10.86	10.00	0.86
2016-17	0.86	9.00	1.00	10.86	10.00	0.86
2017-18	0.86	9.90	1.10	11.86	11.00	0.86

Source: Finance Accounts of respective years.

Following GoI's release of ₹ 9.90 crore in 2017-18, the State Government transferred ₹ 11.00 crore (including State's share of ₹ 1.10 crore) to SDRF. During the year, the State Government incurred an expenditure of ₹ 11.00 crore on natural calamities leaving a balance of ₹ 0.86 crore in the Fund as on 31 March 2018. However, interest amounting to ₹ 0.07 crore (calculated at the average interest rate applicable for Ways and Means Advances) was not credited to SDRF by the Government.

1.9.4 Contingent liabilities

Status of Guarantees

Guarantees are liabilities contingent on the Consolidated Fund of the State in case of default by the borrower for whom the guarantees had been extended. As per NFRBM Act 2005, the State Government set up a guarantee redemption fund in 2006-07 and decided to charge guarantee fee at the rate of one *per cent* to cover the risk in the guarantees. During the year 2017-18, there was an increase in the amount of guarantees by ₹ 29.27 crore by the State Government.

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 1.36**:

Table-1.36: Guarantees given by the Government of Nagaland

(Rupees in crore)

Guarantees	2013-14	2014-15	2015-16	2016-17	2017-18
Total amount of guarantees given up to end of the year	70.22	70.22	70.22	81.19	110.46
Outstanding amount of guarantees at the end of the year	70.22	70.22	70.22	81.19	110.46
Percentage of maximum amount guaranteed to total Revenue Receipts	1.08	0.92	0.87	0.86	1.00
Outstanding amount of guarantee as percentage of GSDP	0.42	0.38	0.34	0.38	0.47

Source: Finance Accounts of respective years

The outstanding guarantees increased by ₹ 29.27 crore (36.05 per cent) during 2017-18 over the previous year. The outstanding guarantees of ₹ 110.46 crore mainly pertained to Nagaland Industrial Development Corporation (₹ 33.74 crore) for repayment of principal and payment of interest on loan obtained. The outstanding guarantees were one per cent of the Revenue Receipts of the Government as on 31 March 2018.

1.10 Debt Management

1.10.1 Net availability of borrowed funds

Debt sustainability depends on the ratio of debt redemption (principal plus interest payments) to total debt receipts and application of available borrowed funds. The ratio of debt redemption to debt receipts indicates the extent to which the debt receipts are used in debt redemption indicating the net availability of borrowed funds. Details of net availability of borrowed funds during 2013-18 are given in Table 1.37:

Table 1.37: Net availability of Borrowed Funds

(Rupees in crore)

Particulars	2013-14	2014-15	2015-16	2016-17	2017-18
Receipts under public debt and other liabilities	3233.96	2940.32	4705.37	6514.27	6217.03
Repayments (Principal and interest) under public debt and other liabilities	2823.42	3898.85	4313.90	6524.07	6042.98
Net funds available	410.54	(-) 958.53	391.47	(-) 9.80	174.05
Percentage of net funds available to receipts under public debt	12.69	(-) 32.60	8.32	(-) 0.15	2.80

Source: Finance Accounts of the respective years.

The net availability of borrowed funds during 2017-18 was ₹ 174.05 crore (2.8 per cent of public debt) which was available for meeting productive expenditure.

1.10.2 Debt Sustainability and Debt-GSDP ratio

The debt sustainability is defined as the ability of the State to service its debt in future. Sustainability of debt, therefore, also refers to sufficiency of liquid assets to meet the current or committed obligations and the capacity to keep balance between costs of

additional borrowings with returns from such borrowings. It means that rise in fiscal deficit should match with the increase in capacity to service the debt.

Apart from magnitude of debt of State Government, it is important to analyse various indicators that determine the debt sustainability of the State. This section assesses the sustainability of debt of the State Government in terms of debt/GSDP ratio, burden of interest payments (measured by interest payments to revenue receipts ratio) and maturity profile of State Government securities. The rate of growth of GSDP ranged between 2.90 per cent and 21.98 per cent during 2013-14 to 2017-18 whereas average interest rate of outstanding debt ranged between 8.52 per cent and 9.51 per cent during 2013-14 to 2017-18. GSDP growth rate was much more than the average interest paid by the State Government on Public Debt. **Table 1.38** analyses the debt sustainability of the State according to the indicators like rate of growth of GSDP, rate of interest paid on public debt, ratio of interest and Revenue Receipts, ratio of debt repayment and debt receipts and net debt available to the State and maturity profile of the State for a period of five years beginning from 2013-14:

Table 1.38: Debt Sustainability: Indicators and Trends

(Rupees in crore)

Indicators of Debt Sustainability	2013-14	2014-15	2015-16	2016-17	2017-18
Outstanding Public Debt	5786.85	5895.65	6736.24	7115.56	7804.57
Internal Debt	5542.21	5667.32	6529.46	6930.07	7640.46
Loans and Advances from GoI	244.64	228.33	206.78	185.49	164.11
Rate of growth of outstanding Debt	10.28	1.88	14.26	5.63	9.68
Outstanding Debt/GSDP (per cent)	34.84	32.02	32.82	33.69	33.04
Interest payment	493.84	555.34	586.45	635.50	677.75
Average interest rate of outstanding Debt	8.95	9.51	9.29	8.52	9.08
Interest paid/ Revenue Receipt (per cent)	7.60	7.26	7.29	6.73	6.15
Outstanding Debt/Revenue Receipt (per cent)	89.08	77.08	83.77	75.37	70.84
Rate of growth of GSDP	21.98	10.85	11.46	2.90	11.86
Debt Repayment/Debt Receipt	0.43	0.95	0.76	0.93	0.87
Net Debt available in the State	350.33	108.80	840.60	379.32	689.01
Maturity Profile of State Debt (In Years)					
0 – 1	269.59(5)	326.67(5)	293.38(4)	400.49(6)	488.84(6)
1 – 3	618.61(11)	739.12(11)	656.82(10)	1010.38(14)	1073.99(14)
3 – 5	702.51(12)	1010.39(12)	1101.55(16)	773.56(11)	1220.42(16)
5 – 7	1123.63(19)	773.56(19)	1150.16(13)	1439.68(20)	1136.13(14)
7 and above	3072.51(53)	3045.92(53)	3534.33(53)	3491.45(49)	3885.19(50)
Total	5786.85	5895.66	6736.24	7115.56	7804.57

Source: Finance Account of respective years. (Figures in the parenthesis indicate percentage to total debt).

During the year, the State Government raised internal debt of ₹ 5140.69 crore and Loans and Advances from Central Government amounting to ₹ 0.33 crore and discharged internal debt of ₹ 4430.29 crore and GoI loans of ₹ 21.72 crore. The internal debt raised during the year included WMA amounting to ₹ 3906.00 crore and whole amount of WMA was discharged during the year. An amount of ₹ 677.75 crore was also paid as interest during the year. The Debt-GSDP ratio ranged between 32.02 per cent and 34.84 per cent during 2013-14 to 2017-18. During the year 2017-18, the ratio of interest

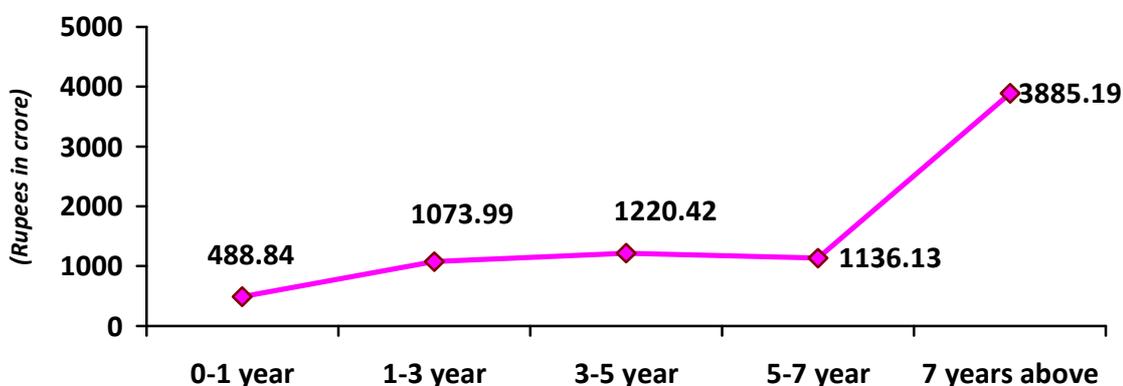
payment and Revenue Receipts was only 6.15 per cent which was higher by 0.46 per cent as compared to the projection of 5.69 per cent as per XIV FC recommendations.

The debt redemption ratio during 2013-18 showed fluctuating trend and increased to 93.90 per cent during 2017-18 against 92.17 per cent during the previous year (Appendix 1.2).

1.10.3 Maturity profile

Maturity profile of outstanding stock of public debt as on 31 March 2018 indicates that out of outstanding Public Debt of ₹ 7804.57 crore, 49.78 per cent of debt needs to be repaid within seven years (Chart 1.18).

Chart 1.18: Maturity profile of State Debt



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

While accepting (December 2018) the facts, the Government stated that it would carry out analysis of committed liability for their discharge timely as per maturity profile.

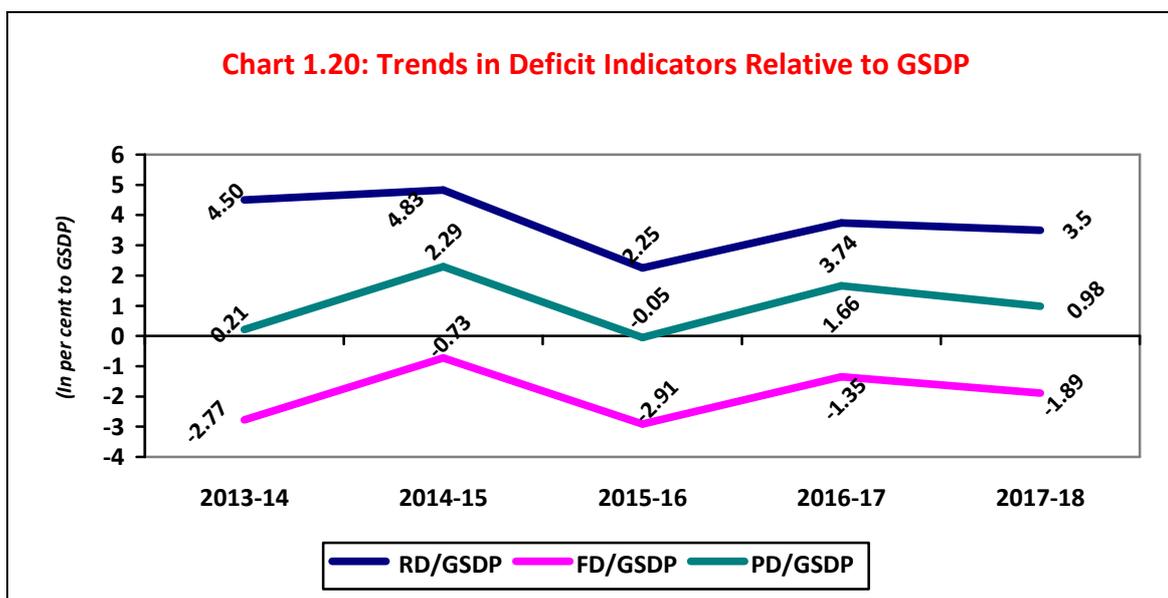
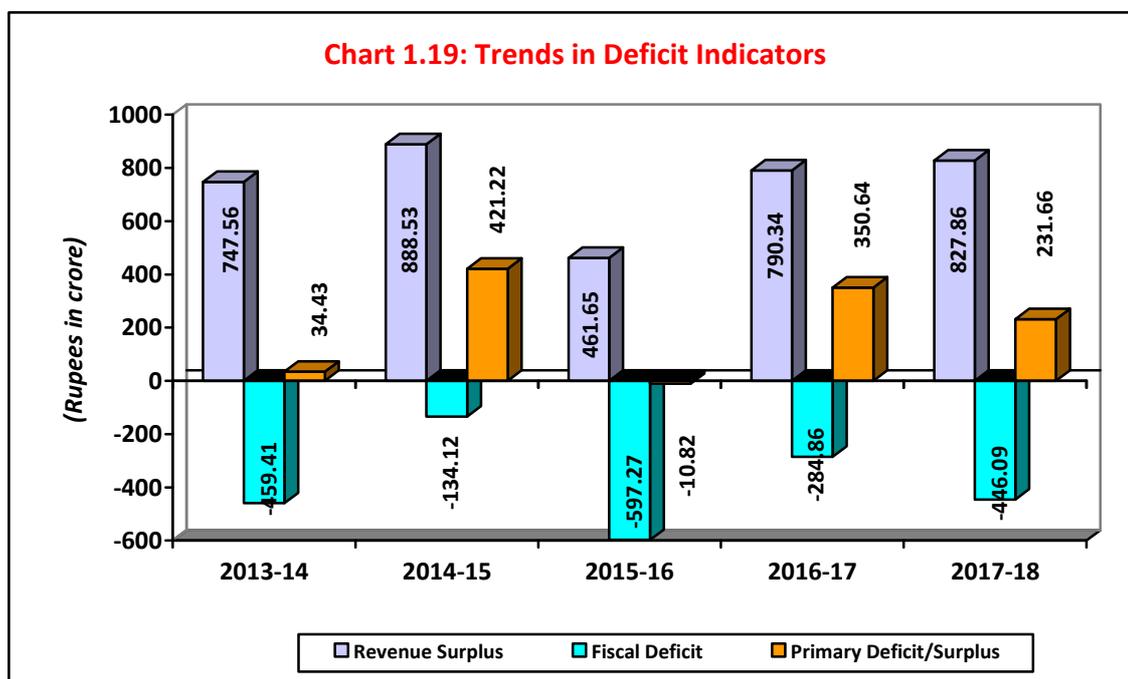
Recommendation (6): *The State Government, for sustainability of debt, may consider to (i) increase efficiency of Tax collection and make thrust on computerisation of such system, (ii) explore more avenues of Tax collection, (iii) ensure that Grants-in-Aid from Central Government does not decline as in 2015-16; and (iv) maintain a proper calendar of borrowings, so that future borrowings and re-payment could be planned properly.*

1.11 Fiscal Imbalances

Three key fiscal parameters - Revenue, Fiscal and Primary Deficits/Surplus - indicate the extent of overall fiscal imbalances in the finances of the State Government during a specified period. The deficit/surplus in the Government accounts represents the gap between its receipts and expenditure. This section presents trends, nature, magnitude and the manner of financing these deficits and also the assessment of actual levels of Revenue and Fiscal Deficits vis-à-vis targets set under FRBM Act/Rules for the financial year 2017-18.

1.11.1 Trends in Deficits

Charts 1.19 and 1.20 present the trends in deficit indicators over the period 2013-14 to 2017-18:



Revenue surplus

The State continued to attain revenue surplus during all the years, *ie*; from 2013-14 to 2017-18. The revenue surplus during 2017-18 was ₹ 827.86 crore. Revenue Surplus increased during the current year by ₹ 37.52 crore as compared to the previous year mainly on account of increase in Revenue Receipts by ₹ 1576.66 crore (16.70 per cent) over the previous year partially off-set by increase in Revenue Expenditure by ₹ 1539.14 crore (17.79 per cent).

Fiscal deficit

Fiscal Deficit increased to ₹ 446.09 crore in 2017-18 from the level of ₹ 284.86 crore in 2016-17. This was due to combination of following factors viz., (i) increase in Revenue Surplus (₹ 37.52 crore); and (ii) increase of ₹ 198.75 crore in Capital Expenditure during 2017-18 over the previous year.

Primary surplus

The Primary Surplus decreased ₹ 118.98 (33.93 per cent) in 2017-18. The decrease of Primary Surplus during the year was the result of increase in Fiscal Deficit (₹ 161.23 crore) and interest payment (₹ 42.25 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 1.39**:

Table 1.39: Components of Fiscal Deficit and its Financing Pattern

		(Rupees in crore)				
Particulars		2013-14	2014-15	2015-16	2016-17	2017-18
Components of Fiscal Deficit		459	134	597	285	446
		(2.59)	(0.67)	(2.56)	(1.35)	(1.89)
1	Revenue deficit(+)/Surplus(-)	(-748)	(-889)	(-462)	(-791)	(-828)
2	Net Capital Expenditure	1207	1023	1059	1076	1274
3	Net Loans and Advances	0	0	0	0	0
Financing Pattern of Fiscal Deficit*						
1	Market Borrowings	411	452	598	733	766
2	Loans from GOI	(-23)	(-16)	(-22)	(-22)	(-22)
3	Special Securities Issued to National Small Savings Fund	(-3)	11	26	(-12)	(-12)
4	Loans from Financial Institutions	153	(-338)	238	(-320)	(-43)
5	Small Savings, PF, etc.	112	55	12	29	62
6	Deposits and Advances	241	(-608)	(-75)	(-8)	(-124)
7	Suspense and Miscellaneous	12	41	204	220	225
8	Remittances	(-30)	278	74	32	32
9	Increase (-) Decrease (+) in Cash Balances	(-414)	259	(-458)	(-367)	(-438)

Figures in brackets indicate the per cent to GSDP. * Figures are net of disbursements/outflows during the year.

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 1.39** that the Revenue Surplus increased by ₹ 37 crore from ₹ 791 crore in 2016-17 to ₹ 828 crore in 2017-18. The increase in Fiscal Deficit was the combined effect of increase in Revenue Surplus and the Capital Expenditure.

