

**State Finances Audit Report of the  
Comptroller and Auditor General of India  
for the year ended 31 March 2019**



लोकहितार्थं सत्यनिष्ठा  
Dedicated to Truth in Public Interest



**GOVERNMENT OF NAGALAND**  
*Report No. 1 of the year 2020*



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## ***Preface***

1. This Report has been prepared for submission to the Governor of Nagaland under Article 151 (2) of the Constitution for being laid before the Legislature of the State.
2. This Report has three chapters. Chapters I and II of this Report contain audit findings on matters arising from examination of Finance Accounts and Appropriation Accounts respectively, of the State Government for the year ended 31 March 2019.
3. Chapter III on 'Financial Reporting' provides an overview and status of the State Government's compliance with various financial rules, procedures and directives relating to Financial Reporting during the current year.



# **EXECUTIVE SUMMARY**



## EXECUTIVE SUMMARY

### **The Report**

*This report provides an analysis of the finances of the State Government, based on the Audited Accounts of the Government of Nagaland for the year ended March 2019. The Report has three Chapters.*

***Chapter I** is based on the Finance Accounts and makes an assessment of the State's fiscal position as on 31 March 2019. It presents and analyses the State Government's resources and their application.*

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

***Chapter III** gives an overview and status of the State Government's compliance with various financial rules, procedures and directives during 2018-19.*

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

### **Audit findings:**

#### **Analysis of Finances of the State Government (Chapter I)**

- ❖ *State's Own Resources (Own Tax and Non-Tax Resources) were a meager 10 per cent or less, of the total Revenue Receipts, in last five years.*  

**(Paragraph 1.4.1)**
- ❖ *The State registered Revenue Surplus of ₹ 517.43 crore during 2018-19 but recorded Fiscal Deficit (₹ 1082.32 crore) which was 4.06 per cent of GSDP and thus exceeded 3 per cent norms fixed by NFRBM Act and 3.25 per cent by XIV FC.*  

**(Paragraph 1.3)**
- ❖ *Capital Expenditure (₹ 1595.56 crore) increased by 25.16 per cent. Its ratio to Total Expenditure stood at 12.74 per cent which was less than the combined average (15.69 per cent) of Special Category States.*  

**(Paragraph 1.4.1 & 1.8.5.1)**
- ❖ *Under National Pension System, the Government failed to transfer ₹ 62.01 crore to the NSDL and, incorrectly used the Funds that belong to its employees and created uncertainty in respect of benefits due to the employees, and, thus leading to possible failure of the Scheme itself.*  

**(Paragraph 1.8.2.1)**
- ❖ *Revenue Expenditure accounted for 87.22 per cent of the State's Aggregate Expenditure, leaving only 12.78 per cent for Capital Expenditure for investment in Infrastructure and Asset creation.*  

**(Paragraph 1.8.1)**
- ❖ *The overall Development Expenditure of the State decreased by 3.44 per cent in respect of Total Expenditure as compared to previous year.*  

**(Paragraph 1.8.6)**

- ❖ *Investments (₹ 294.17 crore) in Statutory Corporations, Government Companies, Joint Stock Companies and Co-operatives yielded return just 0.22 per cent while Government paid 7.14 per cent on its borrowings.*

**(Paragraph 1.8.7.2)**

- ❖ *Accumulated losses in five working Government Companies had completely eroded their paid-up capital.*

**(Paragraph 1.8.7.2)**

### **Financial Management and Budgetary Control (Chapter II)**

- ❖ *During the year, there was an overall Saving of ₹ 5311.78 crore only, of which 99.81 per cent was Surrendered (₹ 5301.53 crore).*

**(Paragraph 2.2)**

- ❖ *In 27 cases ₹ 5287.64 crore were Surrendered on the last two working days of March 2019 indicating inadequate financial control. In 116 Sub-heads, the Surrenders amounted to more than 50 per cent of the Provisions.*

**(Paragraph 2.3.8 & 2.3.10)**

- ❖ *Excess Expenditure over the allocations amounting to ₹ 723.69 crore pertaining to the years 2012-13 to 2017-18 was not regularised till December 2019.*

**(Paragraph 2.3.4)**

### **Financial Reporting (Chapter III)**

- ❖ *Utilisation Certificates were not submitted in 187 cases involving ₹ 760.72 crore since the last one to eight years.*

**(Paragraph 3.1)**

- ❖ *Detailed Contingent (DC) Bills were not submitted for an amount of ₹ 526.77 crore drawn on 291 Abstract Contingent (AC) Bills by various Departments. Non-adjustment of AC Bills for long periods was fraught with the risk of embezzlement/misappropriation of funds.*

**(Paragraph 3.2)**

- ❖ *An amount of ₹ 44.75 crore was lying in Civil Deposits at the end of the year. Paying interest at higher rates on borrowings while keeping amounts in Civil Deposits which did not bear any interest showed poor cash and financial management.*

**(Paragraph 3.4)**

- ❖ *There were delays in submission of 143 Annual Accounts in respect of 22 Autonomous Bodies/Authorities and Commercial Undertakings. The non-submission/delay in submission of Annual Accounts dilutes accountability and also defeats the very purpose of preparation of Accounts.*

**(Paragraph 3.6, 3.7 & 3.8)**

- ❖ *As on 31 March 2019, 36 cases of misappropriation, defalcation etc., involving ₹ 215.89 crore were pending for final action by 18 Departments.*

**(Paragraph 3.12)**

# **CHAPTER-I**

## **FINANCES OF THE STATE GOVERNMENT**





# Chapter I

## Finances of the State Government

### 1.1 Profile of Nagaland

Nagaland is a Special Category State<sup>1</sup>. It is the fourth smallest State in terms of geographical area (16,597 sq km) as well as by population. As per 2011 census, the State's population is 19,78,502. General data relating to the State is given in **Appendix 1.1 Part D**. The State has four regional disparities districts out of 11 districts viz, Tuensang, Mon, Kiphire and Longleng.

