सत्यमेव जयते

Report of the Comptroller and Auditor General of India on State Finances for the year ended 31 March 2013

The Report has been laid on the table of the State Legislature Assembly on 25-07-2014

UNITY

GOVERNMENT OF NAGALAND

GOVERNMENT OF NAGALAND

REPORT OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA

ON

STATE FINANCES

FOR THE YEAR ENDED 31 MARCH 2013

GOVERNMENT OF NAGALAND

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Preface

1. This Report has been prepared for submission to the Governor under Article 151 of the Constitution.

2. Chapters I and II of this Report contain audit findings on matters arising from examination of Finance Accounts and Appropriation Accounts respectively of the State Government for the year ended 31 March 2013.

3. Chapter III on 'Financial Reporting' provides an overview and status of the State Government's compliance with various financial rules, procedures and directives issued during the current year.

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

EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

Background

This Report on the Finances of the Government of Nagaland is being presented to the State Legislature, along with the Finance and Appropriation Accounts, with a view to assess objectively the financial performance of the State during the year 2012-13. The aim of this Report is to provide the State Government with timely inputs based on actual data so that there is a better insight into both well performing as well as ill performing schemes/programmes of the Government. In order to give a perspective to the analysis, an effort has been made to compare the normative assessment made by the Finance Commission (XIII-FC) and achievements with the targets envisaged by the State Government in Fiscal Responsibility and Budget Management Act, 2005 as well as in the Budget Estimates of 2012-13. A comparison has been made to see whether the State has given adequate fiscal priority to developmental, social sector and capital expenditure and whether the expenditure has been effectively absorbed by the intended beneficiaries.

The Report

Based on the audited accounts of the Government of Nagaland for the year ending March 2013, this Report provides an analytical review of the Annual Accounts of the State Government. The Report is structured in three Chapters.

Chapter 1 is based on the audit of Finance Accounts and makes an assessment of the Government of Nagaland's fiscal position as on 31 March 2013. It provides an insight into trends in committed expenditure, borrowing pattern besides a brief account of Central funds transferred directly to the State implementing agencies through off-budget route.

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

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

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

Audit findings and recommendations

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

Revenue Receipts: During 2012-13, 91 *per cent* of the total revenue came from the Government of India as Central transfers (15 *per cent*) and grants-in-aid (76 *per cent*). The State however, achieved the total revenue collection target fixed by the XIII-FC during 2012-13.

Revenue Expenditure: The overall revenue expenditure of the State increased by ₹ 725.53 crore (14.88 *per*

cent) over the previous year. The revenue expenditure constituted 81.66 *per cent* of total expenditure while the expenditure incurred under capital head constituted 18.31 *per cent* and loans & advances constituted 0.03 *per cent*.

There were 135 incomplete projects (estimated cost ₹ 1986.15 crore and actual expenditure incurred ₹ 1002.67 crore as of March 2013) pertaining to 18 departments. Out of the 135 incomplete projects 75 projects (estimated cost ₹ 1063.54 crore and actual expenditure ₹ 623.85 crore) were due to be completed by March 2013 but remained incomplete as of October 2013. The date of completion in respect of 27 projects could not be furnished by the departments and in respect of the remaining 33 projects completion is not due as on 31 March 2013.

Development expenditure of ₹ 2467.96 crore in 2009-10 increased to ₹ 4109.92 crore in 2012-13. However, its share in aggregate expenditure increased from 58.15 *per cent* to 59.94 *per cent* during the period. The ratio of development expenditure as a proportion to aggregate expenditure had increased by 1.79 *per cent* in 2012-13 as compared to the year 2009-10.

The share of committed expenditure in the non-plan Revenue Expenditure was 60.16 *per cent* of the revenue receipts.

The State should reduce its committed expenditure in the overall non-plan revenue expenditure. The State also needs to ensure timely and effective implementation of incomplete projects.

Oversight of funds transferred directly from the GOI to the State implementing agencies: During 2012-13, an approximate amount of ₹ 1266.57 crore was directly transferred by GOI to the State Implementing Agencies. As long as these funds remain outside the State budget, there is no single agency monitoring its use and there is no readily available data on how much is actually spent in any particular year on major flagship schemes and other important schemes which are being implemented by State implementing agencies but are funded directly by the GOI.

Government investment: The Government had invested ₹ 242.65 crore in Statutory Corporations, Rural Banks, Joint Stock Companies and Co-operatives at the end of March 2013. The average returns on this investment was nil during the last five years.

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

Financial management and budgetary control: There was a saving of ₹ 1482.89 crore and excess expenditure of ₹ 166.16 crore under 82 grants during 2012-13. This excess expenditure together with an excess expenditure of ₹ 367.55 crore pertaining to 2000-01 and 2005-06, 2008-09 to 2011-12 require regulatisation by the Legislature under Article 205 of the Constitution of India. A rush of expenditure was noticed in 67 grants in which expenditure exceeding ₹ 10 crore or more than 50 *per cent* of the total expenditure was incurred in the last

quarter of 2012-13 and in some cases in the month of March 2013. There were 155 AC Bills involving ₹ 160.26 crore awaiting adjustment due to non-submission of DCC Bills for long periods and therefore was fraught with the risk of misappropriation.

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

Financial Reporting: Timely submission of utilisation certificates is a major area of concern. At the end of March 2013, 141 UCs involving an aggregate amount of ₹ 255.91 crore were pending for submission even after a lapse of one to five years from various departments. Though the accounts of the State Autonomous Bodies and Departmental Commercial Undertakings were over due, these accounts were not submitted. Non-submission of accounts in time amounted to non-compliance with the financial rules. As on 31 March 2013, 15 cases of misappropriation, defalcation etc. involving ₹ 67.49 crore in 10 Departments were pending for finalisation

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

CHAPTER – I

FINANCES OF THE STATE GOVERNMENT

Chapter I
Finances of the State Government

Profile of Nagaland

The State is located in North-Eastern region of India. It is the twenty fifth largest State in terms of geographical area (16579 sq. km) as well as by population (1978502). As indicated in **Appendix 1.1(D)** the State's population decreased from 1990036 in 2001 to 1978502 in 2011 recording a decadal decrease of 0.58 *per cent*. The state's Gross State Domestic Product (GSDP) in 2012-13 at current prices was 13321.61 crore. The state's literacy rate increased from 66.59 *per cent* (as per 2001 census) to 79.55 *per cent* (as per 2011 census). The per capita income of the state (source Ministry of Home Affairs) stands at 56116 against the country's average of 60972. The general data relating to the State is given in **Appendix 1.1(D)**.

Gross State Domestic Product (GSDP)

GSDP is the market value of all officially recognised final goods and services produced within the State in a given period of time. The growth of GSDP of the State is an important indicator of the State's economy as it indicates the standard of living of the State's population. A trend analysis of growth of GDP for a period of five years at current prices indicates the performance of the Government in fiscal management of the State. The growth rate of the State GDP for the period 2008-13 compared with India's GDP is presented in the table below:

Annual growth rate of GDP and GSDP at current prices

Year	2008-09	2009-10	2010-11	2011-12	2012-13
State's GDP[1] (in crore)	9436.07	10526.77	11315.13(P)	12272.15(Q)	13321.61(A)
Growth in *per cent*	16.85	11.56	7.49	8.46	8.55
India's GDP* (in crore)	5303566	6108903	7266967	8353495	9461013
Growth in *per cent*	15.75	15.18	18.96	14.95	13.26

Source: Departmental figure

****Economic Survey 2012-13, Ministry of Finance, GOI***

The quantum of GDP (both State and India) is measured in terms of constant and current prices and as per their respective arithmetical calculations; these figures differ from each

[1] **GSDP figures communicated by the Government adopted. (P): Provisional Estimate, (Q): Quick Estimate & (A): Advance Estimate.**

other every year. For comparison between State and National GDPs, the GDP figure calculated on the basis of current price at factor cost with base year 2004-05 has been taken.

As can be seen from the above table, Nagaland achieved higher GSDP growth rate compared to National growth rate in the year 2008-09 but the growth rate was lower in all the other years from 2009-10 to 2012-13. Growth rate in respect of GSDP at current price was 8.55 *per cent* compared to National growth rate of 13.26 *per cent* in 2012-13.

1.1 Introduction

The annual accounts of the State Government consist of Finance Accounts and Appropriation Accounts. The new format of Finance Accounts introduced from the year 2009-10, has been divided into two Volumes: Volume I and II. Volume I represents the financial statements of the Government in a summarised form while Volume II represents detailed financial statements, the structure and layout of which are depicted in **Appendix 1.1- Part B**.

This chapter provides a broad perspective of the finances of the Government of Nagaland during 2008-13. It analyses important changes in the major fiscal indicators compared to the previous year keeping in view the overall trends during the last five years. The analysis is based on the Finance Accounts and information obtained from the State Government. The structure of the Government Accounts and layout of the Finance Accounts have been explained in **Appendix 1.1 – Parts A and B. Appendix 1.3** represents the time series data on key fiscal variables/parameters and fiscal ratios relating to the State Government finances for the period 2008-13.

1.1.1 Summary of Fiscal Transactions in 2012-13

Appendix 1.2 represents the outcome indicators of the State's Own Fiscal Consolidation Roadmap (FCR)/Fiscal Correction Path. **Table 1.1** presents the summary of the State Government's fiscal transactions during the current year (2012-13) vis-à-vis the previous year (2011-12) while **Appendix 1.4** provides details of receipts and disbursements as well as overall fiscal position during the same period.

Table 1.1 Summary of Fiscal Operations in 2012-13

(Rupees in crore)

Receipts			Disbursements				
Section-A: Revenue							
Description	**2011-12**	**2012-13**	**Description**	**2011-12**	**2012-13**		
					Non Plan	**Plan**	**Total**
Revenue receipts[2]	5586.38	6204.29	Revenue expenditure[3]	4875.66	4571.29	1030.10	5601.39
Tax revenue	303.88	339.95	General services	2318.27	2521.95	15.85	2537.80
Non-tax revenue	232.95	207.17	Social services	1154.12	1095.63	366.16	1461.79
Share of Union Taxes/ Duties	803.20	917.14	Economic services	1403.27	953.71	648.09	1601.80
Grants from Government of India	4246.35	4740.03	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	1249.39	6.04	1249.14	1255.18
Recoveries of Loans and Advances	2.44	0.85	Loans and Advances disbursed	2.75	0.34	1.82	2.16
Public Debt receipts	1318.85	2730.12	Repayment of Public Debt	798.57			2343.19
Contingency Fund	0.00	0.00	Contingency Fund	0.00			0.00
Public Account receipts	2611.38	3041.66	Public Account disbursements	2364.57			2822.67
Opening Cash Balance	100.08	328.19	Closing Cash Balance	328.19	…	…	280.52
Total	**9619.13**	**12305.11**	**Total**	**9619.13**			**12305.11**

(Source: Finance Accounts for the respective years)

The following are the significant changes during 2012-13 over the previous year:

- Revenue receipts increased by ₹ 617.91 crore (11.06 *per cent*) from ₹ 5586.38 crore in 2011-12 to ₹ 6204.29 crore in 2012-13 due to increase in grants from Government of India (GOI) (₹ 493.68 crore), State's Own Tax revenue (₹ 36.07 crore) and State's share of Union taxes and duties (₹ 113.94 crore) offset by decrease in State's Non-Tax revenue (₹ 25.78 crore). The revenue receipts at ₹ 6204.29 crore was however, lower than the assessment made by the State Government in its Fiscal Consolidation Roadmap (FCR) (₹ 6866.76 crore) for the year 2012-13 by ₹ 662.47 crore.

- Revenue expenditure of the State, on the other hand increased by ₹ 725.73 crore (14.88 *per cent*) from ₹ 4875.66 crore in 2011-12 to ₹ 5601.39 crore in 2012-13, mainly under the heads Administrative services (₹ 80.04 crore), Interest payment and Servicing of Debt (₹ 35.25 crore), Pension and Miscellaneous General Services (₹ 90.10 crore), Education, Sports and Art & Culture (₹ 193.83 crore), Health and Family Welfare (₹ 34.21 crore), Social Welfare & Nutrition (₹ 46.01 crore), Agriculture and Allied Activities (₹ 47.07 crore), Energy (₹ 50.85 crore), Transport (₹ 25.62 crore) and Rural Development (₹ 36.40 crore). The revenue expenditure

[2] **Revenue receipts and Non-tax revenue are inclusive of gross receipt (₹ 5.60 crore) from State Lotteries.**
[3] **Revenue expenditure and General Services (Non-Plan) are inclusive of expenditure (₹ 1.96 crore) on State Lotteries**

(₹ 5601.39 crore) was lower than the assessment made by the State Government in its FCR (₹ 5766.01 crore) for the year 2012-13 by ₹ 164.62 crore.

- Capital Expenditure increased by ₹ 5.79 crore (0.46 *per cent*) from ₹ 1249.39 crore in 2011-12 to ₹ 1255.18 crore in 2012-13, mainly under the head Water supply, Sanitation, Housing & Urban Development (₹ 43.97 crore), Agriculture & Allied Activities (₹ 19.61 crore), Special Arean Programme (₹ 17.01 crore), Social Welfare & Nutrition (₹ 9.32 crore), Energy (₹ 5.49 crore) offset by decrease in General Service (₹ 24.74 crore), Education, Sports, Art & Culture (₹ 23.72 crore), General Economic Service (₹ 21.23 crore) and Health & Family Welfare (₹ 20.71 crore).
- Recoveries of Loans and Advances decreased by ₹ 1.59 crore and disbursement decreased by ₹ 0.59 crore in 2012-13 over the previous year.
- During the year 2012-13 public debt receipts[4] increased by ₹ 1411.27 crore from ₹ 1318.85 crore in 2011-12 to ₹ 2730.12 crore in 2012-13 and repayment also increased by ₹ 1544.62 crore from ₹ 798.57 crore in 2011-12 to ₹ 2343.19 crore in 2012-13 over the previous year.
- Public Account Receipts increased in 2012-13 over the previous year by ₹ 430.28 crore from ₹ 2611.38 crore in 2011-12 to ₹ 3041.66 crore in 2012-13 and disbursement also increased by ₹ 458.10 crore from ₹2364.57 crore in 2011-12 to ₹ 2882.67 crore in 2012-13.

The total inflow increased by ₹ 2457.87 crore (25.82 *per cent)* from ₹ 9519.05 crore in 2011-12 to ₹ 11976.92 crore in 2012-13. The total outflow also increased by ₹ 2733.65 crore (29.42 *per cent)* from ₹ 9290.94 crore in 2011-12 to ₹ 12024.59 crore in 2012-13. The cash balance of the State at the end of 2012-13 decreased by ₹ 47.67 crore (14.53 *per cent*) from ₹ 328.19 crore in 2011-12 to ₹ 280.52 crore in 2012-13.

1.1.2 Review of the fiscal situation

With the enactment of a Fiscal Responsibility and Budget Management Act (FRBM) Act, 2005 at the centre, Twelfth Finance Commission (TFC) recommended that each State enact a fiscal responsibility legislation prescribing specific annual targets with a view to eliminate the revenue deficit by 2008-09 and reduce fiscal deficit based on a path for reduction of borrowings and guarantees. The targets prescribed in NFRBM Act and projections made by State Government in its Medium Term Fiscal Policy Statement (MTFPS), targets proposed in the Budget, XIII FC targets for the State vis-a-vis achievements during the year 2012-13 is depicted in **Table 1.2** below**:**

[4] **Public Debt Receipts includes market loans, special securities issued by RBI and loans and advances from GOI.**

Table: 1.2 Major fiscal variables provided in the budget, recommendations of the XIII FC, targeted in the NFRBM Act vis-à-vis actuals

Fiscal variables	2012-13				
	XIII FC targets for the State	Targets as prescribed in FRBM Act	Targets proposed in the Budget Estimates (BE)	Projections made in Five Year Fiscal Plan/MTFP	Actuals
Revenue Deficit(-)/ Surplus(+) (₹ in crore)	0.00	0.00	1291.11	0.00	602.90
Fiscal deficit/GSDP (in *per cent*)	3.50	3.50	3.42	3.50	4.91
Ratio of total outstanding debt of the Government to GSDP (in *per cent*)	54.90	54.90	48.74	49.55	55.94

The XIII FC recommended zero revenue deficit for the State during 2012-13. Accordingly, the State Government also projected zero revenue deficit in NRFBM and MTFPS. The State projected a revenue surplus of ₹ 1291.11 crore in the BE for 2012-13 and actually achieved a revenue surplus of ₹ 602.90 crore.

For the year 2012-13 the ratio of Fiscal deficit to GSDP was proposed at 3.50 *per cent* in XIII FC, NFRBM as well as MTFPS. Actual fiscal deficit was 4.91 *per cent* which was 1.41 *per cent* more than the projection.

During 2012-13, outstanding debt to GSDP ratio of 55.94 *per cent* was more than the projected figures as per XIII FC, NFRBM Act, MTFPS and budget estimates for 2012-13.

1.1.3 Budget estimates and actuals

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

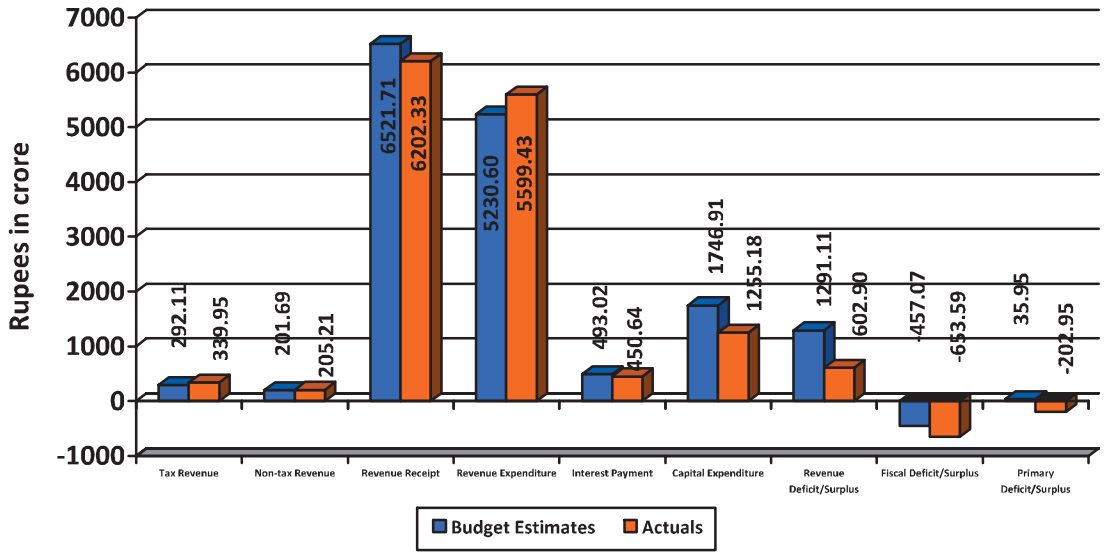
Chart 1.1 and Table 1.3 representing the budget estimates and actuals for some important fiscal parameters during 2012-13 are given below:

Table1.3: Variation in Actual Fiscal parameters over estimates

(Rupees in crore)

Parameters	2011-12	2012-13		
	Actuals	Budget Estimates	Revised Estimates	Actuals
Tax Revenue	303.88	292.11	292.98	339.95
Non-Tax Revenue	231.19	201.69	144.10	205.21
Revenue Receipts[5]	5584.62	6521.71	6448.15	6202.33
Non-debt Capital Receipts	2.44	3.82	2.70	0.85
Revenue Expenditure[6]	4873.90	5230.60	5732.50	5599.43
Interest Payments	417.39	493.02	482.31	450.64
Capital Expenditure	1249.39	1746.91	1932.27	1255.18
Disbursement of Loans & Advances	2.75	3.97	3.97	2.16
Revenue Deficit (-)/Surplus	710.72	1291.11	715.65	602.90
Fiscal deficit (-)/Surplus	-538.98	(-)455.95	(-)1217.89	(-)653.59
Primary Deficit/surplus	-121.59	37.07	(-)735.58	(-)202.95

Chart 1.1: Selected fiscal Parameters: Estimates vis-a-vis Actuals during 2012-13



- During 2012-13, the actual revenue receipts was less than the budget estimates by ₹ 319.38 crore (4.90 *per cent)* while actual revenue expenditure was higher by ₹ 368.83 crore (7.05 *per cent)* over budget estimates resulting in attaining a lower revenue surplus of ₹ 688.21 crore as compared to the projections made in the budget estimates.
- The actual collection of tax revenue during the year increased by ₹ 47.84 crore (16.38 *per cent*) over the budget estimates for the year mainly due to higher

[5] **Revenue receipts is net of receipts and expenditure under State Lottery**
[6] **Revenue expenditure is exclusive of expenditure (` 1.96 crore) on State Lotteries**

collection of Sales Tax, Trade etc. (₹ 36.66 crore) and Taxes on vehicle (₹ 11.64 crore) offset by decrease in other taxes (₹ 3.54 crore). The revenue from Sales Tax, Trade etc. contributed the major share of Tax Revenue (75.66 *per cent*) during the current year but it decreased by 0.40 *per cent* over the previous year.

- The increase in Non-Tax Revenue by ₹ 3.52 crore (1.75 per cent) as compared to the budget estimates for 2012-13 was due to increase in receipts mainly under Education, Sports, Art and Culture (₹ 45.19 crore) offset mainly by decrease in Power (₹ 17.17 crore), Civil Aviation (₹ 8.08 crore), Forestry and Wildlife (₹ 4.12 crore), Housing (₹ 2.27 crore), General Misc. services (₹ 5.28 crore), Road Transport (₹ 4.27 crore) and Co-operation (₹ 1.05 crore).
- The increase in Revenue Expenditure by ₹ 368.83 crore (7.05 *per cent*) over the budget provision for 2012-13 was due to increase in General Services ₹ 131.91 crore (35.76 *per cent*), Social Services ₹ 111.56 crore (30.25 *per cent*) and Economic Services ₹ 125.36 crore (33.99 *per cent*).
- During the year 2012-13, the actual Capital expenditure was less than the budget provision by ₹ 491.73 crore (28.15 *per cent*) which is attributable to decrease in General Services ₹ 433.48 crore (88.16 *per cent*) and Social Services ₹ 69.10 crore (14.05 *per cent*) offset by increase in Economic Services ₹ 10.85 crore (2.21 *per cent*).
- Actual fiscal deficit increased over the assessment made in the budget estimates by ₹ 197.64 crore (43 *per cent*) mainly due to increase in Revenue Expenditure. Against the primary surplus of ₹ 37.07 crore projected in the BE, the State witnessed primary deficit of ₹ 202.95 crore in 2012-13.

1.1.4 Gender Budgeting

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

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

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

Notwithstanding the Constitutional mandate and Government of India's commitments in the international forums, Gender Budgeting in Nagaland had not been adopted so far.

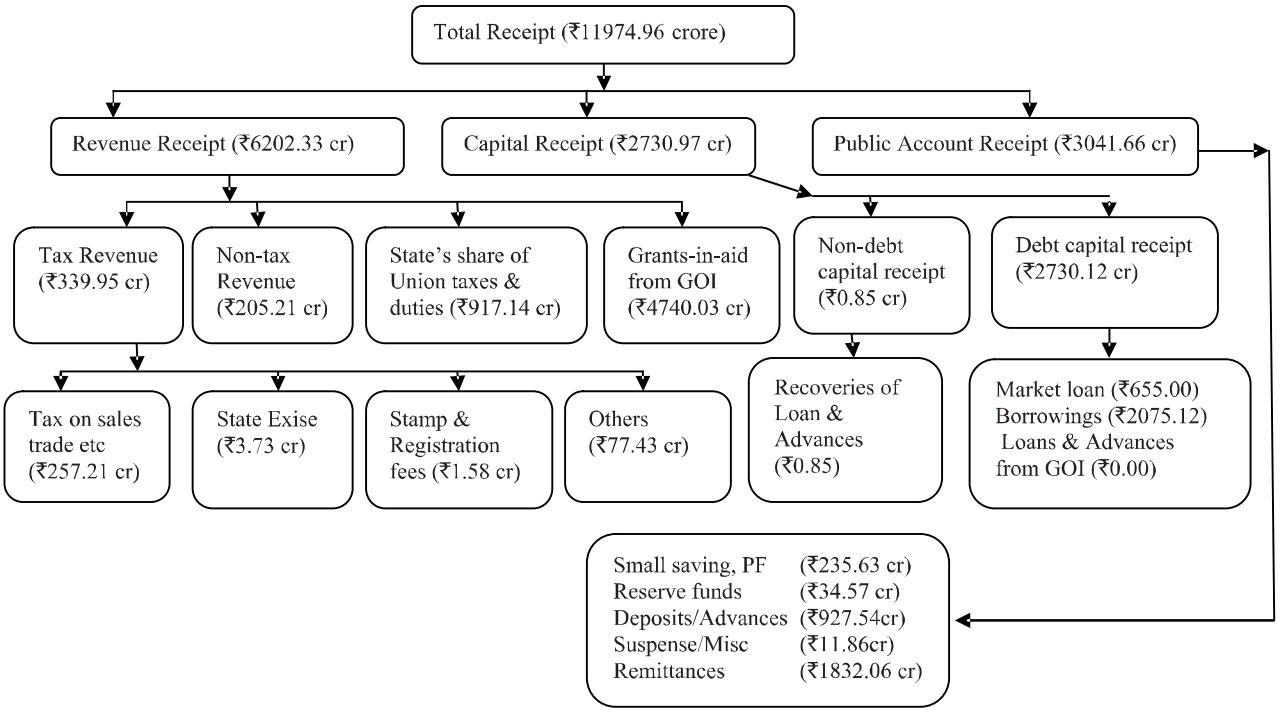
1.2 Resources of the State

1.2.1 Resources of the State as per Annual Finance Accounts

Revenue and capital are the two streams of receipts that constitute the resources of the State Government. Revenue receipts consist of tax revenue, non-tax revenue, State's share of union taxes and duties and grants-in-aid from the Government of India (GOI). Capital receipts comprise miscellaneous capital receipts such as proceeds from disinvestments, recoveries of loans and advances, debt receipts from internal sources (market loans, borrowings from financial institutions/commercial banks) and loans and advances from GOI. Besides the funds available in the Public accounts after disbursement is also utilised by the Government to finance its deficit.

Table-1.1 presents the receipts and disbursements of the State during the last two years as recorded in its Annual Finance Accounts while **Chart 1.2**[7] depicts the trends in various components of the receipts of the State during 2008-13. **Chart 1.3** depicts the composition of resources of the State during the current year and **Table 1.4** presents the trends in growth and composition of receipts for the current years 2012-13.

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



[7] **Revenue receipts is net of receipts and expenditure under State Lottery**

Chart 1.2: Trends in Receipts

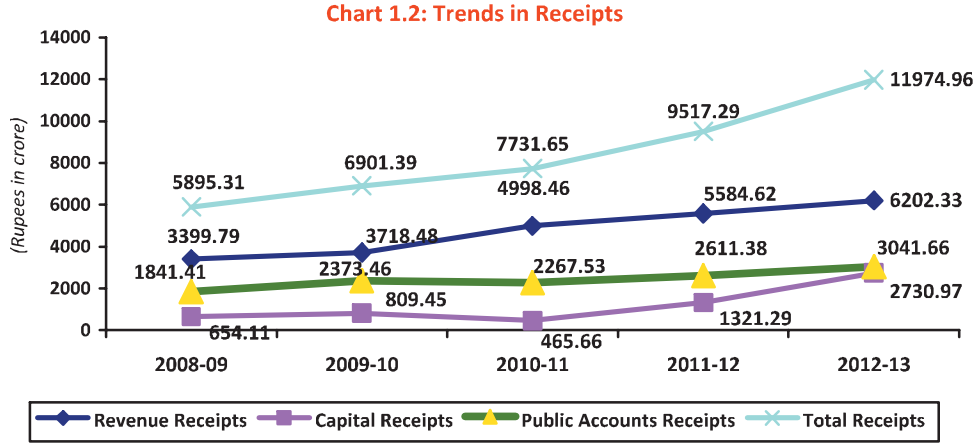


Chart 1.3: Composition of receipts during 2012-13

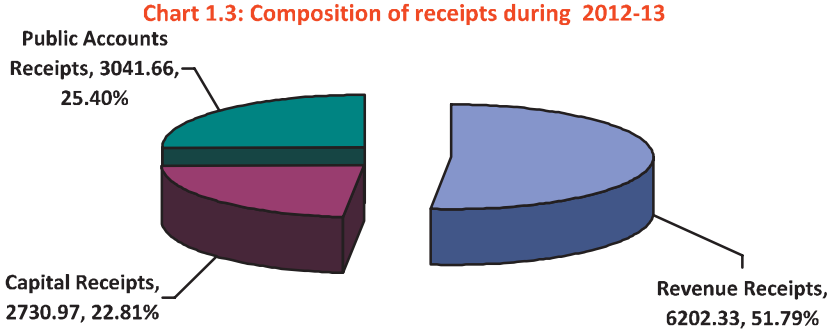


Table 1.4: Trends in growth and composition of receipts.

(Rupees in crore)

	Sources of State receipts	2008-09	2009-10	2010-11	2011-12	2012-13
I	**Revenue receipts**	**3399.79**	**3718.48**	**4998.46**	**5584.62**	**6202.33**
II	**Capital Receipts (CR)**	**654.11**	**809.45**	**465.66**	**1321.29**	**2730.97**
	Miscellaneous Capital Receipts	-	-	-	-	-
	Recovery of Loans and Advances	2.57	4.20	2.31	2.44	0.85
	Public Debt Receipts	651.54	805.25	463.35	1318.85	2730.12
	Rate of growth of non-debt CR	(-)16.01	63.42	(-)45.00	5.63	(-)65.16
	Rate of growth of debt CR	60.60	23.59	(-)42.46	184.63	107.01
	Rate of growth of Revenue Receipt	13.51	9.37	34.42	11.73	11.06
	Rate of growth of GSDP	**16.85**	**11.56**	**7.49**	**8.46**	**8.55**
	Rate of growth of CR	60.02	23.75	(-)42.47	183.75	106.69
	Debt Capital buoyancy w.r.t GSDP	3.60	2.04	(-)5.67	21.82	12.52
	Non Debt Capital Buoyancy w.r.t GSDP	(-)0.95	5.49	(-)6.01	0.67	(-)7.62
	Revenue Receipt Buoyancy w.r.t GSDP	0.80	0.81	4.60	1.39	1.29
III	**Contingency Fund**	**-**	**-**	**-**	**-**	**-**

	Sources of State receipts	2008-09	2009-10	2010-11	2011-12	2012-13
IV	**Public Account Receipts**	**1841.41**	**2373.46**	**2267.53**	**2611.38**	**3041.66**
	Small Savings, Provident Fund etc	144.53	149.54	191.57	196.97	235.63
	Reserve Fund	28.75	26.49	36.96	29.00	34.57
	Deposits and Advances	369.40	786.40	545.72	718.11	927.54
	Suspense and Miscellaneous	78.01	52.94	21.17	24.79	11.86
	Remittances	1220.72	1358.09	1472.11	1642.51	1832.06
	Total Receipts	**5895.31**	**6901.39**	**7731.65**	**9517.29**	**11974.96**

Chart 1.3 shows that the total receipts of the State Government for the year 2012-13 was ₹ 11974.96 crore out of which, the revenue receipts was ₹ 6202.33 crore constituting 51.79 *per cent* of the total receipts. The balance came from capital receipts and Public Account receipts.

The revenue receipts of the State increased from ₹ 3399.79 crore in 2008-09 to ₹ 6202.33 crore in 2012-13 at a compound annual growth rate of 12.78 *per cent*. The buoyancy of Revenue receipts w.r.t. GSDP during the year was 1.29 *per cent*.

The capital receipts (including Public Account receipts) constituted 48.21 *per cent* of the total receipts of the State during the year 2012-13, an increase of 131.32 *per cent* from ₹ 2495.52 crore in 2008-09 to ₹ 5772.63 crore in 2012-13.

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 disbursements is the fund available with the government for use.

Public Account receipts increased by ₹ 430.28 crore (16.48 *per cent*) in 2012-13 over the previous year due to increase in Deposit and Advances (₹ 209.43 crore), Remittances (₹ 189.55 crore), Provident Fund (₹ 38.66 crore) and Reserve Fund (₹ 5.57 crore) offset by decrease in Suspense and Miscellaneous (₹ 12.93 crore).

1.2.2 Funds Transferred to State Implementing Agencies Outside the State Budget

The Central Government has been transferring a sizeable quantum of funds directly to the State Implementing Agencies[8] for the implementation of various schemes/programmes in social and economic sectors, which are recognised as critical. As in the present mechanism these funds are not routed through the State Budget/State Treasury System and hence do not find mention in the finance Accounts of the State. As such, the Annual Financial Accounts of the State does not provide a complete picture of the resources under the control of the State government. To present the holistic picture on availability of aggregate resources, funds directly transferred to State Implementing Agencies are presented in **Appendix 1.6.**

[8] **State Implementing Agency includes any Organisation/Institution including Non-Governmental Organisation which is authorised by the State Government to receive the funds from the Government of India for implementing specific programmes in the State, e.g. State Implementation Society for SSA and State Health Mission for NRHM etc.**

During the year 2012-13 central funds of ₹ 1266.57 crore were directly transferred to the State implementing agencies. The amounts released for programmes assisted by Government of India are presented in **Table 1.5.**

Table-1.5: Funds Transferred Directly to State Implementing Agencies

(Rupees in crore)

Programme/Scheme	Implementing Agency in the State	Funds transferred directly by GOI during 2012-13	Amount Utilised
Mahatma Gandhi National Rural Employment Guarantee Programme	Project Directors, DRDA, 11 Districts	443.87	561.79[9]
Pradhan Mantri Gram Sadak Yojana (PMGSY)	Nagaland Rural Roads Development Agency	194.88	110.00
National Rural Drinking Water Programme	SWSM	110.20	107.47
National Rural Health Mission (NRHM)	State Health Society	100.64	107.26[9]
Integrated Watershed Management Programme	State Level Nodal Agency	78.17	71.20
Sarva Shiksha Abhiyan (SSA)	SSA State Mission Authority	77.91	NA
Rural Housing (Indira Awas Yojana)	Project Directors, DRDA	39.37	36.42
Central Rural Sanitation Programme	SWSM	23.03	3.96
National Aids Control Programme	Nagaland State AIDS Control Society	19.38	14.69
National Bamboo Mission	Nagaland Bamboo Mission Development Agency	16.60	15.01
Other Programmes[10]	90 other programmes	162.52	-
Total		**1266.57**	**1027.80**

Source: 'Central Plan Scheme Monitoring System' and Information furnished by Implementing Agencies

An amount of ₹ 1266.57 crore was directly transferred by GOI to the State Implementing Agencies during 2012-13, a decrease of ₹ 17.48 crore (1.36 per cent) over the previous year. Out of an amount of ₹ 1266.57 crore directly transferred to implementing agencies during the year, ₹ 1104.02 crore (87.17 per cent) was transferred for implementation of 10 Central Schemes viz. Mahatma Gandhi National Rural Employment Guarantee Programme, ₹ 443.87 crore (35.05 per cent), Sarva Shiksha Abhiyan (SSA) ₹ 77.91 crore (6.15 per cent), National Rural Health Mission (NRHM) ₹ 100.64 crore (7.94 per cent), National Rural Drinking Water Programme ₹ 110.20 crore (8.70 per cent), Central Rural Sanitation Programme ₹23.03 crore (1.82 per cent), Integrated Watershed Management Programme ₹ 78.17 (6.17 per cent), Rural Housing (Indira Awas Yojona) ₹ 39.37 crore (3.11 per cent), National Aids Control Programme ₹ 19.38 crore (1.53 per cent), National Bamboo Mission ₹ 16.60 crore (1.31 per cent) and Pradhan Mantri Gram Sadak Yojana (PMGSY) ₹ 194.88 crore (15.39 per cent). Further, an amount of ₹ 162.52 crore was directly released for implementation of 90 schemes.