1.11.3 Quality of Deficit/Surplus

The ratio of Revenue Deficit to Fiscal Deficit and the decomposition of Primary Deficit into Primary Revenue Deficit and Capital Expenditure (including Loans and Advances) would indicate the quality of deficit in the State's finances. The ratio of Revenue Deficit

to Fiscal Deficit indicates the extent to which borrowed funds were used for current consumption. Further, persistently high ratio of Revenue Deficit to Fiscal Deficit also indicates that the asset base of the State was continuously shrinking and borrowings (Fiscal liabilities) were not supported by any asset backup. The bifurcation of the Primary Deficit (**Table 1.40**) 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 1.40: Primary deficit/surplus – Bifurcation of factors

(Rupees in crore)

Year	Non-debt receipts	Primary revenue ¹⁴ expenditure	Capital expenditure	Loans and Advances	Primary expenditure ¹⁵	Primary revenue surplus	Primary deficit (-) surplus (+)
1	2	3	4	5	6 (3+4+5)	7 (2-3)	8 (2-6)
2013-14	6496.68	5254.27	1207.06	0.92	6462.25	1242.41	34.43
2014-15	7649.38	6204.80	1023.17	0.19	7228.16	1444.58	421.22
2015-16	8041.29	6992.69	1059.23	0.19	8052.11	1048.60	(-)10.82
2016-17	9440.88	8013.95	1076.10	0.19	9090.24	1426.93	350.64
2017-18	11017.54	9510.84	1274.85	0.19	10785.88	1506.70	231.66

Source: Finance Accounts of respective years.

The Non-Debt Receipts of the State during 2013-18 were sufficient to meet the Primary Revenue Expenditure. The Non-Debt Receipts increased by 69.59 per cent (₹ 4520.86 crore) from ₹ 6496.68 crore in 2013-14 to ₹ 11017.54 crore in 2017-18 while the Primary Revenue Expenditure increased by 81.01 per cent (₹ 4256.57 crore) from ₹ 5254.27 crore in 2013-14 to ₹ 9510.84 crore in 2017-18. During this period (2013-18) Capital Expenditure increased by ₹ 67.79 crore, i.e., 5.62 per cent. The State had a Primary Deficit during 2015-16 but maintained a Primary Surplus during 2013-14, 2014-15, 2016-17 and 2017-18.

1.12 Conclusion

The fiscal position of the State viewed in terms of the key fiscal parameters during 2017-18 revealed that the State's Revenue Surplus had increased by ₹ 37.52 crore and the Fiscal Deficit increased by ₹ 161.23 crore compared to the previous year. The Primary Surplus decreased by ₹ 118.98 crore in 2017-18 over the previous year.

During 2017-18, 91 per cent of the total revenue came from the GoI as Central transfers (30 per cent) and GIA from GoI (61 per cent). The State did not achieve the total revenue collection targets fixed by the XIV FC during 2017-18.

During 2017-18, Revenue Expenditure was ₹ 1526.59 crore (17.62 per cent) more than the XIV FC normative assessment (₹ 8662.00 crore).

The Fiscal liabilities of the State increased by ₹ 851.80 crore (8.91 per cent) from ₹ 9557.35 crore in 2016-17 to ₹ 10409.15 crore in 2017-18.

¹⁴ Primary revenue expenditure is revenue expenditure net of the interest payments.

¹⁵ Primary expenditure of the State, defined as the total expenditure net of the interest payments indicates the expenditure incurred on the transactions undertaken during the year.

The Government had invested ₹ 293.19 crore in Statutory Corporations, Rural Banks, Joint Stock Companies and Co-operatives up to March 2018.

Three hundred and eleven projects involving an expenditure of ₹ 1737.68 crore were incomplete as on 31 March 2018. Delay in completion of works not only invites the risk of escalation in the cost of the works, but also prevents the intended benefits from those projects from reaching beneficiaries in the State. Thus, the State needs to ensure timely and effective implementation of incomplete projects.

CHAPTER-II
FINANCIAL MANAGEMENT AND
BUDGETARY CONTROL

Chapter II

Financial Management and Budgetary Control

2.1 Introduction

2.1.1 Appropriation Accounts list the original budget estimates, supplementary grants, surrenders and re-appropriations distinctly and indicate actual capital and revenue expenditure on various specified services *vis-à-vis* those authorized by the Appropriation Act in respect of both charged and voted items of budget. Appropriation Accounts, thus, facilitate management of finances and monitoring of budgetary provisions and are, therefore, complementary to Finance Accounts.

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

2.2 Summary of Appropriation Accounts

The summarised position of actual expenditure during 2017-18 against 82 grants/appropriations is given in **Table 2.1**:

Table 2.1: Summarised Position of Actual Expenditure *vis-a-vis* Original/Supplementary provisions for the year 2017-18

(Rupees 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 2018 (col. 7/col.6)
	1	2	3	4	5	6	7	8
Voted	I Revenue	9086.43	1311.25	10397.68	9288.91	(-1108.77)	1200.80	108.30
	II Capital	1149.42	759.55	1908.97	1274.84	(-) 634.13	606.06	95.57
	III Loans and Advances	0.19	0.00	0.19	0.19	0.00	0.00	0.00
	Total Voted	10236.04	2070.80	12306.84	10563.94	(-)1742.90	1806.86	103.67
Charged	IV Revenue	1073.76	3.68	1077.44	926.32	(-)151.12	151.12	100.00
	V Capital	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	VI Public Debt- Repayment	5065.63	0.00	5065.63	4452.01	(-) 613.62	613.62	100.00
	Total Charged	6139.39	3.68	6143.07	5378.33	(-) 764.74	764.74	100.00
	Appropriation to Contingency Fund (if any)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Grand Total	16375.43	2074.48	18449.91	15942.27	(-)2507.64	2571.60	102.55

Source: Appropriation Accounts.

Overall saving of ₹ 2507.64 crore (13.59 per cent of total allocation) was the result of saving of ₹ 2522.15 crore in 67 grants and six Appropriations under Revenue Section, 41 grants under Capital Section offset by excess of ₹ 14.51 crore in five grants under Revenue

Section and four grants under Capital Section. During the year, though the overall saving was ₹ 2507.64 crore only, the amount surrendered was ₹ 2571.60 crore (102.55 per cent).

The savings/excess (Detailed Appropriation Accounts for the year 2017-18) were intimated to all the 82 controlling officers requesting them to explain the significant variations. The Controlling Officers of 40 departments of the State furnished their replies before finalisation of the Appropriation Accounts 2017-18.

The Government accepted (December 2018) the facts pointed out by Audit.

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 51 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 ₹ 1886.32 crore, savings of ₹ 1372.73 crore (72.77 per cent) occurred in nine grants/appropriation as indicated in **Table 2.2**:

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

(Rupees in crore)

Sl. No.	Grant No.	Name of the Grant/Appropriation	Original	Supplementary	Total	Actual Expenditure	Savings	Percentage
Revenue (Voted)								
1	27	Planning Machinery	516.60	0.00	516.60	124.75	391.85	76
2	31	School Education	1477.45	0.00	1477.45	1275.35	202.10	14
3	43	Social Security and Welfare	209.26	75.52	284.78	221.12	63.66	22
4	72	Land Resource Development	129.84	0.00	129.84	66.14	63.70	49
Capital(Voted)								
5	27	Planning Machinery	252.33	0.00	252.33	96.12	156.21	62
6	55	Power	13.50	75.79	89.29	25.97	63.32	71
7	58	Roads and Bridges	111.67	204.33	316.00	226.98	89.02	28
8	59	Irrigation and Flood Control	116.60	0.00	116.60	23.76	92.84	80
9	60	Water Supply	223.06	0.00	223.06	122.47	100.59	45
Revenue (Charged)								
10	75	Servicing of Debt	1052.20	0	1052.20	902.76	149.44	14
Total			4102.51	355.64	4458.15	3085.42	1372.73	31

Source: Appropriation Accounts.

The reasons for savings had not been intimated (December 2018) by the departments mentioned above. However, the Government accepted (December 2018) the facts pointed out by Audit.

Recommendation (7): The budget should be more realistic, savings should be worked out and surrendered before the close of the financial year for its effective utilisation.

2.3.2 Persistent Savings

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

Table 2.3: List of Grants indicating Persistent Savings during 2013-18

(Rupees in crore)

Sl. No.	No. and Name of the Grant	Amount of Savings				
		2013-14	2014-15	2015-16	2016-17	2017-18
Capital-Voted						
1	27-Planning Machinery	480.45	815.84	318.68	300.65	156.21
2	59-Irrigation and Flood Control	35.71	21.25	132.48	186.89	92.84
3	60-Water Supply	0.15	48.44	112.74	57.74	100.59

Source: Appropriation Accounts of respective years.

During the five years period 2013-14 to 2017-18, there were persistent savings in the Capital section of the above three Grants which was indicative of poor budgeting or shortfall in performance or both as funds could not be utilised as estimated on activities planned by the departments concerned. The accountability of the executive responsible for persistent over estimation of requirement of funds in the above Grants should be fixed for failure in making budgeting assumptions more realistic under the respective heads.

On this being pointed out, the reasons for persistent savings had not been intimated by any department (December 2018).

Recommendation (8): The cases of persistent savings should be analysed by the Government for making the budgetary assumptions more realistic under the respective Grants in order to avoid such instances in future.

2.3.3 Expenditure without Provision

As per the Budget Manual, expenditure should not be incurred on a scheme/service without provision of funds under the budget. It was, however, noticed that an expenditure of ₹ 6.97 crore was incurred in three cases as detailed in **Table 2.4** without any provision in the original estimates/supplementary demand and without any re-appropriation orders to that effect:

Table 2.4: Expenditure incurred without provision during 2017-18

(Rupees in crore)

Number and Name of		Amount of Expenditure without provision
Grants	Head of Account	
33-Youth Resources and Sports	2552-33-104-01 Contribution to Dr. T. Ao tournament	0.50
37-Municipal Administration	2217-80-191-02 Performance grants	1.02
48-Agriculture	2401-00-001-01 Direction and Administration	5.45
Total		6.97

Source: Appropriation Accounts.

The Government accepted (December 2018) the facts pointed out by Audit.

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 ₹ 709.18 crore for the years 2012-13 to 2016-17 was not regularised till December 2018 (**Appendix 2.2**).

The persistent excess expenditure over Grants/appropriation is a serious matter. Such repeated excess expenditure over grants approved by the State Legislature are in violation of Article 204 of the Constitution which provides that no money shall be drawn from the Consolidated Fund except under appropriations made by law. As this vitiates the basic principle of legislative financial control, the State Legislature needs to view such cases of financial irregularity/indiscipline seriously. Thus, all the cases of the excess expenditure of ₹ 709.18 crore pertaining to the year 2012-13 to 2016-17 are needed to be got regularised at the earliest under Article 205 of the Constitution of India. The responsibility of the executive on account of persistent excess expenditure over Grants/appropriation needs to be fixed as this is contrary to legislative intent and defeats the objective of ensuring accountability of the executive over utilisation of public money. In future, such unauthorised excess expenditure should be stopped completely, except in cases (s) of dire and extreme emergency, the amount of which can not be met from the Contingency Fund.

2.3.5 Excess over provision during 2017-18 requiring regularisation

Appendix 2.3 contains the summary of total excess in nine grants amounting to ₹ 14.51 crore over authorization from the Consolidated Fund of the State during 2017-18 requiring regularisation under Article 205 of the Constitution of India.

2.3.6 Appropriateness of supplementary provision

Supplementary provision aggregating ₹ 57.65 crore obtained by 10 Departments during the year proved unnecessary as the expenditure either did not come up to the level of original provision or the subsequent supplementary provision was not utilised by the departments concerned as detailed in **Appendix 2.4**.

In two cases, supplementary provision of ₹ 112.41 crore proved insufficient by ₹ one crore or more in each case leaving an aggregate uncovered excess expenditure of ₹ 11.53 crore (**Appendix 2.5**).

While accepting (December 2018) the facts, the Government stated that the cases would be reviewed by them.

2.3.7 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 of funds made during the year 2017-18 proved either excessive or insufficient (by ₹ 10 lakh or more) resulting in savings of ₹ 29.67 crore in 24 sub-heads and excess of ₹ 36.36 crore in 24 sub-heads as detailed in **Appendix 2.6**.

The Government while accepting (December 2018) the facts, stated that the cases will be reviewed by them for future guidance in this regard.

2.3.8 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 78 grants (95 *per cent*) on the last day without stating specific reasons for withdrawal of provision or additional provision by way of re-appropriation of funds. This re-appropriation on last day of the financial year resulted in unnecessary savings in some grants on the one hand and excess in some grants on the other hand which was avoidable as discussed in **Para 2.3.7** above.

The Government accepted (December 2018) the facts pointed out by Audit and stated that it would be more vigilant during the course of re-appropriation of funds to be carried out in future.

2.3.9 Substantial surrenders

Substantial surrenders (the cases where more than 50 *per cent* of total provision was surrendered) were made in respect of 174 Sub Heads. Out of the total provision amounting to ₹ 2374.80 crore in those Sub Heads, ₹ 1951.73 crore (82.19 *per cent*) was surrendered, which included cent *per cent* surrender under 101 Sub Head (₹ 681.65 crore). The details of such cases are given in **Appendix 2.7**.

While accepting (December 2018) the facts, the Government stated that provisions were kept in some of the projects in anticipation of assistance out of North East Council/ Centrally Sponsored Scheme. However, due to non-receipt of the same, the funds had been shown as surrendered.

2.3.10 Inadequate Budgetary control

During the year 2017-18, of the budgetary allocation of ₹ 5294 crore under developmental expenditure, there was a saving of ₹ 1406 crore (27 *per cent*) registered, after deducting salary/establishment expenditure, at the end of the year. This was indicative of the fact that the State Government failed to utilise the funds earmarked in the budget optimally for the development/creation of assets.

In five cases, the amount surrendered (₹ one crore or more in each case) was in excess of actual savings which resulted in excess expenditure over the provisions under the respective Grants/appropriation. As against savings of ₹ 297.56 crore, the amount surrendered was ₹ 369.86 crore resulting in excess expenditure of ₹ 72.30 crore over the provisions which needed regularisation. Such action was indicative of lack of, or inadequate budgetary control in those departments. Details are given in **Appendix 2.8**.

While accepting the facts, the Government stated that it would furnish the clarification shortly, which was awaited (December 2018).

2.3.11 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 2017-18, savings in six grants (amounting to ₹ 27.54 crore) occurred which had not been surrendered by the departments concerned (**Appendix 2.9**) as was required.

Besides, in 24 cases (surrender of funds for ₹ 10.00 crore and above), ₹ 2315.32 crore (**Appendix 2.10**) were surrendered on the last two working days of March 2018 indicating inadequate financial control. As a result, those funds could not be utilised for other developmental activities during the year and purpose of surrender of funds was defeated in those cases.

The Government accepted (December 2018) the facts pointed out by Audit.

Recommendation (9): Financial control may be strengthened so that anticipated savings may be surrendered well in time for their effective utilisation in other programme/activities.

2.3.12 Rush of expenditure

According to Rule 56 of GFR, rush of expenditure particularly in the closing months of the Financial year shall be regarded as breach of financial propriety and should be avoided. Contrary to this, in respect of 54 grants listed in **Appendix 2.11**, the expenditure incurred 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. This indicated that the departments concerned did not maintain the uniform pace of expenditure.

Besides, in 15 cases, the expenditure in the last month or last quarter of the financial year was up to 100 per cent of the total expenditure which indicated lack of effective financial control and violation of financial rules.

The Government stated (December 2018) that sectoral allocation could not be done in time due to late receipt of Central Assistance by them.

The reply of the Government was not based on facts as majority of the expenditure incurred, as mentioned in **Annexure 2.11**, pertained to State Schemes.

Recommendation (10): Responsibility may be fixed against the Controlling Officers for breach of financial discipline.

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

As per rule 309 of Central Treasury Rules, every drawing officer is required to certify in each Abstract Contingent (AC) bill that detailed bills for all contingent charges drawn by him/her prior to the first of the current month have been forwarded to the respective controlling officers for countersignature and transmission to the Accountant General (Accounts & Entitlement). The total amount of Detailed Countersigned Contingency (DCC) bills received up to the period 2017-18 was only ₹ 359.18 crore (47.55 per cent) against ₹ 755.32 crore drawn on AC bills leading to pendency of DCC bills of ₹ 396.14 crore as on 31 March 2018. Year wise details are given in **Table 2.5**:

Table 2.5: Pendency in submission of Detailed Countersigned Contingent bills against Abstract Contingent bills

(Rupees in crore)

Year	AC bills drawn		DCC bills submitted		Outstanding DCC bills	
	Number	Amount	Number	Amount	Number	Amount
Up to 2015-16	327	439.38	228	300.26	99	139.12
2016-17	99	149.68	31	56.01	68	93.67
2017-18	103	166.26	08	2.91	95	163.35
Total	529	755.32	267	359.18	262	396.14

Source: Principal Accountant General (A&E).

As on 31 March 2018, there were 262 AC bills which remained unadjusted involving ₹ 396.14 crore drawn by various Departments. Details are given in **Appendix 2.12**. Out of 95 bills (₹ 163.35 crore) drawn through AC bills pending for submission of DCC bills at the end of 2017-18, 32 bills (₹ 19.77 crore) were drawn in the last month of the financial year. However, the situation of pendency of unadjusted AC bills had improved as 43 AC bills involving ₹ 36.98 crore had been adjusted through submission of DCC bills during the period from 01 April 2018 to 31 December 2018, leaving 219 AC bills remaining unadjusted involving ₹ 359.16 crore (Up to 2015-16: 94 AC bills- ₹ 137.86 crore; 2016-17: 52 AC bills- ₹ 75.42 crore and 2017-18: 73 AC bills- ₹ 145.88 crore) (December 2018).