### 1.2 Gross State Domestic Product

Gross State Domestic Product (GSDP) is the market value of all officially recognised final goods and services produced within the State in a given period of time. The growth of GSDP of the State is an important indicator of the State's economy as it indicates the standard of living of the people of the State. The Advance Estimates of GSDP for 2018-19 amounted to ₹ 26,637 crore. The growth rate of the State GDP for the period 2014-19 compared with India's GDP is presented in **Table 1.1** below:

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

Year	2014-15	2015-16	2016-17	2017-18	2018-19
Gross State Domestic Product (₹ in crore)	18,401	19,524	21,722	24,281	26,637*
Growth rate of GSDP (per cent)	10.77	6.10	11.26	11.78	9.70
India's GDP (₹ in crore)	1,24,67,959	1,37,71,874	1,53,62,386	1,70,95,005	190,10,164
Growth rate of GDP (per cent)	10.99	10.40	10.82	9.97	13.34

Source: Central Statistical Office (CSO), Ministry of Statistics and Programme Implementation as on Feb 2020.

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

### 1.3 State FRBM/Fiscal Correction Path - Summary

#### 1.3.1 Nagaland Fiscal Responsibility and Budget Management Act, 2005

Twelfth Finance Commission (XII FC) (2005-10) recommended that each State should enact a fiscal responsibility legislation prescribing specific annual targets with a view to eliminating the Revenue Deficit by 2008-09 and reducing Fiscal Deficit based on a path for reduction of Borrowings and Guarantees. The State of Nagaland enacted the Nagaland Fiscal Responsibility and Budget Management (NFRBM) Act in 2005. The position of targets prescribed in NFRBM Act and projections made by the State Government in its Medium-Term Fiscal Policy (MTFP) Statement, XIV FC targets for the State *vis-à-vis* achievements during the year 2018-19 are depicted in **Table 1.2**:

<sup>1</sup> The Fifth Finance Commission accorded (1969) special status to three states on the basis of harsh terrain, backwardness and special problems prevailing in these states viz, Assam, Jammu & Kashmir and Nagaland. The number of such states increased.

**Table 1.2: Major Fiscal variables provided in XIV FC recommendations, targets in the NFRBM Act vis-à-vis actuals for the year 2018-19**

Fiscal parameters	2018-19			
	Projections as per			Actuals
	XIV FC	NFRBM	MTFP Statement	
Revenue Surplus (+)/ Deficit (-) (₹ in crore)	Maintain Revenue Surplus			517.43
Fiscal Deficit/ GSDP (in per cent)	3.25	3.00	3.24	4.06
Debt/ GSDP (in per cent)	38.73	*	39.05	43.74

Source: XIV FC Report, NFRBM and Finance Accounts. \* Not prescribed.

The Fiscal Deficit (₹ 1082.32 crore) stood at 4.06 per cent of GSDP during the current year. The Fiscal Deficit was not within the ceiling of 3.25 per cent prescribed for 2018-19 by the XIV FC and target of three per cent under Fiscal Responsibility and Budget Management (FRBM) Act.

The State registered a Revenue Surplus of ₹ 517.43 crore during 2018-19 as stated in FRBM Act and MTFP.

During 2018-19, the ratio of total outstanding Debt to GSDP (43.74 per cent) was more than the projected figures as per XIV FC (38.73 per cent) and MTFPS (39.05 per cent).

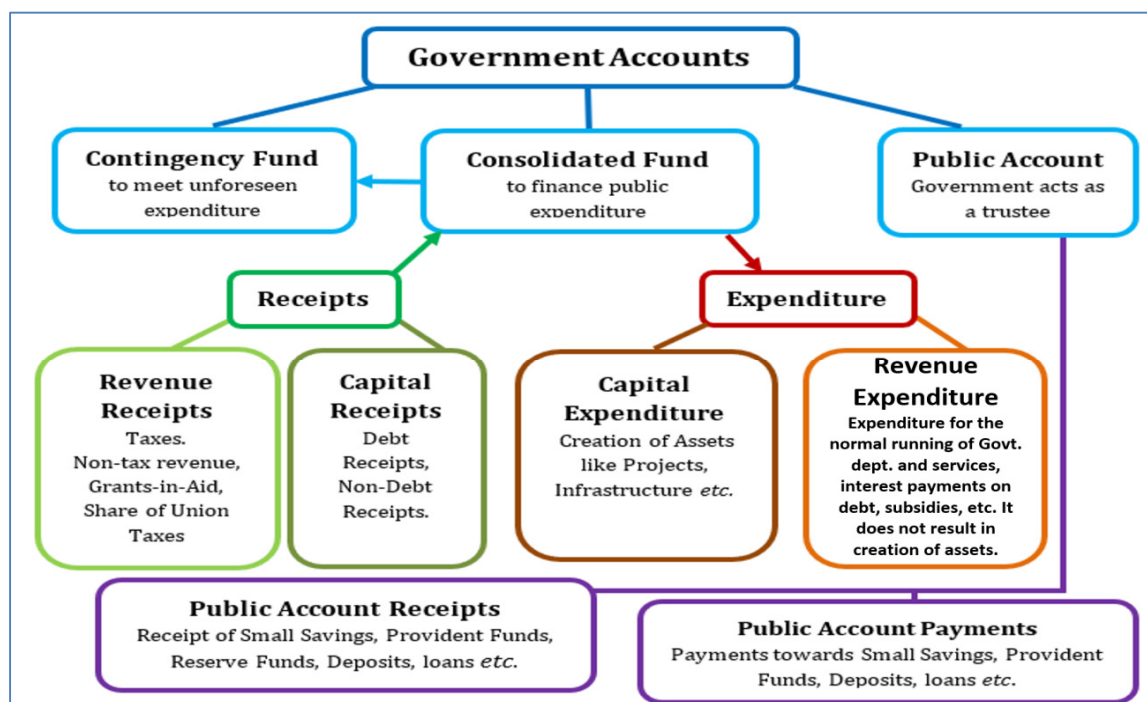
#### 1.4 Analysis of Finances of State Government

This report provides an analysis of the finances of the State Government, based on the audited accounts of the Government of Nagaland for the year ended March 2019.