[9] **Including unspent balance of previous year**
[10] **Since other programmes include releases for 90 schemes, the amounts utilised could not be obtained.**

With the transfer of an approximate amount of ₹ 1266.57 crore directly by GOI to the State Implementing Agencies, the total availability of State resources during 2012-13 had increased from ₹ 11976.92 crore to ₹ 13243.49 crore.

1.3 Revenue Receipts

Statement-11 of the Finance Accounts details the revenue receipts of the Government. The revenue receipts consist of its own tax and non-tax revenues, central tax transfers and grants-in-aid from GOI. The trends and composition of revenue receipts over the period 2008-13 are presented in **Appendix 1.3** and depicted in **Charts 1.4** and **1.5** respectively.

Chart 1.4: Trends in Revenue Receipts

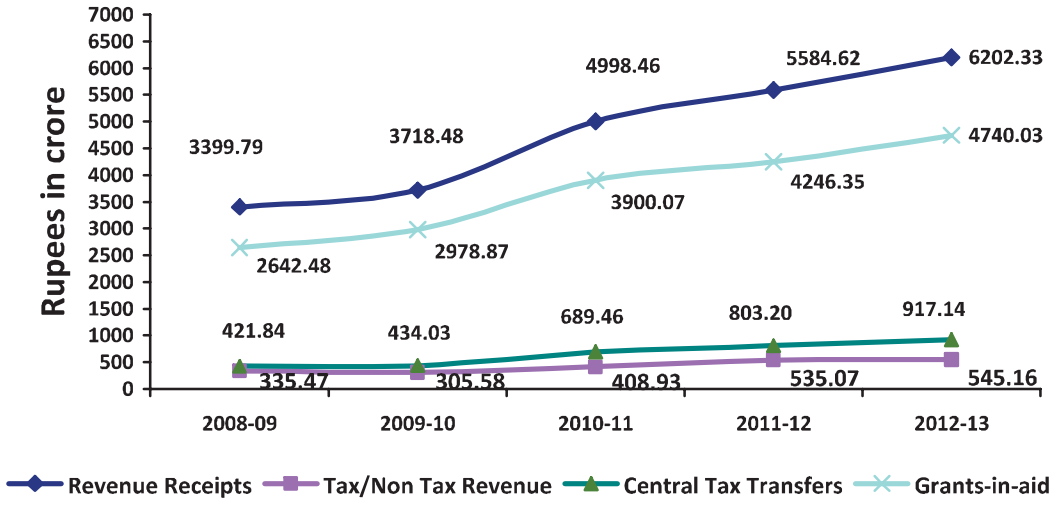
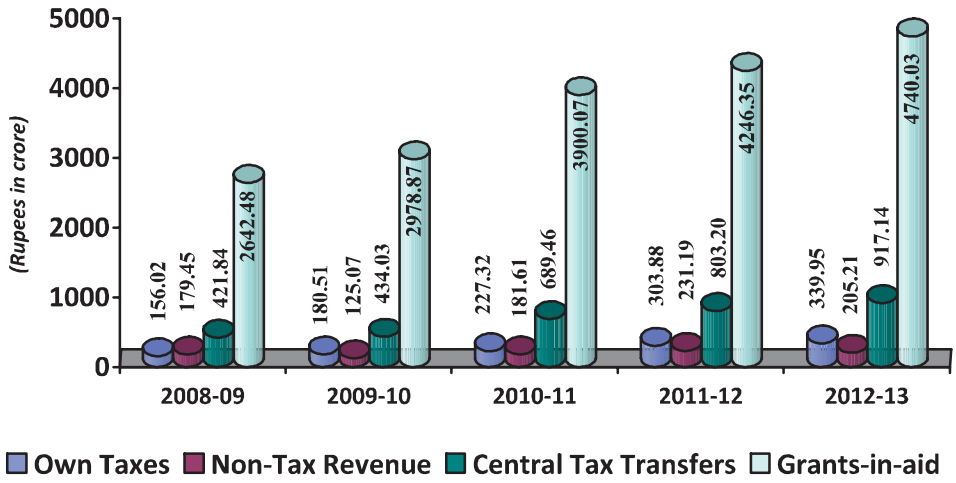


Chart 1.5: Composition of Revenue Receipts during 2008-13



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 2008-13.

Tax and non-tax revenue receipts together increased by ₹ 209.69 crore (62.51 *per cent*) from ₹ 335.47 in 2008-09 to ₹ 545.16 crore in 2012-13 at a compound annual growth rate of 10.20 *per cent.*

The Revenue Receipts of the State increased from ₹ 3399.79 crore in 2008-09 to ₹ 6202.33 crore in 2012-13 at a compound annual growth rate of 12.78 *per cent*. While 8.79 *per cent* of the revenue receipts during 2012-13 have come from the State's Own Resources comprising taxes and non-taxes, Central Tax Transfers and Grants-in-aid together contributed 91.21 *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 (2008-13).

Central tax transfers to the State increased by ₹ 113.94 crore (14.19 *per cent*) from ₹ 803.20 crore in 2011-12 to ₹ 917.14 crore in 2012-13. This was due to increase in Corporation Tax (₹ 13.33 crore), Tax on Income other than Corporation Tax (₹ 36.66 crore), Service Tax (₹ 37.96 crore), Customs (₹ 13.17 crore) and Union Excise Duties (₹ 13.49 crore) offset by decrease in Tax on Wealth (₹ 0.67 crore).

The trends in revenue receipts as well as buoyancy ratios relative to GSDP are presented in **Table 1.6** below:

Table 1.6: Trends in Revenue Receipts and buoyancy ratios relative to GSDP

	2008-09	2009-10	2010-11	2011-12	2012-13
Revenue Receipts (RR) (Rupees in crore)	**3399.79**	**3718.48**	**4998.46**	**5584.62**	**6202.33**
Rate of growth of RR (*per cent)*	13.51	9.37	34.42	11.73	11.06
R R/GSDP (*per cent)*	36.03	35.32	44.18	45.51	46.56
Buoyancy Ratios					
Revenue receipts Buoyancy w.r.t GSDP	0.80	0.81	4.60	1.39	1.29
State's Own Tax Buoyancy w.r.t GSDP	1.11	1.36	3.46	3.98	1.39
Gross State Domestic Product (Rupees in crore)	9436.07	10526.77	11315.13	12272.15	13321.61
Rate of growth of GSDP	16.85	11.56	7.49	8.46	8.55

The Revenue Receipts buoyancy with respect to GSDP was 1.39 in 2011-12 which decreased to 1.29 in 2012-13. The growth rate of Revenue Receipts was however, less than the growth rate of GSDP in 2008-09 and 2009-10. The State's own tax buoyancy with respect to GSDP was 3.98 in 2011-12 which decreased to 1.39 in 2012-13.

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 2012-13 vis-à-vis assessment made by XIII FC and MTFP (latest) are given in the table below:

Table 1.7: Tax & Non-tax receipts vis-à-vis assessment made by XIII FC and MTFPS

(Rupees in crore)

	XIII FC projections	Budget estimates	MTFP projection	Actuals
Tax revenue	251.91	292.11	292.11	339.95
Non-tax revenue	129.23	201.69	NA	205.21

Gross collection during the years from 2008-09 to 2012-13 are detailed in **Appendix 1.7**. The tax and non-tax revenue for the years 2011-12 and 2012-13 are detailed in **Charts 1.6** and **1.7** below.

1.3.1.1 Tax Revenue

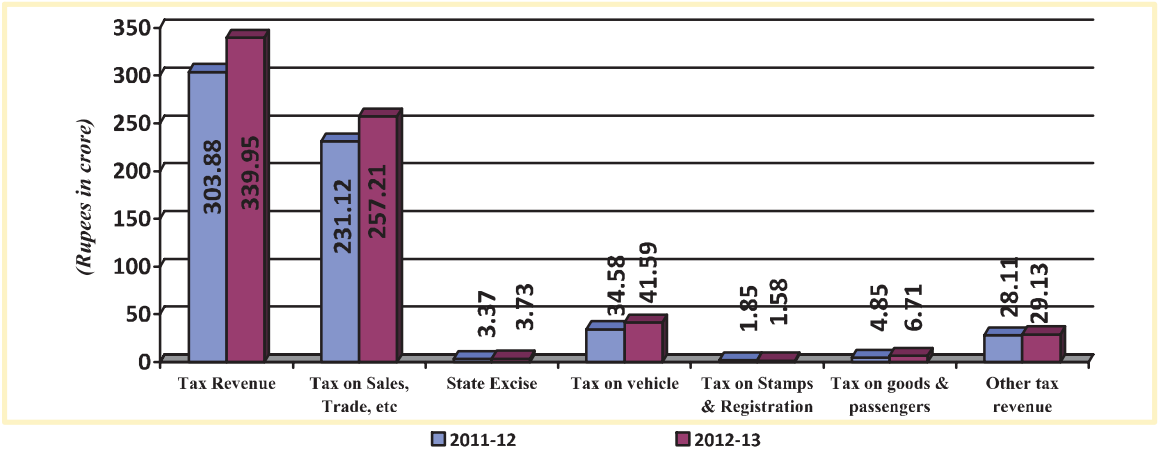
The gross collection in respect of major taxes and duties are given in **Table 1.8**.

Table 1.8: Collection of Tax Revenue 2008-13

(Rupees in crore)

Revenue Head	2008-09	2009-10	2010-11	2011-12	2012-13	% increase in 2012-13 over 2011-12
Taxes on sales, Trades, etc.	114.70	132.22	167.22	231.12	257.21	11.29
State Excise	3.33	3.14	3.00	3.37	3.73	10.68
Taxes on vehicles	14.14	16.73	23.92	34.58	41.59	20.27
Stamp duty & Registration fees	1.01	1.19	1.35	1.85	1.58	(-)14.59
Land Revenue	0.60	0.63	0.59	0.68	0.72	5.88
Taxes on goods & passengers	2.34	3.96	6.62	4.85	6.71	38.35
Other Taxes[11]	19.90	22.64	24.62	27.43	28.41	3.57
Total	**156.02**	**180.51**	**227.32**	**303.88**	**339.95**	**11.87**

Chart 1.6 : Tax Revenue component during 2011-12 and 2012-13 (Rupees in crore)



[11] **Other taxes includes taxes on immovable property other than agricultural land, taxes and duties on electricity and agricultural income.**

The major contributions to the State's tax revenue during the year were Tax on Sales, Trade, etc (₹ 257.21 crore), Taxes on Vehicles (₹ 41.59 crore) and Tax on Goods and Passengers (₹ 6.71 crore).

The own tax revenue increased by ₹ 36.07 crore (11.87 *per cent*) from ₹ 303.88 crore in 2011-12 to ₹ 339.95 crore in 2012-13 mainly due to increase in Tax on Sales, Trade, etc (₹ 26.09 crore), Tax on Vehicles (₹ 7.01 crore) and Tax on Goods & Passengers (₹ 1.86 crore).

The increase in sales tax revenue by ₹ 26.09 crore from ₹ 231.12 crore in 2011-12 to ₹ 257.21 crore in 2012-13 represented around 72.33 *per cent* of incremental tax revenue of ₹ 36.07 crore of the State during the year. The increase in sales tax revenue was mainly due to increase in tax on sale of 'Motor spirits and Lubricants'.

1.3.1.2 Non-tax Revenue

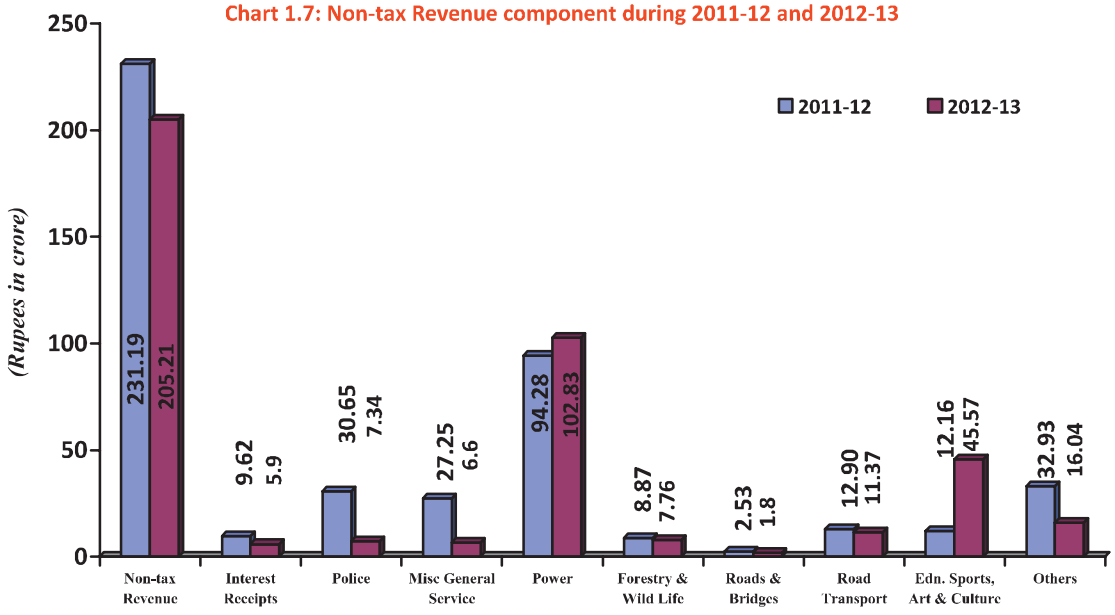
The gross collection of non-tax revenue are given in **Table 1.9** and the details of other non-tax receipts are given in **Chart 1.7:**

Table 1.9: Collection of Non-Tax Revenue 2008-13

(Rupees in crore)

Revenue Head	2008-09	2009-10	2010-11	2011-12	2012-13	% increase in 2012-13 over 2011-12
Interest received	11.57	10.02	14.35	9.62	5.90	(-)38.67
Dividends and profits	0.00	0.00	0.00	0.00	0.00	0.00
Other non-tax receipts	167.88	115.05	167.26	221.57	199.31	(-)10.05
Total	**179.45**	**125.07**	**181.61**	**231.19**	**205.21**	**(-)11.24**

Chart 1.7: Non-tax Revenue component during 2011-12 and 2012-13



Non-Tax Revenue (NTR) after showing decrease (30.30 *per cent*) in 2009-10 appreciated by 45.21 *per cent* during 2010-11 and 27.30 *per cent* during 2011-12. However, NTR decreased again by 11.24 *per cent* during 2012-13. NTR at ₹ 205.21 crore, constituted 3.31 *per cent* of the Revenue Receipts.

The major contributors to NTR during the year included Power (₹ 102.83 crore), Police (₹ 7.34 crore), Miscellaneous General Services (₹ 6.60 crore), Road Transport (₹ 11.37 crore), Education, Sports, Arts & Culture (₹ 45.57 crore), Interest Receipts (₹ 5.90 crore), Forestry and Wildlife (₹ 7.76 crore) and Roads & Bridges (₹ 1.80). Decrease in NTR in 2012-13 (₹ 25.98 crore) compared to previous year was mainly on account of decrease in Police (₹ 23.31 crore), Interest Receipts (₹ 3.72 crore), Miscellaneous General Service (₹ 22.41 crore), Road Transport (₹ 1.53 crore) and Other Non-tax revenue (₹ 16.89 crore) which was partially offset by increase in Power (₹ 8.55) and Education, Sports, Arts & Culture (₹ 33.41 crore).

1.3.2 Grants in aid from GOI

The break-up of Grants-in-aid received from GOI during 2008-13 is given in the **table 1.10** below:

Table 1.10: Grants-in-aid from Government of India

(Rupees in crore)

	2008-09	2009-10	2010-11	2011-12	2012-13
Grants for State Plan Schemes	1003.27	1041.00	936.32	1858.21	2174.93
Non-Plan Grants	1316.76	1460.86	2658.28	1831.88	2039.07
Grants for Central Plan Schemes, Centrally Sponsored Plan Schemes and Special Plan Schemes	322.45	477.01	305.47	556.26	526.03
Total	**2642.48**	**2978.87**	**3900.07**	**4246.35**	**4740.03**
Percentage of increase/decrease over previous year	12.67	12.73	30.92	8.88	11.63

Grants-in-aid from Government of India have increased by ₹ 493.68 crore (11.63 *per cent*) from ₹ 4246.35 crore in 2011-12 to ₹ 4740.03 crore in 2012-13 contributing 76.42 *per cent* of the total Revenue Receipts during 2012-13. This increase was due to enhanced grants for non-plan grants (₹ 207.19 crore), grants for State Plan Schemes (₹ 316.72 crore) and grants for Special Plan Schemes (₹ 40.21 crore) offset by decrease in grants for Centrally Sponsored Plan Schemes (₹ 38.24 crore) and grants for Central Plan Schemes (₹ 32.20 crore).

1.3.3 Central Tax Transfers

The break-up of State's share of union taxes and duties received during 2008-13 is given in the **Table 1.11** below:

Table 1.11: Central Tax Transfers

(Rupees in crore)

Head	2008-09	2009-10	2010-11	2011-12	2012-13
Corporation tax	138.19	178.65	269.56	316.26	329.59
Tax on income other than corporation tax	86.94	99.52	142.45	160.65	197.31
Tax on wealth	0.11	0.40	0.55	1.22	0.55
Customs	80.69	67.53	120.60	139.31	152.48
Union Excise Duties	70.37	42.17	87.74	90.14	103.63
Service Tax	45.54	45.76	68.56	95.62	133.58
Total	**421.84**	**434.03**	**689.46**	**803.20**	**917.14**

State's share of union taxes and duties increased by ₹ 113.94 crore (14.19 *per cent*) from ₹ 803.20 crore in 2011-12 to ₹ 917.14 crore in 2012-13 contributing 14.79 *per cent* of the total Revenue Receipts during 2012-13. This increase was due to increase in Corporation tax ₹ 13.33 crore, Tax on income other than corporation tax ₹ 36.66 crore, Customs ₹ 13.17 crore, Union Excise Duties ₹ 13.49 crore and Service tax ₹ 37.96 crore offset by decrease in Tax on Wealth ₹ 0.67 crore. Central Tax Transfers during the year (₹ 917.14 crore) was more than the assessment made in budget estimate (₹ 865.55 crore).

1.4 Capital Receipts

The capital receipts for the period from 2008-13 is given below:

Table No. 1.12: Capital Receipt

(Rupees in crore)

Source of State's Receipt	2008-09	2009-10	2010-11	2011-12	2012-13
Capital Receipts (CR)	**654.11**	**809.45**	**465.66**	**1321.29**	**2730.97**
Miscellaneous Capital Receipts	0.00	0.00	0.00	0.00	0.00
Recovery of Loans and Advances	2.57	4.20	2.31	2.44	0.85
Public Debt Receipt	651.54	805.25	463.35	1318.85	2730.12
Rate of growth of debt capital receipts (*per cent*)	60.60	23.59	(-)42.46	184.63	107.01
Rate of growth of non-debt capital receipts (*per cent*)	(-)16.01	63.42	(-)45.00	5.63	(-)65.16

1.4.1 Proceeds from disinvestment

During the financial year 2012-13, the Government of Nagaland did not resort to any disinvestment.

1.4.2 Recoveries of loans and advances

The State Government in its Medium Term Fiscal Policy Statement targeted recovery of Loans and Advances of ₹ 3.82 crore which was subsequently revised to ₹ 2.70 crore.

However, the actual recovery of ₹ 0.85 crore was only 31 *per cent* of the revised target set and also showed a decreasing trend compared to 2011-12 by 65.16 *per cent.*

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

Debt receipts from internal sources increased by ₹ 1411.27 crore (107.01 *per cent*) from ₹ 1318.85 crore in 2011-12 to ₹ 2730.12 crore in 2012-13. Debt receipts from internal sources of ₹ 2730.12 crore comprised mainly of Market loans (₹ 655.00 crore), loans from financial institutions such as NABARD (₹ 48.74 crore) and Ways and Means Advances from RBI (₹ 1965.40 crore). This constituted 99.97 *per cent* of the total Capital receipts.

1.5 Public Accounts Receipts

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

Table 1.13: Public Account Balance

(Rupees in crore)

Resources under various heads	2008-09	2009-10	2010-11	2011-12	2012-13
Public Account Balance					
(a) Small Savings, Provident Fund, etc.	462.45	485.54	574.01	610.43	682.92
(b) Reserve Fund	36.61	58.95	91.58	120.58	144.71
(c) Deposits and Advances	501.10	778.53	858.78	1168.42	1377.55
(d) Suspense and Miscellaneous	0.00	0.00	0.00	0.00	0.00
(e) Remittances	0.00	0.00	0.00	0.00	0.00
Total	**1000.16**	**1323.02**	**1524.37**	**1899.43**	**2205.18**

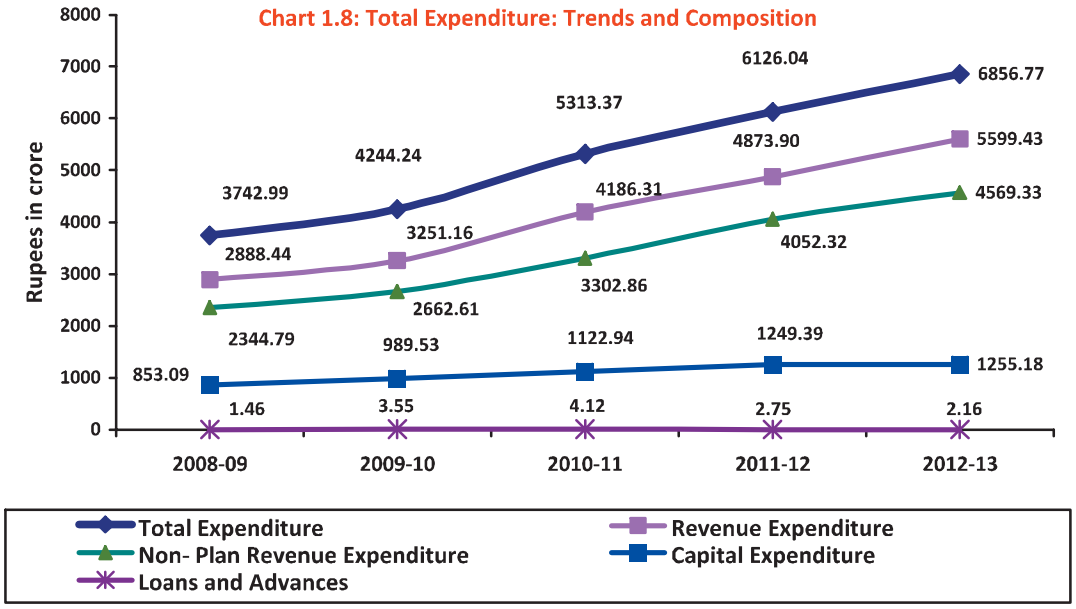
Public Account balance increased by ₹ 305.75 crore (16.10 *per cent*) from ₹ 1899.43 crore in 2011-12 to ₹ 2205.18 crore in 2012-13. It was due to increase in Deposit and Advances (₹ 209.13 crore), Small Savings, PF (₹ 72.49 crore) and Reserve Fund (₹ 24.13 crore).

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 (2008-13) 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 12 & 13 of the Finance Accounts depict the detailed revenue expenditure by minor heads and capital expenditure respectively. States raise resources to perform their sovereign functions, maintain their existing nature of delivery of social and economic services and extend the network of these services through capital expenditure and investments to discharge their debt service obligations. The total expenditure of the State increased from ₹ 3742.99 crore in 2008-09 to ₹ 6856.77 crore in 2012-13.

Total expenditure during 2012-13 at ₹ 6856.77 crore increased by ₹ 730.73 crore (11.93 *per cent*) over the previous year. Out of the total expenditure in 2012-13, revenue expenditure was ₹ 5599.43 crore (81.66 per cent) while capital expenditure was ₹ 1255.18 crore (18.31 per cent) and loans and advances was ₹ 2.16 crore (0.03 per cent). The increase in total expenditure during 2012-13 over the previous year was due to increase of revenue expenditure by ₹ 725.53 crore and capital expenditure by ₹ 5.79 crore offset by decrease in disbursement of loans and advances by ₹ 0.59 crore.

The non-plan revenue expenditure (₹ 4569.33 crore) increased by ₹ 2.58 crore (0.06 *per cent*) during the year as compared to the projection made by the State Government in its Fiscal Consolidation Roadmap (FCR) for 2012-13 (₹ 4566.75 crore). The capital expenditure (₹ 1255.18 crore) was lower by ₹ 306.08 crore (19.60 *per cent*) as compared to the assessment made by the State Government in its FCR (₹ 1561.26 crore).

Chart 1.9: Total Expenditure: Trends in share of its Components

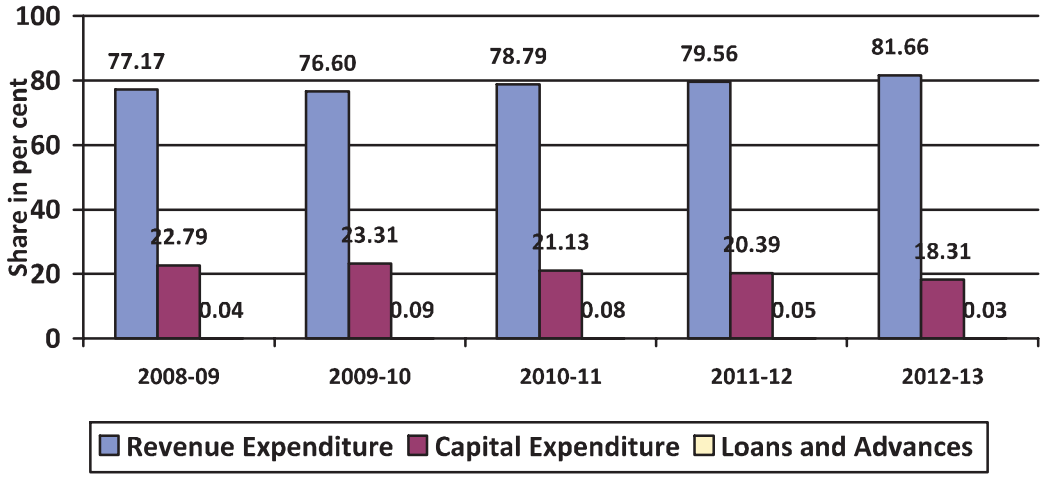
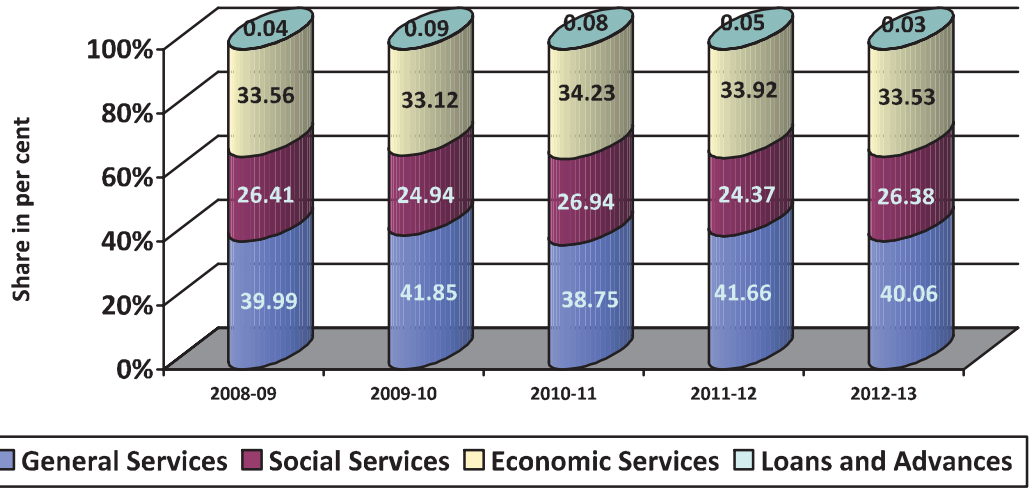


Chart 1.10: Total Expenditure: Trends by 'Activities'



The total expenditure, its annual growth rate, the ratio of expenditure to the GSDP and to revenue receipts and its buoyancy with respect to GSDP and revenue receipts are indicated in **Table 1.14**.

Table 1.14: Total expenditure-basic parameters

	2008-09	2009-10	2010-11	2011-12	2012-13
Total Expenditure (TE) (₹ in crore)	3742.99	4244.24	5313.37	6126.04	6856.77
Rate of growth of TE (*per cent*)	10.24	13.39	25.19	15.29	11.93
TE/GSDP ratio (*per cent*)	39.67	40.32	46.96	49.92	51.47
RR/TE (*per cent*)	90.83	87.61	94.07	91.16	90.46
Buoyancy of Total expenditure with reference to:					
GSDP (ratio)	0.61	1.16	3.36	1.81	1.40
Revenue Receipt (ratio)	0.76	1.43	0.73	1.30	1.08
GSDP (Rupees in crore)	9436.07	10526.77	11315.13	12272.15	13321.61
Rate of growth of GSDP (*per cent*)	16.85	11.56	7.49	8.46	8.55
Revenue Receipts (Rupees in crore)	3399.79	3718.48	4998.46	5584.62	6202.33
Rate of growth of RR (*per cent*)	13.51	9.37	34.42	11.73	11.06

During the current year, 90.46 *per cent* of the total expenditure was met from revenue receipts and the remaining from capital receipts and borrowed funds.

The General Service expenditure increased by ₹ 194.59 crore (7.62 *per cent*) from ₹ 2552.26 crore in 2011-12 to ₹ 2746.85 crore in 2012-13, Social Services expenditure increased by ₹ 315.70 crore (21.15 *per cent*) and Economic Services expenditure increased by ₹ 221.03 crore (10.64 *per cent*).

The pattern of total expenditure in the form of non-plan and plan expenditure during 2012-13 showed that they contributed 66.73 *per cent* (₹ 4575.71 crore) and 33.27 *per cent* (₹ 2281.06 crore) respectively. The non-plan expenditure increased by ₹ 523.03 crore as compared to the previous year due to increase in expenditure under General Services, Social Services and Economic Services by ₹ 225.78 crore, ₹ 172.29 crore, ₹ 124.95 crore respectively and Loan & Advances by ₹0.01 crore.

Plan expenditure increased by ₹ 207.70 crore as compared to the previous year due to increase in expenditure under Social Services by ₹ 143.41crore, Economic Services by ₹ 96.09 crore offset by decrease in expenditure under General Services by ₹ 31.20 crore and Loan & Advances by ₹ 0.60 crore.

1.6.2 Revenue Expenditure

Revenue expenditure had predominant share varying from 76.60 *per cent* to 81.66 *per cent* of the total expenditure of the State during 2008-13. Revenue expenditure is incurred to maintain the current level of services and payments for the past obligations and as such does not result in any addition to the State's infrastructure and service network.

The revenue expenditure, its rate of growth, the ratio of revenue expenditure to GSDP and to revenue receipts and its buoyancy is indicated in **Table 1.15.**

Table 1.15: Revenue expenditure-basic parameters

	2008-09	2009-10	2010-11	2011-12	2012-13
Revenue Expenditure (RE), of which (*Rupees in crore*)	2888.44	3251.16	4186.31	4873.90	5599.43
Non-plan Revenue Expenditure (NPRE) (Rupees in crore)	2344.79	2662.61	3302.86	4052.32	4569.33
Plan Revenue Expenditure (PRE) (*Rupees in crore*)	543.65	588.55	883.45	821.58	1030.10
Rate of growth of RE (*per cent*)	12.33	12.56	28.75	16.42	14.89
Rate of growth of NPRE (*per cent*)	12.38	13.55	24.05	22.69	12.76
Rate of growth of PRE (*per cent*)	12.12	8.26	50.11	(-)7.00	25.38
RE as percentage to TE	77.17	76.60	78.79	79.56	81.66
NPRE/GSDP (*per cent*)	24.85	25.29	29.19	33.02	34.30
NPRE/TE (*per cent*)	62.64	62.73	62.16	66.15	66.64
NPRE/RR (*per cent*)	68.97	71.60	66.08	72.56	73.67
Buoyancy of RE with GSDP (*ratio*)	0.73	1.09	3.84	1.94	1.74
Buoyancy of RE with RR *(ratio)*	0.91	1.34	0.84	1.40	1.35

Revenue expenditure of the State had increased by ₹ 2710.99 crore (93.86 *per cent*) from ₹ 2888.44 crore in 2008-09 to ₹ 5599.43 crore in 2012-13 at a compound annual growth rate of 14.16 *per cent*. Both non plan revenue expenditure (NPRE) and plan revenue expenditure (PRE) had shown an increase over the period 2008-13. Of the total increase of ₹ 725.53 crore in revenue expenditure during 2012-13 over the previous year, increase in NPRE contributed 71.26 *per cent* (₹ 517.01 crore) and PRE accounted for 28.74 *per cent* (₹ 208.52 crore). The increase of ₹ 517.01 crore in NPRE during 2012-13 over the previous year was mainly due to increase in Education, Sports, Art & Culture ₹ 119.16 crore, Pensions & Miscellaneous General Services ₹ 89.90 crore, Administrative Service ₹ 81.23 crore, Energy ₹ 53.34 crore, Interest Payment & Servicing of Debt ₹ 35.25 crore, Transport ₹ 27.67 crore and Health & Family Welfare ₹ 25.72 crore. The PRE had increased by ₹ 208.52 crore in 2012-13 mainly due to increase in expenditure under Education, Sports, Art & Culture ₹ 74.68 crore, Agriculture and Allied Activities ₹ 36.90 crore, Rural Development ₹ 16.77 crore, Special Area Programmes ₹ 12.01 crore and Welfare of Schedule Castes, Scheduled Tribes and Other Backward Classes ₹ 9.83 crore offset by decrease in Irrigation and Flood Control ₹ 5.92 crore, Fiscal Services ₹ 5.11 crore, Energy ₹ 2.48 crore and Transport ₹ 2.05 crore.