The above details clearly indicate that the Drawing & Disbursing Officers and Treasury Officers concerned failed to ensure compliance of the extant Central Treasury Rules and that AC Bills were drawn without adjustment of previously drawn AC Bills. Thus, there was an environment of financial indiscipline, which calls for action against the officers responsible for the lapse in this regard.

An analysis of pending AC bills in respect of Home Department showed that 117 AC bills amounting to ₹ 71.04 crore were pending regularization as per details given in **Table 2.6**:

Table 2.6: Pendency of DCC bills in respect of Home Department as on 31 March 2018

(Rupees in crore)

Year	Number of Vouchers	Amount
Up to 2015-16	45	32.44
2016-17	33	13.04
2017-18	39	25.56
Total	117	71.04

As can be seen from the above table, out of pending DCC bills of 117 vouchers of ₹ 71.04 crore as on March 2018, maximum number of pending AC bills pertained to 2017-18 involving 39 vouchers (33 per cent) of ₹ 25.56 crore (35.98 per cent).

The situation of pendency of unadjusted AC bills relating to the Home Department had however, improved as 13 AC bills involving ₹ 11.11 crore had been adjusted through submission of DCC bills during the period from 01 April 2018 to 31 December 2018, leaving 104 AC bills remaining unadjusted involving ₹ 59.93 crore (Up to 2015-16: 44 AC bills- ₹ 31.96 crore; 2016-17: 31 AC bills- ₹ 12.69 crore and 2017-18: 29 AC bills- ₹ 15.28 crore) (December 2018).

Non-submission of DCC bills within prescribed time breaches financial discipline and entails risk of misappropriation of public money and unhealthy practices and therefore, needed to be monitored closely for ensuring their submission timely.

While accepting (December 2018) the facts, Government stated that it would take up the matter with the departments concerned to regularize the pending AC bills expeditiously.

Recommendation (11): Monitoring mechanism may be put in place to ensure that DC Bills are submitted within the prescribed time. Disciplinary action should be initiated against the Drawing & Disbursing Officers and Treasury Officers for not complying with provisions of extant rules by allowing subsequent AC Bills without ensuring submission of DC Bills against already drawn AC Bills.

2.5 Reconciliation of Receipts and Expenditure

During the year 2017-18, all the 82 Controlling Officers (COs) had reconciled their figures (both receipt & expenditure) in full with the books of Accountant General (A&E) of the State.

2.6 Un-spent balances lying in Personal Deposit Account

Personal Deposit (PD) Accounts are created for discharging the liabilities of the Government arising out of special enactment. Such accounts should be closed at the end of the financial year and the unspent balance should be transferred to the Consolidated Fund. The amount credited to these accounts will be debited to the Consolidated Fund of the State and booked as expenditure of the year.

As on 01 April 2017, there was only one PD account with a balance of ₹ 0.02 crore and no transaction was done during the year 2017-18. Thus, on 31 March 2018, one PD account involving ₹0.02 crore which was required to be closed, was still in existence.

Non-reconciliation of balance in the PD account periodically and not transferring the un-spent balance lying in the PD account to Consolidated Fund before the closure of the financial year, entails the risk of misuse of public fund, fraud and misappropriation and therefore, the PD account *ibid*; should be considered for prompt closure.

2.7 Outcome of the Review of Selected Grant

A review of Grant No.55- Power was conducted mainly to assess the efficiency in the process of budgeting and consequent control over expenditure both for the Revenue and Capital heads of the grant during the year 2017-18.

2.7.1 Budget and expenditure

The summarised position of budget provision and actual expenditure there against during 2017-18 in respect of Grant No.55- Power is given in **Table 2.7**.

Table 2.7: Summarised position of budget provision and actual expenditure

(Rupees in crore)

Nature of Expenditure	Budget Provision			Actual Expenditure	Saving(-) / Excess(+)
	Original	Supplementary	Total		
Revenue	433.86	11.85	445.71	448.20	(+) 2.49
Capital	13.50	75.79	89.29	25.97	(-) 63.32
Total	447.36	87.64	535.00	474.17	(-) 60.83

Source: Appropriation Accounts of respective year.

The above table shows that during the year 2017-18, there was overall saving of ₹ 60.83 crore representing 11 *per cent* of the total budget provision as a result of saving under Capital Head (₹ 63.32 crore) offset by the excess under Revenue Head (₹ 2.49 crore). As per Financial Rules, the spending departments are required to surrender the anticipated savings to the Finance Department as and when occurred. The Department surrendered ₹ 63.15 crore out of the savings of ₹ 63.32 crore under Capital Head during the year 2017-18.

An analysis of the expenditure *vis-à-vis* the budget provision under the Revenue Section revealed that there was an overall excess of ₹ 2.49 crore under the section. This was mainly due to the fact that the Department expended ₹ 9.00 crore in excess under the Transmission Execution sub head, offset by the savings of ₹ 0.18 crore under Distribution and Revenue Execution sub head and surrendered ₹ 6.33 crore through the final grant under the Major Heads 2045 and 2801.

2.7.2 Injudicious supplementary provision and surrender of funds

It was noticed that during 2017-18, against the total provision of ₹ 443.97 crore (Original: ₹ 432.35 crore and Supplementary: ₹ 11.62 crore) under the Major Head 2801 (Power), an expenditure of ₹ 446.53 crore was incurred. As the expenditure was more than the total provision, the supplementary provision of ₹ 11.62 crore proved to be insufficient by ₹ 2.56 crore. Despite the shortage of funds, the department further surrendered ₹6.26 crore from the major head injudiciously.

2.8 Advances from Contingency Fund

The advances taken from the Contingency Fund are to be drawn 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 functional major head concerned 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, had not been recouped till the end of the year 2017-18.

The Government accepted (December 2018) the facts pointed out by Audit.

2.9 Conclusion

The overall savings of ₹ 2507.64 crore in 2017-18 were the result of savings of ₹ 2522.15 crore in 67 grants and six Appropriations under Revenue Section and 41 grants under Capital Section which were offset by excess of ₹ 14.51 crore in five grants under Revenue Section and four grants under Capital Section and one appropriation (Public Debt-Repayments). However, the amount surrendered exceeded overall savings by ₹ 63.96 crore.

There was an excess expenditure of ₹ 14.52 crore in nine grants during 2017-18. This excess expenditure together with the excess expenditure of ₹ 709.18 crore pertaining to the years 2012-13 to 2016-17 required regularisation by the Legislature under Article 205 of the Constitution of India.

Rush of expenditure was noticed in 54 grants. Expenditure exceeding ₹ 10 crore or more than 50 *per cent* of the total expenditure was incurred in the last quarter or last month of 2017-18 against the spirit of financial regulations as uniform pace of expenditure was not maintained under those grants. In some cases, very significant expenditure was incurred in the month of March 2018 alone. There were 219 AC Bills involving ₹ 359.16 crore which were awaiting adjustment (December 2018) due to non-submission of DCC Bills for long periods by the respective departments. The non-submission of DCC Bills was fraught with the risk of misappropriation and thus, the Government should take up the matter with the departments concerned to get the DCC bills submitted without any further delay to regularize the AC bills promptly.

CHAPTER-III
FINANCIAL REPORTING

Chapter III

Financial Reporting

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

3.1 Delay in submission of Utilisation Certificates

Financial Rules provide that for the grants provided for specific purposes, Utilisation Certificates (UCs) should be obtained by the departmental officers from the grantees. After verification, these should be forwarded to the Accountant General (Accounts & Entitlement) within 12 months from the date of their sanction unless specified otherwise. As per Finance Accounts, Utilization Certificates in respect of 255 cases involving an amount of ₹ 865.30 crore were outstanding for submission as on March 2018 as detailed in Table 3.1. The department-wise break-up of outstanding UCs is given in **Chart 3.1** and **Appendix 3.1**

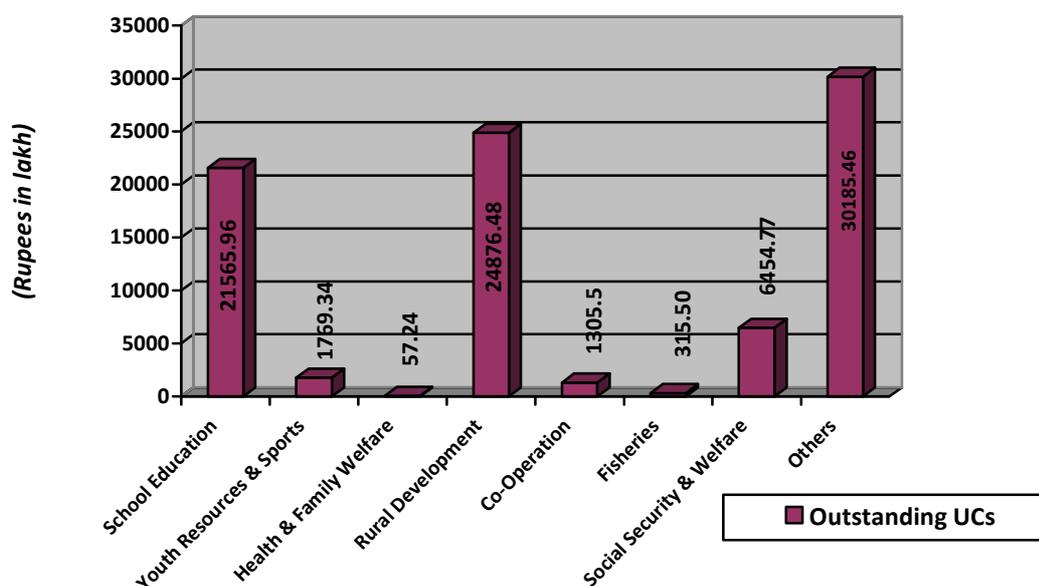
Table 3.1: Year-wise break up of pending Utilisation Certificates in respect of Grants-in-Aid

Years	Number of cases / Amount of grant		Number of UCs submitted		Number of UCs outstanding as of March 2018	
	Number of cases	Amount	Number of cases	Amount	Number of cases	Amount
	Up to 2014-15 <i>(Oldest case 2010-11)</i>	330	1164.46	141	519.91	189
2015-16	35	138.00	5	55.25	30	82.75
2016-17	55	328.40	19	190.40	36	138.00
Total	420	1630.86	165	765.56	255	865.30

(Rupees in crore)

Source: Principal Accountant General (A&E), Nagaland

Chart 3.1: Department wise outstanding position of UCs as on March 2018



Major defaulting departments, which had not submitted the UCs, were the School Education, Rural Development, Social Security and Welfare, Youth Resources & Sports, Co-operation, etc.

As the outstanding UCs are not being submitted in a timely manner within one year or as per specified time frame, after their becoming due for submission, there is a strong need for the Government to put in place necessary mechanism for ensuring their timely submission. Besides, Government needs to take strict action against the departmental officers concerned including supervisory failures in this regard for not ensuring submission of UCs in a timely manner as high pendency of UCs is fraught with the risk of frauds and misappropriation of funds. Moreover, due to lack of action to ensure submission of Utilisation Certificates, it could not be ascertained whether the grants had been utilized for the purpose for which these were given.

While accepting (December 2018) the facts, Government stated that necessary action would be taken to submit the pending UCs on priority.

Recommendation (12): The Government needs to enforce strict compliance to the timelines for submission of the UCs by the recipients and failure to comply with the timelines should be scrupulously dealt with. Action against erring officials needs to be initiated.

3.2 Non-submission/delay in submission of Accounts

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

A total of 121 annual accounts in respect of 22 Autonomous Bodies/Authorities due up to 2017-18 had not been received as of August 2018 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/Authorities

Sl. No.	Delay in number of years	No. of the Bodies/ Authorities	Grants received (Rupees in Lakhs)
1	4 – 5	15	Details not Available
2	>5 – 8	7	Details not Available

It may be seen from the table above that delay in submission of accounts ranged between four and eight years in respect of the Autonomous Bodies/Authorities.

Twenty two Bodies and Authorities did not submit their Annual Accounts to Audit. The number of pending accounts was 121 with pendency ranging between four to eight years. Thus, proper utilisation of grants and loans disbursed to these Bodies/Authorities and their accounting remained unverified in audit. The non-submission/delay in submission of annual accounts dilutes the accountability and defeats the very purpose of preparation of accounts.

The reasons for non-preparation of the accounts were not intimated. Such inaction was also indicative of the failures of the management at the level of such bodies/ authorities and at Government's level as well, which was a matter of concern.

While accepting (December 2018) the facts, Government stated that necessary action would be taken to expedite the submission of accounts by the departments.

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

Fourteen Autonomous Bodies have been set up by the State Government in the field of development of Khadi and Village Industries, State Legal activities, Power and pollution regulations *etc.* Of these, the audit of accounts of the Nagaland Khadi and Village Industries Board (NKVIB) up to 2018-19 was entrusted to the Comptroller and Auditor General of India under Section 19 (3) of the DPC Act. However, the annual accounts of the Board for the period 2015-18 were not furnished to Audit (December 2018). The status of entrustment of audit, issuance of Separate Audit Report (SAR) and its placement in respect of NKVIB in the Legislature is indicated in **Table 3.3:**

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

Year of SAR	Period of entrustment	Date of issue of SAR	Date of placement in the Legislature	Delay in placement in the Legislature (Years)
2011-12	2009-14	09-06-2015	18.08.2017	2
2012-13	2009-14	09-06-2015	18.08.2017	2
2013-14	2009-14	09-06-2015	18.08.2017	2
2014-15	2014-19	18-07-2016	18.08.2017	1
2015-16	2014-19	Accounts not yet received	Not applicable	Not applicable
2016-17	2018-19	Accounts not yet received	Not applicable	Not applicable
2017-18	2018-19	Accounts not yet received	Not applicable	Not applicable

Nagaland Electricity Regularity Commission and Nagaland Hospital Authority were established¹⁵ under the State Legislative Act and the audit of accounts was 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. Although the annual accounts of those Authorities/Bodies were due for submission to the Accountant General (Audit) every year, yet the Accounts were not furnished by those authorities since their inception due to which C&AG could not conduct the audit and submit Reports to State Legislature. Besides, non-furnishing of accounts and absence of audit was fraught with the risk of misappropriation *etc.*

While accepting (December 2018) the facts, Government stated that necessary action would be taken to impress upon the departments to submit their accounts without any further delay.

Recommendation (13): *There is a need to impress upon the Autonomous Bodies for submission of accounts regularly besides ensuring by the State Government that the Separate Audit Reports of the Autonomous Bodies where issued, are placed in the Legislature in time.*

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

3.4 Departmental Commercial Undertakings

Some departmental undertakings perform activities which are of quasi-commercial nature. The financial results of such departmental undertakings are in the form of proforma accounts. The department-wise position of the year up to which proforma accounts were not finalised in those undertakings are given in **Appendix 3.3**. It was noticed that:

As on 31 March 2018, there were eight departmentally managed Government commercial undertakings.

A mention was made in the Report of the Comptroller and Auditor General of India on State Finances for the year 2012-13 about delay in preparation of Proforma accounts of those undertakings. Despite this, accounts were in arrears for periods ranging between two and 37 years as of March 2018.

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 required, if any, could not be taken in time. Besides, delay in preparation and submission of proforma accounts also exposes the system to risk of fraud and leakage of public money.

While accepting (December 2018) the facts, Government stated that necessary action would be taken to arrest the situation of delay in preparation of accounts by the Commercial Undertakings concerned.

Recommendation (14): *The Government may ensure timely preparation of accounts by Departmental Commercial Undertakings and monitor the same. Effective steps are required to be taken by the State Government for clearance of arrears of accounts on priority.*

3.5 Balances lying unspent in Civil Deposits and Bank accounts

The State Government provides its share to various Departments/Agencies for the implementation of Centrally Sponsored/State schemes. Those Departments/Agencies retain such funds, outside the Government account in their bank accounts and Civil Deposits. As the funds are generally not spent fully by the implementing agencies in the financial year of their receipt, they remained unspent and kept in bank accounts and in Civil Deposits.

The details of funds drawn, their utilization and funds kept in Civil Deposits/current bank accounts in respect of five departments/agencies are presented in the **Table 3.4**:

Table 3.4: Non-utilisation of funds during the year 2017-18

(Rupees in crore)

Sl. No.	Name of the Department/Directorate	Amount drawn	Expenditure incurred	Amount kept in Civil Deposit	Amount kept in Bank Account
1	Election Department	1.00	0.00	1.00	0.00
2	CE, Water Resources	1.14	0.00	1.14	0.00
3	Directorate of Social Welfare	32.59	24.32	8.27	0.00
4	Director of Higher Education	1.30	0.00	1.30	0.00
Grand Total		36.03	24.32	11.71	0.00

Source: Departmental Figures.

The above table shows that an amount of ₹ 36.03 crore was drawn by the four departments during the year 2017-18 for implementation of different schemes. Out of the amount drawn, the departments utilised only an amount of ₹ 24.32 crore (67.50 per cent) during the financial year. The remaining amount of ₹ 11.71 crore (32.50 per cent) was kept in Civil Deposit. In addition to the above, information furnished by Seven¹⁶ Banks revealed that an aggregate amount of ₹ 19.44 crore was also lying in the respective Bank accounts of 70 Drawing and Disbursing Officers (DDOs) as on 31 March 2018 without being spent for the intended purpose. Resultantly, the funds drawn and kept in Civil Deposits were shown as utilized by the respective DDOs and thus, the Accounts of the respective year (s) were inflated to that extent without the actual expenditure having been incurred under the programme/scheme for which the funds were provided.