This chapter provides a broad perspective of the finances of the Government of Nagaland in 2018-19. It analyses important changes in the major fiscal indicators 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, Methodology Adopted for the Assessment of Fiscal Position have been explained in the **Chart 1.1** below and in **Appendix 1.1 – Parts A, B and C**.

The Government Accounts are maintained in three parts for maintaining the records of all sorts of financial transactions viz Consolidated Fund, Contingency Fund and Public Account. Consolidated Fund of the State includes Revenue Receipts and Expenditure, Capital Receipts and Disbursement and Debts, Loans and Advances. The Contingency Fund of the State is in the nature of an imprest. The fund is placed at the disposal of the Governor to enable him to pay advances out of this Fund for meeting unforeseen expenditure pending authorisation of such expenditure by the State Legislature, under appropriation made by law. The Fund is financed from time to time by such sums as may be determined by the Act of the Legislature establishing it. Receipts and Disbursement in respect of certain transactions such as Small Savings, Provident fund, Reserve funds, Deposits, Suspense, Remittances, etc. which do not form part of the Consolidated Fund are kept in the Public Account set up under Article 266 (2) of the Constitution of India and are not subject to vote by the State Legislature.

Chart 1.1



#### 1.4.1 Summary of Fiscal Transactions in 2018-19

Table 1.3 presents the summary of the State Government's fiscal transactions during the current year (2018-19) *vis-à-vis* the previous year (2017-18) while Appendix 1.3 provides details of receipts and disbursements as well as overall fiscal position during the same period.

Table 1.3: Summary of Fiscal Transaction in 2018-19

(₹ in crore)

Receipts			Disbursements		
<b>Section-A: Revenue</b>			<b>Section-A: Revenue</b>		
Description	2017-18	2018-19	Description	2017-18	2018-19
<b>Revenue Receipts</b>	<b>11019.21</b>	<b>11437.41</b>	<b>Revenue Expenditure</b>	<b>10191.35</b>	<b>10919.98</b>
Tax Revenue	638.28	846.43	General Services	4319.41	5018.11
Non-Tax Revenue	388.53	255.24	Social Services	2558.56	3158.59
Share of Union Taxes/ Duties	3353.13	3792.41	Economic Services	3313.38	2743.28
Grants from Government of India	6639.27	6543.33	Grants-in-Aid and Contributions	0.00	0.00
<b>Section-B: Capital</b>			<b>Section-B: Capital</b>		
Misc. Capital Receipts	0.00	0.00	Capital Outlay	<b>1274.85</b>	<b>1595.56</b>
Recoveries of Loans and Advances	1.09	1.08	Loans and Advances Disbursed	0.19	5.27
Public Debt Receipts*	1235.02	947.84	Repayment of Public Debt*	546.01	636.89
Contingency Fund	0.00	0.00	Contingency Fund	0.00	0.00
Public Account Receipts	3319.54	4114.23	Public Account Disbursements	3124.67	3184.11
Opening Cash Balance	1260.39	1698.18	Closing Cash Balance	1698.18	1856.93
<b>Total</b>	<b>16835.25</b>	<b>18198.74</b>	<b>Total</b>	<b>16835.25</b>	<b>18198.74</b>

Source: Finance Accounts for the respective years. \*Net of WMA/Overdraft

Significant changes in fiscal position of the State during 2018-19 over the previous year are given below:

- The Revenue Receipt increased by 3.80 *per cent* mainly due to increase of Tax Revenue (32.61 *per cent*) and Central Tax transfer (13.10 *per cent*) offset by decrease in Non-Tax Revenue (34.31 *per cent*) and GIA (1.44 *per cent*).
- The State's Own Resources continued to stagnate. During the year, State's Own Resources of ₹ 1101.67 crore (Own Tax and Non-Tax Resources) were a meagre 10 *per cent* of the total Revenue Receipts of the State. However, Government of Nagaland generated a revenue surplus of ₹ 517.43 crore during 2018-19.
- Revenue Expenditure increased by 7.15 *per cent* mainly due to increase in expenditure in General Service and Social Service.
- Capital Expenditure increased by 25.16 *per cent* mainly due to increase in expenditure on General Service (Police) and Economic Service.
- Recoveries of Loan & Advances decreased by 0.92 *per cent*. Disbursement of Loan & Advances increased by ₹ 5.08 crore (2673.68 *per cent*).
- Public debt receipts decreased by 23.25 *per cent*, as the State resorted to less market borrowing (₹ 943.86 crore in 2018-19 as against ₹ 1234.69 crore in 2017-18). The Repayment of Public Debt increased from ₹ 546.01 crore in 2017-18 to ₹ 636.89 crore in 2018-19 (16.65 *per cent*).
- Public Account Receipts (net) increased by ₹ 735.25 crore (377.30 *per cent*) from ₹ 194.87 crore in 2017-18 to ₹ 930.12 crore in 2018-19 mainly due to increase in Small Savings PF, etc. (₹ 555.10 crore) and Deposit and Advances (₹ 211.94 crore).

The total inflow increased<sup>2</sup> by ₹ 925.70 crore (5.94 *per cent*) from ₹ 15574.86 crore in 2017-18 to ₹ 16500.56 crore in 2018-19 largely due to increase in Public Account Receipts (₹ 794.69 crore). The total outflow also increased by ₹1204.74 crore (7.96 *per cent*) from ₹15137.07 crore in 2017-18 to ₹ 16341.81 crore in 2018-19.