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

Table 1.16: NPRE assessments made by XIII-FC and FCR

(Rupees in crore)

	Assessment made by XIII-FC	Assessment made by State Government in FCR	Actual
Non-Plan Revenue Expenditure	2985.27	4566.75	4569.33

The actual NPRE exceeded the normative assessment made by XIII-FC by ₹ 1584.06 crore (53.06 *per cent*) and also assessment made by the State in FCR by ₹ 2.58 crore (0.06 *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 1.17** and **Chart 1.11** present the trends in the expenditure on these components during 2008-13.

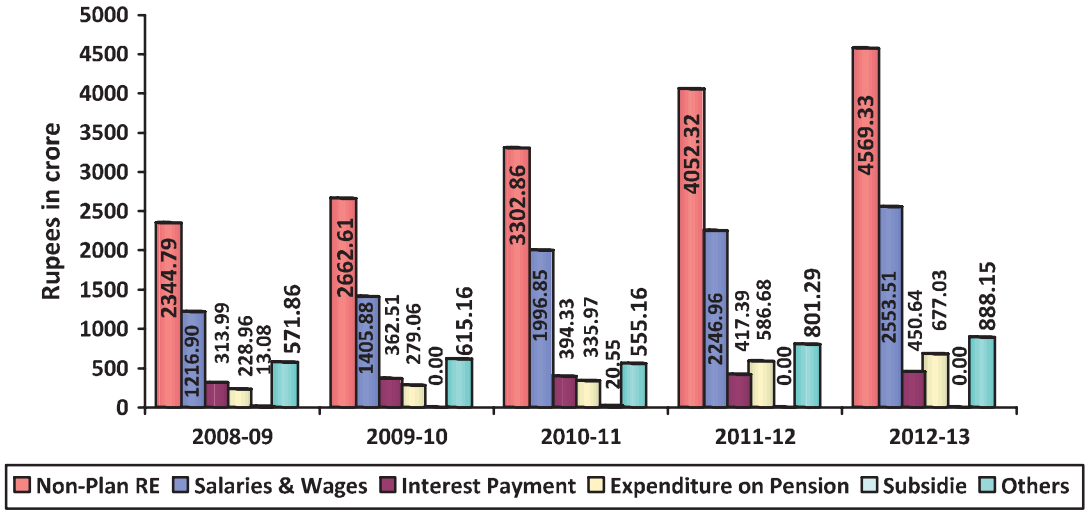
The committed expenditure (i.e., interest payment, pension, salaries and subsidies) of the State Government increased from ₹ 3287.82 crore in 2011-12 to ₹ 3731.54 crore in 2012-13. The overall percentage of committed expenditure to NPRE and Revenue Receipts was 81.66 *per cent* and 60.16 *per cent* respectively in 2012-13.

Table 1.17: Components of Committed Expenditure

(Rupees in crore)

	2008-09	2009-10	2010-11	2011-12	2012-13
Salaries & Wages, of which	1249.39	1442.85	2033.93	2283.75	2603.87
Non-plan	1216.90	1405.90	1996.85	2246.96	2553.51
Plan	32.49	36.95	37.08	36.79	50.36
Interest Payment	313.99	362.51	394.33	417.39	450.64
Expenditure on Pension	228.96	279.06	335.97	586.68	677.03
Subsidies	13.08	0.00	20.55	0.00	0.00
Other components	0.00	0.00	0.00	0.00	0.00
Total	**1805.42**	**2084.42**	**2784.78**	**3287.82**	**3731.54**
As *per cent* of RR					
Salaries & Wages	36.75	38.80	40.69	40.89	41.98
Interest Payment	9.24	7.50	7.89	7.47	7.27
Expenditure on pension	6.73	9.75	6.72	10.51	10.92
Subsidies	0.38	0.00	0.41	0.00	0.00

Chart 1.11: Share of Committed Expenditure in Non-Plan Revenue Expenditure during 2008-13



Salaries & Wages:

Expenditure on salaries under Non-Plan and Plan during the current year was ₹ 2553.51 crore and ₹ 50.36 crore respectively. The expenditure on salaries increased by ₹ 1354.48 crore (108.41 *per cent*) from ₹ 1249.39 crore in 2008-09 to ₹ 2603.87 crore in 2012-13 and was ₹ 1095.23 crore more than the projection made in XIII-FC (₹ 1508.64 crore). Expenditure on salaries and wages increased by ₹ 320.12 crore (14.02 *per cent*) over the previous year mainly due to release of dearness allowance installments and incremental benefits. Salary and wages accounted for 41.98 *per cent* of the revenue receipts during 2012-13.

Pension Payment:

The expenditure on pension had increased by ₹ 90.35 crore (15.40 *per cent*) from ₹ 586.68 crore in 2011-12 to ₹ 677.03 crore in 2012-13. The pension payment were ₹ 201.56 crore more than the assessment made by XIII-FC (₹ 475.47 crore) and also ₹ 7.28 crore more than the assessment made by the State Government in its MTFPS (₹ 669.75 crore) for the year 2012-13.

Interest Payments:

Chart 1.12 : Components of Interest Payment during 2011-12

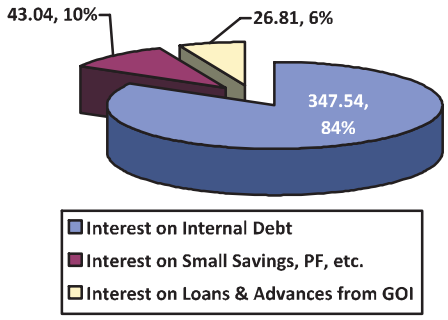
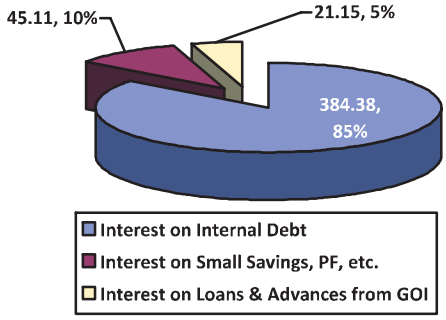


Chart 1.13 : Components of Interest Payment during 2012-13



Interest payment increased by ₹ 136.65 crore (43.52 *per cent*) from ₹ 313.99 crore in 2008-09 to ₹ 450.64 crore in 2012-13. The interest payment increased by ₹ 33.25 crore (7.97 *per cent*) during 2012-13 over the previous year due to increase in interest payment on Internal Debt (₹ 36.84 crore) and Small Savings, Provident Fund etc. (₹ 2.07 crore) offset by decrease in Interest on Loan and Advances from Central Government (₹ 5.66 crore).

The interest payment for the year 2012-13 was lower than the projection made by the State Government in MTFPS (₹ 493.02 crore) but higher than the projections made in XIII-FC (₹ 384.51 crore).

Subsidies:

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

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 1.18.**

Table 1.18: Financial Assistance to Local Bodies etc.

(Rupees in crore)

Financial Assistance to Institutions	2008-09	2009-10	2010-11	2011-12	2012-13
Educational Institutions (Aided Schools, Aided Colleges, Universities, etc.)	14.70	18.44	5.50	6.40	51.17
Co-Operation	0.00	0.07	3.44	6.55	8.40
Municipal councils	2.11	1.20	…	2.98	0.00
Development Agencies	40.34	62.20	26.56	28.29	29.04
Hospitals and Other Charitable Institutions	10.16	10.78	12.59	14.70	15.50
Panchayati Raj	0.00	0.00	0.00	0.55	16.62
Special Area Programme	0.00	0.00	0.00	4.75	0.00
Other Institutions	7.47	6.21	54.80	100.51	111.77
Total	**74.78**	**98.90**	**102.89**	**164.73**	**232.50**
Assistance as percentage of RE	2.20	2.66	2.46	3.38	4.15

The total assistance to local bodies etc. increased by ₹ 67.77 crore (41.14 *per cent*) from ₹ 164.73 crore in 2011-12 to ₹ 232.50 crore in 2012-13. **Table 1.18** shows that the assistance increased by ₹ 44.77 crore (699.53 *per cent)* from ₹ 6.40 crore in 2011-12 to ₹ 51.17 crore in 2012-13 in respect of Educational Institutions whereas, it declined by ₹ 4.75 crore (100.00 *per cent*) from ₹ 4.75 crore in 2011-12 to nil in 2012-13 in respect of Special Area Programme.

1.7 Quality of Expenditure

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

1.7.1 Adequacy of Public Expenditure

The expenditure responsibilities relating to social sector and economic infrastructure are largely assigned to State Governments. Enhancing human development levels requires the States to step up their expenditure on key social services like education, health, etc. **Table 1.19** analyses the fiscal priority given by the Nagaland Government to various expenditure heads in 2009-10 and the current year viz 2012-13 with regard to developmental expenditure, social sector expenditure and capital expenditure.

Table-1.19: Fiscal priority of the State in 2009-10 & 2012-13

Fiscal priority by the State	AE/GSDP	DE/AE	SSE/AE	CE/AE	Education/AE	Health/AE
Nagaland 2009-10	40.32	58.15	24.94	23.31	12.03	4.18
Nagaland 2012-13	51.47	59.94	26.38	18.31	13.87	4.26

AE: Aggregate Expenditure DE: Developmental Expenditure SSE: Social Sector Expenditure
CE: Capital Expenditure
Developmental expenditure includes Developmental Revenue Expenditure, Developmental Capital Expenditure and Loans and Advances disbursed.
Source: For GSDP, the information was collected from the State's Directorate of Economics and Statistics

The AE to GSDP ratio of the Government of Nagaland had increased by 11.15 *per cent* from 40.32 *per cent* in 2009-10 to 51.47 *per cent* in 2012-13. The DE to AE and SSE to AE marginally increased by 1.79 *per cent* and 1.44 *per cent* respectively whereas CE to

AE declined by 5.00 *per cent* as compared to 2009-10. Further, the expenditure on the education sector and health sector as proportion of Aggregate expenditure was 13.87 *per cent* and 4.26 *per cent* respectively in 2012-13 which is marginally higher as compared to 2009-10.

1.7.2 Efficiency of Expenditure Use

In view of the importance of public expenditure on developmental heads from the point of view of social and economic development, it is important for the State Governments to take appropriate expenditure rationalisation measures and lay emphasis on provision of core public and merit goods[12]. Apart from improving the allocation towards developmental expenditure[13], particularly in view of the fiscal space being created on account of decline in debt servicing in recent years, the efficiency of expenditure use is also reflected by the ratio of capital expenditure to total expenditure (and/or GSDP) and proportion of revenue expenditure being spent on operation and maintenance of the existing social and economic services. The higher the ratio of these components to total expenditure (and/or GSDP), the better would be the quality of expenditure. While **Table 1.20** 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 1.21** provides the details of capital expenditure and the components of revenue expenditure incurred on the maintenance of the selected social and economic services.

Table-1.20: Developmental Expenditure

(Rupees in crore)

Components of Developmental Expenditure	2008-09	2009-10	2010-11	2011-12	2012-13	
					BE	Actual
Developmental Expenditure (a to c)	2246.10 (60.01)	2467.96 (58.15)	3254.56 (61.25)	3573.79 (58.34)	3933.06	4109.92 (59.94)
a. Developmental Revenue Expenditure	1540.70 (41.16)	1668.46 (39.31)	2344.67 (44.13)	2557.39 (41.74)	2826.67	3063.59 (44.68)
b. Developmental Capital Expenditure	703.94 (18.81)	795.95 (18.75)	905.77 (17.05)	1013.64 (16.55)	1102.42	1044.17 (15.23)
c. Developmental Loans and Advances	1.46 (0.04)	3.55 (0.09)	4.12 (0.08)	2.76 (0.04)	3.97	2.16 (0.03)
Figures in parentheses indicate percentage to aggregate expenditure						

The developmental expenditure (₹ 4109.92 crore) exceeded the assessment made by the State Government in the budget by ₹ 176.86 crore. The developmental revenue and capital expenditure increased by ₹ 506.20 crore (19.79 *per cent*) and ₹ 30.53 crore (3.01 *per cent*) respectively over the previous year. The increase in developmental revenue expenditure was mainly under Education, Sports, Art & Culture (₹ 193.84 crore), Energy (₹ 50.86 crore), Agriculture & Allied Activities (₹ 47.07 crore), Social Welfare & Nutrition (₹ 46.01 crore), Rural Development (₹ 36.40 crore), Health & Family Welfare (₹ 34.19 crore) and Transport (₹ 25.62 crore).

[12] **As detailed in Appendix 1.1 C**

[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.**

Table 1.21 –Efficiency of Expenditure Use in Selected Social and Economic Services

(Rupees in crore)

Sector	2011-12			2012-13		
	Ratio of CE to TE	Revenue Expenditure		Ratio of CE to TE	Revenue Expenditure	
		Salaries & Wages	Operation & Maintenance		Salaries & Wages	Operation & Maintenance
Social Services (SS)						
Education, Sports, Art & Culture	13.41	578.21	97.93	8.51	702.95	167.03
Health and Family Welfare	14.86	203.39	33.69	7.08	229.48	41.81
WS, Sanitation, & HUD	76.85	52.93	(-)0.35	75.78	58.56	11.28
Others	8.76	62.78	125.54	9.59	68.93	181.74
Total (SS)	**22.69**	**897.31**	**256.81**	**19.18**	**1059.92**	**401.86**
Economic Services (ES)						
Agri & Allied Activities	17.90	183.60	180.19	19.40	192.37	218.49
Irrigation and Flood Control	0.35	16.40	115.54	1.03	17.99	109.82
Power & Energy	22.57	57.44	236.97	20.92	70.18	275.09
Transport	63.90	140.79	58.30	61.35	148.54	76.17
Others	27.47	116.33	297.71	23.22	129.43	363.73
Total (ES)	**32.47**	**514.56**	**888.71**	**30.33**	**558.51**	**1043.30**
Total (SS+ES)	**28.38**	**1411.87**	**1145.52**	**25.42**	**1618.43**	**1445.16**

Table 1.21 shows that the ratios of CE to TE under Education, Sports, Art & Culture, Health & Family Welfare and Water Supply, Sanitation, Housing & Urban Development decreased by 4.90 *per cent,* 7.78 *per cent* and 1.07 *per cent* respectively. The ratio of CE to TE under Social Services decreased from 22.69 *per cent* in 2011-12 to 19.18 *per cent* in 2012-13 and in respect of Economic Services also decreased from 32.47 *per cent* in 2011-12 to 30.33 *per cent* in 2012-13.

1.8 Financial Analysis of Government Expenditure and Investments

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

1.8.1 Financial result of Irrigation Projects

According to Para 7.46 of XIII Finance Commission Report, the cost recovery rate of the receipts from irrigation should be 45 *per cent* of Non-plan Revenue Expenditure for 2012-13 in order to ensure viability of Irrigation Projects.

There was no commercial irrigation project in Nagaland. However, 936 minor irrigation projects covering 38708 hectares involving a cost of ₹ 463.74 crore were taken up under Accelerated Irrigation Benefit Programme during 2000-2013.

Further, as mentioned in para 7.138 of XIII-FC report, the Controller General of Accounts (CGA) had issued instructions that the maintenance expenditure under the head Minor Irrigation should be divided into two sub heads - Work Charged Expenditure and Other Maintenance Expenditure. These changes should be brought into the State and Union Budget and Finance Accounts immediately. The State Government of Nagaland had not operated such sub-head till 2012-13. Due to non-operation of these sub-heads, the State was not able to provide budget provision for maintenance expenditure under the head Minor Irrigation. Against the XIII-FC projection of ₹ 12.21 crore for 2012-13 under minor irrigation projects, the State Government did not incur any maintenance expenditure. Thus, the viability of minor irrigation projects in the State remained un-assessed.

1.8.2 Incomplete projects

The department-wise information pertaining to incomplete projects as on 31 March 2013 is given in **Table 1.22.**

Table 1.22: Department-wise Profile of Incomplete Projects

(Rupees in Crore)

Department	No. of Incomplete Projects	Initial Budgeted Cost	Revised Cost	Cumulative expenditure as on 31.3.2013
1	2	3	4	5
PHED	37	276.29	276.29	102.60
PWD (R&B)	26	432.53	445.49	370.68
Technical Education	3	3.00	3.00	1.20
Geology & Mining	1	26.54	53.95	26.02
Department of Under Developed Areas	7	21.00	21.00	13.37
SCERT	1	4.28	4.97	4.63
Transport	2	17.35	17.35	12.05
PWD (Housing)	6	115.05	115.05	53.78
Health & Family Welfare	2	26.82	26.82	4.00
Veterinary & Animal Husbandry	11	2.70	2.70	0.66
Urban Development	14	378.75	378.75	149.08
CAWD	9	30.02	30.02	19.30
Power	1	19.67	19.67	13.42
Police Engineering Project	6	443.99	443.99	145.19
Industries & Commerce	2	9.67	9.67	4.67
Evaluation	2	1.39	1.39	1.39
Youth Resources & Sports	4	174.59	168.81	79.78
School Education	1	2.51	2.51	0.85
Total	**135**	**1986.15**	**2021.43**	**1002.67**

Source: Finance Accounts and Departmental records

There were 135 incomplete projects (estimated cost ₹ 1986.15 crore and actual expenditure incurred was ₹ 1002.67 crore as of March 2013) pertaining to 18 departments. Out of the 135 incomplete projects 75 projects (estimated cost ₹ 1063.54 crore and actual expenditure ₹ 623.85 crore) were due to be completed by March 2013 but remained incomplete as of October 2013. Out of the 75 projects, the cost of three incomplete projects pertaining to Geology and Mining (₹ 27.41 crore), State Council of Educational Research and Training (₹ 0.69 crore) and Youth Resource and Sports (₹ 1.49 crore) had been revised and increased by ₹ 29.59 crore (86.24 *per cent).* The estimated cost of the three projects was ₹ 34.31 crore which was revised to ₹ 63.90 crore. The completion in respect of 33 projects was not due as on 31 March 2013. The date of completion in respect of 27 projects could not be furnished by the departments. Hence, it could not be ascertained in audit as to whether the 27 projects were incomplete or were in progress.

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

1.8.3 Investment and returns

As on 31 March 2013, Government had invested ₹ 242.65 crore in Statutory Corporations, Rural Banks, Joint Stock Companies and Co-operatives **(Table 1.23)**. The average return on this investment was 'Nil' during the last five years while the Government paid an average interest rate of 6.34 *per cent* on its borrowings during 2012-13.

Table-1.23: Return on Investment

(Rupees in crore)

Investment/Return/Cost of Borrowings	2008-09	2009-10	2010-11	2011-12	2012-13
Investment at the end of the year (a-e) (₹ in crore)	164.94	192.09	213.41	228.01	242.65
(a) Joint Stock Companies	32.10	32.10	32.10	32.11	32.10
(b) Government Companies	100.76	127.91	145.60	160.19	168.69
(c) Statutory Corporations	0.04	0.04	0.04	0.04	0.04
(d) Rural Banks	0.00	0.00	0.00	0.00	0.00
(e) Co-operatives	32.04	32.04	35.67	35.67	41.82
Return (₹ in crore)	0.00	0.00	0.00	0.00	0.00
Return *(per cent)*	0.00	0.00	0.00	0.00	0.00
Average rate of interest on Govt borrowing *(per cent)*	7.38	7.20	6.96	6.61	6.34
Difference between interest rate and return *(per cent)*	7.38	7.20	6.96	6.61	6.34

Out of the total Government investment of ₹ 242.65 crore at the close of the current year, ₹ 168.69 crore was invested in four Government companies (₹ 22.55 crore), Distillery Project (₹ 0.30 crore), Nagaland State Mineral Development Corporations (₹ 64.78 crore) and Public Sector & other Undertakings (₹ 81.06 crore). The remaining amount of ₹ 73.96 crore was invested in two Joint Stock Companies (₹ 32.10 crore) and Statutory Corporations, Co-operative Bank and Co-operative Societies etc. (₹ 41.86 crore). During the current year, the Government made additional investment of ₹ 14.64 crore in State

Mineral Development Corporations (₹ 5.50 crore), Public Sector and Other Undertakings (₹ 3.00 crore) and Other Co-operatives (₹ 6.14 crore).

Out of four Government companies in the State, one company *viz*., Nagaland Sugar Mills Ltd. (₹ 7.29 crore-investment upto 2001-02) was non-working whose accounts were in arrears for 35 years. The three working companies - Nagaland Industrial Development Corporation Ltd. (₹ 8.39 crore), Nagaland Industrial Raw Materials & Supply Corporation Ltd., (₹ 4.05 crore) and Nagaland Handloom & Handicrafts Development Corporation Ltd., (₹ 2.82 crore) were incurring losses. Except Nagaland Industrial Development Corporation Ltd. whose accounts were in arrears for one year, the accounts of the remaining two working Government Companies were in arrears for periods ranging between 3 and 10 years. Hence, the actual financial status of the companies as of March 2013 could not be assessed.

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

1.8.4 Loans and advances by State Government

In addition to investments in Co-Operative Societies, Corporations and Companies, Government has also been providing loans and advances to many institutions/ organisations. **Table 1.24** presents the outstanding loans and advances as on 31 March 2013 and interest receipts vis-à-vis interest payments during the last three years.

Table-1.24: Average Interest Received on Loans Advanced by the State Government

(Rupees in crore)

Quantum of loans/interest receipts/ cost of borrowings	2009-10	2010-11	2011-12	2012-13	
				BE	Actual
Opening Balance	24.64	23.99	25.80	26.11	26.11
Amount advanced during the year	3.55	4.12	2.75	3.97	2.16
Amount repaid during the year	4.20	2.31	2.44	3.82	0.85
Closing Balance	**23.99**	**25.80**	**26.11**	**26.26**	**27.42**
Net addition	-0.65	1.81	0.31	-	1.31
Interest Receipts	0.39	0.46	1.10	-	0.00
Interest receipts as *per cent* to outstanding loans and advances	1.60	1.85	4.24	-	0.00
Interest payments as *per cent* to outstanding fiscal liabilities of the State Government.	7.20	6.96	6.61	-	6.34
Difference between interest payments and interest receipts (*per cent*)	5.60	5.11	2.37	-	6.34

At the end of March 2013, the Government had outstanding loans and advances of ₹ 27.42 crore. The amount of loans disbursed during the year decreased by ₹ 0.59 crore from ₹ 2.75 crore in 2011-12 to ₹ 2.16 crore in 2012-13. Out of the total amount of loans and advances of ₹ 27.42 crore as on 31 March 2013, ₹ 22.95 crore (83.70 *per cent)* were for Agriculture and Allied Activities, ₹ 2.17 crore (7.91 *per* cent) for Industry and Mineral, ₹ 2.27 crore

(8.28 *per cent*) to Government Servants and ₹ 0.03 crore (0.11 *per cent*) for Water Supply, Sanitation, Housing and Urban Development.

The recovery of loans and advances decreased by ₹ 1.59 crore (65.16 *per cent*) from ₹ 2.44 crore in 2011-12 to ₹ 0.85 crore in 2012-13. During 2011-12, 87.06 *per cent* (₹ 0.74) loans were repaid by Government Servants and remaining 12.94 *per cent* (₹ 0.11 crore) by Co-operatives. The interest receipts as a percentage of outstanding loans decreased from 4.24 *per cent* in 2011-12 to nil in 2012-13.

1.8.5 Cash Balances and Investment of Cash balances

A summary of the contents of appendix I of Finance Account are given below:

Table 1.25: Summary of contents of Appendix I of Finance Accounts

(Rupees in crore)

	Opening balance on 01.04.2012	**Closing balance on 31.03.2013**
(a) General Cash Balance		
Cash in treasuries	0.18	0.00
Deposits with Reserve Bank	(-)199.04	(-)297.88
Deposits with other Banks	0.00	0.00
Remittances in transit- Local	0.00	0.00
Total	**(-)198.86**	**(-)297.88**
Investments held in Cash Balance investment account	0.00	0.00
Total (a)	**(-)198.86**	**(-)297.88**
(b) Other Cash Balances and Investments		
Cash with departmental officers viz. Public Works Dept/ Officers, Forest department Officers, District Collectors	375.65	402.87
Permanent advances for contingent expenditure with departmental officers	0.00	0.00
Investment of earmarked funds	151.40	175.53
Total (b)	**527.05**	**578.40**
Total (a) + (b)	**328.19**	**280.52**

Perusal of the table above indicate that the cash with the departmental officers viz., public works departmental officers, forest department officers and district collectors had increased by ₹ 27.22 crore (7.25 *per cent*) from ₹ 375.65 crore in 2011-12 to ₹ 402.87 crore in 2012-13.

Outstanding balances under the head 'Cheques and Bills'

Major Head 8670 Cheques and Bills is an intermediary accounting head for initial record of transactions which are eventually to be cleared. There would normally be a credit balance outstanding under this head representing unencashed cheques. The accounts of the Government of Nagaland, however, show an outstanding debit balance of ₹ 0.13 crore as on 31 March 2013, which is to be reconciled by the State Government.

1.9 Assets and Liabilities

1.9.1 Growth and composition of Assets and Liabilities

In the existing Government accounting system, comprehensive accounting of fixed assets like land and buildings owned by the Government is not done. However, the Government accounts do capture the financial liabilities of the Government and the assets created out of the expenditure incurred. **Appendix 1.5** gives an abstract of such liabilities and the assets as on 31 March 2013, compared with the corresponding position on 31 March 2012. While the liabilities in the Appendix consist mainly of internal borrowings, loans and advances from the GOI, receipts from the Public Account and Reserve Funds, the assets comprise mainly the capital expenditure, loans and advances given by the State Government and cash balances.

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

1.9.2 Fiscal Liabilities

The trends in outstanding fiscal liabilities of the State are presented in **Appendix 1.3.** However, the composition of fiscal liabilities during the current year vis-à-vis the previous year is presented in **Charts 1.14** and **1.15.**

Chart 1.14: Composition of Outstanding Fiscal Liabilities as on 31.03.2012 (Rupees in crore)

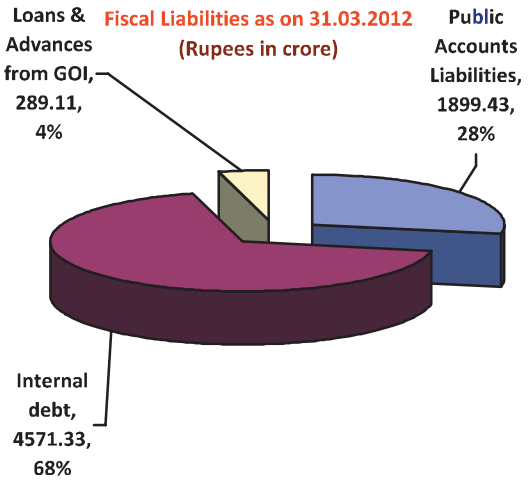
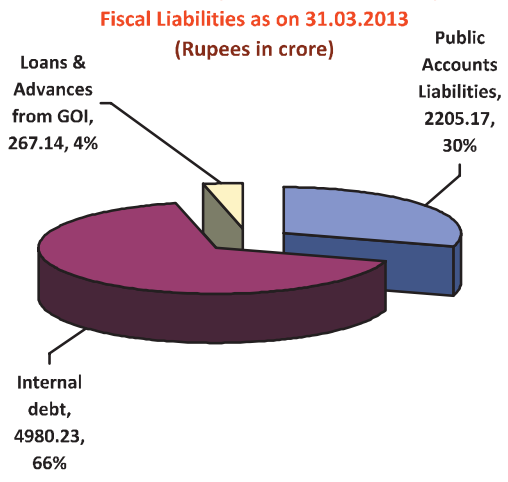


Chart 1.15: Composition of Outstanding Fiscal Liabilities as on 31.03.2013 (Rupees in crore)



The growth rate of fiscal liability was 10.25 *per cent* during 2012-13 over the previous year. Fiscal Liabilities of the State comprise Consolidated Fund Liabilities and Public Account Liabilities. The Consolidated Fund Liability (₹ 5247.37 crore) comprised market loan (₹ 3901.41 crore), loans from Government of India (₹ 267.14 crore) and other loans (₹ 1078.82 crore). The Public Account Liabilities (₹ 2205.17 crore) comprise Small Saving, Provident Fund (₹ 682.92 crore), interest bearing obligations (₹ 15.00 crore) and non-interest bearing obligations like deposits and other earmarked funds (₹ 1507.25 crore). The ratio of fiscal liabilities to GSDP had increased from 55.08 *per cent* in 2011-12 to 55.94 *per cent* in 2012-13. These fiscal liabilities stood at nearly 1.20 times the revenue receipts and 21.92 times of the State's own tax revenue at the end of 2012-13. The fiscal liabilities to GSDP (55.94 *per cent*) was 6.39 *per cent* more than the assessment made by the State Government in its Medium Term Fiscal Policy Statement (MTFPS) (49.55 *per cent*) and 1.04 *per cent* higher than the norm of 54.90 per cent recommended by the XIII-FC for the year 2012-13.

1.9.3 Transactions under Reserve fund

The Twelfth Finance Commission had recommended that States should set up (i) Sinking Funds for amortization 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) Guarentee Redemption Funds for discharge of the States' obligations on guarantees. Out of the 4 (four) funds operated by the State Government, Depreciation/Renewal Reserve Fund (₹ 0.07 crore) was dormant. The total accumulated balance at the end of 31 March 2013 in those funds was ₹ 320.23 crore, of which ₹ 175.53 crore (55 *per cent*) had been invested. Details of significant Reserve Funds of the Government of Nagaland are given below:

(a) Consolidated Sinking Fund (CSF)

In terms of the recommendations of the Twelfth Finance Commission, the State Government created a consolidated Sinking Fund in 2006-07, for amortization of liabilities, with an initial corpus of ₹ 12.17 crore. Though the State Government has not framed any rules regarding annual contributions to the Fund, in terms of the guidelines of the Reserve Bank of India which is responsible for management of the Fund, the State Government was required to contribute a minimum of 0.5 *per cent* of its outstanding liabilities (Internal Debt + Public Account) as at the end of the previous year. Against ₹ 31.79 crore (0.5 *per cent* of the outstanding liabilities of ₹ 6357.77 crore as on 31 March 2012) due from the State Government in 2012-13, the State Government contributed ₹ 30.00 crore, a shortfall of ₹ 1.79 crore in contribution, which resulted in overstatement of Revenue Surplus to this extent. The entire corpus of the Fund amounting to ₹ 154.09 crore as on 31 March 2013, was invested in Government of India Securities.

(b) Guarantee Redemption Fund (GRF):

The State Government constituted a Guarantee Redemption Fund in 2006-07 with an initial corpus of ₹4.00 crore determined on the basis of guarantees invoked during the preceding five years. In terms of the Guarantee Redemption Fund Scheme of the Government of

Nagaland, contributions shall be made to the Fund annually or at lesser intervals so as to reach the levels deemed sufficient to meet the amount of anticipated guarantees devolving on the Government as a result of the likely invocation of outstanding guarantees in the succeeding five years. No guarantees of the State Government were invoked from inception of the Scheme. During 2012-13, ₹1.00 crore was transferred by the State Government and the entire corpus of ₹6.00 crore as on 31 March 2013 was invested by the Reserve Bank of India in Government of India Securities.

(c) State Disaster Response Fund (SDRF):

The State Government commenced operation of the State Disaster Response Fund in 2010-11 as recommended by the Thirteenth Finance Commission. In terms of the guidelines applicable to special category States like Nagaland, the Central and State Governments are required to contribute to the fund in the proportion of 90:10. Following Government of India's release of ₹ 12.87 crore (which includes total allotment of ₹ 4.70 crore of 2011-12 along with the entire contribution of ₹ 4.93 crore of 2012-13 and additional amount towards capacity building), the State Government transferred ₹ 10.44 crore to SDRF, including State's share of ₹ 1.07 crore (₹ 0.55 crore of 2012-13 and ₹ 0.52 crore of 2011-12). Transfer of only ₹ 9.37crore out of the Central contribution of ₹ 12.87 crore resulted in overstatement of the Revenue Surplus of the State Government by ₹ 3.50 crore. During the year, the State Government adjusted expenditure of ₹ 3.57 crore on natural calamities against the Fund and invested ₹ 10.44 crore, leaving a balance of ₹ 0.72 crore in the Fund as on 31 March 2013.

1.9.4 Contingent liabilities

Status of Guarantees

Guarantees are liabilities contingent on the Consolidated Fund of the State in case of default by the borrower for whom the guarantees had been extended. As per NFRBM Act 2005, the State Government set up a guarantee redemption fund in 2006-07 and decided to charge guarantee fee at the rate of 1 *per cent* of GSDP to cover the risk in the guarantees. During the year 2012-13, the State had given guarantee of ₹ 5.00 crore but no guarantee fee was received.

As per **Statement 9** of the Finance Accounts, the maximum amount for which guarantees were given by the State and outstanding guarantees for the last three years is given in **Table1.26.**

Table-1.26: Guarantees given by the Government of Nagaland

(Rupees in crore)

Guarantees	2009-10	2010-11	2011-12	2012-13
Total amount of guarantees given up to	53.72	55.22	65.22	70.22
Outstanding amount of guarantees at the end of the year	53.72	55.22	65.22	70.22
Percentage of maximum amount guaranteed to total revenue receipts	1.44	1.10	1.17	1.13
Outstanding amount of guarantee as percentage of GSDP	0.51	0.49	0.53	0.53

The outstanding guarantees increased by ₹ 5.00 crore (7.67 *per cent*) from ₹ 65.22 crore in 2011-12 to ₹ 70.22 crore in 2012-13. The outstanding guarantees of ₹ 70.22 crore mainly pertained to Nagaland Industrial Development Corporation 48.29 *per cent* (₹ 33.91 crore) for repayment of principal and payment of interest on loan obtained. The outstanding guarantees were 1.13 *per cent* of the revenue receipts of the Government.

Off-Budget Borrowings

The State Government had not resorted to any off-budget borrowings during the year. As per the recommendations of the XIII-FC, the State Government had set up a Sinking Fund for amortisation of market borrowings as well as other loans and debt obligations during 2011-12. Contribution to the Sinking Fund was ₹ 16.17 crore as of March 2013 and the entire amount of the fund was invested.