Government accepted (December 2018) the facts pointed out by Audit.

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

The details of amount collected and actual expenditure incurred during the period from 2013-14 to 2017-18 are shown in **Table 3.5:**

Table 3.5: Statement of Cess collection and expenditure incurred (2013-14 to 2017-18)

(Rupees in crore)

Year	Opening Balance	Receipt during the year	Available Fund	Expenditure	Balance at the end of the year
2013-14	4.25	3.56	7.81	0.68	7.13
2014-15	7.13	6.17	13.30	0.42	12.88
2015-16	12.88	7.22	20.10	2.00	18.10
2016-17	18.10	9.23	27.33	1.40	25.93
2017-18	25.93	9.45	35.38	7.56	27.82

Source: Information furnished by NBOCW Welfare Board.

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

During 2017-18, out of total available Cess fund of ₹ 35.38 crore, the Board could spend only ₹ 7.56 crore (21.37 per cent). Out of the total expenditure of ₹ 7.56 crore, grant on account of

¹⁶ SBI (Tuensang), SBI (Mokokchung), SBI (Longleng), UCO Bank, Vijaya Bank, HDFC & Axis Bank

purchase of tools was ₹ 0.32 crore (4.23 per cent), insurance coverage was Nil, medical assistance was ₹ 0.09 crore (1.19 per cent), children education scholarship was ₹ 2.19 crore (28.97 per cent) and maternity benefit for women was ₹ 0.11 crore (1.46 per cent) respectively. Moreover, an expenditure of ₹ 4.80 crore was also made for the skill labour training and ₹ 0.05 crore for the installation of Computer software.

It could be seen that the funds received under the Cess had increased over the years. However, the Board could not utilise the available balances optimally towards the welfare of the construction workers. Thus, there was a need to start awareness programmes towards availability and utilization of Cess fund among the beneficiaries and prepare Schemes and call for applications for various benefits.

3.7 Misappropriation, loss, defalcation, etc.

There were 29 cases of misappropriation, losses etc., involving Government money amounting to ₹ 178.96 crore up to the period ending 31 March 2018 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.

Nature of the Pending Cases				
Range in Years	Number of Cases	Nature/ Characteristics of the Cases	Number of Cases	Amount Involved (Rupees in crore)
0-5	27	Theft	1	0.01
		Misappropriation/ Losses	26	170.94
5-10	2	Defalcations	2	8.01
Total	27		29	178.96

Source: Vigilance & Anti-Corruption department.

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, losses, defalcations, etc.

Reasons for the Delay/ Outstanding Pending Cases		Number of Cases	Amount (in crore)
i	Awaiting departmental and criminal investigation	24	160.89
ii	Departmental action initiated but not finalized	4	5.28
iii	Pending in the Court of law	1	12.79
Total		29	178.96

Source: Vigilance & Anti-Corruption department.

The highest amount of misappropriation, loss and theft that amounted to ₹ 82.96 crore, involved two cases of misappropriation, one case of theft and one case of loss of government material in School Education Department, out of which an amount of ₹ 0.41 crore had been recovered (December 2018). Government accepted (December 2018) the facts pointed out by Audit and assured that it would expedite the process of finalization of the pending cases.

Recommendation (15): The Government should lodge First Information Report in all the cases of defalcation/ misappropriation/ loss to the Government and it may be ensured that timely action is taken in all such cases which may act as a deterrent in recurrence of such cases in future.

3.8 Follow up action on Audit Reports

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

The Audit Reports on State Finances for the years from 2008-09 to 2016-17 were placed before the State Legislature on 27.03.2010; 28.03.2011; 22.03.2012; 18.03.2013; 25.07.2014; 17.03.2015; 19.03.2016; 28.03.2017 and 20.09.2018 respectively, *suo motu* explanatory notes on the observations made in the respective Audit Reports had not been furnished by the departments.

3.9 Conclusion

Failure in timely submission of Utilisation Certificates (UCs) was a major area of concern. At the end of March 2018, 255 UCs involving an aggregate amount of ₹ 865.30 crore were pending for submission even after a lapse of one to seven years by various departments.

The accounts of the State Autonomous Bodies and Departmental Commercial Undertakings were not submitted to Audit for the last two to thirty seven years due to which audit by C&AG of India could not be conducted, which was a serious matter.

As on 31 March 2018, 29 cases of misappropriation, defalcation *etc.*, involving ₹ 178.96 crore pertaining to 13 Departments, private firms and various other departments were pending for finalisation.

Kohima
Dated: 06 June 2019


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

Countersigned

New Delhi
Dated: 07 June 2019


(RAJIV MEHRISHI)
Comptroller and Auditor General of India

APPENDICES

Appendix 1.1

(Reference: Para 1.1)

Part A: Structure and Form of Government Accounts

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

Part I : Consolidated Fund

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

Part II : Contingency Fund

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

Part III : Public Account

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

Appendix – 1.1

(Reference: Para 1.1)

Part B: Layout of Finance Accounts

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

Appendix – 1.1

(Reference: Para 1.3 & 1.7.2)

Part C: Methodology Adopted for the Assessment of Fiscal Position

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

	2013-14	2014-15	2015-16	2016-17	2017-18
Gross State Domestic Product (<i>Rupees in crore</i>)	16612	18414	20524	21119	23623 (A)*
Growth rate of GSDP	21.98	10.85	11.46	2.90	11.86

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

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

Term	Basis of calculation
Buoyancy of a parameter	Rate of Growth of the parameter/GSDP Growth
Buoyancy of a parameter (X) with respect to another parameter (Y)	Rate of Growth of parameter (X)/ Rate of Growth of parameter (Y)
Rate of Growth (ROG)	$[(\text{Current year Amount}/\text{Previous year Amount})-1]*100$
Development Expenditure	Social Services + Economic Services
Average interest paid by the State	$\text{Interest Payment}/[(\text{Amount of previous year's Fiscal liabilities} + \text{Current year's Fiscal Liabilities})/2]*100$
Interest received as <i>per cent</i> to Loans Outstanding	$\text{Interest Received}/[(\text{Opening balance} + \text{Closing balance of Loans and Advances})/2]*100$
Average interest rate of outstanding debt	$\text{Interest Paid}/[(\text{Opening Balance of Public Debt} + \text{Closing Balance of Public Debt})/2]$
Revenue Deficit	Revenue Receipt – Revenue Expenditure
Fiscal Deficit	Revenue Expenditure + Capital Expenditure + Net Loans and Advances – Revenue Receipts – Miscellaneous Capital Receipts
Primary Deficit	Fiscal Deficit – Interest payments
Balance from Current Revenue (BCR)	Revenue Receipts minus all Development grants and Non- Development Revenue Expenditure excluding expenditure recorded under the major head 2048 – Appropriation for reduction of Avoidance of debt.

Term	Basis of calculation
Compound Annual Growth Rate (CAGR)	The compound annual growth rate is calculated by taking the n^{th} root of the total percentage growth rate, where n is the number of years in the period being considered. CAGR= $[\text{ending value} / \text{beginning value}]^{1/\text{no of years}} - 1$
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, <i>e.g.</i> , enforcement of law and order, security and protection of our rights pollution free air, other environmental good, road infrastructure <i>etc.</i> 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, <i>etc.</i>
Debt Sustainability	The Debt sustainability is defined as the ability of the State to maintain a constant debt-GSDP ratio over a period of time and also embodies the concern about the ability to service its debt. Sustainability of debt therefore, also refers to sufficiency of liquid assets to meet current or committed obligations and the capacity to keep balance between costs of additional borrowings with returns from such borrowings. It means that rise in fiscal deficit should match with the increase in capacity to service the debt.
Debt Stabilisation	A necessary condition for stability states that if the rate of growth of economy exceeds the interest rate or cost of public borrowings, the debt-GSDP ratio is likely to be stable provided primary balances are either zero or positive or are moderately negative. debt sustainability condition states that if the rate of growth of GSDP exceeds the rate of interest on public debt, debt would stabilize eventually.

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

Appendix 1.1

(Reference Page 1)

Part D: State Profile

A. General Data		
Sl. No	Particulars	Figures
1	Area (in sq. kms.)	16579
2	Population	
	As per 2001 census	19,90,036
	As per 2011 census	19,78,502
3	Density of Population (2011) (per sq. kms.) (All India Average 382 persons per sq km)	119
4	Below Poverty Line (BPL) (2011-12) (All India Population Below Poverty Line -21.90) (2011-12)	18.90
5	Literacy (2011) (in per cent) (All India Average 73.00 %)	79.60
6	Infant Mortality Rate (2014) (All India average per 1000 live births-34 (2016))	14.00
7	Life Expectancy at Birth (All India Average in years-68.30) (Economic Survey 2017-18)	NA

B. Financial Data							
Particulars		Figures (in per cent)					
Compound Annual Growth Rate (CAGR) (per cent)		2008-09 to 2016-17		2012-13 to 2016-17		2016-17 to 2017-18	
		Special Category States (SCS)	Nagaland	SCS	Nagaland	SCS	Nagaland
a.	Revenue Receipts	13.70	14.19	12.40	11.07	10.40	16.70
b.	Tax Revenue	16.00	16.00	11.90	10.70	20.00	25.10
c.	Non Tax Revenue	8.30	8.50	10.60	13.70	8.00	12.50
d.	Total Expenditure	13.70	12.70	12.90	9.10	10.60	17.70
e.	Capital Expenditure	7.80	2.90	11.40	-3.80	19.60	18.80
f.	Revenue Expenditure on Education	16.60	16.10	12.50	10.80	15.80	13.10
g.	Revenue Expenditure on Health	18.00	18.10	16.20	16.40	20.50	11.60
h.	Salary and Wages	14.70	14.70	9.50	9.50	20.60	12.30
i.	Pension	18.80	21.60	12.70	12.70	28.10	15.50

Appendix 1.2

(Reference: Para 1.3, 1.9.2 & 1.10.2)

Time series data on the State Government Finances

(Rupees in crore)

Particulars	2013-14	2014-15	2015-16	2016-17	2017-18
Part A. Receipts					
1. Revenue Receipts¹⁷	6495.67	7648.67	8040.79	9439.79	11016.45
(i) Tax Revenue	333.39(5)	388.61(5)	427.10(5)	510.75(5)	638.28(6)
Taxes on Agricultural Income	-	-	-	-	-
Goods and Services Tax	0.00	0.00	0.00	0.00	187.57(29)
Taxes on Sales, Trade, etc.	250.20(75)	294.29(76)	328.58(77)	400.12(78)	287.55(45)
State Excise	4.86(1)	4.70(1)	5.12(1)	4.62(1)	4.20(1)
Taxes on Vehicles	36.15(11)	46.46(12)	53.09(13)	57.39(11)	101.53(16)
Stamps and Registration fees	1.77(1)	1.93(1)	2.04(1)	2.05(0)	2.62(0)
Land Revenue	0.70(0)	0.74(0)	0.75(0)	0.82(0)	0.90(0)
Taxes on Goods and Passengers	10.79(3)	9.73(2)	5.88(1)	14.76(3)	17.59(3)
Other Taxes	28.92(9)	30.76(8)	31.64(7)	30.99(6)	36.32(6)
(ii) Non Tax Revenue	214.34(3)	268.34(3)	253.61(3)	343.03(4)	385.77(4)
(iii) State's share of Union taxes and duties	1001.27(16)	1062.68(14)	2540.72(32)	3032.63(32)	3353.13(30)
(iv) Grants-in-aid from Government of India	4946.67(76)	5929.04(78)	4819.36(60)	5553.38(59)	6639.27(60)
2. Miscellaneous Capital Receipts	0.00	0.00	0.00	0.00	0.00
3. Recoveries of Loans and Advances	1.01	0.71	0.50	1.09	1.09
4. Total Revenue and Non debt capital receipts (1+2+3)	6496.68	7649.38	8041.29	9440.88	11017.54
5. Public Debt Receipts	1976.41	2414.87	3545.94	5444.35	5141.02
Internal debt (excluding WMAs and Overdrafts)	619.16	725.00	1068.40	1182.44	1234.69
Net transactions under Ways and Means Advances and Overdrafts	1357.25	1689.87	2477.54	4261.91	3906.00
Loans and Advances from Government of India	0.00	0.00	0.00	0.00	0.33
6. Total Receipts in the Consolidated Fund (4+5)	8473.09	10064.25	11587.23	14885.23	16158.56
7. Contingency Fund Receipts	0.00	0.00	0.00	0.00	0.00
8. Public Account Receipts	3130.09	2661.92	3226.12	2933.99	3319.54
9. Total Receipts of the State (6+7+8)	11603.18	12726.17	14813.35	17819.22	19478.10
Part B. Expenditure/Disbursement					
10 Revenue Expenditure¹⁸	5748.11	6760.14	7579.14	8649.45	10188.59
Development	846.01(15)	1229.30(18)	1122.66(15)	1731.63(20)	2589.12(25)
Non Development	4902.10(85)	5530.84(82)	6456.48(85)	6917.82(80)	7599.47(75)
General Services (including interest payments)	2730.25(47)	3130.97(46)	3620.47(48)	3893.96(45)	4316.65(42)
Social Services	1701.56(30)	1855.17(28)	2093.61(28)	2295.21(27)	2558.56(25)
Economic Services	1316.30(23)	1774.00(26)	1865.06(25)	2460.28(28)	3313.38(33)
Grants-in-aid and contributions	0.00	0.00	0.00	0.00	0.00
11. Capital Expenditure	1207.06	1023.17	1059.23	1076.10	1274.85
Development	1187.96(98)	1022.95(100)	1059.23(100)	1076.10	1274.85(100)
Non Development	19.10(2)	0.22(0)	0.00(0)	0.00(0)	0.00(0)
General Services	181.19(15)	160.95(16)	105.78(10)	132.55(12)	267.10(21)
Social Services	324.47(27)	350.99(34)	287.49(27)	431.73(40)	485.68(38)
Economic Services	701.40(58)	511.23(50)	665.96(63)	511.82(48)	522.07(41)
12. Disbursement of Loans and Advances	0.92	0.19	0.19	0.19	0.19
13. Total Expenditure(10+11+12)	6956.09	7783.50	8638.56	9725.74	11463.63
14. Repayments of Public Debt	1436.92	2306.08	2705.35	5065.03	4452.01
Internal Debt (excluding WMAs and Overdrafts)	246.32	279.11	496.30	491.81	524.30
Net transactions under WMAs and Overdraft	1168.10	2005.36	2187.51	4551.68	3905.99
Loans and Advances from Government of India	22.50	21.61	21.54	21.54	21.72
15. Appropriation to Contingency Fund	0.00	0.00	0.00	0.00	0.00
16. Total disbursement out of Consolidated fund (13+14+15)	8393.01	10089.58	11343.91	14790.77	15915.64

¹⁷ Revenue receipts are exclusive of expenditure on State Lotteries (₹ 2.76 crore).¹⁸ Revenue expenditure is exclusive of expenditure on State Lotteries (₹ 2.76 crore).

Audit Report on State Finances for the year ended 31 March 2018

Particulars	2013-14	2014-15	2015-16	2016-17	2017-18
17. Contingency Fund disbursements	0.00	0.00	0.00	0.00	0.00
18. Public Account disbursements	2796.33	2895.22	3011.82	2661.41	3124.67
19. Total disbursement by the State (16+17+18)	11189.34	12984.80	14355.73	17452.18	19040.31
Part C. Deficits					
20. Revenue Deficit(-)/ Revenue surplus(+) (1-10)*	747.56	888.53	461.65	790.34	827.86
21. Fiscal Deficit(-)/ Fiscal Surplus(+) (4-13)	-459.41	-134.12	-597.27	-284.86	-446.09
22. Primary deficit(-)/Surplus(+) (21+23)	34.43	421.22	-10.82	350.64	231.66
Part D. Other data					
23. Interest Payments (included in revenue expenditure)	493.84	555.34	586.45	635.50	677.75
24. Financial assistance to local bodies etc.	293.11	250.60	120.63	170.87	328.40
25. WMAs/ Overdraft availed (days)	1357.25(83)	1689.87(126)	2477.54(110)	4261.65(145)	3906.00(104)
Ways and Means Advances availed (days)	812.22(60)	1329.40 (96)	2290.72(101)	4103.85(138)	3646.77(95)
Overdraft availed (days)	545.03(23)	360.47 (30)	186.82 (9)	157.80(7)	259.23(9)
26. Interest on WMAs/ Overdraft	2.66	4.00	3.11	6.87	6.17
27. Gross State Domestic Product (GSDP)	16612	18414	20524	21119	23623
28. Outstanding Fiscal liabilities (year end)	8356.91	7953.73	8931.64	9557.35	10409.15
29. Outstanding guarantees (year end) (including interest)	70.22	70.22	70.22	81.19	110.46
30. Maximum amount guaranteed (year end)	0.00	0.00	0.00	26.50	51.50
31. Number of incomplete projects	77	213	373	340	311
32. Capital blocked in incomplete projects	702.97	863.09	2100.61	2030.18	1737.68
Part E. Fiscal Health Indicators					
I Resource Mobilization (in per cent)					
Own Tax revenue/GSDP	2.01	2.11	2.08	2.42	2.70
Own non-Tax Revenue/GSDP	1.29	1.46	1.24	1.62	1.63
Central Transfer/GSDP	6.03	5.77	12.38	14.36	14.19
II Expenditure Management (in per cent)					
Total Expenditure/GSDP	41.87	42.27	42.09	46.05	48.53
Total Expenditure/Revenue Receipts	107.09	101.76	107.43	103.03	104.06
Revenue Expenditure/Total Expenditure	82.63	86.85	87.74	88.93	88.88
Expenditure on Social Services/ Total Expenditure	29.13	28.34	27.56	28.04	26.56
Expenditure on Economic services/ Total Expenditure	29.01	29.36	29.30	30.56	33.46
Capital Expenditure/Total Expenditure	17.35	13.15	12.26	11.06	11.12
Capital Expenditure on Social and Economic Services/Total Expenditure.	14.75	11.08	11.04	9.70	8.79
III Management of Fiscal Imbalances (in per cent)					
Revenue deficit (surplus)/GSDP	4.50	4.83	2.25	3.74	3.50
Fiscal deficit/GSDP	-2.77	-0.73	-2.91	-1.35	-1.89
Primary Deficit (surplus)/GSDP	0.21	2.29	-0.05	1.66	0.98
Revenue deficit/Fiscal deficit	*	*	*	*	*
Primary Revenue Balance/GSDP	3.25	3.53	3.29	4.01	18.50
IV Management of Fiscal Liabilities (in per cent)					
Fiscal Liabilities/GSDP	50.31	43.19	43.52	45.25	44.06
Fiscal Liabilities/RR	128.65	103.99	111.08	101.25	94.49
Debt Redemption (Principal+Interest)/Total debt Receipts	115.28	110.06	97.50	92.17	93.90
V Other Fiscal Health Indicators					
Return on Investment	0.00	0.00	4.94	0.00	0.00
Balance from Current Revenue (Rupees in crore)	-1269.84	-1702.17	276.05	739.32	979.34
Financial assets/Liabilities	1.54	1.72	1.70	1.74	1.76

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

*The State experienced Revenue Surplus during all the years.