## **1.5 Budget Estimates and Actuals**

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

**Table 1.4** represents the Budget Estimates and Actuals for some important Fiscal Parameters during 2018-19.

<sup>2</sup>	<b>2017-18</b>	<b>2018-19</b>
Total Receipts	16835.25	18198.74
Less: OB	1260.39	1698.18
<b>Actual receipt</b>	<b>15574.86</b>	<b>16500.56</b>

**Table1.4: Variation in Actual Fiscal parameters vis a vis Estimates**

(₹ in crore)

Parameters	2017-18	2018-19				
	Actuals	Budget Estimates	Revised Estimates	Actuals	Per cent of gap w.r.t 2017-18	Per cent of gap w.r.t Revised
Own Tax Revenue	638.28	640.56	711.05	846.43	32.61	19.04
Non-Tax Revenue	388.53*	347.45	347.10	255.24	(-) 34.31	(-) 26.46
Revenue Receipts	11019.21*	12586.73	11975.02	11437.41	3.8	(-) 4.49
Non-Debt Capital Receipts	1.09	2.91	1.51	1.08	(-) 0.92	(-) 28.48
Revenue Expenditure	10191.35*	12112.83	11449.14	10919.98	7.15	(-) 4.62
Interest Payments	677.75	835.55	780.09	771.74	13.87	(-) 1.07
Capital Expenditure	1274.85	1341.09	1860.75	1595.56	25.16	(-) 14.25
Disbursement of Loans & Advances	0.19	0.40	0.40	5.27	2673.68	1217.5
Revenue Deficit (-)/Surplus (+)	827.86	473.90	525.88	517.43	(-) 37.5	(-) 1.61
Fiscal Deficit (-)/Surplus (+)	(-)446.09	(-)864.68	(-)1333.76	(-)1082.32	(-) 142.62	(-) 18.85
Primary Deficit(-)/Surplus (+)	231.66	(-)29.13	(-)553.67	(-)310.58	(-) 234.07	(-) 43.91

Source: Finance Accounts of respective year.

\*Figure of 2017-18 was net of State Lotteries receipt in RR & NTR; and RE excluding expenditure of State Lotteries.

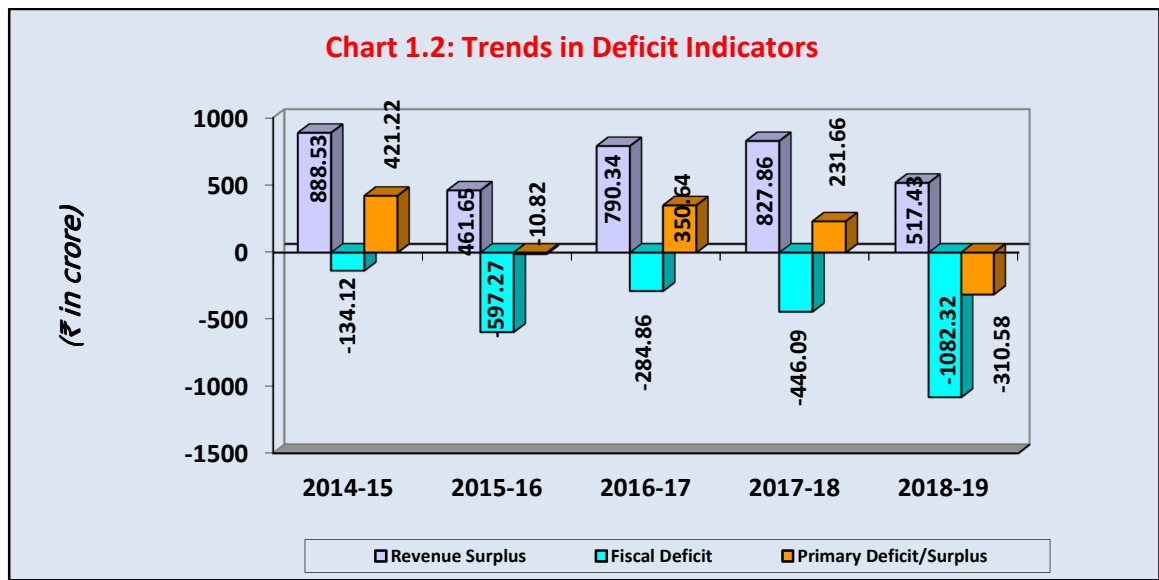
Gap between Revised Estimates and Actual under Non-Tax Revenue are about 26 per cent due to less revenue received in Education, Sports, Art and Culture.

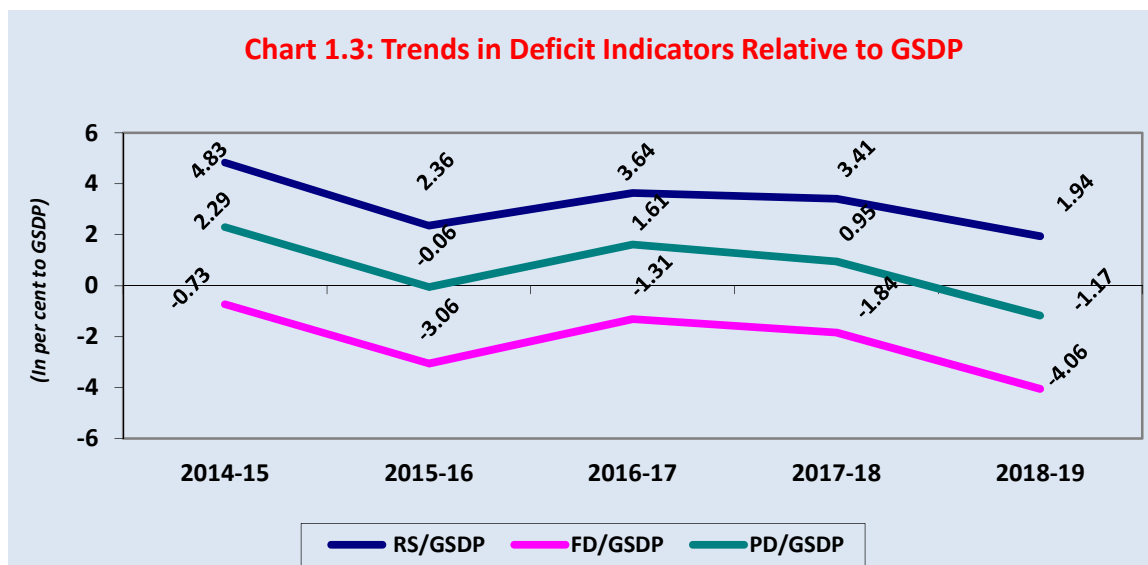
## 1.6 Fiscal Imbalances

Three key fiscal parameters - Revenue, Fiscal and Primary Deficits/Surplus - indicate the extent of overall fiscal imbalances in the finances of the State Government during a specified period. The deficit/surplus in the Government accounts represents the gap between its Receipts and Expenditure.