1.9.5 Analysis of Borrowings of Government

1.9.5.1 Introduction

At the beginning of every year, Government puts out a plan for its income and expenditure for the ensuing year as the Annual Budget. A budget is said to have a fiscal deficit[14] when the Government's expenditure exceeds its income. When it happens, the Government needs additional funds. Government can finance the fiscal deficit by increasing the amount of taxes collected by enhancing the tax rates/base, by borrowing the funds from open market and/or from Government of India. The borrowings are accounted for under the Consolidated Fund (Public Debt). The major divisions are Internal Debt of the State Government and Loans and Advances from the Central Government. The internal debt is further divided into Market Loans and Negotiated Loans. This review is on Market Borrowings and the Major and Minor Heads concerned are 6003-Internal Debt of the State Government-101 Market Loans with Sub-head, Detailed and Object heads concerned.

Market borrowings are controlled by the Central Government and managed by the Reserve Bank of India. States may not, without the consent of the Central Government, raise any

[14] **Total revenue and non-debt capital receipts i.e. (i) Revenue receipts (ii) Miscellaneous capital receipts and (iii) recoveries of loans and advances less Revenue expenditure plus capital expenditure plus disbursement of loans and advances**

loan if they are indebted to the Central Government (Article 293). The Reserve Bank of India manages the domestic borrowings of the State

The thirteenth finance commission (XIII –FC) has stated that in order to reduce the fiscal deficit, it is essential that States should follow the practice of borrowing on requirement rather than on availability. The issue of debt sustainability of the State Government is related to prudent and desirable debt practices such as setting of clear debt management objectives, duration and maturity of loans, debt expansion commensurate with capital expansion plans, investments in projects for durable assets with sustainable income generation capacity etc.

1.9.5.2 Organisational set-up

Finance Department of Government of Nagaland (GON) is responsible for proper fiscal management of the State resources/funds and is headed by Addl. Chief Secretary and Finance Commissioner who are assisted by three Advisors, three Officers on Special Duty, one Secretary, one Joint Secretary, three Deputy Secretaries, three Under Secretaries, one Consultant and other supporting staff. The Department comprises of 10 branches.

1.9.5.3 Scope of Audit

In-depth examination of Market Borrowings of the State Government covering the period 2008-09 to 2012-13 was carried out during April to May 2013 through test check of the records made available by the Finance Department and Finance and Appropriation Accounts of the Government of Nagaland.

1.9.5.4 Audit Objectives

The objectives of the review were to assess whether;

- The borrowing requirements of the State were need based and realistic;
- The system on which estimate of total borrowings was arrived at was in existence;
- The permission by the Government of India (GOI) for open market borrowings was accorded;
- The amount was used for creation of capital nature durable assets with sustainable income generation capacity;
- There was a mechanism for effective financial control and monitoring.

1.9.5.5 Audit Criteria

The objectives were bench marked against the criteria obtained from the following sources:

- Constitution of India;
- Medium Terms Fiscal Plans of the State Government formulated under FRBM Act;
- Orders and instructions issued by the GOI, Finance Commissions and Reserve Bank of India (RBI) from time to time;
- Report of the XII-FC and XIII-FC Finance Commissions;
- Market borrowing documents maintained by the Government;
- Finance Accounts and Appropriation Accounts of the Government of Nagaland; and
- Prescribed monitoring mechanism.

1.9.5.6 Audit Methodology

The review commenced with an entry conference on 12 April 2013 with the OSD, Finance Department and other departmental officers to discuss the audit objectives, audit criteria, audit scope and methodology. The audit methodology involved scrutiny of budget and revised estimates and supplementary budget for market borrowing, scrutiny of tenor and terms of instrument of borrowings and periodical appraisal through issue of questionnaire and audit queries to the Department. An exit conference was held on 19 November 2013 with the OSD, Finance Department.

1.9.5.7 Overall Position

The overall position of Debt sustainability indicators are detailed in the following table.

Table 1.27: Debt sustainability indicators

(Rupees in crore)

Sl. No	Description	2008-09	2009-10	2010-11	2011-12	2012-13
1	2	3	4	5	6	7
1	Total Liabilities (A+B)	4607.50	5460.99	5864.53	6759.87	7452.54
A	Public Debt (a+b)	3607.33	4137.97	4340.16	4860.44	5247.37
(a)	Internal debt (i+ii+iii)	3240.49	3808.49	4033.56	4571.33	4980.22
(i)	Market loans[15]	2437.95	2878.76	3106.90	3432.40	3901.41
(ii)	Special Securities issued to NSSF	102.04	105.04	122.38	124.92	122.71
(iii)	Loans from Banks and Financial Institutions	700.50	824.69	804.28	1014.01	956.10
(b)	Loans and Advances from Centre	366.84	329.48	306.60	289.11	267.15
B	Other liabilities including Public Account liabilities	1000.17	1323.02	1524.37	1899.43	2205.17
2	Percentage of Market loans to total liabilities	52.91	52.71	52.98	50.78	52.35
3	Percentage of Market loans to total Public Debts	67.58	69.57	71.58	70.62	74.35
4	Interest accrued on Market Loans	175.16	200.59	228.98	246.23	280.19
5	Weighted average Interest rate on market loans (For the year)	8.25	7.96	8.34	8.91	8.86
6	Interest Paid on market loans	175.16	200.59	228.98	246.23	280.19
7	GSDP (Amount)	9436.07	10526.77	11315.13	12272.15	13321.61
8	Growth rate of GSDP	16.85	11.56	7.49	8.46	8.55
9	Interest rate (Int. Accrued on CB of OMB)	7.18	6.97	7.37	7.17	7.18
10	GSDP Growth rate and weighted average interest rate ratio	2.04	1.45	0.90	0.95	0.97

[15] *Market Loans include tax free Government Special Bonds (Power Bonds whose balance as on April 2008 was ₹63.14 crore subsequently reduced to ₹23.68 crore @ ₹7.892 crore per annum) and not bearing interest amounting to ₹0.03 crore during 2008-13 which have been excluded in subsequent paragraphs.*

1	2	3	4	5	6	7
11	Gross interest payments	313.94	362.51	394.33	417.39	450.64
12	Revenue receipt	3399.79	3718.48	4998.46	5584.62	6202.33
13	Gross interest payments Revenue Receipt ratio	0.09	0.10	0.08	0.07	0.07
14	Primary Surplus (+)/ Deficit (-)	-26.64	-159.05	81.73	-121.59	-202.95
15	Revenue Surplus(+)/Deficit(-)	511.35	467.32	812.15	710.72	602.90
16	Fiscal Deficit (FD) (-)	-340.63	-521.56	-312.60	-538.98	-653.59
17	Percentage of FD to GSDP	-3.61	-4.95	-2.76	-4.39	-4.91
18	Percentage of total liabilities to GSDP	48.83	51.88	51.83	55.08	55.94
19	Percentage of Public Debt to GSDP	38.23	39.31	38.36	39.61	39.39
20	Outstanding Guarantees	26.96	53.72	55.22	65.22	70.22

The total outstanding Public Debt of GON as on 1 April 2008 was ₹ 3161.16 crore comprising market loans of ₹ 2072.45 crore, Negotiated Loans (₹ 596.20 crore), Central Government Loans (₹ 388.44 crore) and Loans from NSSF (₹ 104.07 crore).

The percentage of market loan to the Public debt of the State as on 1 April 2008 was 65.56 *per cent* which increased to 67.58 *per cent*, 69.57 *per cent*, and 71.58 *per cent* as on 31 March of 2009, 2010 and 2011 respectively. However, it registered a slight decline to 70.62 *per cent* as on 31 March 2012 but increased substantially to 74.35 *per cent* as on 31 March 2013.

Thus, State Government was substantially dependant on market loans. As a result, both the total debt and closing balance of market loans were on an increasing trend.

Revenue surplus represents the difference between revenue receipts and revenue expenditure. Revenue surplus helps to decrease borrowings.

The State continued to attain revenue surplus during all the years i.e., from 2008-09 to 2012-13 with fluctuating trends during the years. The State was able to attain revenue surplus due to the receipts of Grants-in-Aid from the GOI as the State's own revenue was meager compared with the revenue expenditure for the above period.

The fiscal deficit for the years during 2008-09, 2009-10, 2010-11, 2011-12 and 2012-13 stood at 3.61 *per cent*, 4.95 *per cent*, 2.76 *per cent,* 4.39 *per cent* and 4.91 *per cent* respectively of the GSDP for the years against the target of 3 *per cent* from 2008-09 to 2009-10 and 3.5 *per cent* from 2010-11 to 2012-13 as determined by XII-FC and XIII-FC respectively. Thus, excepting 2010-11, the fiscal deficit percentage to GSDP was higher than the sustainability target. Further, in order to restrict the fiscal deficit, it was imperative to bring down the interest obligation. But, on the contrary, it was seen that Government. of Nagaland resorted to borrowing more than the redemption of earlier loans during the years, resulting in increase in the interest obligation every year.

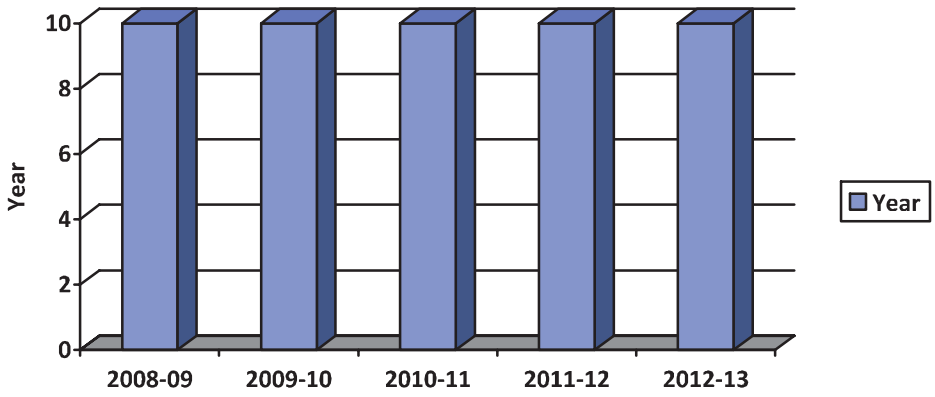
Further, the profile of market loans revealed that the Market Borrowings raised during the years 2008-13 ranges from 8.34 *per cent* to 18.83 *per cent* of the closing Debt Stock of that year. The profile of market loans is given in the table below:

Table 1.28: Profile of Market loans

Details	Amount of market loans raised (Rupees in crore)				
	2008-09	2009-10	2010-11	2011-12	2012-13
< 7 years	-	-	-	-	-
> 7 Years	466.96	577.41	355.36	505.00	655.00
Total Loans raised during the year	466.96	577.41	355.36	505.00	655.00
Total outstanding on 31 March	2382.67	2831.38	3067.41	3400.80	3877.70
Percentage of loans raised during the year to total outstanding (*in per cent*)	18.58	18.83	8.34	10.87	14.02

It could be seen from the above table that the State had resorted to long term market borrowings as the loans raised for the review period 2008-13 had the maturity period of ten years as could be seen from the graph below:

Chart 1.16. : Maturity period of Market Loans



Further, details of market loans taken, discharged and outstanding during 2008-13 was as under:

Table 1.29: Profile of market loans taken, discharged and outstanding

(Rupees in crore)

Year	Opening balance	Additions during the year	Discharges during the year	Closing balance 31 March	Net increase (+)/ Decrease (-) in percentage
2008-09	2009.28	466.96	93.57	2382.67	18.58
2009-10	2382.67	577.41	128.71	2831.37	18.83
2010-11	2831.37	355.36	119.33	3067.40	8.34
2011-12	3067.40	505.00	171.60	3400.80	10.87
2012-13	3400.80	655.00	178.11	3877.70	14.02

Source: Finance Account and departmental figures

The outstanding market loans had increased by 62.75 *per cent* from ₹ 2382.67 crore in 2008-09 to ₹ 3877.70 crore in 2012-13. However, market loans raised during the year as a percentage of total outstanding had reduced from 18.58 *per cent* during 2008-09 to 14.02 *per cent* during 2012-13.

Details of individual loans: The details of individual loans during 2008-13 along with the weighted average of interest rates of market loans raised by the State Government was as under:

Table 1.30: Details of individual loans and weighted average interst rate

Year	Amount of Loan (₹*in crore*) (A)	Rate of interest (*in per cent*) (B)	Weight of the loan (AxB)
1	2	3	4
2008-09	160.00	8.58	1372.80
	100.00	7.40	740.00
	184.58	8.40	1550.47
	22.38	8.47	189.56
	466.96	**Weighted Average of interest for 2008-09 was 8.25**	**3852.83**
2009-10	260.00	7.58	1970.80
	89.00	8.10	720.90
	100.14	8.26	827.16
	100.00	8.39	839.00
	28.27	8.49	240.01
	577.41	**Weighted Average of interest for 2009-10 was 7.96**	**4597.87**
2010-11	100.00	8.07	807.00
	100.00	8.50	850.00
	55.36	8.39	464.47
	100.00	8.41	841.00
	355.36	**Weighted Average of interest for 2010-11 was 8.34**	**2962.47**
2011-12	100.00	8.60	860.00
	150.00	8.90	1335.00
	5.00	9.32	46.60
	250.00	9.04	2260.00
	505.00	**Weighted Average of interest for 2011-12 was 8.91**	**4501.60**
2012-13	250.00	8.97	2242.50
	200.00	8.98	1796.00
	195.00	8.62	1680.90
	10.00	8.55	85.50
	655.00	**Weighted Average of interest for 2012-13 was 8.86**	**5804.90**
Weighted average interest for the period 2008-2013	**2559.73**	**8.49**	**21719.67**

The weighted average interest of the market borrowings of the State Government for the period from 2008-09 to 2012-13 was 8.49 *per cent.*

Maturity trend: Analysis of redemption profile of the State was made to ascertain the redemption pressure on the State on account of market borrowings. Maturity trend of market loans of the State Government was as under:-

Table 1.31: Maturity Trend of Market Loans

(Rupees in crore)

Maturity Year	Maturity Amount	Outstanding balance of the previous years	As a percentage of outstanding market loans
2013-14	87.04	3877.70	2.24
2014-15	180.27	3790.66	4.76
2015-16	344.38	3610.39	9.54
2016-17	337.23	3266.01	10.33
2017-18	369.05	2928.78	12.60
2018-19	466.96	2559.73	18.24
2019-20	577.41	2092.77	27.59
2020-21	355.36	1515.36	23.45
2021-22	505.00	1160.00	43.53
2022-23	655.00	655.00	100.00

Source: Finance Accounts & Departmental Figures

It can be seen from the above table that ₹ 87.04 crore of market loans was required to be discharged during 2013-14 (2.24 *per cent* of total outstanding loans) which would increase to ₹ 655 crore during 2022-23.

Interest rate profile: An analysis was made to check the interest payment and average interest rate of market loans availed during 2008-09 to 2012-13. The interest rate profile is given below:

Table 1.32: Interest rate profile

Rate of Interest (*percent*)	Market Loans raised during the year (Rupees in crore)				
	2008-09	2009-10	2010-11	2011-12	2012-13
Below 5	-	-	-	-	-
5-5.99	-	-	-	-	-
6-6.99	-	-	-	-	-
7-7.99	100.00	260.00	-	-	-
8-8.99	366.96	317.41	355.36	250.00	655.00
9-9.99	-	-	-	255.00	-
10-10.99	-	-	-	-	-
11 and above	-	-	-	-	-
Total	**466.96**	**577.41**	**355.36**	**505.00**	**655.00**
Average rate of interest	**8.25**	**7.96**	**8.34**	**8.91**	**8.86**

The average rate of interest is worked out by calculating the interest obligation on each tranche of market borrowing raised during the respective years as detailed in **Table 1.30**. The average rate of interest liability for the Open Market Borrowings (OMBs) raised during the respective years ranged between 7.96 *per cent* and 8.91 *per cent*.

Interest payment: Details of interest payment by the State Government during 2008-13 was as under:

Table 1.33: Interest Payments as a percentage of revenue receipts

Particulars	2008-09	2009-10	2010-11	2011-12	2012-13
Interest Payments (₹ in crore)	175.16	200.59	228.98	246.23	280.19
Revenue Receipts (₹ in crore)	3399.79	3718.48	4998.46	5584.62	6202.33
Percentage of revenue receipts	5.15	5.39	4.58	4.41	4.52
Percentage of market loans to total liabilities	51.71	51.85	52.30	50.31	52.03

Source : Finance Accounts and departmental figures

It can be seen from the above table that the interest payments had increased from ₹ 175.16 crore in 2008-09 to ₹ 280.19 crore in 2012-13. The interest payment had increased by ₹ 105.03 crore (59.96 *per cent*) in 2012-13 over 2008-09 due to increase in outstanding market loan by 62.74 *per cent* during the review period though the percentage of market loans to total outstanding had decreased by 0.32 *per cent* during the review period. However, interest payment to the percentage of revenue receipts had decreased from 5.15 *per cent* during 2008-09 to 4.52 *per cent* during 2012-13.

1.9.5.8 Basis of borrowing

1.9.5.8.1 Borrowing requirements

Borrowing requirement of the State is determined through the scheme of financing (SOF), the Annual Plan for different years by planning and coordination Department of the State. The SOF is prepared indicating the total expenditure required for various sectors and the funding arrangement including Open Market Borrowing which is in turn submitted to the Planning Commission of India for according approval.

Table 1.34: OMB approved by Planning Commission vis-a-vis consented by GOI and OMB raised during the year

(Rupees in crore)

Year	Net OMB as per SOF	OMB Redeemed	Gross OMB	OMB consented by GOI	AOMB* Consented by GOI	Total Loan consented	Total amount raised
2008-09	279.13	101.46	380.59	309.65	157.31	466.96	466.96
2009-10	420.43	128.71	549.14	549.14	28.27	577.41	577.41
2010-11	310.70	119.32	430.02	255.36	100.00	355.36	355.36
2011-12	602.64	179.49	782.13	580.00	Nil	580.00	505.00
2012-13	642.79	178.10	820.89	655.00	Nil	655.00	655.00

(Source:- SOF of State Government)
** Additional Open Market Borrowings*

1.9.5.8.1.1 Government of Nagaland prepares scheme of financing stating the source of finance for its annual plan. The source includes the net Market borrowing to be raised during the year. Further, the Government gets approval of its scheme of financing including the sectoral break-up by the Planning Commission of India. Moreover, the gross market borrowing limit is worked out by adding the earlier market borrowings matured during the year with the net market borrowing as envisaged in SOF. Subsequently, on the basis of Gross OMB, GoN seeks consent of GoI, Department of Expenditure, MOF under Article

293(3) for raising the same debt through RBI. GoI while according approval communicates the same to RBI for debt management. In turn RBI seeks the indicative calendar for raising OMB from the GoN which assess the time for raising OMB and communicates to RBI.

1.9.5.8.1.2 It was observed from notings of the relevant files of Finance Department that while assessing the times for raising the borrowing or preparing the indicative calendar, the Department takes care of the maturity date of earlier borrowings during the year. Thus, the fact remained that the State Government resorted to borrowing to finance the redemption of earlier borrowings.

1.9.5.8.2 Reduction of the borrowing requirements through augmentation of revenues

1.9.5.8.2.1 Disinvestments in the non-working companies

The State Government invested ₹ 7.29 crore (from 1976-1977 to 2001-02) in Nagaland Sugar Mills Co. Ltd. The said Company was closed down on 30 September 2001. Neither the company had ever paid any dividend nor could it serve any social purpose with the current status.

The terms of reference TOR (XII-FC) emphasised on the need to ensure commercial viability of public sector enterprises, including power projects, through means such as adjustment of user charges and relinquishing of non-priority enterprises through privatisation or disinvestment.

The thirteenth Finance commission also recommended for constitution of task force to design and oversee the process of restructuring, including disinvestment/privatisation. However, no such task force had been constituted by the State.

1.9.5.8.2.2 Non realisation of guarantee fees

In compliance with the recommendations of the XII-FC in its Para 12.60, the State Government had set up a guarantee redemption fund to which the State deposited a sum of ₹ 1.00 crore every year through budgetary allocation instead of funding through guarantee fees.

Thus, during five years from 2008-09 to 2012-13, the fiscal deficit as well as the borrowing requirement increased due to non-collection of guarantee fees.

1.9.5.8.2.3 Non realisation of the Government loss due to misappropriation and defalcation

It was noticed in audit that in 10 departments of the Government, 15 cases of theft/misappropriation of Government money/material are pending at different stages involving ₹ 67.49 crore upto 31 March 2013.

Had these cases been finalised, the funds could have been returned to Government exchequer. It was also seen that some cases were finalised but recovery orders had not been issued which indicated the callousness of the Government to recover the embezzled amount

which could have not only mitigated the fiscal crunch but also reduced the necessity of borrowing.

1.9.6 Application of borrowing

To address the fiscal deficit, State should not only remain confined to reduction of expenditure and augmentation of revenue but also to ensure the proper utilisation of the borrowed funds so that the ultimate objective of the expenditure is achieved.

1.9.6.1 Debt utilisation

During five years between 2008-09 and 2012-13, the Government of Nagaland had raised total market borrowing of ₹ 2,559.72 crore against repayment of ₹ 1,822.45 crore towards principal and interest thereon.

It was stated by the Finance Department of the Government in reply to an audit query that borrowing from open market was not made for any specific purpose. Hence, it could not be ascertained in audit as to the purpose for which the borrowed funds were actually utilised.

1.9.6.2 Transfers to Civil Deposit

Perusal of the Table below revealed that the State Government was transferring funds to 8443-Civil Deposits to avoid lapse of funds. At the end of March 2013, an amount of ₹ 1362.51 crore had accumulated in this head of account as compared to ₹ 287.43 crore on 31 March 2008. The increase in the civil deposit was to the extent of 374 *per cent.* By transferring funds to Civil Deposit head, Government was causing blockage of funds. Also, by operating civil deposit head, Government was overstating its Revenue/Capital Expenditure and basing on these overstated figures they were resorting to excess market borrowings.

On further analysis, it was noticed that the amount added to the civil deposits during the year was more than the subsequent year's (2009-10 & 2010-11) withdrawal. It indicates that even if the delayed receipt of borrowed funds i.e. in March, were parked in civil deposits, those were not withdrawn in subsequent years for utilisation.

Table 1.35: Detailed Transaction under head of account 8443-Civil Deposit

(Rupees in crore)

Year	Opening Balance	Addition	Withdrawal	Closing Balance	Net addition during the year
2008-09	287.43	357.53	143.90	501.06	213.63
2009-10	501.06	775.58	498.16	778.48	277.42
2010-11	778.48	528.00	447.91	858.57	80.09
2011-12	858.57	698.90	392.74	1164.73	306.16
2012-13	1164.73	898.34	700.56	1362.51	197.78

1.9.6.2.1 Non-performing assets

As on 31 March 2013, cumulative investment of GON stood at ₹ 242.65 crore in different Joint Stock Companies (₹ 32.11 crore), Government Companies (₹ 168.69 crore), Statutory Coorporations (₹ 0.03 crore) and co-operatives (₹ 41.82 crore).

In terms of the para 7.38 of the report of XIII-FC, dividends and profits from the investment of the Government was projected at 5 *per cent* of the investment. Since all the Companies were under perennial loss, the State could not receive the dividend receipt during the five years from 2008-09 to 2011-13 amounting to ₹ 52.05 crore.

1.9.6.3 Not availing relief recommended by different finance commissions

XII- FC recommended (para 12.42) for a debt relief to the State Governments and stipulates that the central loans to states contracted till 31.03.2004 and outstanding on 31.03.2005 may be consolidated and rescheduled for a fresh term of 20 years and interest thereon may be charged at 7.5 *per cent*. It further recommended (para 12.43) that repayment of the installments of rescheduled loans during the XII-FC be written off subject to certain terms and conditions linked with the fiscal performances.

XII-FC considered the relief like rescheduling, lowering of interest and waiver of repayment of loans (during the award period) sanctioned and disbursed by Government of India under DCRF (Debt Consolidation Relief Fund), which were administered by Ministry of Finance (para 12.42).

It did not consider the central loans to states for centrally sponsored schemes/ central plan schemes through ministries other than Ministry of Finance. Hence, XIII-FC recommended the debt relief vide its para 9.114 of its report, by writing off the central loans to states that are administered by central ministries other than Ministry of Finance outstanding at the end of 2009-10.

XII-FC recommended (para 9.106) that the loans from NSSF (National Small Saving Funds) contracted till 2006-07 and outstanding at the end of 2009-10 to be reset at common interest of 9 *per cent* p.a. in place of 10.5 *per cent* or 9.5 per cent keeping the repayment schedule unchanged.

1.9.6.3.1 Not availing Debt waiver recommended by XII-FC

Government of India sanctioned to write off the repayment during 2008-09 on account of principal of the consolidated loan, advanced by Government of India, Ministry of Finance to the Government of Nagaland for a sum of ₹ 15.87 crore[16].

The sanction was subject to fulfillment of certain conditions i.e. the ratio of FD to GSDP for 2008-09 should not be more than the ratio of FD to GSDP for 2004-05.

Fiscal Deficit for 2008-09 BE and Actual were ₹ 248.40 crore and ₹ 340.63 crore. The GSDP for the year 2008-09 was ₹ 9436.07 crore. Thus, the FD to GSDP (BE) and (Actuals) was 2.63 *per cent* and 3.61 *per cent* respectively. The actual fiscal deficit during the base year of 2004-05 was ₹ 218.39 crore. Thus, both BE and actual FD during the year 2008-09 was more and Government was not eligible to avail the benefit of debt relief amounting to ₹ 15.87 crore.

[16] **Communicated to the Government vide letter No. F/1/1/DCRF-Policy/2007-FRU Dated 20 March 2009**

As a result, the benefit of ₹ 15.87 crore which was sanctioned to the State Government in anticipation of the improvement was withdrawn in June 2009.

1.9.6.3.2 Not availing debt waiver recommended by XIII-FC

Recommendation for debt relief by XIII-FC (Para 9.114) was accepted by GOI, Ministry of Finance if the states enacted the FRBM Act. Government of Nagaland (GON) had already legislated the FRBM Act way back in the year 2005 and the pre condition for debt relief was fulfilled by GON.

It was seen in audit that the State Government had not filed any claim for such debt relief for reasons not recorded and GON had repaid the principal of loan during 2010-11, 2011-12 and 2012-13 of ₹ 2.35 crore, ₹ 2.04 crore and ₹ 1.39 crore respectively in addition to the payment of interest of ₹5.93 crore, ₹ 5.62 crore and ₹ 3.89 crore in that order.

Thus, despite the debt relief granted by GOI, GON could not avail the benefit but continued to create budgetary provision for repayment of principal and interest payment on which the Government had to incur an expenditure of ₹ 5.78 crore towards repayment of principal and ₹ 15.44 crore towards interest payment which could have been avoided and the fiscal deficit could have been reduced to that extent by claiming the debt relief.

1.9.6.3.3 Not availing interest relief on NSSF loans as recommended by XIII-FC

The NSSF Loans contracted till 2006-07 and outstanding on 31 March 2010 amounted to ₹ 102.95 crore on which interest obligation at pre reset rate was ₹ 10.10 crore, ₹ 9.61 crore, ₹ 9.04 crore, ₹ 8.48 crore and ₹ 7.92 crore respectively for the award period i.e. from 2010-11 to 2014-15.

On reset of the rate of interest, the obligation was reduced to ₹ 9.27 crore, ₹ 8.82 crore, ₹ 8.30 crore, ₹ 7.79 crore and ₹ 7.28 crore respectively for the years 2010-11 to 2014-15 resulting in interest relief of ₹0.83 crore, ₹ 0.79 crore, ₹ 0.74 crore, ₹ 0.69 crore and ₹ 0.64 crore in that order.

It was seen in audit that neither such relief was claimed by GON nor was it granted by MF, GOI. Further, no budgetary provision for such relief was created. Thus, due to non availing of such interest relief, Fiscal Deficit for 2010-11, 2011-12, 2012-13 could not be counter balanced by the interest relief of ₹2.36 crore.

1.9.7 Monitoring Committee

XI-FC recommended setting up of a monitoring agency to review the progress in the utilisation of grants. In terms of the guidelines issued by the Ministry of Finance, each State was expected to take effective steps for revenue augmentation and expenditure compression for improvement of the fiscal health of the State.

Similarly, XII-FC also recommended the constitution of High Level Monitoring Committee, headed by the chief secretary for review of the utilisation of grants on a quarterly basis and take corrective action as required to ensure proper utilisation of the funds. XIII-FC was also of the similar view that a high level Monitoring Committee should have been constituted to monitor proper utilisation of the grants recommended by the Commission.

It was seen in audit that despite the recommendation of all the previous three finance commissions, Government of Nagaland had not set up a Monitoring Committee till 31 March 2013. Absence of a Monitoring Committee was a serious lapse of internal control mechanism.

1.9.8. Conclusion

The funds kept idle under Civil Deposits were retained year after year. The funds could have been utilised before going for fresh borrowings. The Government was required to invest in the projects or schemes after careful consideration of the returns, in the absence of which almost all the investments turned out to be non-productive and non-performing. The State Government deposited funds into the guarantee redemption fund through budgetary allocation instead of funding through guarantee fees as recommended by the XII-FC. Despite different schemes for debt waiver, debt rescheduling and lowering of interest rate recommended by the FCs, GON did not avail such benefits. Despite the recommendation of all the previous three Finance Commissions, State Government had not set up a High Level Monitoring Committee.

1.9.9 Recommendations

On the basis of the findings of Audit, following recommendations are made:-

- The available funds may be utilised first before resorting to borrowings.
- Claims may be filed for availing the reliefs recommended by Finance Commissions.
- The system of collecting the guarantee fees should be introduced and the High Level Monitoring Committee may be constituted.

1.10 Debt Management

Apart from the magnitude of debt of State Government, it is important to analyse various indicators that determine the debt sustainability of the State. This section assesses the sustainability of debt of the State Government in terms of debt stabilisation; sufficiency of non-debt receipts[17]; net availability of borrowed funds; burden of interest payments (measured by interest payments to revenue receipts ratio) and maturity profile of State Government securities. **Table 1.36** analyses the debt sustainability of the State according to these indicators for a period of five years beginning from 2008-09.

During 2012-13, Government raised internal debt of ₹ 2730.12 crore. Government repaid internal debt of ₹ 2321.22 crore and GOI loans of ₹ 21.97 crore along with interest of ₹ 450.64 crore resulting in net decrease in debt receipts by ₹ 63.71 crore during the year.

[17] As detailed in Appendix-1.1 C

Table 1.36: Debt Sustainability: Indicators and Trends

(Rupees in crore)

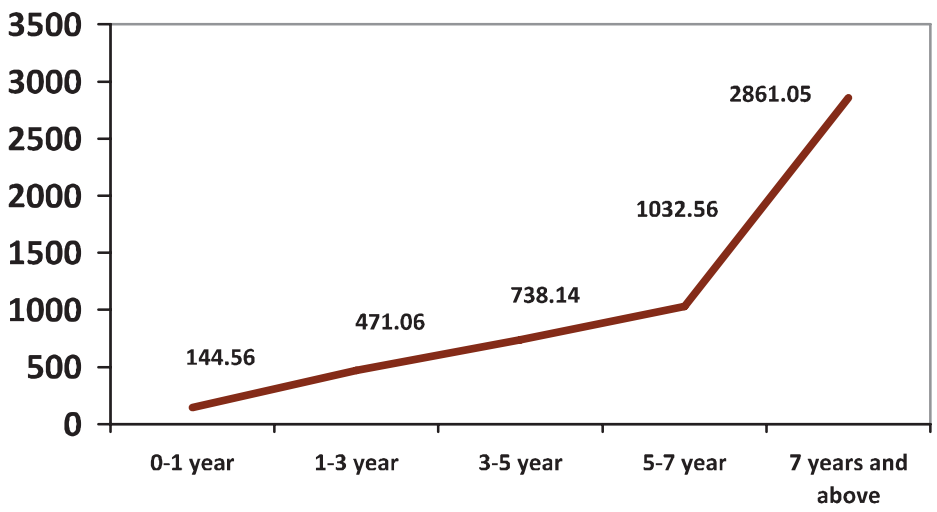
Indicators of Debt Sustainability	2008-09	2009-10	2010-11	2011-12	2012-13
1	2	3	4	5	6
Debt Stabilization (Quantum Spread + Primary Deficit)	409.69	79.05	112.81	3.47	(-)38.25
Sufficiency of Non-debt Receipts (Resource Gap)	57	(-)182	209	(-)226	(-)114.61
Net Availability of Borrowed Funds	374.71	469.44	(-)18.58	279.93	265.84
Burden of Interest Payments (IP/RR Ratio) (in *per cent)*	9.23	9.75	7.89	7.47	7.27
Maturity Profile of State Debt (In Years)					
0 – 1	293.90(09)	274.60(6)	20.56(1)	193.31(4)	144.56(3)
1 – 3	317.86(10)	551.94(13)	392.43(9)	303.93(6)	471.06(9)
3 – 5	476.51(15)	303.74(7)	302.41(7)	617.90(13)	738.14(14)
5 – 7	296.00(09)	596.65(13)	617.36(14)	702.57(14)	1032.56(20)
7 and above	1870.95(57)	2685.62(61)	3007.40(69)	3042.73(63)	2861.05(54)
Total	**3255.22**	**4412.55**	**4340.16**	**4860.44**	**5247.37**

Figures in the parenthesis indicate percentage to total debt.

Debt will stabilize if the quantum spread plus primary deficit is positive. However, it would be seen from the above table that the sum of quantum spread together with primary deficit remained negative during the year 2012-13. The sum of quantum spread and primary deficit was ₹ 3.47 crore in 2011-12 against (-) ₹ 38.25 crore in 2012-13 which indicates that additional efforts are required by the State to stabilise the debt and then attain sustainability in the ensuing years.

The persistent negative non-debt receipts (Resource Gap) indicate the non-sustainability of debt while the positive resource gap strengthens the capacity of the State to sustain the debt. The resource gap which was negative during 2011-12 (₹ 226 crore) remained negative in 2012-13 (₹ 114.61 crore). This meant that the State depends on borrowed funds for meeting current revenue and capital expenditure.

Chart 1.17: Maturity profile of State Debt



As per data shown in **Table 1.36**, out of the total debt burden of ₹ 5247.37 crore, there will be a bunching of repayments in around 1-3 years time (₹ 471.06 crore) and 3-5 years time (₹ 738.14 crore) as well as 5-7 years time (₹ 1032.56 crore). A well thought out debt repayment strategy will ensure that no additional borrowings which mature in these critical years are undertaken.