Appendix 1.3

(Reference: Para 1.1.1)

Abstract of Receipts and Disbursements for the year 2016-17 and 2017-18

(Rupees in crore)

Receipts				Disbursement						
2016-17		2017-18	2016-17			Non-Dev.	Dev.	Total	2017-18	
		<i>Section A: Revenue</i>								
9439.79	I	Revenue receipts	11016.45	8649.45	I	Revenue expenditure	7599.47	2589.12	10188.59	10188.59
510.75		Tax revenue	638.28	3893.96		General services	4273.90	42.75	4316.65	
				2295.21		Social services	1750.92	807.64	2558.56	
343.03		Non-Tax revenue	385.77	1291.95		Education, Sports, Art and culture	1104.73	377.62	1482.35	
				482.41		Health and Family Welfare	374.78	162.59	537.37	
3032.63		State's share of Union Taxes	3353.13	154.93		Water Supply, Sanitation, Housing and Urban development	124.22	16.11	140.33	
				27.31		Information and Broadcasting	31.36	0.00	31.36	
3545.73		Non-Development grants	3976.63	27.32		Welfare of SCs, STs and OBCs	0.00	45.86	45.86	
214.71		Grants for State Development Schemes	290.01	31.65		Labour and labour Welfare	28.99	6.36	35.35	
				265.73		Social Welfare and Nutrition	74.82	199.10	273.92	
1792.94		Grants for Central and Centrally Sponsored Development Schemes	2372.63	13.91		Others	12.02	0.00	12.02	
				2460.28		Economic Services	1574.65	1738.73	3313.38	
				479.69		Agriculture and Allied Activities	360.45	265.08	625.53	
				811.06		Rural Development	71.25	1285.22	1356.47	
				27.36		Special Areas Programmes	7.90	44.55	52.45	
				26.70		Irrigation and Flood Control	27.16	0.79	27.95	
				431.96		Energy	450.59	0.00	450.59	
				102.86		Industry and Minerals	114.02	8.30	122.32	
				398.78		Transport	453.97	0.30	454.27	
				9.43		Science, Technology and environment	5.67	4.14	9.81	
				172.44		General Economic Services	83.64	130.35	213.99	
				0.00		Grants-in-aid and Contributions	0.00	0.00	0.00	
				8649.45		Total	7599.47	2589.12	10188.59	10188.59
0.00	II	Revenue deficit carried over to section B	0	790.34	II	Revenue surplus carried over to Section B				827.86
9439.79		Total	11016.45	9439.79		Total				11016.45
		<i>Section B: Others</i>								
893.35	III	Opening Cash balance including Permanent advances and cash Balance Investment	1260.39	0.00	III	Opening Overdraft from Reserve Bank of India				0.00
0.00	IV	Miscellaneous Capital receipts	0.00	1076.10	IV	Capital Outlay	0.00	1274.85	1274.85	
				132.55		General Services	0.00	267.10	267.10	
				431.73		Social services	0.00	485.68	485.68	

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Receipts				Disbursement						
2016-17			2017-18	2016-17			Non-Dev.	Dev.	Total	2017-18
				27.14			0.00	30.41	30.41	
				13.19			0.00	70.80	70.80	
				385.42			0.00	375.14	375.14	
				2.00			0.00	2.18	2.18	
				0.00			0.00	0.00	0.00	
				3.09			0.00	4.70	4.70	
				0.89			0.00	2.45	2.45	
				511.82			0.00	522.07	522.07	
				14.89			0.00	29.57	29.57	
				0.00			0.00	0.00	0.00	
				228.90			0.00	209.27	209.27	
				39.62			0.00	17.46	17.46	
				33.31			0.00	21.70	21.70	
				13.42			0.00	15.88	15.88	
				175.19			0.00	221.38	221.38	
				5.49			0.00	5.93	5.93	
				1.00			0.00	0.88	0.88	
1.09	V	Recoveries of Loans and Advances	1.09	0.19	V	Loans and Advances disbursed			0.19	0.19
0.00		From Power Projects	0.00	0.00		For Power Projects			0.00	
0.46		From Government Servants	0.41	0.19		To Government servants			0.19	
0.63		From Others	0.68	0.00		To Others			0.00	
790.34	VI	Revenue surplus brought down	827.86	0.00	VI	Revenue Deficit brought down				0.00
5444.35	VII	Public debt receipts	5141.02	5065.03	VII	Repayment of Public debt			4452.01	4452.01
0.00		External debt	0.00	0.00		External debt			0.00	
1182.44		Internal debt other than WMAs and Overdrafts	1234.69	491.81		Internal debt other than WMAs and Overdrafts			524.30	
4103.85		Net transactions under WMAs	3646.77	4393.88		Net transactions under WMAs			3646.77	
157.8		Net transactions under overdraft	259.23	157.80		Net transactions under Overdrafts			259.22	
0.26		Repayment of Loans and Advances from Central Government	0.33	21.54		Repayment of Loans and Advances to Central Government			21.72	
0.00	VIII	Appropriation to Contingency Fund	0.00	0.00	VIII	Appropriation to Contingency Fund			0.00	0.00
0.00	IX	Amount transferred to Contingency Fund	0.00	0.00	IX	Expenditure from Contingency Fund			0.00	0.00
2933.99	X	Public Account receipts	3319.54	2661.41	X	Public Account disbursements			3124.67	3124.67
309.65		Small Savings and Provident funds	353.97	280.55		Small Savings and Provident Funds			292.44	
251.08		Reserve Funds	261.01	26.08		Reserve Funds			36.01	
50.3		Suspense and	28.94	56.13		Suspense and			29.30	

Receipts				Disbursement						
2016-17			2017-18	2016-17			Non-Dev.	Dev.	Total	2017-18
		Miscellaneous				Miscellaneous				
1799.23		Remittance	2200.60	1767.23		Remittances			2168.15	
523.73		Deposits and Advances	475.02	531.42		Deposits and Advances			598.77	
0.00	XI	Closing Overdraft from Reserve Bank of India	0.00	1260.39	XI	Cash Balance at end of year			1698.18	1698.18
				0.00		Cash in Treasuries and Local Remittances			0.00	
				226.92		Deposits with Reserve Bank			339.01	
				343.86		Departmental Cash Balance including permanent Advances			416.81	
				35.41		Cash Balance Investment			63.16	
				654.20		Investment in earmarked funds			879.20	
10063.12		Total	10549.90	10063.12		Total				10549.90

Appendix 1.4

(Reference: Para 1.9.1)

Summarised financial position of the Government of Nagaland as on 31-03-2018

(Rupees in crore)

As on 31-03-2017		Liabilities	As on 31-03-2018	
6930.07		Internal Debt -		7640.46
	6094.75	Market Loans bearing interest	6849.73	
	0.03	Market Loans not bearing interest	0.03	
	15.67	Loans from Life Insurance Corporation of India	12.02	
	819.62	Loans from other Institutions	778.68	
	0.00	Ways and Means Advances	0.00	
	0.00	Overdrafts from Reserve Bank of India	0.00	
185.49		Loans and Advances from Central Government-		164.11
	0.35	Pre 1984-85 Loans	0.35	
	13.74	Non-Plan Loans	13.00	
	134.19	Loans for State Plan Schemes	114.22	
	0.18	Loans for Central Plan Schemes	0.18	
	28.86	Loans for Centrally Sponsored Plan schemes	28.43	
	0.00	Ways and Means Advances	0.00	
	8.17	Loans for Spl. Scheme	7.93	
0.35		Contingency Fund		0.35
891.18		Small Savings, Provident funds, etc.		952.72
927.09		Deposits		803.34
623.52		Reserve Funds		848.52
0.00		Suspense and Miscellaneous Balances		0.00
(-)696.20		Remittance Balances		(-)663.75
8861.50		Total		9745.75
Assets				
15225.33		Gross Capital Outlay on Fixed Assets -		16500.18
	291.75	Investments in shares of Companies, Corporations, etc.	293.20	
	14933.58	Other Capital Outlay	16206.98	
25.60		Loans and Advances -		24.71
	0.00	Loans for Power Projects	0.00	
	24.74	Other Development Loans	24.07	
	0.86	Loans to Government servants and Miscellaneous loans	0.64	
0.00		Reserve Fund Investments		0.00
0.32		Advances		0.32
97.21		Suspense and Miscellaneous Balances		97.57
1260.39		Cash -		1698.18
	0.00	Cash in Treasuries and Local Remittances	0.00	
	226.92	Deposits with Reserve Bank	339.01	
	343.86	Departmental Cash Balance	416.81	
	0.00	Permanent Advances	0.00	
	654.20	Investment on earmarked funds	879.20	
	35.41	Cash Balance investments	63.16	
(-)7747.35		Deficit on Government account -		(-)8575.21
	(-)790.34	(i) Less Revenue Surplus of the current year	(-)827.86	
	0.00	(ii) Miscellaneous deficit	0.00	
	(-)6957.01	Accumulated deficit at the beginning of the year	(-)7747.35	
8861.50				9745.75

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)

Statement showing the funds transferred directly to the State Implementing Agencies under Programmes/Schemes outside the State budget during 2017-18

(Rupees in lakh)

Sl. No	Government of India Schemes	Implementing Agencies	2017-18
1	Voter Education	Chief Electoral Officer	74.25
2		Abiogenesis Society	8.08
3		Art and Culture Department	450.00
4	Kala Sanskriti Vikas Yojana	Koza Boys Club	2.76
5		Nagaland Handloom and Handicrafts Development Corporations	43.00
6		Nagaland Pollution Control Board	17.10
7	Environment Information System	Nagaland Institute of Health, Environment and Social welfare	2.90
8	CIC- PPF & P	Nagaland Information Commission	3.00
9		Agriculture Production Commissioner Cell	9.90
10	Capacity Building and Publicity IT	Nagaland Bamboo Development Agency	9.90
11		Nagaland Handloom & Handicrafts Development Corporation Ltd	20.75
12	Atal Innovation Mission	Cornerstone Higher Secondary School	12.00
13		Don Bosco High school Lakuti	12.00
14		Jawahar Novodaya Vidyalaya (Peren)	12.00
15		Nagaland Baptist Church Council School Society	12.00
16		Olympic Higher Secondary School	12.00
17		St. Johns Higher Secondary School Tuensang	12.00
18		Stella Higher Secondary School	12.00
19	Integrated Scheme on Agriculture Marketing	Nagaland Agricultural Marketing Board	0.23
20	National AIDS and STD Control Programme (NACO)	Nagaland State AIDS Control Society	1,979.31
21	National Plan for Dairy Development	Nagaland State Dairy Co-operation Federation Ltd.	111.95
22	Centenaries and Anniversaries Celebrations	Nagaland Art and Culture Council	80.00
23	Development of Museums (Culture)	Charity Welfare Society	50.00
24		Directorate of Art and Culture Kohima Nagaland	468.63
25		Kipi Qomi Welfare Society	125.00
26		Naga Traditional Museum	50.00
27		Needy People Society	50.00
28		Nourhe Society	7.46
29		Tesophenyu Light Bearer Youth Club	50.00
30		Vikehie Welfare Society	50.00
31	Scheme for Prevention of Alcoholism and Substance (Drug) abuse	Prodigals Home	11.60
32		Youth Mission	13.67
33	National Rural Livelihood Mission	Nagaland State Rural Livelihoods Mission Society (NSRLM)	526.81
34	Rashtriya Krishi Vikas Yojana (RKVY)	Central Institute of Horticulture	3.86
35	Swadesh Darshan-Integrated Development Theme based Tourism Circuits	Nagaland Tourism Board	5,326.80
36	Biotechnology Research and Development	Nagaland State Science and Technology Council	35.36
37		Rural and Urban Development Association	5.16
38		Nagaland University	33.62
39	North Eastern Council	Central Institute of Horticulture	594.00
40		Development Authority of Nagaland	400.00
41		Er. T. Yanger AO	0.39

Audit Report on State Finances for the year ended 31 March 2018

Sl. No	Government of India Schemes	Implementing Agencies	2017-18
42		Nagaland GIS and Remote Sensing Centre	48.94
43		Nagaland University	500.00
44		Rashtriya Madhyamik Shiksha Abhiyan	326.60
45		Nagaland Bamboo Development Agency	10.91
46		Directorate of Youth Resources and Sports Nagaland Kohima	150.00
47		Rattle and Hum Music Society	5.00
48		Societies for Training and Research on Rural Development	28.48
49		Abiogenesis Society	10.00
50		Agency for Porcine Foundation and Development of Nagaland	223.40
51		Director of Information and Public Relation	81.20
52		Nagaland State Agricultural Marketing Board	458.70
53		Nagaland State Sports Council	115.00
54		Small Farmers Agri-Business Consortium (SFAC) for the Department of Horticulture, Government of Nagaland	432.50
55	MPs Local Area Development Scheme	Deputy Commissioner, Dimapur	500.00
56	(MPLADs)	Deputy Commissioner, Kohima	500.00
57	Beti Bachao Beti Padhao	Deputy Commissioner, BBBP, Longleng	23.30
58	NER Textile Promotion Scheme	Directorate of Sericulture, Government of Nagaland	2,130.00
59	National Child Labour Project including Grants-in-aid to Voluntary Agencies	District Child Labour Project Society, Dimapur	74.07
60	Research Education Training and Outreach	Government Polytechnic Kohima, near IF Stadium, Nagaland	2.00
61		Mascotte Development Society	0.50
62	National Mission on Food Processing	Kohima Municipal Council	600.00
63	(Sampda)	Mokokchung Municipal Council	193.33
64		Doys Agri Resources Pvt. Ltd.	1,500.00
65	International Co-operation	North East Zone Cultural Centre	44.00
66	Management Support to RD Programmes	State Institute of Rural Development Nagaland.	240.10
67	and strengthening of District Planning Process in lieu of Programmes	DRDA Zunheboto	55.94
68	Support to NGO's Institution/SRC's for Adult Education and Skill Development (Merged Schemes of NGO's JSS SRCs)	Jan Shikshan Sansthan, Dimapur	8.00
69		Generation Promoter	2.28
70	National Programme for Youth and	Association for Development of Society	2.28
71	Adolescent General Development	Boji Multipurpose Society	2.28
72		Nagaland State Sports Council	18.28
73	Infrastructure Development and Capacity Building	Nagaland Tool Room & Training Centre	200.00
74	Road Transport	Motor Vehicles Department	300.00
75	Rashtriya Gokul Mission	Nagaland Livestock Development Board	558.29
76	Organic Value Chain Development of NE Region	Nagaland Organic Mission	1,927.74
77		Nagaland State Science and Technology Council	89.09
78		Government Polytechnic Kohima Near IG Stadium, Nagaland	11.77
79	Innovation, Technology Development	Immanuel Collage	5.96
80		Uzho Cultural Society	2.59
81		Nagaland University	16.89
82		National Institute of Technology	4.63
83	Support to National Institute of Technology (NITs) including Ghani Khan institute	National Institute of Technology, Nagaland	6,200.00
84	Sugar Subsidy payable under PDs	The Directorate of Food & Civil Supplies Nagaland	126.95