### 1.6.1 Trends in Deficits

Charts 1.2 and 1.3 present the trends in deficit indicators over the period 2014-15 to 2018-19:





### Revenue Surplus

The State continued to have Revenue Surplus during all five years, *i.e.* from 2014-15 to 2018-19. The Revenue Surplus during 2018-19 was ₹ 517.43 crore. Revenue Surplus decreased during the current year by ₹ 310.43 crore as compared to the previous year mainly on account of increase in Revenue Expenditure by ₹ 728.63 crore (7.15 per cent).

### Fiscal Deficit

Fiscal Deficit increased to ₹ 1082.32 crore in 2018-19 from the level of ₹ 446.09 crore in 2017-18. This was due to combination of following factors *viz.*, (i) decrease in Revenue Surplus (₹ 310.43 crore), (ii) increase of ₹ 320.71 crore in Capital Expenditure and disbursement of Loan and Advances (₹ 5.08 crore) during 2018-19 over the previous year.

### Primary Surplus

The Primary Surplus decreased by ₹ 542.24 crore (234.07 per cent) and turned into Primary Deficit in 2018-19. This was due to increase in Fiscal Deficit (₹ 636.23 crore) and increase in Interest Payment (₹ 93.99 crore) during the current year.

## 1.6.2 Composition of Fiscal Deficit and its Financing Patterns

The financing pattern of the Fiscal Deficit has undergone a compositional shift as reflected in **Table 1.5**:

**Table 1.5: Components of Fiscal Deficit and its Financing Pattern**

		(₹ in crore)				
	Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
<b>Components of Fiscal Deficit (-)</b>		<b>(-)134.12</b>	<b>(-)597.27</b>	<b>(-)284.86</b>	<b>(-)446.09</b>	<b>(-)1082.32</b>
		<b>(0.73)</b>	<b>(3.06)</b>	<b>(1.31)</b>	<b>(1.84)</b>	<b>(4.06)</b>
1	Revenue Deficit (-)/ Surplus (+)	888.53	461.65	790.34	827.86	517.43
2	Net Capital Expenditure	(-)1023.17	(-)1059.23	(-)1076.10	(-)1274.85	(-)1595.56
3	Net Loans and Advances	0.52	0.31	0.90	0.90	(-) 4.19
<b>Financing Pattern of Fiscal Deficit</b>						
1	Market Borrowings	(-)452.04	(-)597.73	(-)442.38	(-)765.95	(-) 355.04
2	Loans from GOI	16.31	21.55	21.28	21.39	17.74
3	Special Securities Issued to National Small Savings Fund	(-)11.12	(-)26.47	12.28	12.66	12.82
4	Loans from Financial Institutions	338.06	(-)237.92	29.48	42.90	13.54
5	Small Savings, PF, etc.	(-)55.35	(-)11.76	(-)29.09	(-)61.54	(-)616.63



	Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
6	Deposits and Advances	607.76	75.08	7.69	123.76	(-)88.19
7	Suspense and Miscellaneous	63.07	(-)152.76	77.30	101.05	111.06
8	Remittances	(-)277.53	(-)73.96	(-)32.00	(-)32.45	(-)2.10
9	Increase (-) /Decrease (+) in Cash Balances	(-)363.28	406.70	70.58	112.09	(-)175.52

*Figures in brackets indicate the per cent to GSDP.*

*Source: Finance Accounts of respective years*

Fiscal Deficit is the total borrowing of the State and is the excess of Revenue Expenditure and Capital Expenditure including Loans and Advances over Revenue and Non-Debt Receipts. Decomposition of Fiscal Deficit reveals the extent of various borrowings resorted to by the State to meet its requirement of funds over and above Revenue and Non-Debt Receipts.

Fiscal deficits during the five year period ending 2018-19, peaked at ₹ 1082.32 crore during 2018-19.

During 2018-19, fiscal deficit was primarily financed by small savings, provident funds, etc. (₹ 616.63 crore), market borrowings (net) (₹ 355.04 crore), suspense and miscellaneous (₹ 111.06 crore), deposits and advances (₹ 88.19 crore) and cash balances (₹ 175.52 crore).

The increase in net capital outlay during the year indicated that borrowed funds were being utilised for productive uses more than in previous year. The Government should continue this trend as the solution to the Government debt problem lies in the productive application of borrowed funds. This would either provide returns directly or result in increased productivity of the economy. It may also result in increase in government revenue in future, making debt payments more manageable.

### 1.6.3 Quality of Deficit/Surplus

The ratio of Revenue Deficit (Surplus) to Fiscal Deficit (Surplus) indicates the quality of deficit in the State's finances. The ratio of Revenue Deficit/Surplus to Fiscal Deficit indicates the extent to which borrowed funds were used for current consumption. Further, persistently high ratio of Revenue Deficit to Fiscal Deficit also indicates that the asset base of the State was continuously shrinking and Borrowings (Fiscal liabilities) were not supported by any asset backup. The ratio of Revenue Deficit/Surplus to Fiscal Deficit oscillates (**Paragraph 1.6.2**) between 0.47<sup>3</sup> (2018-19) to 6.62 (2014-15) during 2014-19.