1.11 Fiscal Imbalances

Three key fiscal parameters - revenue, fiscal and primary deficits - indicate the extent of overall fiscal imbalances in the finances of the State Government during a specified period. The deficit in the Government accounts represents the gap between its receipts and expenditure. The nature of deficit is an indicator of the prudence of fiscal management of the Government. Further, the ways in which the deficit is financed and the resources raised applied are important pointers to its fiscal health. This section presents trends, nature, magnitude and the manner of financing these deficits and also the assessment of actual levels of revenue and fiscal deficits vis-à-vis targets set under FRBM Act/Rules for the financial year 2012-13.

1.11.1 Trends in Deficits

Charts 1.18 and 1.19 present the trends in deficit indicators over the period 2008-13.

Chart 1.18: Trends in Deficit Indicators

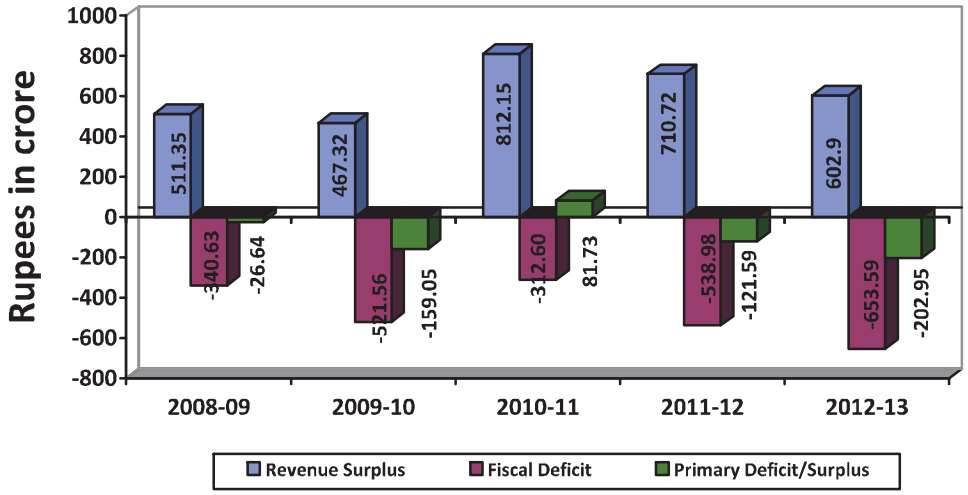


Chart 1.19: Trends in Deficit Indicators Relative to GSDP

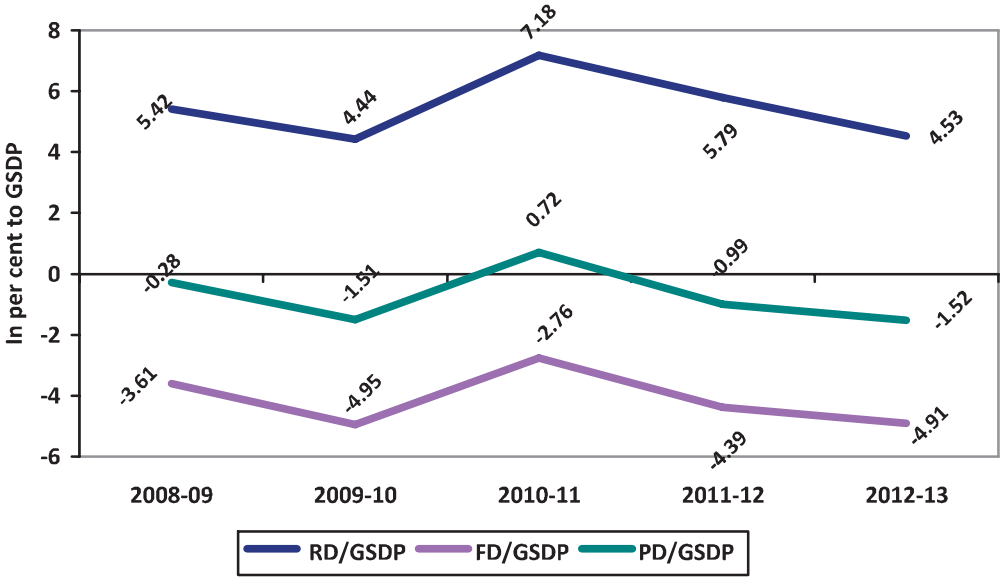


Chart 1.18 reveals that the revenue account experienced a surplus of ₹ 602.90 crore during 2012-13, an increase of ₹ 91.55 crore from ₹ 511.35 crore in 2008-09. However, the Revenue surplus decreased during the current year by ₹ 107.82 crore as compared to the previous year mainly on account of increase in revenue expenditure by ₹ 725.53 crore (14.89 *per cent*) against an increase of revenue receipts by ₹ 617.71 crore (11.06 *per cent*) over the previous year.

Due to the decrease in revenue surplus along with a marginal decrease of ₹ 1.59 crore in non-debt capital receipts accompanied by an increase of ₹ 5.79 crore in capital expenditure and decrease in loans & advances disbursement of ₹ 0.59 crore during 2012-13 over the previous year, the fiscal deficit increased by ₹ 114.61 crore during the current year from the level of ₹ 538.98 crore in 2011-12.

The primary deficit increased from ₹ 121.59 crore in 2011-12 to ₹ 202.95 crore in 2012-13. The increase in primary deficit was due to increase of fiscal deficit (₹ 114.61 crore) which was offset by increase in interest payment (₹ 33.25 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 1.37.**

Table1.37: Components of Fiscal Deficit and its Financing Pattern

(Rupees in crore)

	Particulars	2008-09	2009-10	2010-11	2011-12	2012-13
Components of Fiscal Deficit		**341 (3.61)**	**522 (4.96)**	**313 (2.77)**	**539 (4.39)**	**654 (4.91)**
1	Revenue Surplus	511	467	812	711	603
2	Net Capital Expenditure	853	990	1123	1249	1255
3	Net Loans and Advances	-1	-1	2	1	2
Financing Pattern of Fiscal Deficit						
1	Market Borrowings		568	236	325	469
2	Loans from GOI		-38	-23	-18	(-)22
3	Special Securities Issued to National Small Savings Fund		3	17	3	(-)2
4	Loans from Financial Institutions		178	-28	210	(-)58
5	Small Savings, PF etc		23	89	36	72
6	Deposits and Advances		277	80	310	209
7	Suspense and Miscellaneous		-147	41	35	18
8	Remittances		-350	-102	-134	(-)80
9	Increase (-) Decrease (+) in Cash Balances		8	3	-228	48

Figures in brackets indicate the per cent to GSDP.

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 1.37** that the revenue surplus decreased by ₹ 108 crore from ₹ 711 crore in 2011-12 to ₹ 603 crore in 2012-13. The increase in fiscal deficit was the combined effect of increase in capital expenditure and decrease in revenue surplus.

The fiscal deficit increased by ₹ 115 crore from ₹ 539 crore in 2011- 12 to ₹ 654 crore in 2012-13 mainly due to reduction in Revenue Surplus (₹ 108 crore) and increase in capital expenditure (₹ 6 crore). The increased fiscal deficit (₹ 115 crore) was financed through increase in Market Borrowings (₹ 144 crore), Small Savings & Provident Fund (₹ 36 crore), Remittances (₹ 54 crore) and cash balance (₹ 276 crore) offset by decrease in

Loans from GOI (₹ 4 crore), Special Securities Issued to National Small Savings Fund (₹ 5 crore), Loans from Financial Institutions (₹ 268 crore), Deposits and Advances (₹ 101 crore) and Suspense and Miscellaneous (₹ 17 crore).

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

1.11.3 Quality of Deficit/Surplus

The ratio of revenue deficit to fiscal deficit and the decomposition of primary deficit into primary revenue deficit and capital expenditure (including loans and advances) would indicate the quality of deficit in the State's finances. The ratio of revenue deficit to fiscal deficit indicates the extent to which borrowed funds were used for current consumption. Further, persistently high ratio of revenue deficit to fiscal deficit also indicates that the asset base of the State was continuously shrinking and borrowings (fiscal liabilities) were not having any asset backup. The bifurcation of the primary deficit **(Table 1.38)** 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 1.38: Primary deficit/surplus – Bifurcation of factors

(Rupees in crore)

Year	Non-debt receipts	Primary revenue[18] expenditure	Capital expenditure	Loans and Advances	Primary expenditure[19]	Primary revenue surplus	Primary deficit (-) /surplus (+)
1	2	3	4	5	6 (3+4+5)	7 (2-3)	8 (2-6)
2008-09	3402.36	2574.45	853.09	1.46	3429.00	827.91	(-)26.64
2009-10	3722.68	2888.65	989.53	3.55	3881.73	834.03	(-)159.05
2010-11	5000.77	3791.98	1122.94	4.12	4919.04	1208.79	81.73
2011-12	5587.06	4456.51	1249.39	2.75	5708.65	1130.55	(-)121.59
2012-13	6203.18	5148.79	1255.18	2.16	6406.13	1054.39	(-)202.95

The non-debt receipts of the State during 2008-13 were sufficient to meet the primary revenue expenditure. The non-debt receipts increased by 82.32 *per cent* from ₹ 3402.36 crore in 2008-09 to ₹ 6203.18 crore in 2012-13 while the primary revenue expenditure increased by 99.99 *per cent* from ₹ 2574.45 crore in 2008-09 to ₹ 5148.79 crore in 2012-13. During this period (2008-13) capital expenditure grew by 47.13 *per cent*. The State had a primary deficit during 2008-09 to 2012-13 except 2010-11.

[18] Primary revenue expenditure is revenue expenditure net of the interest payments.
[19] 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.

1.12 Follow up

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

1.13 Conclusion and recommendations

The fiscal position of the State viewed in terms of the key fiscal parameters during 2012-13 revealed that the State's revenue surplus had declined by ₹ 107.82 crore while the fiscal deficit had increased by ₹ 114.61 crore and the primary deficit had increased by ₹ 81.36 crore in 2012-13 relative to the previous year.

During 2012-13, 91 *per cent* of the total revenue came from the Government of India as Central transfers (15 *per cent*) and grants-in-aid (76 *per cent*). The State achieved the total revenue collection targets fixed by the XIII-FC during 2012-13.

During 2012-13, non-plan revenue expenditure was ₹ 1584.06 crore (53.06 *per cent*) more than the XIII-FC normative assessment. The expenditure on salary was 58.23 *per cent* of revenue expenditure, net of interest payment and pension and 41.98 *per cent* of revenue receipts during the year.

The State should have adequate incremental non-debt receipts to cover the incremental interest liabilities and incremental primary expenditure. The debt sustainability could also be significantly facilitated if the incremental non-debt receipts could meet the incremental interest burden and the incremental primary expenditure. During 2012-13, the non-debt receipts were not sufficient and therefore, the State recorded a negative resource gap of ₹ 114.61 crore.

The overall fiscal liabilities of the State increased at a compound annual growth rate of 10.36 *per cent* during 2008-13. The fiscal liabilities increased by ₹ 693 crore (10 *per cent*) from ₹ 6760 crore in 2011-12 to ₹ 7453 crore in 2012-13. The committed liabilities for the State projected by the XIII-FC was 54.90 *per cent* of GSDP for the year 2012-13. Against this, the committed liabilities of the State was 55.94 *per cent* which was 1.04 *per cent* above the projections.

The Government had invested ₹ 242.65 crore in Statutory Corporations, Rural Banks, Joint Stock Companies and Co-operatives at the end of March 2013. The average return on this investment was NIL during the last five years.

The State Government's net cash balance at the end of 2012-13 was ₹ 280.52 crore which had decreased by ₹ 47.67 crore over the previous year. The State received ₹ 3.30 crore on investment of cash balance during 2012-13.

There were 135 incomplete projects (estimated cost ₹ 1986.15 crore and actual expenditure incurred ₹ 1002.67 crore as of March 2013) pertaining to 18 departments. Out of the 135 incomplete projects 75 projects (estimated cost ₹ 1063.54 crore and actual expenditure ₹ 623.85 crore) were due to be completed by March 2013 but remained incomplete as of October 2013. Out of the 75 projects, the cost of three incomplete projects was ₹ 34.31 crore which was revised to ₹ 63.90 crore. Delay in completion of works invites the risk of escalation in the cost of the works. Besides, due to delay in completion of the projects, the intended benefits from those projects did not reach the beneficiaries in the State.

CHAPTER – II

FINANCIAL MANAGEMENT AND BUDGETARY CONTROL

Chapter II

Financial Management and Budgetary Control

2.1 Introduction

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

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

2.2 Summary of Appropriation Accounts

The summarised position of actual expenditure during 2012-13 against 82 grants/ appropriations is given in **Table 2.1**:

Table 2.1: Summarised Position of Actual Expenditure vis-à-vis Original/Supplementary provision

(Rupees in crore)

	Nature of expenditure	Original grant/ appropriation	Supplementary grant/ appropriation	Total	Actual expenditure	Saving (-)/ Excess (+)
Voted	I Revenue	4747.04	577.79	5324.83	5142.71	(-) 182.12
	II Capital	1748.05	608.26	2356.31	1255.18	(-) 1101.13
	III Loans and Advances	2.82	0.00	2.82	2.15	(-)0.67
Total Voted		**6497.91**	**1186.05**	**7683.96**	**6400.04**	**(-)1283.92**
Charged	IV Revenue	*537.16*	*2.54*	*539.70*	*496.98*	*(-)42.72*
	V Capital	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*
	VI Public Debt-Repayment	*876.78*	*1456.50*	*2333.28*	*2343.19*	*(+)9.91*
Total *Charged*		**1413.94**	**1459.04**	**2872.98**	**2840.17**	**(-) 32.81**
Appropriation to Contingency Fund (if any)		0.00	0.00	0.00	0.00	0.00
Grand Total		**7911.85**	**2645.09**	**10556.94**	**9240.21**	**(-)1316.73**

The overall saving of ₹ 1316.73 crore was the result of saving of ₹ 1482.89 crore in 62 grants and 2 appropriations under Revenue Section, 42 grants under Capital Section

offset by excess of ₹ 166.16 crore in 16 grants under Revenue Section and 10 grants and 1 appropriation (Public Debt-Repayment) under Capital Section.

The savings/excess (Detailed Appropriation Accounts for the year 2012-13) were intimated to all concerned Controlling Officers during July 2013 requesting them to explain the significant variations. Besides, regular reminders at the level of Deputy Accountant General (Accounts and Entitlement) were also issued to concerned Controlling Officers for submission of their replies. Around 66 *per cent* (54 Departments) of the replies were obtained from various Controlling Officers of the State before finalisation of the Appropriation Accounts 2012-13.

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 56 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 ₹ 1469.58 crore, savings of ₹ 1021.80 crore (69.53 *per cent*) occurred in eight grants[20] as indicated in **Table 2.2.**

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

(Rupees in crore)

Sl. No	No. and Name of the Grant	Original	Supplementary	Total	Actual Expenditure	Savings
	Revenue-Voted					
1	11- District Administration & Special Welfare Schemes	164.46	3.23	167.69	109.01	58.68
	Capital-Voted					
2	27-Planning Machinery	469.07	0.00	469.07	76.83	392.24
3	36-Urban Development	151.92	26.34	178.26	60.55	117.71
4	55-Power	91.00	47.58	138.58	82.40	56.18
5	58-Roads and Bridges	310.02	292.89	602.91	332.24	270.67
6	68-Police Engineering Project	85.18	29.82	115.00	49.62	65.38
7	77-Development of Under Developed Areas	92.91	51.42	144.33	83.39	60.94
	Total	**1364.56**	**451.28**	**1815.84**	**794.04**	**1021.80**

The reason for savings had not been intimated (July, 2013) by any department.

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 five cases during the last five years (**Table 2.3)**

[20] **Exceeding ₹ 50 crore in each case.**

Table 2.3: List of Grants indicating Persistent Savings during 2008-2013

(Rupees in crore)

Sl. No.	No. and Name of the grant	Amount of savings				
		2008-09	2009-10	2010-11	2011-12	2012-13
	Capital-Voted					
1	27-Planning Machinery	118.85	256.99	65.27	260.55	392.24
2	35- Medical, Public Health and Family Welfare	37.61	14.23	5.49	7.68	21.97
3	36- Urban Development	60.37	116.83	104.62	52.57	117.71
4	55- Power Projects	18.28	30.61	27.73	20.65	56.18
5	65- State Council of Education Research and Training	1.20	1.46	0.85	2.33	4.10

The reasons for persistent savings had not been intimated by any department.

2.3.3 Expenditure without Provision

As per the Budget Manual, expenditure should not be incurred on a scheme/service without provision of funds. It was however, noticed that expenditure of ₹ 26.40 crore was incurred in 16 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 2012-13

(Rupees in crore)

Number and Name of		Amount of Expenditure without provision	Reasons/ Remarks
Grants	**Head of Account**		
34-Art and Culture and Gazetteers Unit	2205-00-102-05 State Archive	3.92	Not indicated
35- Medical, Public Health and Family Welfare	4552-35-800-02 NHK (NEC)	1.39	Not indicated
36- Urban Development	4217-60-051-02 Town Protection Work	2.21	Not indicated
	4217-60-051-03 Other Schemes	0.43	Not indicated
	4217-60-051-07 Initiative for strengthening of Urban Infrastructure	2.86	Not indicated
	4217-60-051-10 Construction Works	0.10	Not indicated
	4217-60-051-11 Systematic Infrastructure Development in New Secretariat Complex	0.34	Not indicated
	4217-60-051-12Street Light at Kohima	1.17	Not indicated
	4217-60-051-13 Special Development Fund for Nagaland (State Share)	0.20	Not indicated
52 – Forest, Ecology, Environment and Wildlife	2406-01-101-06 Maintenance of Forest under TFC Award	0.02	Not indicated
53 – Industries	4860-60-600-14 Others	0.69	Not indicated
58 – Roads and Bridges	3054 – 80 – 799 – 01 Stock (Dr.)	0.11	Not indicated
60 – Water Supply	2215 – 01 – 799 – 02 Stock(Dr.)	4.48	Not indicated
64-Housing	2059-80-052-12 Repairs and Carriages (Housing)	1.67	Not indicated
	2216-01-106-02 Maintenance and Repairs	6.76	Not indicated
70-Horticulture	2401-00-119-12 Dimapur Orchard	0.05	Not indicated
Total		**26.40**	

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 ₹ 367.55 crore for the years 2000-01, 2005-06, 2008-09 to 2011-12 was not regularised till October 2013 (**Appendix 2.2).**

2.3.5 Excess over provision during 2012-13 requiring regularisation

Appendix 2.3 contains the summary of total excess in 23 grants amounting to ₹ 166.13 crore over authorisation from the Consolidated Fund of the State during 2012-13 requiring regularisation under Article 205 of the Constitution.

2.3.6 Appropriateness of supplementary provision

Supplementary provision aggregating ₹ 193.45 crore obtained by 14 Departments, ₹ 10 lakh or more in each case, during the year proved unnecessary as the expenditure either did not come up to the level of original provision or the subsequent supplementary provision were not utilised by the concerned departments as detailed in **Appendix 2.4**.

In 10 cases, supplementary provision of ₹ 1482.44 crore proved insufficient by ₹ one crore or above in each case leaving an aggregate uncovered excess expenditure of ₹ 129.43 crore **(Appendix 2.5).**

2.3.7 Excessive/unnecessary/Insufficient re-appropriation of funds

Re-appropriation is transfer of funds within a grant from one unit of appropriation, where savings are anticipated, to another unit where additional funds are needed. Injudicious re-appropriation proved excessive or insufficient resulting in savings of ₹ 332.95 crore in 72 sub-heads and excess of ₹ 275.26 crore in 80 sub-heads as detailed in **Appendix 2.6**.

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 55 grants (67 *per cent*) on the last day without stating specific reasons for withdrawal of provision or additional provision. This re-appropriation on last day of the financial year resulted in unnecessary savings in some grants on the one hand and avoidable excess in some grants on the other hand as discussed in ***Para 2.3.7*** above.

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 145 Sub Heads. Out of the total provision amounting to ₹ 1280.89 crore in those Sub Heads, ₹ 1017.17 crore (79.41 *per cent*) were surrendered,

which included cent *per cent* surrender under 83 Sub Heads (₹ 253.00 crore). The details of such cases are given in **Appendix 2.7.**

2.3.10 Surrender in excess of actual saving

In 9 cases, the amount surrendered (₹ 1 crore or more in each case) was in excess of actual savings indicating lack of or inadequate budgetary control in those departments. As against savings of ₹ 232.54 crore, the amount surrendered was ₹ 322.76 crore resulting in excess surrender of ₹ 90.22 crore. Details are given in **Appendix 2.8**. Departments did not furnish any reason/explanation regarding surrender in excess of actual savings.

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 2012-13, there were 7 grants in which savings occurred but no part of which had been surrendered by the concerned departments. The amount involved in those cases was ₹ 12.96 crore **(Appendix 2.9).**

An amount of ₹ 184.35 crore being savings in 7 grants, ₹ 2 crore and above in each case, were not surrendered, details of which are given in **Appendix 2.10.** Besides, in 20 cases (surrender of funds for ₹ 10 crore and above), ₹ 1202.62 crore (**Appendix 2.11)** were surrendered on the last two working days of March 2013 indicating inadequate financial control. Thus, those funds could not be utilised for other developmental purposes.

2.3.12 Rush of expenditure

According to Rule 56 of GFR, rush of expenditure in the closing month of the financial year should be avoided. Contrary to this, in respect of 67 grants listed in **Appendix 2.12**, the expenditure exceeded ₹ 10 crore or more than 50 *per cent* of the total expenditure for the year either during the last quarter or during the last month of the financial year.

The expenditure in the month of March/last quarter of the financial year was upto 100 *per cent* of the total expenditure in 45 cases which indicates lack of effective financial control and violation of financial rules.

2.4 Non-reconciliation of Departmental figures

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

As per rule 309 of Central Treasury Rules, every drawing officer has to certify in each abstract contingent bill that detailed bills for all contingent charges drawn by him prior to the first of the current month have been forwarded to the respective controlling officers for countersignature and transmission to the Accountant General (Accounts & Entitlement). The total amount of DCC bills received during the period 2009-13 was only ₹ 42.09 crore (20.80 *per cent*) against ₹ 202.35 crore drawn on AC bills leading to pendency of DCC bills of ₹ 160.26 crore as on 31 March 2013. 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	Amount of AC bills	Amount of DCC bills	DCC bills as percentage of AC bills	Outstanding AC bills
Up to 2009-10	27.37	13.25	48.41	14.12
2010-11	14.43	9.38	65.00	5.05
2011-12	65.69	11.54	17.57	54.15
2012-13	94.86	7.92	8.35	86.94
Total	**202.35**	**42.09**	**20.80**	**160.26**

As on 31 March 2013, there were 155 unadjusted AC bills involving ₹ 160.26 crore drawn by various Departments. Details are given in **Appendix 2.13.**

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

2.4.2 Reconciliation of Receipts and Expenditure

As per General Financial Rules, all the Controlling Officers are required to reconcile the receipts and expenditure booked by them every month during the financial year with that recorded in the books of the Accountant General (Accounts & Entitlement). During the year 2012-13, all 82 CCOs had reconciled their figures (both receipt & expenditure) in full. Thus, there was cent *per cent* reconciliation in respect of all 82 CCOs.

2.5 Outcome of the Review of Selected Grant

A review of Grant No 35-Medical, Public Health and Family Welfare was conducted mainly to assess the efficiency in the process of budgeting and consequent control of expenditure for both the Revenue and Capital heads during the year 2012-13.

The summarised position of budget provision and actual expenditure there against during 2012-13 in respect of Grant No. 35 is given in **Table 2.6.**

Table 2.6: Summarised Position of budget provision and actual expenditure

(Rupees in crore)

Nature of Expenditure	Budget Provision					Actual Expenditure			Saving(-)/ Excess(+)
	Original		Supplementary		Total	Non-Plan	Plan	Total	
	Non-Plan	Plan	Non-Plan	Plan					
Revenue	231.08	28.83	1.03	4.29	265.23	241.11	31.66	272.77	(+)7.54
Capital	0.00	24.64	0.00	19.39	44.03	0.00	22.06	22.06	(-)21.97
Total	**231.08**	**53.47**	**1.03**	**23.68**	**309.26**	**241.11**	**53.72**	**294.83**	**(-)14.43**

The above table shows that during the year 2012-13 there was overall savings of ₹ 14.43 crore representing 4.67 *per cent* of the total budget provision as a result of savings under capital expenditure (₹ 21.97 crore) offset by excess under revenue expenditure (₹ 7.54 crore). As per Financial Rules, the spending departments are required to surrender the anticipated savings to the Finance Department as and when occurred. The Department

however, surrendered ₹ 31.19 crore (₹ 1.41 crore under revenue section and ₹ 29.78 crore under capital section) during the year 2012-13 against the overall saving of ₹ 14.43 crore.

An analysis of the expenditure vis-à-vis the budget provision revealed that there was an excess of ₹ 7.54 crore under revenue section. This was mainly due to the fact that the Department expended ₹ 9.08 crore in excess of provision in subordinate establishment. However, this was counter balanced by saving of ₹ 0.13 crore in CSS expenditure. Audit Review also disclosed persistent savings ranging between ₹ 3.30 crore and ₹ 38.15 crore during 2008-13 as detailed in **Table 2.7.**

Table 2.7: Persistent savings during 2008-13

(Rupees in crore)

Year	Budget			Expenditure			Savings(-) / Excess(+)
	Revenue	Capital	Total	Revenue	Capital	Total	
2008-09	136.29	58.94	195.23	135.75	21.33	157.08	(-)38.15
2009-10	154.94	33.68	188.62	158.33	19.45	177.78	(-)10.84
2010-11	202.04	46.45	248.49	204.23	40.96	245.19	(-)3.30
2011-12	235.15	49.6	284.75	239.41	41.92	281.33	(-)3.42
2012-13	265.23	44.03	309.26	272.77	22.06	294.83	(-)14.43

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

2.6 Advances from contingency fund

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

During the year no expenditure was incurred under this fund. An amount of ₹ 0.35 crore pertaining to expenditure from the contingency fund a number of years back had not been recouped till the end of the year 2012-13.

2.7 Misclassification of expenditure relating to grants-in-aid in Capital Section

Revenue expenditure is recurring in nature and is expected to be met from revenue receipts. Capital expenditure is defined as expenditure incurred with the objective of increasing concrete assets of a material and permanent character or of reducing permanent liabilities. Further, as per the Indian Government Accounting Standards (IGAS)-2 (Accounting and classification of Grants-in-aid), expenditure under Grants-in-Aid are classified and accounted under Revenue Expenditure regardless of end utilisation. However, it was noticed that during the year an amount of ₹ 10.43 crore being grants-in-aid had been booked under Capital Expenditure instead of Revenue Expenditure which was not in compliance with IGAS-2.

2.8 Conclusion

There was saving of ₹ 1482.86 crore and excess expenditure of ₹ 166.13 crore under 82 grants during 2012-13. This excess expenditure together with an excess expenditure of ₹ 367.55 crore pertaining to 2000-01, 2005-06 and 2008-09 to 2011-12 require regularisation by the Legislature under Article 205 of the Constitution of India. A rush of expenditure was noticed in 67 grants in which expenditure exceeding ₹ 10 crore or more than 50 *per cent* of the total expenditure was incurred in the last quarter of 2012-13 and in some cases in the month of March 2013. There were 155 AC Bills involving ₹ 160.26 crore awaiting adjustment due to non-submission of DCC Bills for long periods and therefore, was fraught with the risk of misappropriation.

CHAPTER – III

FINANCIAL REPORTING

Chapter III

Financial Reporting

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

3.1 Delay in furnishing utilisation certificates

Financial Rules provide that for the grants provided for specific purposes, Utilisation Certificates (UCs) should be obtained by the departmental officers from the grantees and after verification, these should be forwarded to the Accountant General (Accounts & Entitlement) within 12 months from the date of their sanction unless specified otherwise. However, of the 541 grants in respect of six departments aggregating ₹ 2081.92 crore paid up to 2012-13, 141 Utilisation Certificates (UCs) (26.06 *per cent*) for an aggregate amount of ₹ 255.91 crore were in arrears[21]. The department-wise break-up of outstanding UCs is given in **Appendix 3.1** and the age-wise delay in submission of UCs is summarised in **Table 3.1.**

Table 3.1: Age-wise arrears of utilisation certificates

(Rupees in crore)

Sl. No.	Range of delay in number of years	Total grants paid		Utilisation certificates outstanding	
		Number of cases	Amount	Number of cases	Amount
1	0 - 1	14	76.49	8	51.41
2	1 - 3	240	668.13	70	161.09
3	3 - 5	287	1337.29	63	43.41
Total		**541**	**2081.91**	**141**	**255.91**

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

3.2 Non-submission/delay in submission of Accounts

In order to identify the institutions which attract audit under Sections 14 and 15 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971, the Government/Head of the Departments are required to furnish to Audit every year

[21] **Grants-in-aid paid during 2012-13, although not due for submission of UCs within 2012-13, were in arrears.**

detailed information about the financial assistance given to various Institutions, the purpose of assistance granted and the total expenditure of the Institutions.

35 annual accounts of 15 Autonomous Bodies/Authorities due up to 2012-13 had not been received as of October 2013 by the Accountant General (Audit). The details of those accounts are given in **Appendix 3.2** and their age-wise pendency is presented in **Table 3.2**.

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

Sl. No.	Delay in number of years	No. of the Bodies/ Authorities	Grants received (Rupees in Lakhs)
1	1 – 3	13	Not Available
2	>3 – 5	2	Not Available
3	>5 – 7	-	Not Available

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

Due to the absence of annual accounts and subsequent audit of those 15 Bodies and Authorities involving 35 annual accounts, the proper accounting/utilisation of the grants and loans disbursed to those Bodies/Authorities remained unverified. The reasons for non-preparation of the accounts were, however, not intimated.

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

Several Autonomous Bodies have been set up by the State Government in the field of development of Khadi and Village Industries, State Legal activities, Power and pollution regulations etc. Of these, the audit of accounts of the Nagaland Khadi and Village Industries Board (NKVIB) up to 2013-14 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 2011-12 and 2012-13 had not been furnished (October, 2013). The status of entrustment of audit, issuance of 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)
2009-10	2009-14	31-10-12	NA	-
2010-11	2009-14	10-01-13	NA	-
2011-12	2009-14	Accounts not yet received.	NA	-
2012-13	2009-14	Accounts not yet received.	NA	-

Nagaland Electricity Regularity Commission and Nagaland Hospital Authority were established under the State Legislative Act and the audit of accounts entrusted to the Comptroller and Auditor General of India under Section 104 and 105 of Central Electricity Act 2003 and Rule 14 of Notification issued under Section 22 of Hospital Authority Bill 2003 by the Government of Nagaland. However, though the annual accounts of those

Authorities/Bodies were due for submission to the Accountant General (Audit) every year, the Accounts had not been furnished since their inception.

3.4 Departmental Commercial Undertakings

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

As on 31 March 2013, 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 2011-12 about delay in preparation of Proforma accounts of those undertakings. Despite this, accounts were in arrears for periods ranging from 3 to 33 years as of March 2013.

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

3.5 Balances lying unspent in Civil Deposits and Bank Account

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

The details of funds drawn, its utilisation and funds kept in civil deposit/current bank accounts in respect of 19 Departments/Agencies are presented in the table below:

Table 3.4: Non-utilisation of funds during the year 2012-13

(Rupees in crore)

Sl No	Name of Department/Directorate	Amount drawn	Expenditure incurred	Amount kept in civil deposit	Amount kept in Bank Account
1	CAWD	23.57	0.00	23.57	0.00
2	Directorate of Fisheries	1.83	0.00	1.83	0.00
3	Directorate of Treasuries and Accounts	5.65	2.48	3.17	0.00
4	Directorate of Prisons	3.00	0.00	3.00	0.00
5	Directorate of Youth Resources and Sports	12.86	0.00	12.86	0.00
6	Directorate of Rural Development	74.90	6.49	68.41	0.00
7	Directorate of Sericulture	2.35	0.00	0.00	2.35
8	Directorate of Employment and Craftsmen Training	2.98	0.00	0.76	2.22
9	Directorate of Veterinary and Animal Husbandry	19.16	0.00	0.00	19.16
10	Directorate of New & Renewable Energy	6.69	5.37	0.00	1.32
11	Directorate of Information Technology and Communication	3.90	1.42	0.00	2.48
12	Directorate of Land Resources	3.35	0.00	0.00	3.35
13	Nagaland State Transport	5.10	0.00	5.10	0.00
14	Directorate of Underdeveloped Areas	2.57	1.79	0.78	0.00
15	PWD (R&B)	82.89	0.00	82.89	0.00
16	Election Department	16.36	13.40	0.00	2.96
17	Directorate of Technical Education	1.28	0.00	1.28	0.00
18	Transport Commissioner	5.31	2.58	0.00	2.73
19	Planning & Coordination	10.98	0.00	10.98	0.00
Total		**284.73**	**33.53**	**214.63**	**36.57**

The above table shows that an amount of ₹ 284.73 crore was drawn by 19 departments during the year 2012-13 for implementation of different schemes. Out of the amount drawn, the departments utilised only an amount of ₹ 33.53 crore (11.78 *per cent*) during the financial year. The remaining amount was kept in Civil Deposit ₹ 214.63 crore (75.38 *per cent*) and

current Bank Account ₹ 36.57 crore (12.84 *per cent*). In addition to the above, information furnished by two banks revealed that an aggregate amount of ₹666.82 crore was lying in the respective bank accounts of 91 DDOs as on 31 March 2013.

3.6 Misappropriation, loss, defalcation, etc.

There were 15 cases of misappropriation, loss etc. involving Government money amounting to ₹ 6748.76 lakh up to the period 31 March 2013 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 3.5**.

Table 3.5: Profile of Misappropriation, losses, defalcation, etc.

Age-Profile of the Pending Cases			Nature of the Pending Cases		
Range in Years	**Number of Cases**	**Amount Involved** *(rupees in crore)*	**Nature/Characteristics of the Cases**	**Number of Cases**	**Amount Involved** *(Rupees in crore)*
0 - 5	13	Bifurcation amount of range in years were not provided by the Deptts..Hence, only the consolidated total is shown	Theft	-	-
5 - 10	1		Misappropriation	14	62.88
10 - 15	1		Defalcation	1	4.61
15 - 20	-		-	-	-
Total	**15**			**15**	**67.49**

A further analysis indicates the reasons for which the cases were outstanding as detailed in **Table 3.6**.

Table 3.6: Reasons for Outstanding cases of Misappropriation, loss, defalcation, etc.