Sl. No	Government of India Schemes	Implementing Agencies	2017-18
85	Assistance to voluntary Organization for Programmes for relating to Aged	Tzur Multi Prupose Project Society	1.24
86		Good Samaritan Women Society	16.20
87	Apprenticeship and Training	Nagaland Skill Development Initiative Society	500.00
88		Vocational Training Projects Implementation Society of Nagaland	310.50
89	Training Schemes PPG & P	Administrative Training Institute, Kohima	72.22
90	Hostels for Working Women	Aghiyilito MPCS	160.68
91		Chophi Welfare Society	136.76
92		Thito Elders Welfare Society	89.57
93	Pradhan Mantri Matru Vandana Yojna	Department of Social Welfare Nagaland	875.31
94	Institutional Development for Inclusive Urban Governance, Building Material and Technology Promotion Council (BMTPC)	Directorate of Economics and Statistics, Nagaland, Kohima	15.00
95	Other Programmes/ Bodies	Directorate of Geology and Mining, Nagaland, Dimapur	1.96
96	Aspire (Promotion of Innovation Rural Industry and Entrepreneurship)	Doshehe Village Council	28.26
97	Irrigation and Flood Control	National Hydrology Project	137.00
98	Consumer Welfare Fund	Legal Metrology and Consumer Protection Department, Government of Nagaland	60.00
99	Establishment Expenditure Ayush	Medicinal Plants Board Agency (MPDA), Nagaland	72.00
100		Nagaland Tourism Board	45.00
101		State Medicinal Plants Board Society	8.40
102	Helicopter Services in the North-East Region	Nagaland State Transport Department	526.84
103	Environmental, Education, Awareness and Training	Nagaland Pollution Control Board	139.98
104	Small Hydro Power-Grid Interactive	Nagaland Renewable Energy Development Agency (NREDA)	265.35
105	Solar Power-off grid	Nagaland Renewable Energy Development Agency (NREDA)	883.90
106	Pradhan Mantri Gram Sadak Yojana	Nagaland Rural Roads Development Agency	0.27
107	Electronic Governance	Nagaland State E-Governance Society	2,156.37
108	S&T Institutional and Human Capacity Building	Nagaland State Science & Technology Council	78.00
109		Nagaland University	192.98
110	Domestic Promotion and Publicity including Hospitality	Nagaland tourism Board	50.00
111	Research and Development (S&T)	National Institute of Technology	8.58
112	Support to Academies	North East Zone Cultural Centre	611.63
113	E-Court Phase-II	Registrar General, High court of Guwahati (Nagaland)	183.40
114	One Stop Centre	Sakhi One Stop Centre Dimapur	33.68
115		Sakhi One Stop Centre Kohima	46.74
116	Scholarship to the students of ST for studies abroad	Satemma Longchar	0.02
117	National Rural Employment Guarantee Scheme (MGNREGS)	Societies for Training and Research on Rural Development	132.59
118	Capacity Building in Forestry Sector	State Forest Development Agency Nagaland	12.92
119	Action Research and Studies on Judicial Reforms	State Institute of Rural Development Nagaland	19.26
120	Women's helpline	Women helpline Nagaland	76.33
		Grand Total	36,379.43

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

Appendix 2.1

(Reference: Para 2.3.1)

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

(Rupees in crore)

Sl. No	Grant No	Name of the Grant/ Appropriation	Total Grant/ Appropriation	Savings	Percentage
Revenue (Voted)					
1	7	State Excise	22.15	1.75	8
2	12	Treasury and Accounts Administration	35.80	1.57	4
3	18	Pensions and Other Retirement Benefits	1421.02	156.92	11
4	26	Civil Secretariat	188.08	21.88	12
5	27	Planning Machinery	516.60	391.85	76
6	31	School Education	1477.45	202.10	14
7	32	Higher Education	188.63	35.63	19
8	33	Youth Resources and Sports	37.12	1.68	5
9	35	Medical, Public Health and Family Welfare	588.32	50.15	9
10	37	Municipal Administration	29.67	22.98	77
11	39	Tourism	18.49	1.05	6
12	40	Employment and Training	30.09	2.94	10
13	42	Rural Development	1303.46	1.53	0
14	43	Social Security and Welfare	284.78	63.66	22
15	48	Agriculture	223.35	4.97	2
16	49	Soil and Water Conservation	61.71	15.92	26
17	50	Animal Husbandry and Dairy Development	114.91	21.65	19
18	52	Forest, Ecology, Environment and Wild Life	117.20	1.45	1
19	53	Industries	76.50	1.23	2
20	56	Road Transport	75.52	3.72	5
21	58	Roads and Bridges	400.82	2.05	1
22	59	Irrigation and Flood Control	36.27	8.32	23
23	60	Water Supply	93.16	2.24	2
24	64	Housing	128.56	3.46	3
25	65	State Council of Educational Research and Training	30.04	2.92	10
26	66	Sericulture	22.50	4.45	20
27	70	Horticulture	67.49	11.73	17
28	72	Land Resource Development	129.84	63.70	49
29	81	Information Technology and Communication	8.99	1.03	11
Capital (Voted)					
30	27	Planning Machinery	252.33	156.21	62
31	31	School Education	18.94	11.36	60
32	32	Higher Education	9.98	5.00	50
33	33	Youth Resources and Sports	31.38	6.66	21
34	34	Art and Culture and Gazetteers Unit	8.42	3.64	43
35	35	Medical, Public Health and Family Welfare	95.48	19.56	20
36	36	Urban Development	97.15	22.62	23
37	37	Municipal Administration	167.51	21.78	13
38	39	Tourism	17.49	10.29	59
39	48	Agriculture	22.94	6.86	30
40	49	Soil and Water Conservation	1.20	1.02	85
41	50	Animal Husbandry and Dairy Development	4.11	3.94	96
42	55	Power	89.29	63.32	71
43	58	Roads and Bridges	316.00	89.02	28

Sl. No	Grant No	Name of the Grant/ Appropriation	Total Grant/ Appropriation	Savings	Percentage
44	59	Irrigation and Flood Control	116.60	92.84	80
45	60	Water Supply	223.06	100.59	45
46	64	Housing	44.34	2.18	5
47	65	State Council of Educational Research and Training	11.00	3.08	28
48	68	Police Engineering Project	147.51	5.18	4
49	76	Women Welfare	2.72	2.28	84
50	78	Technical Education	5.92	4.92	83
Revenue (Charged)					
51	75	Servicing of Debt	1052.20	149.44	14
Total			10464.09	1886.32	18

Source: Appropriation Accounts.

Appendix 2.2

(Reference: Para 2.3.4)

Excess over provision of previous years requiring regularisation

(Rupees in crore)

Year	Number of Grants	Number of Appropriation	Amount of excess over provision	Status of regularisation
2012-13	23	0	166.13	Not yet regularised
2013-14	21	0	38.51	Not yet regularised
2014-15	9	1	38.78	Not yet regularised
2015-16	16	1	373.60	Not yet regularised
2016-17	9	1	92.16	Not yet regularised
Total			709.18	

Source: State Finances Report 2016-17 in respect of Government of Nagaland.

Appendix 2.3

(Reference: Para 2.3.5)

Excess over provision during the year 2017-18 requiring regularisation

(Rupees in crore)

Sl. No.	Number and title of grant/appropriation		Total grant appropriation	Expenditure	Excess
Revenue (Voted)					
1	4	Administration of Justice	41.21	41.66	0.45
2	5	Election	38.87	39.14	0.27
3	28	Civil Police	1251.66	1260.69	9.03
4	55	Power	445.71	448.20	2.49
5	78	Technical Education	20.19	21.06	0.86
Total- Revenue (Voted)			1797.64	1810.75	13.10
Capital (Voted)					
1	7	State Excise	2.58	2.70	0.12
2	38	Information and Public Relation	4.33	4.40	0.07
3	54	Mineral Development	12.63	12.96	0.33
4	56	Road Transport	10.97	11.86	0.89
Total- Capital (Voted)			30.51	31.92	1.41
Grand Total			1828.15	1842.67	14.51

Source: Appropriation Accounts.

Appendix 2.4

(Reference: Para 2.3.6)

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

(Rupees in lakh)

Sl. No.	Number and Name of the Grant	Original Provision	Actual Expenditure	Savings out of Original provision	Supplementary provision
Revenue (Voted)					
1	7- State Excise	2070.54	2039.79	30.75	144.23
2	35- Medical, Public Health and Family Welfare	55795.76	53817.05	1978.71	3035.84
3	41- Labour	834.65	820.67	13.98	41.30
4	49- Soil and Water Conservation	5512.32	4579.02	933.3	658.33
5	50- Animal Husbandry and Dairy Development	10745.39	9325.90	1419.49	745.25
6	60- Water Supply	9230.71	9092.26	138.45	85.63
7	70- Horticulture	6466.51	5575.42	891.09	282.05
8	81- Information Technology and Communication	799.16	795.92	3.24	100.24
Total Revenue (Voted)		91455.04	86046.03	5409.01	5092.87
Capital (Voted)					
1	49- Soil and Water Conservation	20.00	17.70	2.30	100.00
2	50- Animal Husbandry and Dairy Development	100.00	17.27	82.73	311.42
3	76- Women Welfare	50.00	44.25	5.75	222.22
Total Capital (Voted)		170.00	79.22	90.78	633.64
Revenue (Charged)					
1	10- Public Service Commission	595.95	555.99	39.96	38.68
Total Revenue (Charged)		595.95	555.99	39.96	38.68
Grand Total		92220.99	86681.24	5539.75	5765.19

Source: Appropriation Accounts.

Appendix 2.5

(Reference: Para 2.3.6)

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

(Rupees in crore)

Sl. No.	Grant Number	Name of the Grants and Appropriation	Original Provision	Supplementary provision	Total	Expenditure	Excess
Revenue (Voted)							
1	28	Civil Police	1151.09	100.57	1251.66	1260.69	9.03
2	55	Power	433.86	11.84	445.70	448.20	2.50
Total Revenue (Voted)			1584.95	112.41	1697.36	1708.89	11.53

Source: Appropriation Accounts.

Appendix 2.6

(Reference: Para 2.3.7)

**Excessive/ Insufficient re-appropriation of funds proved either excessive or insufficient
(by ₹10 lakh or more)**

(Rupees in lakh)

Sl. No.	Grant No.	Description	Head of Account	Re-appropriation	Final	
					Excess (+)	Saving (-)
Revenue (Voted)						
1	4	Fast Tract Courts	2014-00-105-04	(-) 3.70		20.50
2	4	Legal Remembrance, Advocate General, Govt. Advocate & Standing Counsels	2014-00-114-01	(+) 219.85	47.24	
3	4	Nagaland Legal Service Authority	2014-00-800-01	(-) 140.70		25.63
4	5	Chief Electoral Officer-Establishment	2015-00-102-01	(+)15.57	23.07	
5	8	Direction	2040-00-001-01	(-) 56.20		22.97
6	8	Empowered Committee	2040-00-001-02	(-) 23.00	23.00	
7	9	Road Safety Scheme	2041-00-800-01	(+) 11.11	104.89	
8	26	Nagaland Civil Secretariat	2052-00-090-01	(+) 762.64		15.86
9	26	Secretariat Transport Special Pool	2052-00-090-02	(+) 337.89	240.18	
10	26	Civil Secretariat	2251-00-090-01	(-) 142.59		53.42
11	26	Nagaland State Disaster Management Authority	2251-00-091-01	(-) 60.55	55.43	
12	28	Police Headquarters	2055-00-001-01	(+) 9462.64	45.00	
13	28	Central Workshop	2055-00-001-02	(-) 46.00	24.99	
14	28	Repair of Vehicles	2055-00-001-05	(+) 1265.70		1088.09
15	28	Police Training School	2055-00-003-01	(+) 1336.80	31.52	
16	28	Nagaland Armed Police Battalion	2055-00-104-01	(-) 16465.49	316.16	
17	28	District Police Establishment	2055-00-109-01	(+) 2930.73	1126.02	
18	28	Police Telecommunication	2055-00-114-01	(+) 92.61	28.99	
19	28	Modernisation of State Police Forces	2055-00-115-01	(+) 1449.37	151.09	
20	31	Inspectorate	2202-02-101-01	(+) 2774.20		53.09
21	33	Tournaments	2204-00-104-03	(+) 68.00		43.50
22	35	Subordinate Establishment	2210-01-001-02	(+) 1214.52	111.59	
23	36	Direction	2217-80-001-01	(+) 1.02		25.00
24	36	Work Charge Establishment	2217-80-001-03	(-) 0.36	25.00	
25	40	ITI	2230-03-001-01	(+) 249.08		10.63
26	44	Direction (Evaluation)	3451-00-092-01	(-) 56.12	43.00	
27	44	Subordinate Establishment (Evaluation)	3451-00-092-02	(+) 43.83	10.00	
28	45	Direction	2425-00-001-01	(+) 172.35		16.07
29	45	NSCB	2425-45-190-01	(-) 62.93	71.00	
30	47	Subordinate Establishment	3475-00-106-02	(+) 101.65		13.65
31	48	Seed Farm	2401-00-103-01	(+) 89.62		69.62
32	48	Rashtriya Krishi Vikas Yojana	2401-00-800-07	(+) 159.66		475.48
33	49	Direction	2402-00-001-01	(-) 292.12		78.00
34	53	Direction	2851-00-001-01	(+) 30.11	30.00	
35	55	Transmission Execution	2801-05-001-03	(+) 50.70	899.58	
36	55	Distribution & Revenue Execution	2801-05-001-04	(+) 276.93		17.82
37	60	Urban Water Supply	2215-01-101-01	(+) 50.00		78.35

Sl. No.	Grant No.	Description	Head of Account	Re-appropriation	Final	
					Excess (+)	Saving (-)
38	60	Operation Maintenance	2215-01-102-01	(+) 50.00		78.35
39	72	Direction	2501-05-101-01	(+) 119.94	14.31	
40	78	Direction	2203-00-001-01	(+) 141.71	102.59	
41	31	Direction and Administration	4202-01-800-01	(+) 31.15		78.34
42	31	Works under School Education	4552-31-800-01	(-) 515.63	78.71	
43	50	Maintenance of Assets	4403-00-001-01	(-) 11.42		82.73
44	54	State Mineral Development Corporation	4853-60-190-01	(+) 11.51	32.74	
45	55	Transmission Scheme	4801-05-800-01	(-) 1253.99		16.19
46	65	Work under SCERT	4202-01-201-01	(-) 237.92		62.66
47	68	Office Buildings	4055-00-211-01	(+) 350.00		518.07
48	82	Works under New & Renewable Energy	4059-01-051-01	(-) 0.59		22.94
Net Total				(+)4501.59	3636.10	2966.90

Source: Appropriation Accounts.

Appendix 2.7

(Reference: Para 2.3.9)

Results of review of substantial surrenders made during the year 2017-18

(Rupees in crore)

Sl. No.	Number and title of Grant	Name of the Scheme	Total Grant/ Appropriation	Amount of Surrender	Percentage of Surrender
		(Head of Account)			
Revenue (Voted)					
1	4- Administration of Justice	2014-00-105-01 (District and Session Judge Establishment)	1.99	1.09	54.77
2		2014-00-800-01 (Nagaland Legal Services Authority)	1.87	1.41	75.40
3		2552-04-800-01 (IT Infrastructure)	0.13	0.13	100.00
4	6-Land Revenue	2029-00-101-01 (Collection)	0.06	0.06	100.00
5	8- Sales Tax	2040-00-001-02 (Empowered Committee)	0.23	0.23	100.00
6	9- Taxes on Vehicles	2041-00-800-01(Road Safety Scheme)	1.76	1.76	100.00
7	12-Treasury and Accounts Administration	2030-01-101-01 (Judicial)	0.26	0.26	100.00
8	13- Village Guards	2055-00-110-02 (Village Guard Personnel)	1.12	1.12	100.00
9	21- Relief of Distress Caused by Natural Calamities	2245-80-102-01 (Contingency Plans in Disaster Prone Areas)	2.5	2.14	85.60
10	25- Land Records and Survey	2029-00-800-02 (National Land Records Modernisation Programme)	0.71	0.71	100.00
11	26- Civil Secretariat	2052-00-090-16 (PEMS Cell)	0.05	0.05	100.00
12		2251-00-091-01 (Nagaland State Disaster Management Authority)	0.61	0.61	100.00
13		2251-00-119-01 (Mission for Integrated Development of Horticulture)	18.50	18.50	100.00
14		2252-26-800-01 North Eastern Areas Development - State Resource (Bee and Honey Mission)	0.02	0.02	100.00
15		2252-26-800-03 (Hydroger)	0.07	0.07	100.00
16		2252-26-800-01 North Eastern Council (Bee and Honey Mission)	2.00	2.00	100.00
17		2252-26-800-03 North Eastern Council (Hydroger)	0.60	0.60	100.00
18		3451-00-091-05 State Resource (Hydroger)	0.50	0.50	100.00
19		3451-00-091-02 (Nagaland Bamboo Development Agency)	5.00	5.00	100.00
20		3451-00-091-07 (Fostering Climate Change Resilient Upland Agri System)	14.00	14.00	100.00
21	27 – Planning Machinery	2552-27-101-01 (Pool for Schemes under North Eastern Council)	140	139.98	99.99
22		3451-00-102-03 (General Information System)	0.72	0.72	100.00
23		3451-00-101-02 (Pool for State Share)	290	253.11	87.28
24	28- Civil Police	2055-00-115-03 (Crime and Criminal Tracking Network and Systems)	9.50	9.50	100.00
25	31- School Education	2202-01-111-01 Non-Development (Sarva Shiksha Abhiyan)	131.75	131.75	100.00