## 1.7 Resources of the State

### 1.7.1 Resources of the State as per Annual Finance Accounts

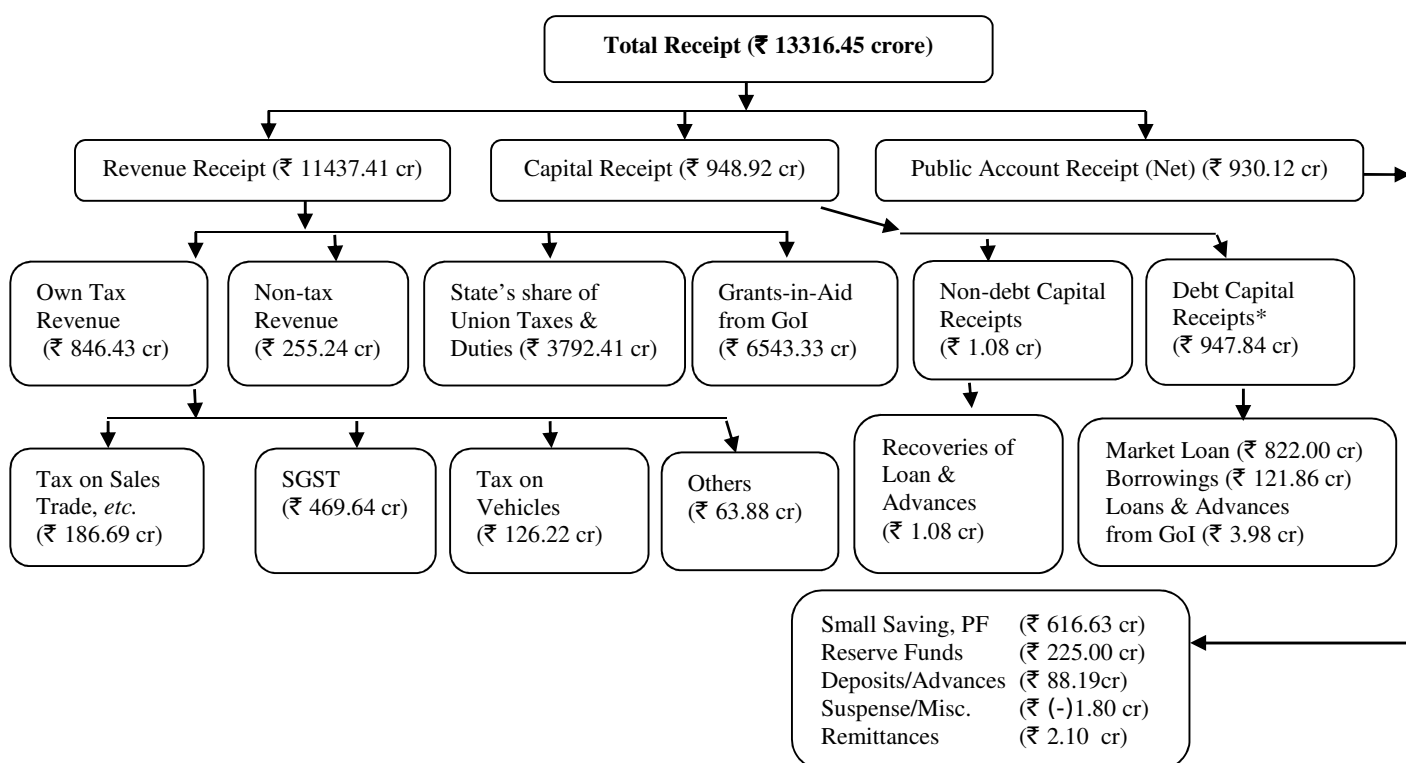
Revenue and Capital are the two streams of receipts that constitute the resources of the State Government. Revenue Receipts consist of own tax revenue, non-tax revenue, State's share of Union Taxes and Duties and Grants-in-Aid (GIA) from the Government of India. Capital Receipts comprise miscellaneous capital receipts (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

<sup>3</sup> 2018-19:Revenue Surplus/Fiscal Deficit=517.43/1082.32=0.47; 2014-15:Revenue Surplus/Fiscal Deficit = 888.53/134.12=6.62.

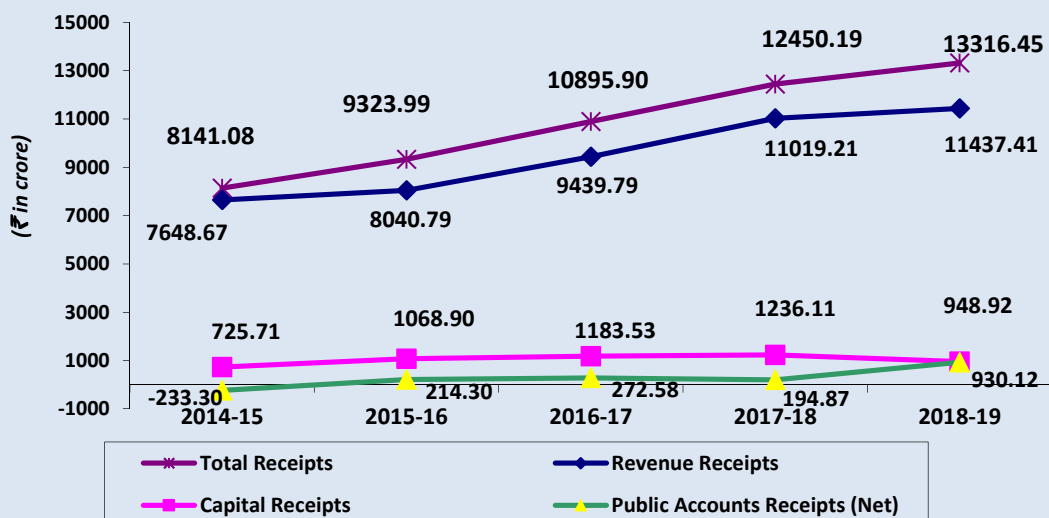
Government of India. Besides, the funds available in the Public Accounts after disbursement is also utilised by the Government to finance its deficit.

**Chart 1.4** below depicts the composition of the receipts during 2018-19. **Chart 1.5** depicts the trends in various components of the receipts of the State during 2014-19. **Table 1.6** presents the trends in growth during 2018-19 and composition of receipts for the current year 2018-19.

**Chart 1.4**



**Chart 1.5: Trends in Receipts**



Note: Total Receipts included Revenue Receipt + Capital Receipt + Public Accounts Receipts (Net).  
Net Public Accounts Receipts is Public Accounts Receipts – Public Accounts Disbursement (4114.23-3184.11).