Reasons for the Delay/Outstanding Pending Cases		Number of Cases	Amount *(Rupees in crore)*
i)	Awaiting departmental and criminal investigation	9	33.00
ii)	Departmental action initiated but not finalised	4	16.93
iii)	Criminal proceedings finalised but execution of certificate cases for the recovery of the amount pending	-	-
iv)	Awaiting orders for recovery or write off	-	-
v)	Pending in the courts of law	2	17.56
Vi	Others	-	-
Total		**15**	**67.49**

Three Departments (School Education, Health & Family Welfare and Treasuries & Accounts) reported recovery amounting to ₹0.21 crore. The highest amount of misappropriation and loss amounting to ₹25.37 crore involving one case of misappropriation occurred in Department of Industries & Commerce, where final action had not been taken by the State Government.

3.7 Conclusion

Timely submission of utilisation certificates is a major area of concern. At the end of March 2013, 141 UCs involving an aggregate amount of ₹ 255.91 crore were pending for submission even after a lapse of one to five years from various departments. Though the accounts of the State Autonomous Bodies and Departmental Commercial Undertakings were over due, those accounts were not submitted to Audit. Non-submission of accounts in time disclosed non-compliance with the financial rules. As on 31 March 2013, 15 cases of misappropriation, defalcation etc. involving ₹ 67.49 crore involving 10 Departments were pending finalisation.



Kohima
The

(R. NARESH)
Accountant General (Audit),
Nagaland

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New Delhi
The

(SHASHI KANT SHARMA)
Comptroller and Auditor General of India

APPENDICES

Appendix – 1.1

(Reference: Paragraph 1.1; Page 2)

Part A: Structure and Form of Government Accounts

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

Part I : Consolidated Fund

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

Part II : Contingency Fund

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

Part III : Public Account

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

Appendix – 1.1

(Reference: Paragraph 1.1; Page 2)

Part B: Layout of Finance Accounts

Statement	Layout
VOLUME 1	
Statement No.1	Statement of Financial Position
Statement No.2	Statement of Receipts and Disbursements
Statement No.3	Statement of Receipts (Consolidated Fund)
Statement No. 4	Statement of Expenditure (Consolidated Fund), Notes of Accounts.
Appendix I	Cash Balances and Investments of Cash Balances
VOLUME 2 PART I	
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 Grants-in-aid given by the Government
Statement No. 9	Statement of Guarantees given by the Government
Statement No. 10	Statement of Voted and Charged Expenditure
PART II	
Statement No. 11	Detailed Statement of Revenue and Capital Receipts by minor heads
Statement No. 12	Detailed Statement of Revenue Expenditure by minor heads
Statement No. 13	Detailed Statement of Capital Expenditure
Statement No. 14	Detailed statement of Investments of the Government
Statement No. 15	Detailed Statement of Borrowings and other Liabilities
Statement No. 16	Detailed Statement on Loans and Advances made by the Government
Statement No. 17	Detailed statement on Sources and Application of funds for expenditure other than revenue account
Statement No. 18	Detailed statement of Contingency Fund and Public Account transactions
Statement No. 19	Detailed statement on Investments of Earmarked funds
PART III Appendices	
II	Comparative Expenditure on Salary
III	Comparative Expenditure on Subsidy
IV	Grants-in-aid/Assistance given by the State Government (Institution wise and Scheme wise)
V	Details of Externally Aided Projects
VI	Plan Scheme expenditure (Central and State Plan schemes)
VII	Direct transfer of Central Scheme Funds to implementing agencies in the State (Funds routed outside State Budget)
VIII	Summary of Balances
IX	Financial results of Irrigation Works & Electricity Schemes.
X	Incomplete Works
XI	Maintenance expenditure with segregation of salary and non-salary position
XII	Statement of items for which allocation of balances as a result of re-organisation of States has not been finalized
XIII	Statement showing the detailed information on Pensioners and expenditure on Government Pensioners
XIV	Statement on accretion and erosion in financial assets held by the Government including those arising out of change in the manner of sending by the government.
XV	Statement containing information on Debt and other liabilities as well as Repayment

Appendix – 1.1

(Reference: Paragraphs 1.7.2 & 1.10; Page 27 & 48)

Part C: Methodology Adopted for the Assessment of Fiscal Position

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

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

Trends in Gross State Domestic Product (GSDP)

	2008-09	2009-10	2010-11	2011-12	2012-13
Gross State Domestic Product (₹ in crore)	9436.07	10526.77	11315.13	12272.15	13321.61
Growth rate of GSDP	16.85	11.56	7.49	8.46	8.55
Source:	The provisional figures of GSDP for 2012-13 furnished by the Director of Economic and Statistics in June 2013.				

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)	[(Current year Amount/Previous year Amount)-1]* 100
Development Expenditure	Social Services + Economic Services
Average interest paid by the State	Interest Payment/[(Amount of previous year's Fiscal liabilities + Current year's Fiscal Liabilities)/2]*100
Interest spread	GSDP Growth – Average Interest Rate
Quantum spread	Debt stock* Interest spread
Interest received as *per cent* to Loans Outstanding	Interest Received [(Opening balance + Closing balance of Loans and Advances)/2]*100
Revenue Deficit	Revenue Receipt – Revenue Expenditure
Fiscal Deficit	Revenue Expenditure + Capital Expenditure + Net Loans and Advances – Revenue Receipts – Miscellaneous Capital Receipts.
Primary Deficit	Fiscal Deficit – Interest payments

Term	Basis of calculation
Balance from Current Revenue (BCR)	Revenue Receipts **minus** all plan grants and Non-plan Revenue Expenditure excluding expenditure recorded under the major head 2048 – Appropriation for reduction of Avoidance of debt.
Compound Annual Growth Rate (CAGR)	The compound annual growth rate is calculated by taking the n^{th} root of the total percentage growth rate, where n is the number of years in the period being considered. CAGR= [ending value /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, e.g. enforcement of law and order, security and protection of our rights; pollution free air, other environmental good, road infrastructure etc. Merit goods are commodities that the public sector provides free or at subsidized rates because an individual or society should have them on the basis of some concept of need, rather than ability and willingness to pay the Government and therefore wishes to encourage their consumption. Examples of such goods include the provision of free or subsidized food for the poor to support nutrition, delivery of health services to improve quality of life and reduce morbidity, providing basic education to all, drinking water and sanitation, etc.
Debt Sustainability	The Debt sustainability is defined as the ability of the State to maintain a constant debt-GSDP ratio over a period of time and also embodies the concern about the ability to service its debt. Sustainability of debt therefore also refers to sufficiency of liquid assets to meet current or committed obligations and the capacity to keep balance between costs of additional borrowings with returns from such borrowings. It means that rise in fiscal deficit should match with the increase in capacity to service the debt.

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

Appendix – 1.1
(Reference Page 1)
Part D: State Profile

General Data		
Sl. No	**Particulars**	**Figures**
1	Area (in sq. kms.)	16579
2	Population as per 2011 census (in crore)	0.20
4	Density of Population (2011) (per sq. kms.) (All India Average 382 person per sq km)	119
5	Literacy (2011) (in per cent) (All India Average 74.04%)	79.55
6	Infant Mortality (per 1000 live births) (All India Average 47 per 1000 live birth)	23
7	Gross State domestic Product (GSDP) 2012-13 (Rs. In crore)	13321.61
8	GSDP CAGR (2002-03 to 2012-13)	10.87

Appendix – 1.2

(Reference: Paragraph 1.1.1; Page 2)

Outcome Indicators of the States' Own Fiscal Consolidation Roadmap/ Fiscal Correction Path

(Rupees in crore)

	2009-10	2010-11 Pre-actuals	2011-12 BE	2012-13 Projection	2013-14 Projection	2014-15 Projection
A.STATE REVENUE ACCOUNT						
1. Own Tax Revenue	149.58	204.30	221.55	243.71	268.08	294.88
2. Own Non-Tax Revenue (Lotteries net)	116.49	154.29	158.16	173.98	191.37	210.51
3. Own Tax + Non-Tax Revenue (1+2)	**266.07**	**358.59**	**379.71**	**417.68**	**459.45**	**505.39**
4. Share in Central Taxes and Duties	418.68	689.46	828.27	993.92	1192.71	1431.25
5. Plan Grants	1224.72	2349.39	2809.44	3501.22	4087.41	4659.31
6. Non- Plan Grants	1292.30	1764.64	1760.22	1953.93	1925.87	1884.66
7. Total Central Transfer (4 to 6)	**2935.70**	**4803.49**	**5397.93**	**6449.08**	**7205.99**	**7975.22**
8. Total Revenue Receipts (3+7)	3201.77	5162.08	5777.64	6866.76	7665.44	8480.61
9. Plan Expenditure	555.78	946.49	1086.92	1199.26	1319.18	1451.10
10. Non-Plan Expenditure	2117.61	3382.90	3700.26	4566.75	5057.78	5606.74
11. Salary & Wages	1211.97	2036.36	2284.05	2603.82	2916.28	3266.23
12. Pension	310.12	400.00	576.29	556.75	645.83	749.17
13. Interest Payments	359.90	404.86	439.66	479.23	522.36	569.37
14. Subsidies-General						
15. Subsidies Power						
16. Total Revenue Expenditure (9+10)	**2673.39**	**4329.39**	**4787.18**	**5766.01**	**6376.96**	**7057.84**
17. Revenue expenditure net of interest & pension	2003.37	3524.53	3771.23	4730.03	5208.77	5739.30
18. Salary as % of Revenue expenditure net of interest & pension	60.50	57.78	60.57	55.05	55.99	56.91
19. Revenue Surplus/Deficit (8-16)	**528.38**	**832.69**	**990.46**	**1100.74**	**1288.48**	**1422.77**
B CONSOLIDATED REVENUE ACCOUNT:						
1. Power Sector Loss/Profit net of actual subsidy transfer.						
2. Increase in debtors during the year in power utility accounts [increase (-)]						
3. Interest on off budget borrowings and SPV borrowing by PSUs/SPUs						
4. Total (1 to 3)						
5. Consolidated Revenue Deficit (A 19 + B4)	**528.38**	**832.69**	**990.46**	**1100.74**	**1288.48**	**1422.77**
C CONSOLIDATED DEBT:	**4220.13**	**5261.10**	**5691.37**	**6158.76**	**6594.78**	**7068.43**
1. Outstanding debt & liability	4171.13	5211.67	5637.00	6098.94	6528.99	6996.06
2. Total outstanding guarantee of which (a) guarantee on account of off budgeted borrowing & SPV borrowing	49.00	49.43	54.38	59.82	65.80	72.38
D CAPITAL ACCOUNT						
1. Capital Outlay	722.49	1224.10	1415.38	1561.25	1716.34	1886.79
2. Disbursement of Loans & Advances	6.65	4.38	4.38	4.82	5.31	5.84
3. Recovery of Loans & Advances	4.18	4.00	3.50	3.33	3.16	2.85
4. Other Capital Receipts						
E GROSS FISCAL DEFICIT (GFD) (-B5+D1+D2-D3)	**196.58**	**391.79**	**425.80**	**462.00**	**430.00**	**467.00**
F PRIMARY SURPLUS (+)/ DEFICIT (-) (E-A13)	**-163.32**	**-13.07**	**-13.86**	**-17.23**	**-92.36**	**-102.37**
GSDP (Rs. In Crore) at current Price	**10622**	**11201**	**12152**	**13198**	**14335**	**15569**
Actual/Assumed nominal growth rate (%)	12.50	8.36	8.49	8.61	8.61	8.61
Gross Fiscal Deficit as % of GSDP		3.50	3.50	3.50	3.00	3.00
Total Liabilities –GSDP Ratio (%)		46.97	46.83	46.66	46.01	45.40

Appendix - 1.3

(Reference: Paragraphs 1.1, 1.3 & 1.9.2; Pages 2, 12 & 33)

Time series data on the State Government finances

(Rupees in crore)

	2008-09	2009-10	2010-11	2011-12	2012-13
Part A. Receipts					
1. Revenue Receipts	**3399.79**	**3718.48**	**4998.46**	**5584.62**	**6202.33**
(i) Tax Revenue	**156.02(5)**	**180.51(5)**	**227.32(4)**	**303.88(6)**	**339.95(6)**
Taxes on Agricultural Income	-	-	-	-	-
Taxes on Sales, Trade, etc.	114.70(74)	132.22(73)	167.22(74)	231.12(76)	257.21(76)
State Excise	3.34(2)	3.14(2)	3.00(1)	3.37(1)	3.73(1)
Taxes on Vehicles	14.14(9)	16.73(9)	23.92(11)	34.58(11)	41.59(12)
Stamps and Registration fees	1.01(1)	1.19(1)	1.35(1)	1.85(1)	1.58(1)
Land Revenue	0.60(0)	0.63(0)	0.59(0)	0.68(0)	0.72(0)
Taxes on Goods and Passengers	2.34(1)	3.96(2)	6.62(3)	4.85(2)	6.71(2)
Other Taxes	19.89(13)	22.64(13)	24.62(10)	27.43(9)	28.41(8)
(ii) Non Tax Revenue	**179.45(5)**	**125.07(3)**	**181.61(4)**	**231.19(4)**	**205.21(3)**
(iii) State's share of Union taxes and duties	**421.84(12)**	**434.03(12)**	**689.46(14)**	**803.20(14)**	**917.14(15)**
(iv) Grants in aid from Government of India	**2642.48(78)**	**2978.87(80)**	**3900.07(78)**	**4246.35(76)**	**4740.03(76)**
2. Miscellaneous Capital Receipts	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
3. Recoveries of Loans and Advances	**2.57**	**4.20**	**2.31**	**2.44**	**0.85**
4. Total Revenue and Non debt capital receipts (1+2+3)	**3402.36**	**3722.68**	**5000.77**	**5587.06**	**6203.18**
5. Public Debt Receipts	**651.54**	**805.25**	**463.35**	**1318.85**	**2730.12**
Internal debt (excluding Ways and Means Advances and Overdrafts)	667.41	805.25	463.35	651.25	764.72
Net transactions under Ways and Means Advances and Overdrafts	0.00	0.00	0.00	646.63	1965.40
Loans and Advances from Government of India	(-)15.87	0.00	0.00	20.97	0.00
6. Total Receipts in the Consolidated Fund (4+5)	**4053.90**	**4527.93**	**5464.12**	**6905.91**	**8933.30**
7. Contingency Fund Receipts	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
8. Public Account Receipts	**1841.41**	**2373.46**	**2267.53**	**2611.38**	**3041.66**
9. Total Receipts of the State (6+7+8)	**5895.31**	**6901.39**	**7731.65**	**9517.29**	**11974.96**
Part B. Expenditure/Disbursement					
10 Revenue Expenditure	**2888.44**	**3251.16**	**4186.31**	**4873.90**	**5599.43**
Plan	543.65(19)	588.55(18)	883.45(21)	821.58(17)	1030.10(18)
Non Plan	2344.79(81)	2662.61(82)	3302.86(79)	4052.32(83)	4569.33(82)
General Services (including interest payments)	1347.74(47)	1582.70(49)	1841.64(44)	2316.51(47)	2535.84(45)
Social Services	696.76(24)	773.60(24)	1125.72(27)	1154.12(24)	1461.78(26)
Economic Services	843.94(29)	894.86(27)	1218.95(29)	1403.27(29)	1601.81(29)
Grants-in-aid and contributions	0.00	0.00	0.00	0.00	0.00
11. Capital Expenditure	**853.09**	**989.53**	**1122.94**	**1249.39**	**1255.18**
Plan	853.08(100)	976.63(99)	1122.93(100)	1249.35(100)	1249.13(99)
Non Plan	0.01(0)	12.90(1)	0.01(0)	0.04(0)	6.05(1)
General Services	149.15(18)	193.58(20)	217.17(19)	235.75(19)	211.01(17)

	2008-09	2009-10	2010-11	2011-12	2012-13
Social Services	291.78(34)	285.02(29)	306.09(27)	338.77(27)	346.81(28)
Economic Services	412.16(48)	510.93(51)	599.68(54)	674.87(54)	697.36(55)
12. Disbursement of Loans and Advances	1.46	3.55	4.12	2.75	2.16
13. Total (10+11+12)	3742.99	4244.24	5313.37	6126.04	6856.77
14. Repayments of Public Debt	205.38	274.60	261.16	798.57	2343.19
Internal Debt (excluding Ways and Means Advances and Overdrafts)	199.64	237.25	238.28	282.19	313.45
Net transactions under Ways and Means Advances and Overdraft	0.00	0.00	0.00	477.91	2007.77
Loans and Advances from Government of Inida	5.74	37.35	22.88	38.47	21.97
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)	3948.37	4518.84	5574.53	6924.61	9199.96
17. Contingency Fund disbursements	0.00	0.00	0.00	0.00	0.00
18. Public Account disbursements	1717.75	2374.50	2159.59	2364.57	2822.67
19. Total disbursement by the State (16+17+18)	5667.22	6894.63	7734.12	9289.18	12022.63
Part C. Deficits					
20. Revenue Deficit(-)/ Revenue surplus(+) (1-10)*	511.35	467.32	812.15	710.72	602.90
21. Fiscal Deficit(-)/ Fiscal Surplus(+) (4-13)	-340.63	-521.56	-312.60	-538.98	-653.59
22. Primary deficit(-)/Surplus(+) (21+23)	-26.64	-159.05	81.73	-121.59	-202.95
Part D. Other data					
23. Interest Payments (included in revenue expenditure)	313.99	362.51	394.33	417.39	450.64
24. Financial assistance to local bodies etc.	74.78	98.90	102.89	164.73	232.50
25. Ways and Means Advances/ Overdraft availed (days)	184.58(13)	451.23 (39)	0.00	646.63(19)	1965.40(109)
Ways and Means Advances availed (days)	150.69(10)	361.81 (31)	0.00	577.45(17)	1481.41(97)
Overdraft availed (days)	33.89(3)	89.42 (8)	0.00	69.18(2)	483.99(12)
26. Interest on Ways and Means Advances/ Overdraft	0.26	0.56	0.00	0.13	3.07
27. Gross State domestic Product (GSDP)[@]	9436.07	10526.77	11315.13(P)	12272.15(Q)	13321.61(A)
28. Outstanding Fiscal liabilities (year end)	4607.49	5460.98	5864.53	6759.87	7452.54
29. Outstanding guarantees (year end) (including interest)	26.96	53.72	55.22	65.22	70.22
30. Maximum amount guaranteed (year end)	NA	NA	NA	10.00	5.00
31. Number of incomplete projects	NA	NA	NA	NA	NA
32. Capital blocked in incomplete projects	NA	NA	NA	NA	NA
Part E. Fiscal Health Indicators					
I Resource Mobilization					
Own tax revenue/GSDP	1.65	1.71	2.01	2.48	2.55
Own non-Tax Revenue/GSDP	1.90	1.19	1.61	1.88	1.54
Central Transfer/GSDP	4.47	4.12	6.09	6.54	6.88
II Expenditure Management					
Total Expenditure/GSDP	39.67	40.32	46.96	49.92	51.47
Total Expenditure/Revenue Receipts	110.09	114.14	106.30	109.69	110.55
Revenue Expenditure/Total Expenditure	77.17	76.60	78.79	79.56	81.66
Expenditure on Social Services/ Total Expenditure	26.41	24.94	26.95	24.37	26.38
Expenditure on Economic services/ Total Expenditure	33.56	33.12	34.23	33.92	33.53
Capital Expenditure/Total Expenditure	22.79	23.31	21.13	20.39	18.31
Capital Expenditure on Social and Economic Services/Total Expenditure.	18.81	18.75	17.05	16.55	15.23

	2008-09	2009-10	2010-11	2011-12	2012-13
Capital Expenditure on Social and Economic Services/Total Expenditure.	18.81	18.75	17.05	16.55	15.23
III Management of Fiscal Imbalances					
Revenue deficit (surplus)/GSDP	5.42	4.44	7.18	5.79	4.53
Fiscal deficit/GSDP	-3.61	-4.95	-2.76	-4.39	-4.91
Primary Deficit (surplus)/GSDP	-0.28	-1.51	0.72	-0.99	-1.52
Revenue deficit/Fiscal deficit	*	*	*	*	*
Primary Revenue Balance/GSDP	3.43	2.81	3.49	4.28	4.05
IV Management of Fiscal Liabilities					
Fiscal Liabilities/GSDP	48.83	51.88	51.83	55.08	55.94
Fiscal Liabilities/RR	135.52	146.86	117.33	121.04	120.16
Primary deficit vis-à-vis quantum spread	409.69	79.05	112.81	3.47	-38.25
Debt Redemption (Principal+Interest)/Total debt Receipts	73.48	73.78	132.36	103.39	96.89
V Other Fiscal Health Indicators					
Return on Investment	0.00	0.00	0.00	0.00	0.00
Balance from Current Revenue (Rs in crore)	-250.18	-439.94	479.81	-853.17	-1036.96
Financial assets/Liabilities	1.41	1.37	1.46	1.49	1.51

Figures in brackets represent percentages (rounded) to total of each sub-heading
@ GSDP figures communicated by the Government adopted. (P): Provisional Estimate, (Q): Quick Estimate & (A): Advance Estimate
****The State experienced revenue surplus during all the years***

Appendix - 1.4

(Reference: Paragraph 1.1.1; Page 2)

Abstract of Receipts and Disbursements for the year 2012-13

(Rupees in crore)

Receipts				Disbursement						
2011-12			**2012-13**	**2011-12**			**Non-Plan**	**Plan**	**Total**	**2012-13**
		Section A: Revenue								
5584.62	**I**	**Revenue receipts**	**6202.33**	**4873.90**	**I**	**Revenue expenditure**	**4569.33**	**1030.10**	**5599.43**	**5599.43**
303.88		Tax revenue	339.95	2316.51		General services	2519.99	15.85	2535.84	
				1154.12		Social services	1095.63	366.16	1461.79	
231.19		Non-Tax revenue	205.21	676.14		Education, Sports, Art and culture	717.92	152.05	869.97	
				237.08		Health and Family Welfare	239.63	31.66	271.29	
803.20		State's share of Union Taxes	917.14	52.58		Water Supply, Sanitataion, Housing and Urban development	66.73	3.11	69.84	
				21.68		Information and Broadcasting	16.98	6.42	23.40	
1831.88*		Non-Plan grants	2039.07	17.99		Welfare of Scheduled Castes, scheduled Tribes and other Backward Classes	0.00	27.81	27.81	
1858.21*		Grants for State Plan Schemes	2174.93	21.46		Labour and labour Welfare	17.97	8.23	26.20	
				118.54		Social Welfare and Nutrition	27.67	136.88	164.55	
556.26*		Grants for Central and Centrally Sponsored plan Schemes	526.03	8.65		Others	8.73	0.00	8.73	
				1403.27		Economic Services	953.71	648.09	1601.80	
				363.79		Agriculture and Alied Activities	206.62	204.24	410.86	
				95.28		Rural Development	47.60	84.08	131.68	
				96.19		Special Areas Programmes	5.09	103.76	108.85	
				131.94		Irrigation and Flood Control	19.91	107.90	127.81	
				294.42		Energy	344.11	1.16	345.27	
				73.99		Industry and Minerals	50.30	40.34	90.64	
				199.09		Transport	224.56	0.15	224.71	
				7.09		Science, Technology and environment	2.07	6.36	8.43	
				141.48		General Economic Services	53.45	100.10	153.55	
				0.00		Grants-in-aid and Contributions	0.00	0.00	0.00	
				4873.90		Total	**4569.33**	**1030.10**	**5599.43**	
0.00	**II**	**Revenue deficit carried over to section B**	**0.00**	**710.72**	**II**	**Revenue surplus carried over to Section B**				**602.90**
5584.62		**Total**	**6202.33**	**5584.62**		**Total**				**6202.33**

Receipts				Disbursement						
2011-12			2012-13	2011-12			Non-Plan	Plan	Total	2012-13
		Section B: Others								
100.08	**III**	**Opening Cash balance including Permanent advances and cash Balance Investment**	**328.19**	**0.00**	**III**	**Opening Overdraft from Reserve Bank of India**				**0.00**
0.00	**IV**	**Miscellaneous Capital receipts**	**0.00**	**1249.39**	**IV**	**Capital Outlay**	**6.04**	**1249.14**	**1255.18**	**1255.18**
				235.75		General Services	0.00	211.01	211.01	
				338.77		Social services	0.00	346.81	346.81	
				104.73		Education, Sports, Art and culture	0.00	81.01	81.01	
				41.39		Health and Family Welfare	0.00	20.67	20.67	
				174.58		Water supply, Sanitation, Housing and Urban Development	0.00	218.55	218.55	
				0.37		Information and Broadcasting	0.00	1.08	1.08	
				0.00		Welfare of scheduled Castes, Scheduled Tribes and Other Backward Classes	0.00	0.00	0.00	
				12.33		Social Welfare and Nutration	0.00	21.66	21.66	
				5.37		Others	0.00	3.84	3.84	
				674.87		Economic Services	6.04	691.32	697.36	
				79.30		Agriculture and Allied activities	6.04	92.87	98.91	
				0.00		Rural Development	0.00	1.33	1.33	
				92.33		Special Areas Programmes	0.00	109.34	109.34	
				0.47		Irrigation and Flood Control	0.00	1.32	1.32	
				85.84		Energy	0.00	91.33	91.33	
				38.58		Industry and Minerals	0.00	33.79	33.79	
				352.46		Transport	0.00	356.68	356.68	
				25.89		General Economic Services	0.00	4.66	4.66	
				0.00		Science, Technology and environment	0.00	0.00	0.00	
2.44	**V**	**Recoveries of Loans and Advances**	**0.85**	**2.75**	**V**	**Loans and Advances disbursed**	**0.34**	**1.82**	**2.16**	**2.16**
0.00		From Power Projects	0.00	0.00		For Power Projects	0.00	0.00	0.00	
2.29		From Government Servants	0.74	0.33		To Government servants	0.34	0.00	0.34	
0.15		From Others	0.11	2.42		To Others	0.00	1.82	1.82	

Receipts				Disbursement						
2011-12			2012-13	2011-12			Non-Plan	Plan	Total	2012-13
710.72	**VI**	**Revenue surplus brought down**	**602.90**	**0.00**	**VI**	**Revenue Deficit brought down**				**0.00**
1318.85	**VII**	**Public debt receipts**	**2730.12**	**798.57**	**VII**	**Repayment of Public debt**			**2343.19**	**2343.19**
0.00		External debt	0.00	0.00		External debt			0.00	
651.25		Internal debt other than Ways and Means Advances and Overdrafts	764.72	282.19		Internal debt other than Ways and Means advances and Overdrafts			313.45	
577.45		Net transactions under Ways and Means Advances	1481.41	462.65		Net transactions under ways and Means Advances			1469.87	
69.18		Net transactions under overdraft	483.99	15.26		Net transactions under 0verdrafts			537.90	
20.97		Repayment of Loans and Advances from Central Government	0.00	38.47		Repayment of Loans and Advances to Central Government			21.97	
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**
2611.38	**X**	**Public Account receipts**	**3041.66**	**2364.57**	**X**	**Public Account disbursements**			**2822.67**	**2822.67**
196.97		Small Savings and Provident funds	235.63	160.54		Small Savings and Provident Funds			163.14	
29.00		Reserve Funds	34.57	0.00		Reserve Funds			10.44	
24.79		Suspense and Miscellaneous	11.86	19.25		Suspense and Miscellaneous			18.49	
1642.51		Remittance	1832.06	1776.31		Remittances			1912.28	
718.11		Deposits and Advances	927.54	408.47		Deposits and Advances			718.32	
0.00	**XI**	**Closing Overdraft from Reserve Bank of India**	**0.00**	**328.19**	**XI**	**Cash Balance at end of year**			**280.52**	**280.52**
				0.18		Cash in Treasuries and Local Remittances			0.00	
				-199.04		Deposits with Reserve Bank			-297.88	
				375.65		Departmental Cash Balance including permanent Advances			402.87	
				0.00		Cash Balance Investment			0.00	
				151.40		Investment in earmarked funds			175.53	
4743.47		**Total**	**6703.72**	**4743.47**		**Total**				**6703.72**

Figures changed from previous year due to proforma correction.

Appendix - 1.5

(Reference: Paragraph 1.9.1; Pages 33)

Summarised financial position of the Government of Nagaland as on 31.03.2013

(Rupees in crore)

As on 31.03.2012		Liabilities	As on 31.03.2013	
4571.34		Internal Debt -		4980.23
	3432.37	Market Loans bearing interest	3901.38	
	0.03	Market Loans not bearing interest	0.03	
	55.56	Loans from Life Insurance Corporation of India	43.63	
	914.66	Loans from other Institutions	908.85	
	114.80	Ways and Means Advances	126.34	
	53.92	Overdrafts from Reserve Bank of India	0.00	
289.11		Loans and Advances from Central Government-		267.14
	2.52	Pre 1984-85 Loans	1.53	
	17.57	Non-Plan Loans	16.78	
	234.66	Loans for State Plan Schemes	215.07	
	0.20	Loans for Central Plan Schemes	0.18	
	24.68	Loans for Centrally Sponsored Plan schemes	24.39	
	0.00	Ways and Means Advances	0.00	
	9.48	Loans for Spl. Scheme	9.19	
0.35		Contingency Fund		0.35
610.43		Small Savings, Provident funds, etc.		682.92
1168.42		Deposits		1377.55
120.58		Reserve Funds		144.71
0.00		Suspense and Miscellaneous Balances		0.00
-969.07		Remittance Balances		(-)1049.30
5791.16		**Total**		**6403.60**
		Assets		
9604.58		Gross Capital Outlay on Fixed Assets -		10859.76
	228.01	Investments in shares of Companies, Corporations, etc.	242.65	
	9376.57	Other Capital Outlay	10617.11	
26.12		Loans and Advances -		27.43
	0.00	Loans for Power Projects	0.00	
	23.45	Other Development Loans	25.16	
	2.67	Loans to Government servants and Miscellaneous loans	2.27	
		Reserve Fund Investments		0.00
1.00		Advances		0.91
87.63		Suspense and Miscellaneous Balances		94.24
328.19		Cash -		280.52
	0.18	Cash in Treasuries and Local Remittances	0.00	
	-199.04	Deposits with Reserve Bank	(-)297.88	
	375.65	Departmental Cash Balance	402.87	
	0.00	Permanent Advances	0.00	
	151.40	Investment on earmarked funds	175.53	
	0.00	Cash Balance investments	0.00	
-4256.36		Deficit on Government account -		(-)4859.26
	-710.72	(i) Less Revenue Surplus of the current year	(-)602.90	
	0.00	(ii) Miscellaneous deficit	0.00	
	-3545.64	Accumulated deficit at the beginning of the year	(-)4256.36	
5791.16				**6403.60**

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 –1.6

(Reference: Paragraph 1.2.2; Page 10)

Statement showing the funds transferred to the State Implementing Agencies under Programmes/Schemes outside the State budget during 2012-13

(Rupees in crore)

Sl No.	Programme/Scheme	Implementing Agency	2012-13
1	Medicinal Plants	State Medicinal Plants Boards Agency	0.74
2	National Mission on Medicinal Plants	Nagaland Bio Resource Mission.	1.88
3	National Bamboo Mission	NBDA	16.60
4	Support to State Extension Programme for extension	Agri Management & Extension Training Institute (SAMETI)	9.34
5	BIOINFORMATICS	National Research Centre on Mithun	0.17
6	Human Research Development Biotechnology		0.08
7	National Rural Drinking Water Programme	SWSM	110.20
8	Central Rural Sanitation Programme	SWSM,Nagaland	23.03
9	National Aides Control	Nagaland State AIDS control Society	19.38
10	National Rural Health Mission	State Blindness Control Society	2.54
11	Information Education and Communication	State Health Society	0.35
12	DEAFNESS		1.57
13	Drugs Quality Control		0.60
14	Forward Linkages to NRHM New Initiatives in North East		19.94
15	NRHM Central Sector		64.75
16	Tobacco Control		13.41
17	Electronic Governance	NL E Governance Society.	4.90
18	Assistance to disabled Persons for Purchase/Fitting	Cherry Blossoms Society, Kohima	0.19
19	Stipend to Children in Special Schools under the Child Labour	District Child Labour Project Society	0.96
20	Bioinformatics	Dr. Mohan Mondal	0.01
21	National Food Security Mission	State Agricultural Management and Extension Training Institute.	2.97
22	DRDA Administration	Project Director (DRDA)	4.77
23	Mahatma Gandhi National Rural Employment Guarantee Scheme	Project Director (DRDA)	443.87
24	Pradhan Mantri Gram Sadak Yojana (PMGSY)	SGO Nagaland Rural Roads Development Agency	194.88
25	Rural Housing IAY RD	Project Director (DRDA)	39.37
26	Swarna Jayanti Shahari Rojgar Yojana	State Urban Development Agency	4.43
27	Adult Education and Skill Development Scheme	Literacy Mission Authority	3.27
28	Sarva Shiksha Abhiyan (SSA)	SSA State Mission Authority	77.91
29	Support to NGO's institution SRC's for Adult Education and Skill	Jan Shikshan Sansthan,Dimapur	0.29
30	Science and Technology Programme for Socio Eco. Development	Nagaland Institute of Health	0.06
31	State Science & Technology Programme	Nagaland State Science & Technology Council	1.95
32	Livestock Insurance	Nagaland Livestock Development Board	2.50
33	MPLADs	DC, DMR	10.00
34	Scheme of NDMA	Home Department, Nagaland	1.52
35	GIA for Innovative Work on Women &Children	Krotho Women Welfare Society	0.04
36	Integrated Watershed Management Programme	State Level Nodel Agency, Nagaland	78.17