Sl. No.	Number and title of Grant	Name of the Scheme	Total Grant/ Appropriation	Amount of Surrender	Percentage of Surrender	
		(Head of Account)				
26		2202-02-001-01 (Direction)	118.5	61.28	51.71	
27		2202-02-109-05 (Rashtriya Madhyamik Shiksha Abhiyan)	13.88	13.88	100.00	
28		2202-02-106-01 (Local Dialect Text Book Development)	1.00	1.00	100.00	
29		2202-01-111-01 Development (Sarva Shiksha Abhiyan)	269.52	146.76	54.45	
30		2202-04-200-01 (Shakshar Bharat)	2.57	2.57	100.00	
31		2202-01-109-02 (Scholarship for Minority Community)	15.5	15.5	100.00	
32		2202-03-001-01 (Direction)	27.03	16.77	62.04	
33		2202-03-107-02 (Merit Scholarship)	6.37	5.20	81.63	
34		2202-03-800-01 (Rashtriya Uchchatar Shiksha Abhiyan)	62.5	43.51	69.62	
35		32- Higher Education	4552-32-800-01 (NEC Projects)	5.42	5.00	92.25
36			2204-00-001-02 (Subordinate Establishment)	10.45	6.39	61.15
37		33- Youth Resources and Sports	2204-00-104-02 (North East Sports Games)	0.18	0.18	100.00
38			2204-00-800-04 (Rajiv Gandhi Khel Abhiyan)	4.04	4.04	100.00
39		35- Medical, Public Health and Family Welfare	2210-01-110-02 (Mental Hospitals)	2.23	2.23	100.00
40	2210-01-110-05 (Drug De-Addiction Clinic)		1.47	0.91	61.90	
41	2210-01-110-05 (Artificial Limb Centre)		0.85	0.64	75.29	
42	2210-01-200-01 (Goitres & Nutrition Programme)		0.18	0.18	100.00	
43	2210-01-200-02 (Medical Intelligence Bureau)		0.27	0.27	100.00	
44	2210-02-102-01 (Homeopathy Establishment)		0.96	0.77	80.21	
45	2210-06-104-01 (Drug Control Establishment)		0.19	0.13	68.42	
46	2210-06-107-01 (Food Testing Laboratory)		2.33	1.39	59.66	
47	2210-06-800-01 (National Health Mission)		0.80	0.70	87.50	
48	2210-06-800-06 (National Iodine Deficiency Disease Control Programme)		0.32	0.32	100.00	
49	2210-06-800-01 (National Leprosy Control Programme)		14.42	10.35	71.78	
50	2210-06-800-02 (National Mental Health Programme)		1.50	1.50	100.00	
51	2210-06-800-05 (National Programme for Control of Blindness)		1.50	1.50	100.00	
52	2210-06-800-08 (National Vector Borne Disease)		12	8.25	68.75	
53	2210-06-800-09 (Revised National TB Control Programme)		14.11	14.11	100.00	
54	2210-06-800-10 (Integrated Disease Surveillance Programme)		2.50	2.50	100.00	
55	2210-06-800-11 (National Urban Health Mission)		23	19.6	85.22	

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Sl. No.	Number and title of Grant	Name of the Scheme	Total Grant/ Appropriation	Amount of Surrender	Percentage of Surrender
		(Head of Account)			
56		2210-06-800-12 (Pulse Polio Immunisation)	1.45	1.45	100.00
57		2211-00-103-01 (Universal Immunisation Programme) District Level	1.14	1.14	100.00
58	37- Municipal Administration	2217-80-191-01 (Grants under Finance Commission)	19.57	19.57	100.00
59		2217-80-191-02 (Performance Grant)	5.66	5.66	100.00
60	38- Information and Public Relations	2220-60-106-01 (Field Publicity Establishment)	0.77	0.6	77.92
61		4552-38-800-01 (NEC Schemes)	0.22	0.22	100.00
62	39- Tourism	2552-39-800-01 (Promotion of Tourism in NER)	0.03	0.03	100.00
63		3452-01-101-03 Non-Development (Fairs and Festivals)	3.04	3.04	100.00
64		3452-01-101-03 Development- State Resource (Fairs and Festivals)	4.25	4.25	100.00
65	40- Employment and Training	2230-03-800-02 (Vocational Training) World Bank	0.08	0.08	100.00
66		2230-03-800-03 (Skill Development)	8.00	4.44	55.50
67	41- Labour	2230-01-103-01 (Welfare Centres)	0.59	0.59	100.00
68	42- Rural Development	2216-03-800-01 (Indira Awas Yojana)	50.05	40.07	80.06
69		2515-00-800-01 (Grants to Village Development Boards)	32.00	32.00	100.00
70	43- Social Security and Welfare	2235-02-102-02 (Establishment of Children's Parks and Children's Wards)	0.57	0.51	89.47
71		2235-02-102-04 (Prevention and Control of Juvenile Social Mal-adjustment)	0.95	0.95	100.00
72		2235-02-101-01 (Blind Schools)	0.20	0.10	50.00
73		2235-02-101-02 (Pension to Disable Person)	7.78	7.78	100.00
74		2235-02-102-07 (Beti Bachao Beti Padhao)	0.70	0.70	100.00
75		2235-02-103-04 (Women Helpline)	3.00	3.00	100.00
76		2235-03-101-01 (National Social Assistance Programme)	24.30	14.07	57.90
77		2236-02-101-01 (Supplementary Nutrition Programme)	0.28	0.22	78.57
78		2236-02-101-02 (Integrated Child Development Services)	3.13	3.13	100.00
79		45- Co-operation	3425-00-108-03 (Marketing and Consumer Federation)	1.50	1.50
80	2552-45-190-01 (NSCB)		0.07	0.07	100.00
81	2552-45-190-01 (NEC)		0.71	0.63	88.73
82	47- Legal Metrology and Consumer Protection	2552-47-800-01 (Modernisation)	0.07	0.07	100.00
83		3475-00-800-01 (Consumer Forum)	0.13	0.13	100.00
84	48- Agriculture	2401-00-108-01 (Sugarcane Development & Research)	3.09	1.63	52.75
85		2401-00-109-02 (Agriculture Information and Publicity)	0.37	0.34	91.89
86		2401-00-111-01 (Agriculture Statistics)	0.57	0.34	59.65
87		2401-00-113-01 (Superintendence)	3.61	2.54	70.36
88		2401-00-108-08 (National Food)	2.03	1.13	55.67

Sl. No.	Number and title of Grant	Name of the Scheme	Total Grant/ Appropriation	Amount of Surrender	Percentage of Surrender
		(Head of Account)			
		Security Mission)			
89		2401-00-109-03 (National Mission on Agriculture Extension and Technology)	1.08	0.55	50.93
90		2401-00-800-04 (Rainfed Area Development Programme)	0.89	0.89	100.00
91		2401-00-800-08 (Pradhan Mantri Sinchai Yojana)	1.27	1.27	100.00
92		2401-00-800-10 (RKVY)	0.13	0.13	100.00
93		2401-00-103-03 (Integrated Seed Development)	1.30	1.30	100.00
94		2401-00-108-02 (Mission Mode Project on Agriculture-National e-Governance Plan)	0.80	0.80	100.00
95		2401-00-11-02 (Agriculture Census)	3.50	2.71	77.43
96		2401-00-800-04 (Rainfed Area Development Programme)	8.00	8.00	100.00
97		2401-00-800-10 (RKVY)	3.29	3.29	100.00
98		2415-01-004-01 (Chemistry Laboratory)	2.25	1.41	62.67
99	49- Soil and Water Conservation	2402-00-103-01 (Stream Bank Erosion and Landslide Control)	1.00	1.00	100.00
100		2402-00-103-11 (Mitigation of Flood & River Bank Erosion)	12.55	12.55	100.00
101	50- Animal Husbandry and Dairy Development	2403-00-101-02 Development (Rinderpest Eradication)	2.24	1.64	73.21
102		2403-00-101-03 (Disease Investigation)	1.99	1.99	100.00
103		2403-00-104-01 (Sheep & Goat Farm)	1.68	1.58	94.05
104		2403-00-101-02 Centrally Sponsored Scheme (Rinderpest Eradication)	0.15	0.15	100.00
105		2403-00-101-04 (National Livestock Health and Diseases Control Programme)	9.34	6.68	71.52
106		2403-00-113-02 (Sample Survey)	0.54	0.54	100.00
107	50- Animal Husbandry and Dairy Development	2404-00-102-01 (Rural Dairy Centre)	2.71	2.71	100.00
108		2404-00-102-02 (National Plan for Dairy Development)	4.86	4.72	97.12
109		2415-03-277-01 (Extension & Training)	3.34	2.85	85.33
110		2552-50-800-01 Non-Development (Livestock & Poultry Development)	2.31	2.29	99.13
111		2552-50-800-01 NEC (Livestock & Poultry Development)	6.60	6.60	100.00
112	51- Fisheries	2405-00-101-07 (Integrated Fish Farming)	9.50	9.50	100.00
113	52- Forest Ecology, Environment and Wild Life	2406-01-102-03 (Plantation of Wild Fruits)	0.50	0.50	100.00
114		2406-01-800-01 (Intensification of Forest Management)	16.19	15.26	94.26
115		2552-53-800-01 (NEC Schemes)	0.05	0.05	100.00
116	53- Industries	2851-00-103-02 (Handloom Development Scheme)	6.5	6.5	100.00
117		2851-00-800-04 (Nagaland Tool Room and Training Centre)	2.31	2.31	100.00
118	55- Power	2801-80-003-01 (Lineman Training Centre)	1.62	1.24	76.54

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Sl. No.	Number and title of Grant	Name of the Scheme	Total Grant/ Appropriation	Amount of Surrender	Percentage of Surrender
		(Head of Account)			
119	64- Housing	2059-80-001-01 (Direction)	30.63	22.09	72.12
120	67- Home Guards	2070-00-107-01 (Home Guards)	30.75	17.22	56.00
121	70- Horticulture	2401-00-119-01 (Fruit and Vegetable Processing Centre)	0.10	0.10	100.00
122	74- Mechanical Engineering	2059-80-052-01 (New Supply Supplies)	0.20	0.17	85.00
123	78- Technical Education	2203-00-105-02 (Community Development through Polytechnic)	0.16	0.16	100.00
124		2203-00-107-02 (Multi-sectoral Development Programme for Minorities)	1.20	1.03	85.83
125	81- Information Technology and Communication	3425-60-001-01 (Direction)	1.30	1.00	76.92
126		3425-60-004-01 (Science, Technology, Ecology and Environment)	5.00	5.00	100.00
Capital (Voted)					
127	27- Planning Machinery	4059-80-800-02 (Non-lapsable Central Pool of Resource)	90.00	90.00	100.00
128		4059-80-800-01 (Externally Aided Projects)	115.00	115.00	100.00
129	31- School Education	4202-01-800-01 (Direction and Administration)	8.63	8.63	100.00
130	31- School Education	4552-31-800-01 North Eastern Areas Development - State Resource (Works under Scholl Education)	0.38	0.38	100.00
131		4552-31-800-01 North Eastern Council (Works under Scholl Education)	7.13	5.16	72.37
132	33- Youth Resources and Sports	4202-03-102-01 (Indira Gandhi Stadium)	1.63	1.63	100.00
133		4202-03-102-03 (Multi Discipline Indoor Sports Stadium)	0.14	0.14	100.00
134		4202-03-102-03 NLCPR (Multi Discipline Indoor Sports Stadium)	0.10	0.10	100.00
135		4552-33-800-01 (Development & Promotion of Sports & Youth Affairs Activities in N.E. Region)	1.20	1.20	100.00
136	34- Art and Culture and Gazetteers Unit	4202-04-106-01 (State Museums)	3.01	2.01	66.78
137		4552-34-800-01 State Resource (NEC Schemes)	0.17	0.17	100.00
138		4552-34-800-01 NEC (NEC Schemes)	2.30	1.76	76.52
139	35- Medical Public Health and Family Welfare	4210-03-105-02 (Tertiary Care Cancer Centre)	18.73	11.00	58.73
140		4210-03-105-03 (Nursing College)	8.40	5.02	59.76
141	36- Urban Development	4217-60-051-01 (Special Development Fund)	16.00	9.17	57.31
142		4217-60-051-05 (Swachh Bharat Mission)	3.50	3.50	100.00
143		4217-60-051-07 (Atal Mission-Service Level Improvement)	12.59	11.75	93.33
144		4217-60-051-08 (PMAY)	4.86	4.86	100.00
145	39- Tourism	5452-01-102-01 (Tourist Centre)	2.22	2.02	90.99
146		5452-01-101-01 (Infrastructure Development for Destination & Circuits)	15.27	15.27	100.00

Sl. No.	Number and title of Grant	Name of the Scheme	Total Grant/ Appropriation	Amount of Surrender	Percentage of Surrender
		(Head of Account)			
147	48- Agriculture	4408-02-800-02 (Agri Expo)	0.23	0.23	100.00
148		4552-48-800-01 North Eastern Areas Development- State Resource (NEC Project)	0.16	0.16	100.00
149		4552-48-800-01 NEC (NEC Projects)	7.51	7.51	100.00
150	49- Soil and Water Conservation	4402-00-800-01 (Buildings)	1.2	1.02	85.00
151	50- Animal Husbandry and Dairy Development	4403-00-001-01 (Maintenance of Assets)	3.00	3.00	100.00
152	53- Industries	5453-80-800-01 (Developing Export Infrastructure & Allied Activities)	0.30	0.30	100.00
153	55- Power	4552-55-800-01 North Eastern Areas Development - State Resource (Transmission Scheme)	3.63	3.03	83.47
154		4552-55-800-01 NEC (Transmission Scheme)	22.88	18.21	79.59
155		4801-05-001-02 (New Distribution Transformers)	17.96	15.46	86.08
156		4801-05-800-01 Development – State Resource (Transmission Scheme)	21.22	19.97	94.11
157		4801-05-800-01 NLCPR (Transmission Scheme)	14.34	12.54	87.45
158		56- Road Transport	5055-00-050-01 (Buildings)	5.74	5.10
159	57- Housing Loans	7610-00-201-01 (HBA to AIS Officers)	0.22	0.22	100.00
160	58- Roads and Bridges	4552-58-800-01 (Roads and Bridges)	2.00	1.67	83.50
161		5054-04-337-01 (PMGSY)	55.67	46.87	84.19
162		5054-80-800-03 (Economic and Importance for States and UTs from Central Road Fund)	6.50	6.50	100.00
163		5054-80-800-01 (Non-Lapsable Central Pool of Resource)	46.94	26.93	57.37
164		5054-80-800-04 (Inter State Connectivity)	17.57	17.57	100.00
165		59- Irrigation and Flood Control	4702-00-800-05 (Accelerated Irrigation Benefit and Flood Management Programme)	115.00	101.22
166	60- Water Supply	4215-01-800-03 (National Rural Drinking Water Programme) NRDWP	108.64	89.87	82.72
167	64- Housing	4552-64-800-01 North Easter Areas Development – State Resource (NEC)	0.07	0.07	100.00
168		4552-64-800-01 NEC (NEC Schemes)	3.42	2.14	62.57
169	68- Police Engineering Project	4055-00-211-02 (Government Residential Building)	4.50	3.50	77.78
170	76- Women Welfare	4552-76-800-01 State Resource (NEC Schemes)	0.22	0.22	100.00
171		4552-76-800-01 NEC (NEC Schemes)	2.00	2.00	100.00
172	78- Technical Education	4202-02-104-02 (Building of Government Polytechnic, Kohima)	0.42	0.42	100.00
173		4202-02-104-01 (setting up of New Polytechnics)	4.50	4.50	100.00
174	82- New and Renewable Energy	4552-82-800-01 (Mini Hydel Project)	0.42	0.22	52.38
Total			2374.80	1951.73	82.19

Source: Appropriation Accounts.

Appendix 2.8

(Reference: Para 2.3.10)

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

(Rupees in crore)

Sl. No	Number and name of the grant/ appropriation	Total grant/ appropriation	Savings	Amount surrendered	Amount surrendered in excess
1	9- Taxes on Vehicles	13.44	0.45	1.61	1.16
2	26- Civil Secretariat	188.08	21.88	24.09	2.21
3	31- School Education	1477.45	202.10	267.67	65.57
4	35- Medical, Public Health and Family Welfare	588.32	50.15	51.26	1.11
5	37- Municipal Administration	29.67	22.98	25.23	2.25
Total Revenue (Voted)		2296.96	297.56	369.86	72.30

Source: Appropriation Accounts.

Appendix 2.9

(Reference Para 2.3.11)

Statement of various grants/appropriations in which savings occurred but no part of which had been surrendered during 2017-18

(Rupees in lakh)

Sl. No.	Grant No.	Name of grant/appropriation	Saving
Capital (Voted)			
1	8	Sales Tax	17.25
2	9	Taxes on Vehicles	20.39
3	37	Municipal Administration	2178.33
4	63	Science, Technology, Ecology and Environment	11.50
5	66	Sericulture	8.12
6	68	Police Engineering Project	518.07
Total Capital (Voted)			2753.66

Source: Appropriation Accounts.

Appendix 2.10

(Reference Para 2.3.11)

Cases of surrender of funds (in excess of ₹ 10 crore) made on 30th and 31st March 2018

(Rupees in crore)

Sl. No.	Grant No.	Major Head	Amount of Surrender	Total Provision	Percentage of Total Provision
Revenue (Voted)					
1	18	2071- Pensions and Other Retirement Benefits	119.69	1421.02	8.42
2	26	2401- Crop Husbandry	18.50	18.50	100.00
3	27	2552- North Eastern Areas	138.99	140.08	99.22
4	27	3451- Secretariat Economic Services	252.86	376.52	67.16
5	31	2202- General Education	267.67	1477.45	18.12
6	35	2210- Medical and Public Health	48.75	558.25	8.73
7	37	2217- Urban Development	25.23	29.67	85.04
8	43	2235- Social Security and Welfare	24.24	172.53	14.05
9	43	2236- Nutrition	46.92	111.96	41.91
10	49	2402- Soil & Water Conservation	13.53	54.65	24.76
11	50	2403- Dairy Development	21.64	21.89	98.86
12	70	2401- Crop Husbandry	11.73	65.09	18.02
13	72	2501- Special programmes for rural development	63.86	129.84	49.18
Total			1053.61	4577.45	23.02
Capital (Voted)					
14	27	4059- Capital Outlay on Public Works	156.21	178.05	87.73
15	31	4202- Capital Outlay on Education, Sports, Art & Culture	11.36	18.94	59.98
16	35	4210- Capital Outlay on Medical & Public Health	18.52	89.32	20.73
17	36	4217- Capital Outlay on Urban Development	22.61	97.15	23.27
18	39	5452- Capital Outlay on Tourism	10.29	13.32	77.25
19	58	4552- Capital Outlay on NE Areas	15.00	18.33	81.83
20	58	5054- Capital Outlay on Roads and Bridges	74.02	282.67	26.19
21	59	4702- Capital Outlay on Minor Irrigation	92.84	110.30	84.17
22	60	4215- Capital Outlay on Water Supply and Sanitation	100.59	221.16	45.48
Total Capital (Voted)			501.44	1029.24	48.72
Revenue (Charged)					
23	75	2049- Interest Payment	143.24	827.20	17.32
Capital (Charged)					
24	75	6003- Internal Debt of the State Government	617.03	5044.09	12.23
Grand Total			2315.32	11477.98	20.17

Source: Appropriation Accounts.