Table 1.6: Composition of Receipts

(₹ in crore)

	Sources of State receipts	2014-15	2015-16	2016-17	2017-18	2018-19
<b>I</b>	<b>Revenue Receipts</b>	<b>7648.67</b>	<b>8040.79</b>	<b>9439.79</b>	<b>11019.21*</b>	<b>11437.41</b>
	Tax Revenue	388.61	427.10	510.75	638.28	846.43
	Non-Tax Revenue	268.34	253.61	343.03	388.53*	255.24
	State's share of Union Taxes and Duties	1062.68	2540.72	3032.63	3353.13	3792.41
	Grants-in-Aid from GoI	5929.04	4819.36	5553.38	6639.27	6543.33
<b>II</b>	<b>Capital Receipts (CR)</b>	<b>725.71</b>	<b>1068.90</b>	<b>1183.53</b>	<b>1236.11</b>	<b>948.92</b>
	Recovery of Loans and Advances	0.71	0.50	1.09	1.09	1.08
	Public Debt Receipts	725.00	1068.40	1182.44	1235.02	947.84
<b>III</b>	<b>Public Account Receipts (Net)</b>	<b>(-)233.30</b>	<b>214.30</b>	<b>272.58</b>	<b>194.87</b>	<b>930.12</b>
	Receipt	2661.92	3226.12	2933.99	3319.54	4114.23
	Disbursement	2895.22	3011.82	2661.41	3124.67	3184.11
	<b>Total Receipts</b>	<b>8141.08</b>	<b>9323.99</b>	<b>10895.90</b>	<b>12450.19</b>	<b>13316.45</b>

Source: Finance Accounts of respective years) \*Figure of 2017-18 is net of State Lotteries receipt in RR & NTR.

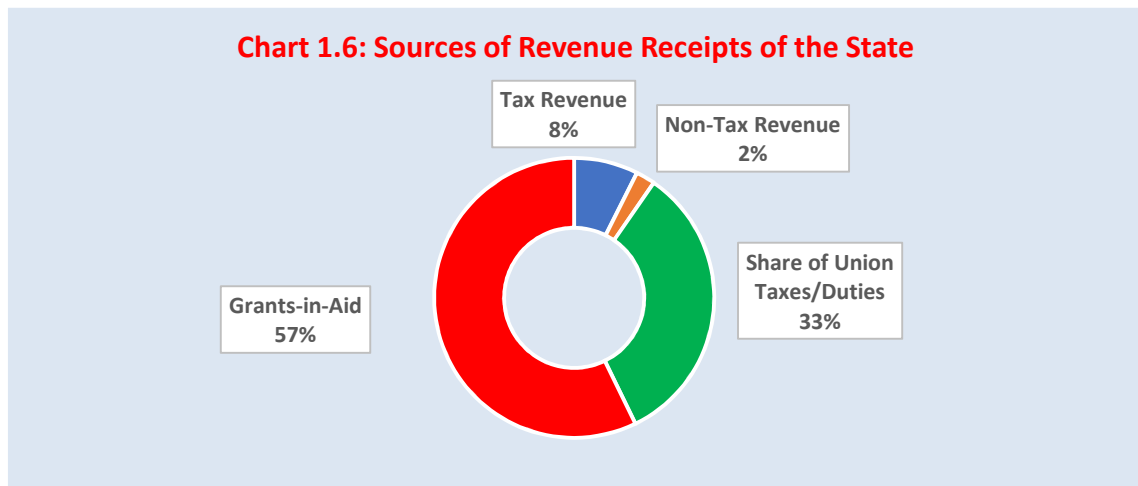
The total receipts for the year 2018-19 was ₹ 13316.45 crore, of which ₹ 11437.41 crore (85.89 per cent) came from Revenue Receipts.

The Revenue Receipts of the State increased by ₹ 418.20 crore (3.80 per cent) from ₹ 11019.21 crore in 2017-18 to ₹ 11437.41 crore in 2018-19 at an annual growth rate of 3.80 per cent. This increase was due to increase in Tax Revenue (₹ 208.15 crore) and State's share of Union Taxes and Duties (₹ 439.28 crore) offset by decrease in Non-Tax Revenue (₹ 133.29 crore) and GIA (₹ 95.94 crore).

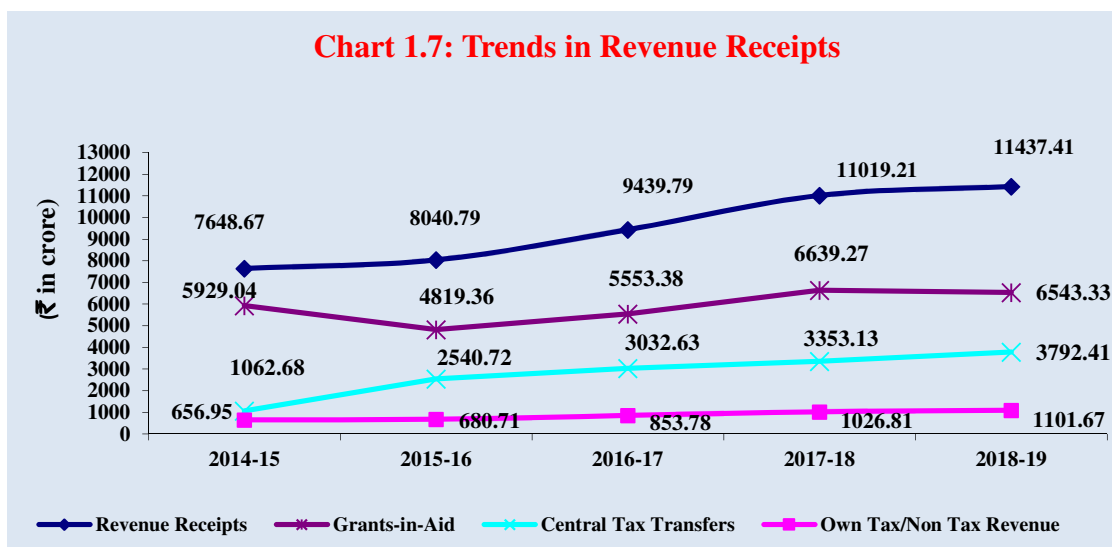
Capital Receipts of the State decreased by ₹ 287.19 crore (23.23 per cent) from ₹ 1236.11 crore in 2017-18 to ₹ 948.92 crore in 2018-19. The decrease was primarily due to less market borrowing.