Sl No.	Programme/Scheme	Implementing Agency	2012-13
37	Enhancing Skill Development infrastructure in NE	Vocational training Projects	3.17
38	Vocational training Centre in Tribal areas	Women Welfare Society, Atoizu Town	0.25
39	Promotion and Dissemination of Art and Culture	ABIOGENESIS Society	0.07
40		North East Zone Cultural Centre	3.63
41		Mind Blowers Club	0.01
42		Tribal Art &Textile Museum Society (Culture)	0.02
43	North Eastern Areas	Nagaland GIS Centre	1.00
44		Horticulture	1.00
45		Director of Youth Resources and Sports	0.70
46		Director of Information and Public Relation	0.01
47		Development Authority Nagaland	0.20
48	Environment Information Education and Awareness	Population Control Board	0.17
49		Nagaland Institute of Health, Environment and Social Welfare.	0.11
50	National Aforestation Programme /Management	State forest Development Agency	10.88
51	Pollution Abatement	Pollution Control Board	0.04
52	Infrastructure Development FPI	Progressive Rural Development	0.97
53	GRID Interactive Renewable Power MNRE	(Association For Development of Society) Renewable Energy Development Agency	4.13
54	Information Publicity and Extension		0.26
55	OFF GRID DRPS		12.64
56	Renewable Energy for Rural Applications for all villages		1.69
57	Domestic Promotion and Publicity including Hospitality.	Nagaland Tourism Board	35.18
58	Advocacy and Publicity	Bethesda Youth Welfare Centre, Dimapur	0.02
59	Assistance to Voluntary Organization for Social Defense	Development Association of Nagaland	0.07
60		Youth Mission Agency	0.08
61		Bethesda Youth Welfare Centre, Dimapur	0.04
62		Prodigal Homes, Dimapur	0.06
63	Marketing Support and Services and Export Promotion Scheme	Nagaland Apex Weavers and Artisans Cooperative Federation Ltd. (WEAFED)	0.05
64		Director of Industries and Commerce	0.70
65		Heto MPCS Ltd. Natsumi Village	0.03
66		Lovi Valley Multipurpose Co-operative Society	0.03
67		Naga Handloom Society Nagaland	0.82
68		Dunyis Multipurpose Society	0.01
69		Nagaland Weavers Association, Kohima	0.10
70	Scheme for the Welfare of Working Children in need of care	Sunrise Welfare Society	0.19
71		Rural Development Soceity-2	0.14
72		Asholokumi Welfare Society	0.28
73		Dilong Women's Welfare Society	0.09
74		Kilo Old Welfare Society	0.23
75	Step support to Training and Employment Programme for Women	Chewang Society	0.10
76		Khesoh Multipurpose Co-operative Societies	0.16
77		Nagaland Handloom & Handicraft Development Corporation Ltd.	0.22
78	Buddhist and Tibetan Students	Society of Dharma Bodhi & Meditation	0.02
79	Museums	Ellen Welfare Society	0.06
80		Tribal Art and Textile Museum Society	0.72

Sl No.	Programme/Scheme	Implementing Agency	2012-13
81	Research and Development	Nagaland University	0.38
82	Research and Development Department of Biotechnology		0.05
83	Disa Programme for Women in Science		0.40
84	National Project for Cattle & Buffalo Breeding	Nagaland Livestock Development Board	1.58
85	Scheme for Technology	Golden Bakery	0.06
86	Scheme for Technology	M/S T.J. Foods	0.08
87	Dairy Development Project	Nagaland State Dairy Co-operation Federation	1.01
88	Baba Saheb Ambedkar Hastshilpa Vikas Yojana	Gracely MPCS Ltd.Thahekhu Village	0.03
89		Heto MPCS Ltd.Natsumi Village	0.09
90		Heto Artisans Association, Nutsmi	0.03
91		Youth Association for Social Services (YASS)	0.05
92		ABEBE Society	0.16
93		Alomi MPCS Ltd.	0.01
94		Zeliangrong Socio-Economic Cultural Reformation Society	0.04
95	AAJEEVIKA-Swaran Jayanti Gram Swarojkar yojana	Rural Development(DRDA)	4.30
96	ADVOCACY AND PUBLICITY	K.K. Club Youth Welfare Society	0.01
97	Design and Technical Upgradation Scheme	Vetu Krotho Society, Nagaland	0.05
98		Basazou Tribal Welfare Society, Nagaland	0.01
99		Heto MPCS Ltd. Natsumi Village	0.05
100		Local Entrepreneur Welfare,Kohima	0.06
101	Propagation of RTI Act-Improving Transparency	Nagaland Information Commission	0.02
102	Skill Development Initiative	Nagaland Skill Development Initiative	0.24
103	Setting up of New National Institute/National Mission in Education	National Institute of Technology	20.87
Total			**1266.57**

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

Appendix – 1.7

(Reference: Paragraph 1.3.1; Page 14)

(A) Tax Revenue for the years 2008-13

(Rupees in crore)

Heads	2008-09	2009-10	2010-11	2011-12	2012-13		Percentage of increase(+)/ decrease(-) in 2012-13 over 2011-12
					Budget Estimates	Actual	
Taxes on Sales	114.70	132.22	167.22	231.12	220.55	257.21	11.29
State Excise	3.33	3.14	3.00	3.37	4.30	3.73	10.68
Taxes on Vehicle	14.14	16.73	23.92	34.58	29.95	41.59	20.27
Stamps and Registration Fees	1.01	1.19	1.35	1.85	1.39	1.58	(-)14.59
Land Revenue	0.60	0.63	0.59	0.68	0.96	0.72	5.88
Taxes on goods & Passengers	2.34	3.96	6.62	4.85	3.01	6.71	38.35
Other taxes	19.90	22.64	24.62	27.43	31.95	28.41	3.57
Total	**156.02**	**180.51**	**227.32**	**303.88**	**292.11**	**339.95**	**11.87**

(B) Non-Tax Revenue for the years 2008-13

(Rupees in crore)

Heads	2008-09	2009-10	2010-11	2011-12	2012-13		Percentage of increase(+)/ decrease(-) in 2012-13 over 2011-12
					Budget Estimates	Actual	
Interest Receipts, Dividends and Profits	11.57	10.02	14.35	9.62	6.50	5.90	(-)38.67
Police	0.61	0.44	34.21	30.65	3.66	7.34	(-)76.05
Public Works	0.10	0.54	0.72	0.69	0.74	0.18	(-)73.91
Other Administrative services	1.21	1.42	2.90	2.38	4.87	3.22	35.29
Miscellaneous General Services	28.05	7.04	12.43	29.01	11.88	6.60	(-)77.25
Education, Sports, Art and Culture	0.55	0.43	8.74	12.16	0.38	45.57	274.75
Water Supply and Sanitation	0.98	0.94	1.29	1.62	1.37	1.74	7.41
Housing	2.97	3.43	3.63	4.38	7.39	5.12	16.89
Social Security and Welfare	0.25	0.17	3.19	0.70	0.34	0.55	(-)21.43
Animal Husbandry	0.43	0.47	0.57	0.40	0.77	0.50	25.00
Forestry and Wild Life	4.78	7.70	10.18	8.87	11.88	7.76	(-)12.51
Co-operation	0.79	3.15	0.34	3.54	0.08	1.13	(-)68.08
Minor Irrigation	0.02	0.01	0.00	3.54	0.03	0.02	(-)99.44
Power	111.49	75.17	74.01	94.28	120.00	102.83	9.07
Road and Bridges	1.09	2.34	2.28	2.53	2.50	1.80	(-)28.85
Road Transport	9.38	10.81	11.55	12.90	15.64	11.37	(-)11.86
Other General ES	0.08	0.12	0.12	6.35	0.13	0.19	(-)97.01
Others	5.10	0.87	1.10	7.57	13.53	3.39	(-)55.22
Total	**179.45**	**125.07**	**181.61**	**231.19**	**201.69**	**205.21**	**(-)11.24**

Appendix 2.1

(Reference: Paragraph 2.3.1; Page 58)

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
(1)	(2)	(3)	(4)	(5)	(6)
	Revenue (Voted)				
1	04	Administration of Justice	18.97	1.10	6
2	08	Sales Tax	12.57	3.35	27
3	11	District Administration & Special Welfare Schemes	167.69	58.68	35
4	21	Relief of distress caused by Natural Calamities	19.29	8.62	45
5	25	Land Records and Survey	17.67	5.33	30
6	28	Civil Police	874.74	25.40	3
7	31	School Education	746.89	22.41	3
8	32	Higher Education	126.40	29.50	23
9	33	Youth Resources and Sports	29.27	1.16	4
10	37	Municipal Administration	19.46	18.41	95
11	42	Rural Development	139.55	7.67	5
12	43	Social Security & Welfare	176.05	34.88	20
13	47	Legal Metrology and Consumer Protection	13.27	2.65	20
14	48	Agriculture	164.04	1.06	1
15	49	Soil and Water Conservation	46.81	2.66	6
16	51	Fisheries	37.49	3.79	10
17	53	Industries	61.79	1.68	3
18	59	Irrigation & Flood Control	164.22	36.41	22
19	65	SCERT	28.24	3.28	12
20	69	Fire Service	16.40	4.50	27
21	70	Horticulture	22.29	6.32	28
22	72	Land Resource Development	15.09	1.10	7
23	76	Women Welfare	11.08	2.01	18
24	81	Information Technology & Communication	10.07	5.49	55
25	82	New and Renewable Energy	5.56	2.06	37
	Capital (Voted)				
26	13	Village Guards	10.27	8.27	81
27	14	Jails	5.00	1.56	31
28	27	Planning Machinery	469.07	392.24	84
29	29	Stationery and Printing	1.00	1.00	100
30	30	Administrative Training Institute	0.15	0.15	100
31	31	School Education	37.49	10.77	29
32	32	Higher Education	19.25	8.00	42
33	33	Youth Resources and Sports	71.78	28.17	39
34	34	Art & Culture and Gazetteers Unit	7.76	5.10	66
35	35	Medical, Public Health & Family Welfare	44.03	21.97	50
36	36	Urban Development	178.26	117.71	66
37	39	Tourism	11.07	9.55	86
38	40	Employment and Training	4.55	2.04	45
39	46	Statistics	5.63	2.49	44
40	48	Agriculture	29.25	7.69	26
41	49	Soil and Water Conservation	0.60	0.33	55
42	53	Industries	33.86	7.11	21
43	54	Mineral Development	10.43	3.84	37
44	55	Power	138.58	56.18	41
45	56	Road Transport	24.35	6.60	27
46	57	Housing Loans	0.21	0.06	29
47	58	Roads and Bridges	602.91	270.67	45
48	62	Civil Administration Works	56.30	6.34	11

49	65	SCERT	5.00	4.10	82
50	68	Police Engineering Project	115.00	65.38	57
51	70	Horticulture	8.05	6.55	81
52	76	Women Welfare	8.59	3.09	36
53	77	Development of Under Developed Areas	144.33	60.94	42
54	78	Technical Education	30.09	28.28	94
55	79	Border Affairs	3.57	1.50	42
	Revenue (Charged)				
56	75	Servicing of Debt	524.02	42.38	8
		Total	**5545.35**	**1469.58**	**27**

Appendix 2.2

(Reference: Paragraph 2.3.4; Page 60)

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
2000-01	16	1	51.81	Not yet regularised
2005-06	23	2	64.96	Not yet regularised
2008-09	16	0	43.52	Not yet regularised
2009-10	24	1	61.77	Not yet regularised
2010-11	17	0	90.55	Not yet regularised
2011-12	13	0	54.94	Not yet regularised
Total			**367.55**	

Appendix 2.3

(Reference: Paragraph 2.3.5; Page 60)

Excess over provision requiring regularisation during 2012-13

(Rupees in crore)

Sl. No.	Number and title of grant/appropriation		Total grant appropriation	Expenditure	Excess
	Revenue (Voted)				
1	1	State Legislature	17.22	17.31	0.09
2	9	Taxes on Vehicles	6.87	6.91	0.04
3	13	Village Guards	30.66	33.49	2.83
4	14	Jails	23.09	23.24	0.15
5	16	State Guest House	9.88	10.03	0.15
6	18	Pensions & Other Retirement benefits	669.75	677.03	7.28
7	34	Art & Culture and Gazetteers Unit	12.28	15.95	3.67
8	35	Medical, Public Health & Family Welfare	265.23	272.77	7.54
9	38	Information and Public Relations	23.35	23.40	0.05
10	50	Animal Husbandry and Dairy Development	76.33	76.58	0.25
11	55	Power	298.51	345.67	47.16
12	58	Roads & Bridges	160.58	191.02	30.44
13	62	Civil Administration Works	1.94	6.84	4.90
14	64	Housing	57.17	64.60	7.43
15	68	Police Engineering Project	8.06	8.36	0.30
16	74	Mechanical Engineering	24.86	25.02	0.16
Total- Revenue (Voted)			**1685.78**	**1798.22**	**112.44**
	Capital(Voted)				
17	9	Taxes on Vehicles	6.77	7.79	1.02
18	37	Municipal Administration	6.80	7.00	0.20
19	43	Social Security and Welfare	13.39	16.16	2.77
20	45	Co-operation	9.59	10.26	0.67
21	50	Animal Husbandry & Dairy Development	14.97	20.20	5.23
22	52	Forest, Ecology, Environment and Wildlife	35.32	42.00	6.68
23	60	Water Supply	36.05	39.39	3.34
24	64	Housing	46.73	68.65	21.92
25	74	Mechanical Engineering	8.44	8.67	0.23
26	82	New and Renewable Energy	9.00	10.71	1.71
Total - Capital(Voted)			**187.06**	**230.83**	**43.77**
	Capital (Charged)				
27	75	Servicing of Debt	2333.27	2343.19	9.92
Total - Capital(Charged)			**2333.27**	**2343.19**	**9.92**
Grand Total			**4206.11**	**4372.24**	**166.13**

Appendix 2.4

(Reference: Paragraph 2.3.6; Page 60)

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

(Rupees in lakhs)

Sl. No.	Number and Name of the Grant	Original Provision	Actual Expenditure	Savings out of Original provision	Supplementary provision
	A Revenue (Voted)				
1	4-Administration of Justice	1790.73	1786.84	3.89	105.88
2	25-Land Records and Survey	1700.62	1234.79	465.83	66.75
3	54-Mineral Development	1641.13	1632.73	8.40	11.80
4	60-Water Supply	4869.28	4867.98	1.30	10.00
5	69-Fire Service	1527.03	1189.70	337.33	112.89
Total Revenue (Voted)		**11528.79**	**10712.04**	**816.75**	**307.32**
	B Capital (Voted)				
6	13-Village Guards	330.00	200.00	130.00	697.50
7	35-Medical, Public Health and Family Welfare	2464.00	2206.48	257.52	1939.00
8	48-Agriculture	2608.00	2156.08	451.92	317.00
9	54-Mineral Development	926.00	659.19	266.81	117.00
10	55- Power	9100.00	8239.67	860.33	4758.00
11	68-Police Engineering Project	8518.00	4962.46	3555.54	2982.00
12	70-Horticulture	324.00	150.00	174.00	481.00
13	77-Development of Under Developed Areas	9290.83	8338.97	951.86	5142.00
14	78-Technical Education	405.00	181.42	223.58	2604.00
	Total-capital (Voted)	**33965.83**	**27094.27**	**6871.56**	**19037.50**
Grand Total		**45494.62**	**37806.31**	**7688.31**	**19344.82**

Appendix 2.5

(Reference: Paragraph 2.3.6; Page 60)

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	13	Village Guards	29.78	0.88	30.66	33.49	2.83
2	34	Art and Culture and Gazetteers Unit	10.46	1.82	12.28	15.95	3.67
3	55	Power	293.58	4.93	298.51	345.67	47.16
4	58	Roads & Bridges	157.08	3.50	160.58	191.02	30.44
5	64	Housing	53.86	3.31	57.17	64.60	7.43
Total Revenue (Voted)			**544.76**	**14.44**	**559.20**	**650.73**	**91.53**
	Capital (Voted)						
6	9	Taxes on Vehicles	4.05	2.72	6.77	7.79	1.02
7	60	Water Supply	30.37	5.69	36.06	39.39	3.33
8	64	Housing	46.23	0.50	46.73	68.65	21.92
9	82	New and Renewable Energy	6.40	2.60	9.00	10.71	1.71
Total Capital (Voted)			**87.05**	**11.51**	**98.56**	**126.54**	**27.98**
	Capital (Charged)						
10	75	Servicing of Debt	876.78	1456.49	2333.27	2343.19	9.92
Total Capital (Charged)			**876.78**	**1456.49**	**2333.27**	**2343.19**	**9.92**
Grand Total			**1508.59**	**1482.44**	**2991.03**	**3120.46**	**129.43**

Appendix 2.6

(Reference: Paragraph 2.3.7; Page 60)

Excess/Unnecessary/Insufficient re-appropriation of funds

(*Rupees in lakh*)

Sl. No.	Grant No.	Description	Head of Account	Re-appropriation	Final	
					Excess(+)	Saving (-)
	Revenue (Voted)					
1	2	Tour Expenses	2012-03-108-00	(+)2.73	4.10	-
2	5	Chief Electoral Officers - Establishment	2015-00-102-02	(+)14.88	-	0.36
3	7	Commissioner's Establishment	2039-00-001-01	(-)16.31	0.56	-
4	9	Direction and Administration	2041-00-001-00	(+)1.32	5.87	-
5	9	Collection Charges	2041-00-101-00	(-)1.31	-	1.21
6	10	State Public Service Commission	2051-00-102-00	(-)15.64	-	0.11
7	12	Treasury Establishment	2054-00-097-00	(-)94.29	-	0.10
8	14	Direction and Administration (Null)	2056-00-001-00	(+)115.76	125.51	-
9	14	State Central Jail	2056-00-101-01	(+)21.29	-	53.00
10	14	Other Jails	2056-00-101-02	(-)136.05	-	57.63
11	16	Nagaland House New Delhi	2070-00-115-01	(-)0.68	11.94	-
12	18	Superannuation and Retirement Allowances (Null)	2071-01-101-00	(+)4503.00	1225.83	-
13	18	Govt. Contribution for defined contribution scheme (Null)	2071-01-117-00	(-)4950.00	-	50.00
14	22	Direction	2408-01-001-01	(-)104.93	-	0.12
15	26	Bee & Honey Mission	2552-26-800-01	(-)41.89	222.22	-
16	26	Bio-Resources and Aromatic Plant	2552-26-800-02	(+)15.00	-	50.00
17	26	Secretariat (Null)	3451-00-090-00	(-)14.35	50.00	-
18	27	Special Programme	2575-03-800-10	(-)439.44	-	3.00
19	28	Nagaland Armed Police Battalion	2055-00-104-01	(-)368.93	221.48	-
20	30	Administrative Training Institute	2070-00-003-01	(-)7.57	0.34	-
21	31	Middle Schools	2202-01-101-02	(+)3925.41	424.52	-
22	31	Sarva Shiksha Abhiyan	2202-01-800-02	(-)6017.84	-	9.00
23	31	Direction	2202-02-001-01	(+)35.95	54.60	-
24	31	Government Schools	2202-02-109-01	(+)2012.84	0.55	-
25	32	Government Colleges	2202-03-103-01	(+)51.82	1.00	-
26	32	Nagaland College of Education	2202-03-103-02	(-)128.67	-	0.01
27	33	Direction	2204-00-001-01	(+)105.04	0.26	-
28	35	Sub-ordinate Establishment	2210-01-001-02	(-)381.42	908.80	-
29	35	Family Welfare Sub Centres (CSS)	2211-00-101-02	(+)417.52	-	13.01
30	36	Direction	2217-80-001-01	(+)60.00	-	0.05
31	38	Direction	2220-60-001-01	(+)51.71	9.58	-
32	41	Direction	2230-01-001-01	(-)20.29	-	30.21
33	41	Sub-ordinate Establishment	2230-01-001-02	(+)6.31	-	6.31
34	41	Implementation of Minimum Wages Act and Enforcement of Shops and Establishment Act	2230-01-101-01	(+)25.00	20.00	-
35	41	Enforcement of Factories Act & Boilers	2230-01-101-02	(-)1.15	1.15	-
36	41	Welfare Centres	2230-01-103-01	(-)6.79	6.79	-
37	41	Creches	2230-01-103-02	(-)4.38	4.38	-
38	41	Establishment of State Labour Court at Dimapur	2230-01-800-01	(+)1.30	-	1.30

39	42	NREGS(Null)	2506-02-101-00	(-)2000.00	2000.00	-
40	42	DRDA Administration (75:25)	2515-00-102-03	(-)39.46	39.46	-
41	43	Preventional Control of Juvenile Social Maladjustment (CSS)	2235-02-102-14	(+)217.33	60.00	-
42	43	Special Nutrition Scheme	2236-02-101-01	(-)817.66	2.28	-
43	47	Direction	3475-00-106-01	(+)35.26	-	11.80
44	47	Laboratories	3475-00-106-01	(-)91.80	11.80	-
45	48	Direction (Agri)	2401-00-001-01	(+)143.85	0.38	-
46	48	Sub-ordinate Establishment (Agriculture)	2401-00-001-02	(+)69.61	0.06	-
47	48	High Yielding Varieties Programme	2401-00-800-07	(-)72.26	114.97	-
48	48	State Agriculture Research Station, Yisemyung	2415-01-004-06	(-)83.28	24.45	-
49	49	Direction	2402-00-001-01	(+)24.05	34.73	-
50	50	Feed Manufacturing Centres (CSS)	2403-00-107-21	(+)85.38	67.42	-
51	50	Subordinate Establishment	2403-00-001-02	(-)431.83	-	21.85
52	52	Direction	2406-01-001-01	(-)467.86		220.50
53	52	Subordinate Establishment	2406-01-001-02	(+)804.93	132.30	-
54	52	Integrated Forest Protection Scheme (IFPS) (IFN)	2406-01-800-15	(+)95.18	238.01	-
55	52	Elephant Projcct (CSS)	2406-02-110-08	(-)6.25	43.32	-
56	52	Biodiversity Conservation (CSS)	2415-06-800-16	(-)14.14	-	25.86
57	52	Forestry Training School	2415-06-277-01	(-)84.63	-	68.42
58	54	Electrical Inspectorate	2045-00-103-01	(-)1.20	-	47.80
59	54	Operation and Maintenance of Likimro Hydro Electric Project	2045-01-800-02	(+)16.44	204.75	-
60	55	Purchase of Power (Null)	2801-02-101-00	(-)14.26	4202.44	-
61	55	Direction	2801-05-001-01	(-)231.06	131.12	-
62	55	Linemen Training Centre	2801-05-800-02	(-)4.70	-	0.59
63	58	Direction	3054-80-001-01	(-)315.34	-	1.25
64	58	Traffic Engineering Cell	3054-80-001-02	(-)32.20	0.50	-
65	58	Research Development Cell	3054-80-001-02	(+)100.45	-	30.72
66	58	Execution	3054-80-001-05	(+)267.62	28.92	-
67	59	Other Minor Irrigation Works	2702-02-800-02	(-)25.00	82.09	-
68	59	Renovation & Upgradation of Capital Asset	4702-00-800-02	(+)55.00	-	0.74
69	60	Direction	2215-01-001-01	(+)1.31	-	0.29
70	60	Execution	2215-01-001-02	(-)2.09	-	0.84
71	60	Urban Water Supply Programmes (Null)	2215-01-101-00	(-)2.62	-	2.75
72	60	Operation and Maintenance	2215-01-102-01	(+)2.62	2.75	-
73	62	Direction (CAWD)	2059-80-001-11	(-)5.45	499.73	-
74	65	Teachers Training Programme (SCERT)	2202-01-105-02	(+)140.00	4.35	-
75	65	State Council of Educational Research and Training	2202-02-004-01	(-)140.00	-	0.61
76	65	DIET	2202-02-004-03	(-)105.00	29.53	-
77	66	Direction (VSI/sericulture)	2851-00-001-05	(-)15.33		8.69
78	66	Structure Farms & Gardens	2851-00-107-01	(+)20.72	97.70	-
79	66	Catalytic Development Programme	2851-00-107-03	(+)0.45	-	160.45
80	67	Modernisation of Home Guards	2070-00-800-03	(-)100.35	-	24.65
81	68	Police Engineering	2055-00-001-03	(-)0.82	30.72	-
82	70	Exhibition and Melas	2401-00-119-34	(-)11.67	-	5.00

83	74	Repairs & Carriages (Mechanical Engineering)	2059-80-052-22	(+)16.56	16.45	-
84	77	Direction	2575-03-001-01	(-)63.42	78.43	-
85	78	Technical Scholarships (CSS)	2203-00-107-11	(-)82.63	-	2.06
86	78	Direction	2203-00-001-01	(-)15.08	-	0.40
87	78	Kheloshe Polytechnic	2203-00-105-01	(+)14.14	26.79	-
88	78	Government Polytechnic	2203-00-105-02	(-)12.04	42.95	-
89	82	Mini Hydel Projects	2552-82-800-11	(+)217.50	-	217.50
90	82	Direction and Administration (IREP-NPBD)	2810-01-001-00	(+)26.05	11.28	-
	Capital(Voted)					
91	9	Non-Functional Building (Taxes on Vehicles) CSS	4059-60-051-99	(+)322.12	102.38	-
92	22	Other Charges	4408-01-101-03	(+)34.77	-	23.14
93	33	Development & Promotion of Sports & Youth Affairs Activities in N-E Region	4552-33-800-12	(-)613.15	138.60	-
94	34	Building	4202-04-800-01	(-)117.29	-	392.36
95	35	Hospital and Dispensaries (Non-Lapsable Pool) (Null)	4210-01-110-00	(-)389.00	-	185.84
96	35	Upgradation of Standards of Administration under Award of TFC	4210-01-800-02	(-)450.00	828.41	-
97	36	EAP(ADB) CSS	4217-01-051-11	(+)938.58	-	938.58
98	36	National Urban Renewal Mission (CSS)	4217-60-051-15	(+)6696.11	-	6696.11
99	36	Special Development Fund for Nagaland and Schemes under NLCPR (CSS)	4217-60-051-19	(-)1824.14	-	1063.63
100	36	EAP (Asian Development Bank)	4217-01-052-01	(-)1617.05	408.12	-
101	36	S.J.S.R.Y	4217-01-800-05	(+)29.89	105.64	-
102	36	Communitisation of Public Institutions/Amenities & Services	4217-01-800-07	(+)150.00	254.64	-
103	36	Gender Budgeting	4217-01-800-08	(-)5.00	4.68	-
104	36	Disability Compound	4217-01-800-09	(-)2.35	-	0.21
105	36	Global Climate	4217-01-800-10	(-)5.77	-	4.23
106	36	Construction Works	4217-60-051-01	(+)84.55	-	2731.46
107	36	Special Development Fund for Nagaland and Schemes under NLCPR	4217-60-051-09	(+)6.96	635.51	-
108	36	National Urban Renewal Mission	4217-60-051-13	(-)9622.39	2853.83	-
109	36	Development Authority, Nagaland	4217-60-190-01	(+)95.50	4.50	-
110	37	Works	4217-60-051-37	(+)325.02	100.00	-
111	40	Strengthening of Existing ITI Buildings and Construction of New Buildings for ITI	4250-00-203-11	(-)175.00	-	28.97
112	45	Other Schemes (CSS)	4425-00-108-02	(+)3.48	422.87	-
113	45	Construction Works	4425-00-800-01	(-)153.00	-	31.26
114	45	Other Schemes (CSS)	6425-00-108-02	(-)114.63	-	59.89
115	46	Construction	5475-00-112-01	(-)230.00	-	19.28
116	48	Estt. of NE Expo	4401-00-800-06	(+)35.00	45.00	-
117	50	Veterinary and Animal Husbandry, Construction	4059-01-051-50	(-)400.00	-	69.03
118	50	Maintenance of Assets	4403-00-001-01	(+)3.50	378.23	-
119	52	Working Plan (F. C-XIII Award)	4406-01-101-01	(-)866.00	1602.42	-
120	53	Works Expenditure	4860-60-800-01	(-)144.20	-	650.21
121	55	Transmission Scheme in Nagaland (NEC)	4552-01-800-05	(+)155.55	-	1776.01
122	55	Likimro Hydro Electric Project	4801-01-800-02	(-)1340.00	-	50.00

123	55	Direction and Administration (Null)	4801-05-001-00	(-)239.00	-	34.10
124	55	Sub-Transmission Scheme	4801-05-001-00	(-)3945.00	2122.91	-
125	55	Transmission Scheme	4801-05-800-02	(+)564.00	-	496.02
126	55	Various Schemes under REC Loan	4801-06-800-01	(+)295.69	-	776.35
127	58	Roads and Bridges (CSS)	4552-04-800-01	(-)1644.45	-	2612.38
128	58	Special Programme Roads (CSS)	5054-04-800-42	(+)267.87	-	1427.87
129	58	Special Programme Roads (Non-Lapsable Pool)	5054-04-800-02	(-)19390.69	-	11165.32
130	59	Flood Control (Non Lapsable Pool)	4702-00-800-03	(+)15.00	-	1.72
131	60	Augmentation of Water Supply (Non Lapsable Pool)	4215-01-800-05	(-)223.92	-	10.62
132	60	Nagaland Lake Conservation Plan	4215-01-800-26	(+)17.65	269.77	-
133	62	Construction (CAWD) (Normal)	4216-01-106-11	(-)5.00	-	629.17
134	68	Office Building	4055-00-211-01	(-)590.00	458.99	-
135	68	Govt. Residential Building	4055-00-211-02	(-)2928.00	3003.48	-
136	77	DUDA Particularly Tuensang & Mon Districts (CSS)	4575-03-800-21	(-)4187.83	1150.90	-
137	78	Capacity Building (CSS)	4202-02-104-16	(+)8.00	-	8.00
138	78	Upgradation & Construction of Govt. Polytechnic	4202-02-104-02	(-)40.00	-	123.58
139	78	Capacity Building	4202-02-104-06	(+)30.00	-	30.00
140	82	Energy Park	4810-00-600-01	(-)43.00	-	5.98
141	82	Wind Energy	4810-00-600-03	(-)15.0 0	-	1.15
	Revenue (Charged)					
142	75	On Power Bonds	2049-01-101-02	(+)170.00	36.84	-
143	75	Interest on Loans for State/Union Territory Plan Schemes	2049-04-101-00	(-)205.61	-	118.41
144	75	Interest on Loans for Central Plan Schemes	2049-04-102-00	(-)22.33	-	4.37
145	75	Interest on Loans for Centrally Sponsored Plan Schemes	2049-04-103-00	(-)131.85	4.36	-
	Capital (Charged)					
146	75	Loans from Life Insurance Corporation of India	6003-00-103-00	(-)34.08	199.99	-
147	75	Loans from GIC	6003-00-104-01	(-)7.76	7.69	-
148	75	Ways and Means Advances from the Reserve Bank of India	6003-00-110-00	(+)4317.50	810.68	-
149	75	Special Securities issued to National Small Savings Fund of the Central Government	6003-00-111-00	(+)122.65	12.20	-
150	75	Other Loans	6004-03-800-00	(-)20.35	-	1.34
151	75	Other Loans	6004-04-800-00	(-)48.40	2.69	-
152	75	1979-84 Consolidated Loans	6004-07-108-00	(-)65.18	1.34	-
Total				**(+)28410.72 (-)69897.78**	**27525.83**	**33294.80**

Appendix 2.7
(Reference: Paragraph 2.3.9; Page 61)
Results of review of substantial surrenders made during the year

(Rupees in crore)

Sl. No.	Number and title of Grant	Name of the scheme (Head of Account)	Total Grant/ Appropriation	Amount of Surrender	Percentage of Surrender
	Revenue (Voted)				
1	2-Head of States	2012-03-102-04 (Garden)	0.03	0.02	66.67
2		2012-03-106 (Entertainment Expenses)	0.01	0.01	100.00
3	4-Administration of Justice	2014-00-105-01 (Dy. Commissioner-Judicial Establishment)	1.15	0.59	51.30
4		2014-00-800-02 (Judicial Administration Implementation of Justice Delivery (FC-XIII Grant))	1.24	1.24	100.00
5	6- Land Revenue	2029-00-101 (Collection Charges)	0.06	0.05	83.33
6	8-Sales Tax	2040-00-800-11 (Computerisation of Administration of Commercial Tax)	3.43	2.57	74.93
7	11-District Administration & Special Welfare Schemes	2053-00-800-01 (Land Rent for Accommodation of Security Forces (SRE))	0.03	0.03	100.00
8		2515-00-101-01 (Grant to Rural Local Bodies (FC XIII Award))	71.37	54.75	76.70
9	12- Treasury and Accounts Administration	2030-01-101 (Cost of Stamps)	0.23	0.23	100.00
10	18-Pensions and Other Retirement Benefits	2071-01-117 (Contribution for defined contribution scheme)	50.00	49.50	99.00
11	26- Civil Secretariat	2551-26-800-01 (Bee & Honey Mission)	0.53	0.42	79.25
12	28-Civil Police	2055-00-003-11 (Police Training School (CSS))	0.30	0.30	100.00
13		2055-00-115 (Modernisation of Police Force)	35.00	30.14	86.11
14	31-School Education	2202-05-102-11 (Hindi Training Institute (CSS))	19.10	16.31	85.39
15		2202-01-800-02 (Sarva Shiksha Abhiyan)	75.39	60.18	79.82
16		2202-01-800-04 (Nutrition Support Against Conversion of Mid-day Meal)	14.97	13.36	89.25
17		2202-02-001-04 (RMSA)	9.42	6.28	66.67
18		2202-02-109-03 (Educational Technological Cell (CSS))	0.44	0.44	100.00
19		2202-04-103-01 (States Scheme)	1.00	0.85	85.00
20		2202-04-103-11 (State Share (CSS))	1.96	1.96	100.00
21	32- Higher Education	2202-03-107-03 (Nagaland Merit Scholarship)	3.21	1.16	36.14
22		2225-02-277-04 (Centrally Sponsored Schemes of Post Matric_Scholarship for Minority Community)	2.29	2.25	98.25
23	33- Youth Resources and Sports	2204-00-800-15 (PYKAKA (CSS))	2.43	2.17	89.30
24		2204-00-800-01 (Youth Resource Development)	0.95	0.80	84.21
25	34- Art and Culture and Gazetteers Unit	2205-00-102-06 (2nd. World War Museum)	0.22	0.20	90.91
26	35- Medical, Public Health and Family Welfare	2210-01-200-16 (NIDD Control Programme (100% CSS))	0.30	0.30	100.00
27		2210-01-110-02 (Dispensaries)	2.46	2.46	100.00
28		2210-01-110-04 (T.B. Hospitals)	4.44	2.44	54.95
29		2210-01-110-08 (Artificial Limb Centre)	0.68	0.56	82.35
30		2210-01-200-01 (Goitres & Nutrition Programme)	0.12	0.12	100.00
31		2210-01-200-02 (Health Intelligence Bureau)	0.25	0.25	100.00
32		2210-01-200-04 (Disaster Management)	0.05	0.05	100.00
33		2210-01-200-06 (NIDD Control Programme)	0.22	0.22	100.00