Appendix 2.11

(Reference: Para 2.3.12)

Rush of Expenditure

(Rupees in crore)

Grant No.	Head of Account	Details of expenditure incurred during			Percentage of total expenditure incurred during	
		Jan-Mar 2018	March 2018	2017-18	Jan.-Mar 2018	March 2018
1-State Legislature	2011	20.66	19.14	37.32	55.36	51.29
4- Administration of Justice	2014	22.48	18.54	46.92	47.91	39.51
	2552	1.19	1.19	1.32	90.15	90.15
	4059	18.48	2.75	30.49	60.61	9.02
	4216	2.65	1.34	3.00	88.33	44.67
5- Election	2015	19.38	1.17	39.14	49.51	2.99
6- Land Revenue	2029	0.46	0.33	0.90	51.11	36.67
8- Sales Tax	4059	1.33	0.89	1.33	100.00	66.92
9- Taxes on Vehicles	2041	6.03	4.71	11.87	50.80	39.68
	4059	1.55	1.55	1.55	100.00	100.00
12- Treasury and Accounts Administration	2030	0.30	0.22	0.30	100.00	73.33
	2054	11.29	6.47	33.93	33.27	19.07
	4059	2.00	2.00	2.00	100.00	100.00
13- Village Guards	4055	0.89	0.89	0.89	100.00	100.00
14- Jails	2056	15.53	7.22	42.69	36.38	16.91
16- State Guest House	2070	15.23	10.04	15.30	99.54	65.62
18- Pension and Other Retirement Benefits	2071	309.64	131.80	1264.10	24.49	10.43
22- Civil Supplies	2408	29.46	26.07	69.91	42.14	37.29
26- Civil Secretariat	2052	29.71	18.74	129.59	22.93	14.46
	3451	12.44	1.96	24.59	50.59	7.97
27- Planning Machinery	3451	35.30	32.32	123.66	28.55	26.14
	4059	17.08	14.40	21.84	78.21	65.93
	4575	24.09	24.09	74.28	32.43	32.43
28- Civil Police	2055	370.25	155.33	1260.69	29.37	12.32
29- Stationery and Printing	4058	0.94	0.94	1.00	94.00	94.00
	4059	0.89	0.89	1.00	89.00	89.00
30- Administrative Training Institute	4059	0.44	0.44	0.50	88.00	88.00
31- School Education	2202	379.05	269.71	1274.95	29.73	21.15
	4202	2.78	1.23	4.83	57.56	25.47
32- Higher Education	2202	27.03	14.28	106.93	25.28	13.35
	2225	22.16	7.72	45.86	48.32	16.83
	4552	0.42	0.42	0.42	100.00	100.00
33- Youth Resource and Sports	2552	0.50	0.50	0.50	100.00	100.00
	4202	4.56	2.79	7.87	57.94	35.45
	4552	14.84	14.84	16.85	88.07	88.07
35- Medical, Public Health and Family Welfare	2210	161.42	93.45	509.81	31.66	18.33
	4210	19.06	19.06	70.80	26.92	26.92
36- Urban Development	4217	54.40	23.75	74.53	72.99	31.87
37- Municipal Administration	2015	0.09	0.07	0.15	60.00	46.67
	4217	35.12	33.70	145.73	24.10	23.12
38- Information and Public Relation	2220	10.67	6.85	31.35	34.04	21.85
40-Employment and Training	2230	11.36	7.50	27.14	41.86	27.63
41- Labour	4250	2.16	2.16	2.45	88.16	88.16
42- Rural Development	2505	177.64	140.64	1012.74	17.54	13.89
	2515	198.13	191.05	241.75	81.96	79.03

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Grant No.	Head of Account	Details of expenditure incurred during			Percentage of total expenditure incurred during	
		Jan-Mar 2018	March 2018	2017-18	Jan.-Mar 2018	March 2018
43- Social Security and Welfare	2235	82.38	59.55	156.08	52.78	38.15
	2236	64.99	64.99	65.04	99.92	99.92
	4235	2.26	2.26	4.26	53.05	53.05
46- Statistics	5475	1.90	0.00	1.90	100.00	0.00
47- Legal Metrology & Consumer Protection	5475	1.00	1.00	1.00	100.00	100.00
48- Agriculture	2401	90.58	80.19	207.67	43.62	38.61
	2552	2.79	2.79	4.37	63.84	63.84
	4401	8.00	8.00	13.27	60.29	60.29
	4408	2.00	1.00	2.80	71.43	35.71
49- Soil and Water Conservation	2402	11.73	5.61	41.12	28.53	13.64
	2552	2.22	2.22	3.72	59.68	59.68
	4402	0.18	0.00	0.18	100.00	0.00
51- Fisheries	2405	10.89	8.13	20.60	52.86	39.47
	4059	0.31	0.31	0.35	88.57	88.57
52- Forest, Ecology, Environment and Wildlife	2406	38.8	19.12	115.75	33.52	16.52
	4406	0.42	0.00	0.50	84.00	0.00
53- Industries	2851	21.77	13.45	75.28	28.92	17.87
54- Mineral Development	2853	10.90	6.90	30.67	35.54	22.50
55- Power	2045	1.04	0.90	1.67	62.28	53.89
	2801	231.29	109.88	446.53	51.80	24.61
56- Road Transport	3053	9.55	7.87	11.85	80.59	66.41
	3055	19.65	8.49	59.95	32.78	14.16
58- Roads and Bridges	3054	139.97	57.87	382.47	36.60	15.13
	4552	15.00	15.00	18.33	81.83	81.83
	5054	110.57	80.81	208.65	52.99	38.73
59- Irrigation and Flood Control	4552	5.81	4.83	6.30	92.22	76.67
60- Water Supply	2215	29.87	13.14	90.81	32.89	14.47
63- Science, Technology, Ecology and Environment	3425	0.94	0.40	1.85	50.81	21.62
	2059	37.63	20.42	109.17	34.47	18.70
64- Housing	4059	13.14	11.71	26.91	48.83	43.52
	4552	0.72	0.72	1.28	56.25	56.25
66- Sericulture	4851	1.49	1.49	2.92	51.03	51.03
67- Home Guards	4059	1.77	1.77	1.77	100.00	100.00
68- Police Engineering Project	4055	137.81	0.66	142.33	96.82	0.46
69- Fire Services	4059	1.77	1.77	3.00	59.00	59.00
	4552	1.79	1.79	3.29	54.41	54.41
70- Horticulture	2401	21.48	19.17	53.36	40.25	35.93
72- Land Resource Development	2501	21.60	6.34	66.14	32.66	9.59
	4406	3.80	3.80	3.80	100.00	100.00
73- State Institute of Rural Development	4059	1.40	1.40	1.40	100.00	100.00
74- Mechanical Engineering	2059	14.37	8.05	41.80	34.38	19.26
77- Development of Under Development Areas	4575	16.77	0.00	55.65	30.13	0.00
79- Border Affairs	2053	5.19	5.12	6.54	79.36	78.29
82- New and Renewable Energy	4059	1.76	1.76	1.76	100.00	100.00
	4810	1.00	0.00	1.00	100.00	0.00

Source: Appropriation Accounts.

Appendix 2.12

(Reference: Para 2.4)

Pending DCC bills for the year up to 2017-18

(Rupees in crore)

Sl. No.	Department	Number of AC bills for which DC bills was outstanding	Amount
1	Civil Police	34	190.40
2	Youth Resources & Sports	28	30.22
3	Home	117	71.04
4	SCERT	17	9.77
5	Others	66	94.71
Total		262	396.14

Source: Principal Accountant General (A&E), Nagaland

Appendix 3.1

(Reference Para 3.1)

Utilisation certificates outstanding as on 31 March 2018

(Rupees in lakh)

Sl. No.	Department	Year of Payment of grant	Outstanding Utilization Certificates	
			Number	Amount (₹ in lakh)
1	School Education	Upto 2012-13	14	8004.71
		2013-14	5	2687.00
		2014-15	4	9703.28
		2015-16	3	560.42
		2016-17	2	610.55
		Total	28	21565.96
2	Youth Resources & Sports	Upto 2012-13	4	625.00
		2013-14	1	130.00
		2014-15	2	100.00
		2015-16	4	481.21
		2016-17	4	433.13
		Total	15	1769.34
3	Health & Family Welfare	Upto 2012-13	4	26.97
		2013-14	4	17.77
		2014-15	0	0.00
		2015-16	0	0.00
		2016-17	2	12.50
		Total	10	57.24
4	Rural Development	Upto 2012-13	7	5863.00
		2013-14	1	2918.00
		2014-15	1	6087.00
		2015-16	2	1772.51
		2016-17	3	8235.97
		Total	14	24876.48
5	Co-operation	Upto 2012-13	1	5.50
		2013-14	1	1300.00
		2014-15	0	0.00
		2015-16	0	0.00
		2016-17	0	0.00
		Total	2	1305.50
6	Fisheries	Upto 2012-13	5	265.50
		2013-14	2	50.00
		2014-15	0	0.00
		2015-16	0	0.00
		2016-17	0	0.00
		Total	7	315.50
7	Social Security & Welfare	Upto 2012-13	8	2645.20
		2013-14	4	352.11
		2014-15	3	492.25
		2015-16	4	2315.65
		2016-17	6	649.56
		Total	25	6454.77

Sl. No.	Department	Year of Payment of grant	Outstanding Utilization Certificates	
			Number	Amount (₹ in lakh)
8	Others	Upto 2012-13	81	9291.45
		2013-14	21	9419.51
		2014-15	16	4470.67
		2015-16	17	3145.54
		2016-17	19	3858.29
		Total	154	30185.46
Grand Total			255	86530.25

Source: Principal Accountant General (A&E), Nagaland.

Appendix 3.2

(Reference Para 3.2)

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

Sl. No.	Name of the body/authority	Year for which accounts had not been received	Grants received (Rupees in lakh)
1	DRDA, Tuensang	2013-14 to 2017-18	Details not available
2	DRDA, Mon	2013-14 to 2017-18	Details not available
3	DRDA, Kohima	2013-14 to 2017-18	Details not available
4	DRDA, Wokha	2012-13 to 2017-18	Details not available
5	DRDA, Longleng	2013-14 to 2017-18	Details not available
6	DRDA, Peren	2010-11 to 2017-18	Details not available
7	DRDA, Kiphire	2013-14 to 2017-18	Details not available
8	DRDA, Zunheboto	2013-14 to 2017-18	Details not available
9	DRDA, Dimapur	2013-14 to 2017-18	Details not available
10	DRDA, Mokokchung	2013-14 to 2017-18	Details not available
11	DRDA, Phek	2013-14 to 2017-18	Details not available
12	NSLS Aut., Kohima	2013-14 to 2017-18	Details not available
13	NBSE, Kohima	2013-14 to 2017-18	Details not available
14	SIRD, Kohima	2012-13 to 2017-18	Details not available
15	DAN, Dimapur	2012-13 to 2017-18	Details not available
16	KVIC, Dimapur	2012-13 to 2017-18	Details not available
17	NPCB, Dimapur	2010-11 to 2017-18	Details not available
18	NB & OCWWB, Kohima	2014-15 to 2017-18	Details not available
19	NSAMB, Dimapur	2011-12 to 2017-18	Details not available
20	NHK, Kohima	2013-14 to 2017-18	Details not available
21	KMC, Kohima	2013-14 to 2017-18	Details not available
22	MMC, Mokokchung	2013-14 to 2017-18	Details not available

Appendix 3.3

(Reference Para 3.4)

Department-wise position of proforma accounts not prepared by the Departmentally Managed Commercial Undertakings

Sl. No.	Name of the Undertaking	Period of accounts
1	2	3
1	Nagaland State Transport Department	2013-14 to 2017-18
2	Nagaland Power Department	2015-16 to 2017-18
3	Farms under Agriculture Department	
	(a) Potato Seed Farm, Kuthur	1999-01 to 2017-18
	(b) Medium Size Seed Farm, Merapani	2001-02 to 2017-18
	(c) Seed Farm, Tizit	2000-01 to 2017-18
4	Changki Valley Fruit Preservation Factory	2006-07 to 2017-18
5	Timber Treatment and Seasoning Plant, Dimapur	1998-99 to 2017-18
6	Government Cottage Industries Emporia, Kohima	1998-99 to 2017-18
7	Farms under Veterinary and Animal Husbandry Department	
	(a) Cattle Breeding Farm, Medziphema	1998-99 to 2017-18
	(b) Cattle Breeding Farm, Tuensang	1998-99 to 2017-18
	(c) Cattle Breeding Farm, Aliba	1998-99 to 2017-18
	(d) Chick Rearing Centre, (with Hatchery unit), Mokokchung	1998-99 to 2017-18
	(e) Chick Rearing Centre (with Hatchery unit), Dimapur	1998-99 to 2017-18
	(f) Chick Rearing Centre, Tuensang	1985-86 to 2017-18
	(g) Chick Rearing Centre, Medziphema	1985-86 to 2017-18
	(h) Pig Breeding Centre, Medziphema	1997-98 to 2017-18
	(i) Pig Breeding Centre, Tizit	1997-98 to 2017-18
	(j) Pig Breeding Centre, Tuensang	1985-86 to 2017-18
	(k) Pig Breeding Centre, Tuli	1980-81 to 2017-18
	(l) Regional Rabbit Breeding Farm, Jharnapani	1998-99 to 2017-18
	(m) Pig Breeding Centre, Merangkong	1998-99 to 2017-18
	(n) Chick Rearing Centre, Kohima	1998-99 to 2017-18
	(o) Pig Breeding Centre, Sathuja	1998-99 to 2017-18
	(p) Cattle Breeding Farm, Baghty	1998-99 to 2017-18
	(q) Sheep Farm, Poilwa	1998-99 to 2017-18
	(r) Buffalo Farm, Jalukie	1998-99 to 2017-18
8	Farm under Horticulture Department	
	(a) Regional Progeny Orchard, Lonnak	1987-88 to 2017-18

Appendix 3.4

(Reference Para 3.7)

**Department wise/duration wise break-up of the cases of misappropriation, defalcation, etc.
(Cases where final action was pending at the end of March 2018)**

(In number)

Sl. No.	Name of the Department	Up to 5 years	5 to 10 years	Total No. of Cases
1	School Education	3	1	4
2	Power	1	0	1
3	Rural Development	2	1	3
4	Public Works Department (Roads & Bridges)	2	0	2
5	Medical	7	0	7
6	Tourism	2	0	2
7	Irrigation & Flood Control	1	0	1
8	Municipal Affairs	2	0	2
9	Urban Development	1	0	1
10	Taxes	2	0	2
11	Land Records & Survey	1	0	1
12	Private Firms	1	0	1
13	Various Department	2	0	2
Total		27	2	29

Source: Vigilance & Anti-Corruption department.

Appendix 3.5

(Reference Para 3.7)

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

(Rupees in lakh)

Name of Department	Theft Cases		Misappropriation		Loss of Government Material		Defalcation		Total		
	Number of Cases	Amount	Number of Cases	Amount	Number of Cases	Amount	Number of Cases	Amount	Number of Cases	Amount	Amount recovered
School Education	1	0.82	2	8279.50	1	16.00	0	0.00	4	8296.32	40.78
Power	0	0.00	1	2548.00	0	0.00	0	0.00	1	2548.00	0.00
Rural Development	0	0.00	3	361.60	0	0.00	0	0.00	3	361.60	0.00
PWD (R&B)	0	0.00	1	78.51	1	800.10	0	0.00	2	878.61	0.00
Health & Family Welfare	0	0.00	2	185.00	4	1150.43	1	301.00	7	1636.43	22.55
Tourism	0	0.00	1	919.72	0	0.00	1	500.00	2	1419.72	0.00
Irrigation & Flood Control	0	0.00	1	346.00	0	0.00	0	0.00	1	346.00	0.00
Municipal Affairs	0	0.00	2	411.24	0	0.00	0	0.00	2	411.24	0.00
Taxes	0	0.00	0	0.00	2	644.90	0	0.00	2	644.90	0.00
Land Records & Survey	0	0.00	1	124.00	0	0.00	0	0.00	1	124.00	0.00
Urban Development	0	0.00	1	28.50	0	0.00	0	0.00	1	28.50	0.00
Private Firms	0	0.00	0	0.00	1	723.00	0	0.00	1	723.00	0.00
Various Department	0	0.00	0	0.00	2	477.39	0	0.00	2	477.39	253.44
Total	1	0.82	15	13282.07	11	3811.82	2	801.00	29	17895.71	316.77

Source: Vigilance & Anti-Corruption department.

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