34		2210-02-102-00 (Homeopathy(Null))	0.76	0.58	76.32
35		2210-03-110-03 (Communitisation of Sub-Centres)	2.00	1.00	50.00
36		2210-05-105-13 (Training ANM)	0.03	0.03	100.00
37		2210-06-101-03 (National Small Pox Eradication Programme (Urban))	3.69	3.69	100.00
38		2210-06-101-09 (STD Control Programme)	0.22	0.22	100.00
39		2210-06-107-01 (Food Testing Laboratory)	1.59	1.54	96.86
40		2211-00-101-01 (Rural Family Welfare Centres)	0.73	0.73	100.00
41		2211-00-103-03(Universal Immunisation Programme (District Level) (CSS))	0.85	0.80	94.12
42	37-Municipal Administration	2015-00-109-01 (State Election Commission)	0.13	0.13	100.00
43		2217-80-191-06 (General Basic Grant)	9.68	9.68	100.00
44		2217-80-191-07 (General Performance Grant)	6.65	6.65	100.00
45		2217-80-191-08 (Special Area Basic Grant)	0.80	0.80	100.00
46		2217-80-191-09 (Special Area Performance Grant)	0.80	0.80	100.00
47	40-Employment and Training	2230-03-800-14 (Modernisation of ITIs (CSS))	0.11	0.11	100.00
48	41-Labour	2230-01-103-02 (Creches)	0.04	0.04	100.00
49	42- Rural Development	2515-00-102-03 (DRDA Administration 75:25)	0.39	0.39	100.00
50	43-Social Security and Welfare	2235-02-101-02 (Assistance to Blind)	0.75	0.75	100.00
51		2236-02-101-01 (Special Nutrition Scheme)	8.28	8.18	98.79
52	47-Legal Metrology and Consumer Protection	3475-00-106-03 (Laboratories)	1.17	0.92	78.63
53		3475-00-800-02 (Grant-in-aid)	0.80	0.80	100.00
54	48-Agriculture	2401-00-103-27 (Seed Farms (CSS))	0.80	0.45	56.25
55		2401-00-108-19 (ICDP (CSS))	0.14	0.14	100.00
56		2401-00-800-19 (Agriculture Marketing and Quality Control (CSS))	1.21	0.71	58.68
57		2401-00-103-06 (Cost of Seeds)	1.40	0.70	50.00
58		2401-00-107-02 (Disaster Management)	0.05	0.05	100.00
59		2401-00-108-08 (Crop Experimental Station)	0.10	0.10	100.00
60		2401-00-108-002 (Agriculture Link Roads)	0.05	0.05	100.00
61		2401-00-108-007 (High Yielding Varieties Programme)	0.72	0.72	100.00
62		2415-01-004-02 (Sugarcane Research)	0.13	0.13	100.00
63		2415-01-004-03 (Plant Protection Laboratory)	0.52	0.46	88.46
64	49-Soil and Water Conservation	2402-00-102-08 (W.D.P.S.C.A)	12.50	12.50	100.00
65		2402-00-103-05 (Organic Farming)	0.20	0.15	75.00
66	50- Animal Husbandry and Dairy Development	2403-00-101-18 (Animal Disease Surveillance (CSS 75:25)	3.00	1.75	58.33
67		2404-00-102-11 (Rural Dairy Centre, Dimapur)	0.10	0.10	100.00
68		2552-03-105-02 (Pig Breeding Centre (CSS))	1.05	1.05	100.00
69	51-Fisheries	2405-00-109-12 (Extension and Publicity (CSS))	0.50	0.50	100.00
70		2405-00-101-13 (Paddy cum Fish Culture)	1.00	1.00	100.00
71		2552-05-109-02 (Extension and Publicity)	0.04	0.04	100.00
72	52-Forest, Ecology, Environment and Wild Life	2406-01-800-17 (Development of National Park & Sanctuaries(CSS))	0.50	0.50	100.00
73		2406-02-110-11 (Protection of Wild Life Habitat and Corridor)	1.00	1.00	100.00
74		2406-01-111 (Zoological Park)	1.80	1.55	86.11
75		2415-06-800-06 (Bio-diversity Conservation)	5.39	5.39	100.00
76		2415-06-800-07 (Eco-Tourism)	2.38	2.38	100.00
77	53-Industries	2851-00-104-13 (Handicraft Dev. Scheme (CSS))	0.50	0.50	100.00
78	54-Mineral Development	2853-02-800-04 (Geo Environmental Impact Studies)	0.56	0.50	89.29
79	59-Irrigation and Flood Control	2702-01-101 (Lift Irrigation Schemes)	0.11	0.10	90.91
80		2702-02-800 (Other Expenditure)	0.15	0.15	100.00
81		2702-80-800-03 (Other Minor Irrigation Works TFC)	2.00	1.00	50.00

82	65-SCERT	2202-02-004-03 (DIET)	1.05	1.05	100.00
83	67-Home Guards	2070-00-800-03 (Modernisation of Home Guards)	1.85	1.00	54.05
84	70-Horticulture	2401-00-108-13 (Other Commercial Crops)	0.22	0.22	100.00
85		2401-00-108-14 (Development of Spices)	0.24	0.24	100.00
86		2401-00-108-15 (Development of Aromatic and Medicinal Plant)	0.22	0.12	54.55
87		2401-00-119-12 (Other Horticulture and Otericulture)	0.10	0.10	100.00
88		2401-00-119-43 (Construction of Warehouse-XIII FC)	5.00	5.00	100.00
89		2415-01-004-11 (Horticulture Research Cell Headquarters)	0.80	0.50	62.50
90		2552-01-119-04 (Development/Rejuvenation of Plantation Crops)	0.20	0.20	100.00
91	74- Mechanical Engineering	2059-80-052-21 (New Supply (Mechanical Engineering))	0.29	0.20	68.97
92	76-Women Welfare	2235-02-103-07 (Financial Assistance to victim of Rape)	0.03	0.03	100.00
93		2235-02-109-05 (Transformative Livelihood Intervention)	3.22	1.97	61.18
94	81-Information Technology and Communication	3425-60-001-01 (Direction)	9.02	6.84	75.83
	Revenue (Charged)				
95	75-Servicing of Debt	2049-04-102 (Interest on Loans for Central Plan Schemes)	0.27	0.22	81.48
96		2049-04-103 (Interest on Loans for Centrally Sponsored Plan Schemes)	1.96	1.32	67.35
	Capital (Voted)				
97	22-Civil Supplies	4408-01-101-13 (Other Charges (CSS))	0.02	0.02	100.00
98	33- Youth Resources and Sports	4202-03-102-12 (Nagaland Cricket Stadium (CSS))	5.00	5.00	100.00
99		4202-03-102-03 (Multi Disciplinary Sports Stadium)	9.15	4.73	51.69
100		4202-03-800-04 (District Level Sports Complex)	3.74	3.74	100.00
101		4202-03-800-06 (Development of Infrastructure for Sports and Youth Affairs Activities)	16.20	9.83	60.68
102	35- Medical, Public Health and Family Welfare	4210-01-800-07 (NRHM)	18.81	18.81	100.00
103		4210-02-103 (Primary Health Centres)	42.03	27.78	66.10
104	36-Urban Development	4217-60-051-19 (Special Development Fund for Nagaland and Schemes under NLCPR (CSS))	28.88	18.24	63.16
105		4217-01-800-06 (Slum Improvement)	0.60	0.60	100.00
106		4217-01-800-08 (Gender Budgeting)	0.10	0.05	50.00
107		4217-01-800-10 (Global Climate)	0.10	0.06	60.00
108		4217-60-051-14 (National Urban Renewal Mission)	96.34	96.22	99.88
109		4217-60-800-01 (Other Expenditure)	2.00	2.00	100.00
110	37-Municipal Administration	4217-04-800-11 (Rajiv Awas Yojana (CSS))	3.00	3.00	100.00
111		4217-60-800-37 (ISHUP (CSS))	0.90	0.90	100.00
112		4217-60-051 (Construction)	0.30	0.30	100.00
113		4217-60-800-10 (Interest Subsidy Scheme for Housing the Urban Poor)	0.05	0.05	100.00
114	39-Tourism	5452-01-001-10 (Tourist Centre (CSS))	0.80	0.80	100.00
115		5452-01-101(Tourist Centre)	8.75	8.75	100.00

116	43-Social Security and Welfare	4235-02-800-04 (Other Works)	7.50	7.50	100.00
117	48-Agriculture	4401-00-800-01 (Construction (Buildings))	13.67	13.67	100.00
118	49-Soil and Water Conservation	4402-00-800-01 (Buildings)	0.60	0.33	55.00
119	52-Forest, Ecology, Environment and Wild Life	4406-01-070-02 (Buildings)	0.68	0.68	100.00
120	53-Industries	4860-60-600-28 (Urban Haat (CSS))	1.00	1.00	100.00
121	55-Power	4801-01-800-02 (Likimro Hydro Electric Project)	13.90	13.40	96.40
122		4801-05-800-01 (Sub-Transmission Scheme)	54.80	39.45	71.99
123	56-Road Transport	4552-05-800-11 (Inter State Bus Terminus (NEC), (CSS))	5.22	5.22	100.00
124		5055-00-800-03 (Special Pool)	3.15	3.15	100.00
125	58-Roads and Bridges	5054-04-800-02 (Special Programme Roads (Non-Lapsable Pool))	315.37	193.91	61.49
126	59-Irrigation and Flood Control	4702-00-800-01 (Irrigation Works)	0.50	0.50	100.00
127	60-Water Supply	4215-01-800-15 (B.M.S./PMGY-Rural Water Supply (Disaster Management))	1.85	1.85	100.00
128		4215-01-800-24 (State Share Towards NRDWP)	0.15	0.15	100.00
129		4215-01-800-27 (RDWS to Border Areas (FC-XIII Grant))	1.10	1.10	100.00
130	65-SCERT	4202-01-800-05 (DIET)	4.00	4.00	100.00
131	68-Police Engineering Project	4055-00-211-02 (Govt. Residential Building)	29.28	29.28	100.00
132		4055-00-211-05 (Modernisation of Police Force)	25.00	25.00	100.00
133	70-Horticulture	4401-00-800-13 (XIII FC Grant)	4.81	4.81	100.00
134		4401-00-800-30 (Negotiated Loan 1 (NABARD))	2.00	2.00	100.00
135	77-Development of Under Developed Areas	4575-03-800-21 (DUDA Particularly Tuensang & Mon Districts (CSS))	41.88	41.88	100.00
136		4575-03-800-11 (Development of Under Developed Areas particularly Tuensang & Mon District)	80.30	54.50	67.87
137	78-Technical Education	4202-02-104-12 (Building of Govt. Polytechnic, Kohima (CSS))	27.64	26.64	96.38
138	79-Border Affairs	4059-01-051-79 (Other (Construction))	0.22	0.22	100.00
139		5054-05-800-01(Other (Construction))	1.20	0.76	63.33
140	82- New and Renewal Energy	4801-06-800-11 (Remote Village Electrification)	0.85	0.85	100.00
141		4810-00-101-02 (Bio-Mass Gasifier)	0.50	0.28	56.00
142		4810-00-102-01 (SPV Power Plant)	0.60	0.60	100.00
143		4810-00-600-04 (Other charges)	0.25	0.15	60.00
	Capital (Charged)				
144	75-Servicing of Debt	6004-03-800 (Other Loans)	0.23	0.20	86.96
145		6004-04-800 (Other Loans)	0.75	0.48	64.00
Total			**1280.89**	**1017.17**	**79.41**

Appendix 2.8

(Reference: Paragraph 2.3.10; Page 61)

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	Saving	Amount surrendered	Amount surrendered in excess
	Revenue (Voted)				
1	26-Civil Secretariat	116.66	0.59	2.81	2.22
2	28 – Civil Police	874.74	25.40	27.62	2.22
3	31 – School Education	746.89	22.41	27.16	4.75
4	42-Rural Development	139.55	7.67	28.06	20.39
5	52-Forest, Ecology, Environment and Wild Life	57.91	0.01	7.54	7.53
Total		**1935.75**	**56.08**	**93.19**	**37.11**
	Capital (Voted)				
6	33-Youth Resources and Sports	71.78	28.17	29.56	1.39
7	35-Medical, Public Health and Family Welfare	44.03	21.97	29.78	7.81
8	68-Police Engineering Project	115.00	65.38	70.00	4.62
9	77-Development of Under Developed Areas	144.33	60.94	100.23	39.29
Total		**375.14**	**176.46**	**229.57**	**53.11**
Grand Total		**2310.89**	**232.54**	**322.76**	**90.22**

Appendix 2.9

(Reference Paragraph 2.3.11; Page 61)

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

(Rupees in crore)

Sl. No.	Grant No.	Name of grant/appropriation	Saving
	Revenue (Voted)		
1	21	Relief of Distress Caused by Natural Calamities	8.62
2	41	Labour	0.05
3	66	Sericulture	0.71
4	82	New and Renewable Energy	2.06
Total			**11.44**
Capital (Voted)			
5	22	Civil Supplies	0.23
6	29	Stationary & Printing	1.00
7	41	Labour	0.17
8	57	Housing Loans	0.06
9	66	Sericulture	0.06
Total			**1.52**
Grand Total			**12.96**

Appendix 2.10

(Reference Paragraph 2.3.11; Page 61)

Details of saving of ₹ 2 crore and above not surrendered

(Rupees in crore)

Sl. No.	Number and Name of Grants/Appropriation	Saving	Surrender	Saving which remained to be surrendered
1	2	3	4	5
	Revenue (Charged)			
1	75-Servicing of Debt	42.38	10.71	31.67
Capital (Voted)				
2	34-Art and Culture and Gazetteers Unit	5.10	1.17	3.93
3	36 - Urban Development	117.71	53.35	64.36
4	53 – Industries	7.11	1.30	5.81
5	55 – Power	56.18	45.09	11.09
6	58-Roads and Bridges	270.67	209.47	61.20
7	62 – Civil Administration Works	6.34	0.05	6.29
	Total	**505.49**	**321.14**	**184.35**

Appendix 2.11

(Reference Paragraph 2.3.11; Page 61)

Cases of surrender of funds in excess of ₹ 10 crore on 30 and 31 March 2013

(Rupees in crore)

Sl. No.	Grant No.	Major Head	Amount of Surrender	Total Provision	%age of Total Provision
1	2	3	4	5	6
		Revenue (Voted)			
1	11	2515-Other Rural Development Programme	54.75	71.37	76.71
2	28	2055-Police	27.62	874.74	3.16
3	31	2202-General Education	27.16	746.88	3.64
4	32	2202-General Education	23.40	51.20	45.70
5	37	2217-Urban Development	18.28	19.34	94.52
6	42	2505-Rural Employment	20.00	40.00	50.00
7	43	2236-Nutrition	22.90	75.57	30.30
8	59	2702-Minor Irrigation	37.23	164.22	22.67
		Capital (Voted)			
9	27	4059 – Capital Outlay on Public Works	392.24	469.07	83.62
10	31	4202-Capital Outlay on Education, Sports, Art and Culture	10.77	37.49	28.73
11	33	4202-Capital Outlay on Education, Sports, Art and Culture	23.43	61.09	38.35
12	35	4210-Capital Outlay on Medical and Public Health	27.78	42.03	66.10
13	36	Capital Outlay on Urban Development	53.35	178.26	29.93
14	55	4801-Capital Outlay on Power Projects	46.64	120.60	38.67
15	58	4552-Capital Outlay on North Eastern Areas	16.44	45.00	36.53
16	58	5054-Capital Outlay on Roads and Bridges	193.03	557.91	34.60
17	68	4055-Capital Outlay on Police	70.00	115.00	60.87
18	77	4575-Capital Outlay on other Special Areas Programmes	100.23	144.33	69.44
19	78	4202-Capital Outlay on Education, Sports, Art and Culture	26.66	30.09	88.60
		Revenue (Charged)			
20	75	2049-Interest Payment	10.71	493.02	2.17
Total			**1202.62**	**4337.21**	**27.73**

Appendix 2.12

(Reference: Paragraph 2.3.12; Page 61)

Rush of Expenditure

(Rupees in crore)

Sl. No	Grant Number and Name	Major Head	Expenditure incurred during Jan-March 2013	Expenditure incurred in March 2013	Total Expenditure	%age of total expenditure incurred during	
						Jan-Mar	Mar
						2013	2013
1	1-STATE LEGISLATURE	4059	20.00	0.00	20.00	100.00	0.00
2	3-COUNCIL OF MINISTERS	2552	0.76	0.00	0.76	100.00	0.00
3	4-ADMINISTRATION OF JUSTICE	4216	4.78	2.47	4.96	96.37	49.80
4	5-ELECTION	2015	16.77	1.11	21.32	78.66	5.21
5	7-STATE EXCISE	4059	1.50	1.42	1.50	100.00	94.66
6	8-SALES TAX	4216	5.38	0.00	5.38	100.00	0.00
7	9-TAXES ON VEHICLES	4059	7.80	1.13	7.80	100.00	14.49
8	11-DISTRICT ADMINISTRATION & SPECIAL WELFARE SCHEMES	2515	16.62	0.00	16.62	100.00	0.00
9	12-TREASURY AND ACCOUNTS ADMINISTRATION	2030	0.62	0.62	0.72	86.11	86.11
		4059	3.20	3.20	3.20	100.00	100.00
		4216	0.80	0.80	0.80	100.00	100.00
10	13-VILLAGE GUARDS	4055	2.00	1.77	2.00	100.00	88.50
11	14-JAILS	4059	3.44	0.00	3.44	100.00	0.00
12	16-STATE GUEST HOUSE	2070	9.27	6.73	10.02	92.51	67.17
13	18-PENSIONS AND OTHER RETIREMENT BENEFITS	2071	164.49	54.88	677.03	24.30	8.11
14	19-RAJYA SAINIK BOARD	2235	1.45	1.09	2.70	53.70	40.37
15	24-SMALL SAVINGS	2047	0.04	0.04	0.04	100.00	100.00
16	25-LAND RECORDS AND SURVEY	4059	1.83	1.83	1.83	100.00	100.00
17	26-CIVIL SECRETARIAT	3451	14.21	10.38	20.73	68.54	50.07
18	27-PLANNING MACHINERY	2552	5.48	2.83	7.65	71.63	36.99
		2575	19.47	10.38	30.27	64.32	34.29
		3451	39.44	34.48	78.91	49.98	43.70
		4059	25.31	26.44	76.83	32.94	34.41
19	28-CIVIL POLICE	2055	272.92	106.55	849.33	32.13	12.55
20	30-ADMINISTRATIVE TRAINING INSTITUTE	2070	3.33	2.50	4.75	70.11	52.63
21	31-SCHOOL EDUCATION	2202	204.48	110.57	723.17	28.28	15.29
22	32-HIGHER EDUCATION	2552	2.76	0.00	3.31	83.38	0.00
		4202	11.25	9.91	11.25	100.00	88.09
23	33-YOUTH RESOURCES AND SPORTS	2204	13.60	7.12	28.11	48.38	25.33
		4202	36.07	30.93	37.66	95.78	82.13
		4552	5.05	3.45	5.94	85.02	58.08
24	34-ART AND CULTURE AND GAZETTEERS UNIT	3454	0.47	0.00	0.72	65.27	0.00
		4202	1.40	1.33	2.66	52.63	50.00

25	35-MEDICAL, PUBLIC HEALTH AND FAMILY WELFARE	2210	69.13	43.38	248.83	27.78	17.43
		2211	13.41	7.68	22.59	59.36	34.00
		4552	1.31	0.00	1.39	94.24	0.00
26	36-URBAN DEVELOPMENT	4217	27.19	25.19	60.55	44.90	41.60
27	37-MUNICIPAL ADMINISTRATION	2217	0.61	0.24	1.06	57.55	22.64
		4217	7.00	0.27	7.00	100.00	3.86
28	38-INFORMATION AND PUBLIC RELATIONS	2220	10.40	6.19	23.40	44.44	26.45
		4220	1.08	0.99	1.08	100.00	91.67
29	39-TOURISM	5452	1.52	1.42	1.52	100.00	93.42
30	40-EMPLOYMENT AND TRAINING	4250	2.51	2.51	2.51	100.00	100.00
31	41-LABOUR	2230	4.76	4.14	9.19	51.80	45.05
		4250	1.33	1.33	1.33	100.00	100.00
32	42-RURAL DEVELOPMENT	2216	2.02	0.00	2.02	100.00	0.00
		2501	0.37	0.37	0.37	100.00	100.00
		2505	40.00	20.00	40.00	100.00	50.00
		2515	39.52	34.24	57.85	68.31	59.19
		2575	31.64	0.00	31.64	100.00	0.00
		4515	0.66	0.66	1.33	50.00	50.00
33	43-SOCIAL SECURITY AND WELFARE	2235	47.05	31.90	88.48	53.18	36.05
		2236	25.29	16.51	52.70	47.99	31.33
34	44-EVALUATION UNIT	4216	2.78	0.00	2.78	100.00	0.00
35	45-CO-OPERATION	2425	10.28	4.84	20.04	51.30	24.15
		4425	8.44	8.44	8.44	100.00	100.00
		6425	1.82	0.00	1.82	100.00	0.00
36	46-STATISTICS	3454	10.35	6.85	26.21	39.49	26.14
		5475	2.34	1.22	3.14	74.52	38.85
37	47-LEGAL METROLOGY AND CONSUMER PROTECTION	3475	5.92	4.73	10.62	55.74	44.54
38	48-AGRICULTURE	2401	60.58	51.06	156.05	38.82	32.72
		2552	1.58	0.00	1.58	100.00	0.00
		4401	11.80	11.35	15.80	74.68	71.84
		4408	5.66	4.93	5.76	98.26	85.59
39	49-SOIL AND WATER CONSERVATION	2402	19.30	13.02	39.18	49.26	33.23
		4402	0.27	0.27	0.27	100.00	100.00
40	50-ANIMAL HUSBANDRY AND DAIRY DEVELOPMENT	2403	34.94	30.76	68.34	51.13	45.01
		2404	4.08	3.14	4.32	94.44	72.69
		2415	2.09	0.21	2.62	79.77	8.02
		4059	5.31	5.31	5.31	100.00	100.00
41	51-FISHERIES	2405	19.51	14.07	27.53	70.87	51.11
		2552	3.71	2.67	6.17	60.13	43.27
		4405	1.00	0.79	1.00	100.00	79.00
42	52-FOREST, ECOLOGY, ENVIRONMENT AND WILD LIFE	2406	31.94	9.80	57.61	55.44	17.01
		2415	0.29	0.10	0.29	100.00	34.48
		4406	36.43	19.80	42.00	86.74	47.14

43	53-INDUSTRIES	2851	20.37	16.18	60.10	33.89	26.92
		4860	13.77	8.19	26.60	51.77	30.79
44	54-MINERAL DEVELOPMENT	4853	3.84	3.87	6.59	58.27	58.73
45	55-POWER	2801	148.08	117.12	341.78	43.33	34.27
		4552	1.78	1.78	1.78	100.00	100.00
		4801	75.98	35.80	80.62	94.24	44.41
46	56-ROAD TRANSPORT	3055	11.94	5.32	42.55	28.06	12.50
		5055	9.75	4.51	16.35	59.63	27.58
47	57-HOUSING LOANS	7610	0.15	0.00	0.15	100.00	0.00
48	58-ROADS AND BRIDGES	3054	126.98	15.11	168.51	75.35	8.97
		5054	188.53	113.09	329.81	57.16	34.29
49	59-IRRIGATION AND FLOOD CONTROL	2702	80.01	76.90	127.81	62.60	60.17
		4702	1.33	1.33	1.33	100.00	100.00
50	60-WATER SUPPLY	2215	14.57	11.57	48.55	30.01	23.83
		4215	32.80	16.36	39.39	83.27	41.53
51	62-CIVIL ADMINISTRATION WORKS	4216	28.11	29.77	49.96	56.27	59.59
52	64-HOUSING	2059	11.95	6.16	47.85	24.97	12.87
		2216	6.42	3.11	12.25	52.41	25.39
		2552	2.22	0.00	2.22	100.00	0.00
		4059	14.17	1.33	22.55	62.84	5.90
		4216	42.40	8.45	46.10	91.97	18.33
53	65-SCERT	2202	15.03	13.64	24.95	60.24	54.67
		4202	0.90	0.00	0.90	100.00	0.00
54	66-SERICULTURE	2851	7.23	5.52	14.21	50.88	38.85
		4851	0.45	0.45	0.45	100.00	100.00
55	67-HOME GUARDS	2552	0.85	0.85	1.63	52.15	52.15
		4059	1.90	1.55	1.90	100.00	81.58
56	68-POLICE ENGINEERING PROJECT	4055	26.85	25.59	49.62	54.11	51.58
57	69-FIRE SERVICE	4059	2.07	2.07	2.07	100.00	100.00
58	70-HORTICULTURE	2415	0.52	0.12	0.82	63.41	14.63
		2552	0.55	0.07	0.55	100.00	12.73
		4401	1.50	1.28	1.50	100.00	85.33
59	72-LAND RESOURCE DEVELOPMENT	2501	11.12	10.94	13.99	79.48	78.20
		4406	1.21	0.70	1.21	100.00	57.85
60	73-STATE INSTITUTE OF RURAL DEVELOPMENT	2575	3.00	3.00	3.30	90.91	90.91
61	74-MECHANICAL ENGINEERING	5054	6.05	1.63	8.67	69.78	18.80
62	75-SERVICING OF DEBT	2049	374.19	265.25	450.64	83.04	58.86
		6003	2427.88	344.37	4801.47	50.57	7.17
		6004	20.42	0.93	21.97	92.94	4.23
63	76-WOMEN WELFARE	2235	6.85	5.51	9.08	75.44	60.68
		4235	5.50	4.87	5.50	100.00	88.55

64	77-DEVELOPMENT OF UNDER DEVELOPED AREAS	4575	36.40	17.04	83.39	43.65	20.43
65	79-BORDER AFFAIRS	2053	1.96	1.49	2.47	79.35	60.32
		4216	1.63	0.64	1.63	100.00	39.26
		5054	0.44	0.00	0.44	100.00	0.00
66	81-INFORMATION TECHNOLOGY AND COMMUNICATION	3425	3.31	2.93	4.58	72.27	63.97
67	82-NEW AND RENEWABLE ENERGY	2810	1.87	1.31	3.49	53.58	37.54
		4810	3.93	2.57	3.93	100.00	65.39

Appendix 2.13

(Reference: Paragraph 2.4.1; Page 62)

Pending DCC bills for the year up to 2012-13

(Rupees in crore)

Sl. No.	Department	Number of AC bills	Amount
1	Administration of Justice	10	1.33
2	Animal Husbandry & Dairy Development	1	2.81
3	Civil Police	18	90.24
4	Civil Secretariat	49	19.50
5	Election	11	23.59
6	General Administration	5	1.00
7	Home Guards	3	8.38
8	Road Transport	3	4.27
9	SCERT	10	1.06
10	Tourism	7	4.99
11	Youth Resources & Sports	4	0.99
12	Others	34	2.10
	Total	**155**	**160.26**

Appendix – 3.1

(Reference: Paragraph 3.1 Page 65)

Utilisation certificates outstanding as on 31 March, 2013

(Rupees in lakh)

Sl. No.	Department	Year of Payment of grant	Total grants paid		Utilization Certificates			
					Received		Outstanding	
			Number	Amount	Number	Amount	Number	Amount
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
I	Urban Development	2008-09	21	3745.06	20	3450.65	1	294.41
		2009-10	7	1273.71	7	1273.71	0	0.00
		2010-11	19	6386.58	17	6157.36	2	229.22
		2011-12	8	3016.87	0	0.00	8	3016.87
		4	12	6884.74	6	2508.66	6	4376.08
		Total	**67**	**21306.96**	**50**	**13390.38**	**17**	**7916.58**
II	Agriculture	2008-09	0	0.00	0	0.00	0	0.00
		2009-10	0	0.00	0	0.00	0	0.00
		2010-11	22	300.00	20	256.63	2	43.37
		2011-12	NA	NA	NA	NA	NA	NA
		2012-13	NA	NA	NA	NA	NA	NA
		Total	**22**	**300.00**	**20**	**256.63**	**2**	**43.37**
III	PHED	2008-09	6	5327.15	6	5327.15	0	0.00
		2009-10	3	2662.23	3	2662.23	0	0.00
		2010-11	5	7838.17	4	7795.93	1	42.24
		2011-12	8	8950.87	7	8803.95	1	146.92
		2012-13	NA	NA	NA	NA	NA	NA
		Total	**22**	**24778.42**	**20**	**24589.26**	**2**	**189.16**
IV	Nagaland State Transport	2008-09	02	600.00	01	200.00	01	400.00
		2009-10	04	1356.61	03	976.61	01	380.00
		2010-11	01	200.00	0	0.00	01	200.00
		2011-12	01	300.00	0	0.00	01	300.00
		2012-13	02	764.58	00	0.00	02	764.58
		Total	**10**	**3221.19**	**04**	**1176.61**	**06**	**2044.58**
V	Planning and Co-Ordination	2008-09	30	9707.10	30	9707.10	0	0.00
		2009-10	37	12025.75	34	11501.75	03	524.00
		2010-11	48	14950.34	40	12536.22	08	2414.12
		2011-12	76	22344.43	30	12628.28	46	9716.15
		2012-13	NA	NA	NA	NA	NA	NA
		Total	**191**	**59027.62**	**134**	**46373.35**	**57**	**12654.27**
VI	Rural Development	2008-09	89	33396.25	83	33136.58	6	259.67
		2009-10	88	63635.58	37	61152.67	51	2482.91
		2010-11	52	2526.00	52	2526.00	0	0.00
		2011-12	NA	NA	NA	NA	NA	NA
		2012-13	NA	NA	NA	NA	NA	NA
		Total	**229**	**99557.83**	**172**	**96815.25**	**57**	**2742.58**
Grand Total			**541**	**208192.02**	**400**	**182601.48**	**141**	**25590.54**

Appendix - 3.2

(Reference: Paragraph 3.2; Page 66)

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

Sr. No.	Name of the body/authority	Year for which accounts had not been received	Grants received (Rupees in lakh)
1	District Rural Development Agency, Tuensang	2011-12 to 2012-13	NA
2	District Rural Development Agency, Mon	2010-11 to 2012-13	NA
3	District Rural Development Agency, Kohima	2009-10 to 2012-13	NA
4	District Rural Development Agency, Wokha	2012-13	NA
5	District Rural Development Agency, Longleng	2011-12 to 2012-13	NA
6	District Rural Development Agency, Peren	2010-11 to 2012-13	NA
7	District Rural Development Agency, Kiphire	2011-12 to 2012-13	NA
8	District Rural Development Agency, Dimapur	2011-12 to 2012-13	NA
9	District Rural Development Agency, Zunheboto	2010-11 to 2012-13	NA
10	District Rural Development Agency, Mokokchung	2011-12 to 2012-13	NA
11	District Rural Development Agency, Phek	2011-12 to 2012-13	NA
12	Nagaland State Legal Service Authority, Kohima	2011-12 to 2012-13	NA
13	Kohima Municipal Council, Kohima	2012-13	NA
14	Nagaland Board of Secondary Education, Kohima	2012-13	NA
15	Mokokchung Municipal Council, Mokokchung	2008-09 to 2012-13	NA

Appendix – 3.3

(Reference: Paragraph 3.4.; Page 67)

Summarised Financial Statement of Departmentally Managed Commercial Undertakings

Sl. No	Name of the Undertaking	Period of accounts
1	2	3
1	Nagaland State Transport Department	2010-11 to 2012-13
2	Nagaland Power Department	2010-11 to 2012-13
3	Farms Under Agriculture Department	
	i) Potato Seed Farm, Kuthur	1999-00 to 2012-13
	ii) Medium size seed farm, Merapani	2001-02 to 2012-13
	iii) Seed Farm, Tizit	2000-01 to 2012-13
4	Changki Valley Fruit Preservation Factory	2006-07 to 2012-13
5	Timber Treatment and Seasoning Plant, Dimapur	1998-99 to 2012-13
6	Government Cottage Industries Emporia, Kohima	1998-99 to 2012-13
7	Farms under Veterinary and Animal Husbandry Department	
	i) Cattle Breeding Farm, Medziiphema	1998-99 to 2012-13
	ii) Cattle Breeding farm, Tuensang	1998-99 to 2012-13
	iii) Cattle Breeding Farm, Aliba	1998-99 to 2012-13
	iv) Chick Rearing Centre (with Hatchery Unit), Mokokchung	1998-99 to 2012-13
	v) Chick Rearing Centre (with Hatchery Unit), Dimapur	1998-99 to 2012-13
	vi) Chick Rearing Centre, Tuensang	1985-86 to 2012-13
	vii) Chick Rearing Centre, Medziiphema	1985-86 to 2012-13
	viii) Pig Breeding Centre, Medziiphema	1997-98 to 2012-13
	ix) Pig Breeding Centre, Tizit	1997-98 to 2012-13
	x) Pig Breeding Centre, Tuensang	1985-86 to 2012-13
	xi) Pig Breeding Centre, Tuli	1980-81 to 2012-13
	xii) Regional Rabbit Breeding Farm, Jharnapani	1998-99 to 2012-13
	xiii) Pig Breeding Centre, Merangkong	1998-99 to 2012-13
	xiv) Chick Rearing Centre, Kohima	1998-99 to 2012-13
	xv) Pig Breeding Centre, Sathuja	1998-99 to 2012-13
	xvi) Cattle Breeding farm, Baghty	1998-99 to 2012-13
	xvii) Sheep Farm, Poilwa	1998-99 to 2012-13
	xviii) Buffalo Farm, Jalukie	1998-99 to 2012-13
8	Farm under Horticulture Department	
	Regional Progeny Orchard, Longnak	1987-88 to 2012-13

Appendix – 3.4

(Reference: Paragraph 3.6; Page 69)

Department wise/duration wise break-up of the cases of misappropriation, defalcation, etc. (Cases where final action was pending at the end of March 2013)

Sl. No.	Name of the Department	Up to 5 years	5 to 10 years	10 to 15 years	15 to 20 years	Total No. of Cases.
1	Dimapur Municipal Council	1	-	-	-	1
2	School Education	1	-	1	-	2
3	Treasuries & Accounts	-	1	-	-	1
4	Transport Commissioner	2	-	-	-	2
5	PWD (R&B)	3	-	-	-	3
6	DUDA	1	-	-	-	1
7	Industries & Commerce	1	-	-	-	1
8	Rural Development	1	-	-	-	1
9	Village Guard	1	-	-	-	1
10	Health & Family Welfare	2	-	-	-	2
TOTAL		**13**	**1**	**1**	**-**	**15**

Appendix - 3.5

(Reference : Paragraph 3.6 ; Page 69)

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
Dimapur Municipal Council			1	22.00			1	22.00
School Education			2	08.05			2	08.05
Treasuries & Accounts				0.00	1	460.88	1	460.88
Transport Commissioner			2	1305.06			2	1305.06
PWD (R&B)			3	2136.94			3	2136.94
DUDA			1	50.00			1	50.00
Industries & Commerce			1	2536.69			1	2536.69
Rural Development			1	154.33			1	154.33
Village Guard			1	10.26			1	10.26
Health & Family Welfare			2	64.55			2	64.55
Total	**-**	**-**	**14**	**6287.88**	**1**	**460.88**	**15**	**6748.76**