Public Account Receipts (net) increased by ₹ 735.25 crore (377.30 per cent) from ₹ 194.87 crore in 2017-18 to ₹ 930.12 crore in 2018-19 mainly due to increase in Small Savings PF, etc. (₹ 555.10 crore) and Deposit and Advances (₹ 211.94 crore).

### 1.7.2 Revenue Receipts



The trends and composition of Revenue Receipts over the period 2014-19 are presented in **Appendix 1.2** and depicted in **Chart 1.7**:



Revenue Receipts have shown a progressive increase with inter-year variations and changes in composition, *i.e.*, the share of Own Taxes Revenue, Non-Tax Revenue and Central Transfers, during the period 2014-19.

The Revenue Receipts of the State increased from ₹ 7648.67 crore in 2014-15 to ₹ 11437.41 crore in 2018-19, at a compound annual growth rate of 10.58 *per cent*. While 9.63 *per cent* of the Revenue Receipts during 2018-19 have come from the State's Own Resources comprising Own Taxes and Non-Taxes, Central Tax Transfers and GIA together contributed 90.37 *per cent*. The percentage share of State's Own Resources and the Central Transfers in Revenue Receipts of the State remained static during the last five years (2014-19).

Central Tax transfers to the State increased by ₹ 439.28 crore (13.10 *per cent*) from ₹ 3353.13 crore in 2017-18 to ₹ 3792.41 crore in 2018-19. This was due to implementation of GST (CGST & IGST) (₹ 624.33 crore) and increase in Corporation Tax (₹ 291.72 crore), Tax on Income other than Corporation Tax (₹ 103.90 crore), Other Taxes on Income and Expenditure (₹ 6.87 crore), Tax on Wealth (₹ 0.51 crore) and Other Tax and Duties (₹ 1.96 crore) offset by decrease in Customs (₹ 69.67 crore), Union Excise Duties (₹ 175.24 crore), Service Tax (₹ 345.10 crore).

The trends in Revenue Receipts as well as Buoyancy Ratios<sup>4</sup> relative to GSDP are presented in **Table 1.7**:

**Table 1.7: Trends in Revenue Receipts and Buoyancy Ratios relative to GSDP**

	2014-15	2015-16	2016-17	2017-18	2018-19
<b>Revenue Receipts (RR) (₹ in crore)</b>	<b>7648.67</b>	<b>8040.79</b>	<b>9439.79</b>	<b>11019.21</b>	<b>11437.41</b>
Rate of growth of RR ( <i>per cent</i> )	17.75	5.13	17.40	16.73	3.80
Rate of growth of Own Tax ( <i>per cent</i> )	16.56	9.90	19.59	24.97	32.61
RR/GSDP ( <i>per cent</i> )	41.57	41.18	43.46	45.38	42.94

<sup>4</sup> Buoyancy Ratio indicates the elasticity or degree of responsiveness of a fiscal variable with respect to a given change in the base variable as explained in Appendix 1.1 Part C.

	2014-15	2015-16	2016-17	2017-18	2018-19
<b>Buoyancy Ratios</b>					
Revenue receipts Buoyancy w.r.t GSDP <sup>5</sup>	1.65	0.84	1.55	1.42	0.39
State's Own Tax Buoyancy w.r.t GSDP <sup>6</sup>	1.54	1.62	1.74	2.12	3.36

Source: Finance Accounts of respective years.

During the year 2018-19, the growth rate of Revenue Receipt was 3.80 per cent, the lowest in the last five years.

The Revenue Receipts buoyancy with respect to GSDP was 1.42 in 2017-18 which decreased to 0.39 in 2018-19 mainly due to decrease in growth rate of Revenue Receipts. The State's Own Tax Buoyancy with respect to GSDP was 2.12 in 2017-18 which increased to 3.36 in 2018-19, due to increase in rate of growth of Own Tax.

### 1.7.2.1 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 trends of State's Own Resources for the last five years are given in **Table 1.8:**

**Table 1.8: State's Own Resources for 2014-19**

	2014-15	2015-16	2016-17	2017-18	2018-19
Tax Revenue	388.61	427.10	510.75	638.28	846.43
Non-Tax Revenue	268.34	253.61	343.03	388.53	255.24
<b>State's Own Resources</b>	<b>656.95</b>	<b>680.71</b>	<b>853.78</b>	<b>1026.81</b>	<b>1101.67</b>

(₹ in crore)

The State actual Tax and Non-Tax Receipts for the year 2018-19 vis-à-vis assessment made by XIV FC and MTFPS are given in **Table 1.9:**

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

	XIV FC Projections	Budget Estimates	MTFPS Projection	Actuals
Own Tax Revenue	1001.00	640.56	640.56	846.43
Non-Tax Revenue	339.00	347.45	NA	255.24

(₹ in crore)

Actual Non-Tax Revenue realised was lower than the estimates made by the Government (26.54 per cent) and by the XIV FC (24.71 per cent) due to less cost recovery collection by Education, Sports, Art and Culture Departments. The Revenue Surplus registered by the State was due to receipt of Revenue Deficit Grant of ₹ 3945.00 crore from the Government of India and not owing to its Own Tax mobilisation efforts. The State Government should strive to improving its Tax mobilisation resources in keeping with XIV FC projections.

<sup>5</sup> Revenue receipts Buoyancy w.r.t GSDP=Growth rate of RR/Growth rate of GSDP\*(3.8/9.70=0.39)

<sup>6</sup> State's Own Tax Buoyancy w.r.t GSDP= Growth rate of Own/ Growth rate of GSDP\*(32.4/9.70=3.36)

### 1.7.2.2 Tax Revenue

The gross collection in respect of Major Taxes and Duties are given in **Table 1.10**:

**Table 1.10: Collection of Tax Revenue 2014-19**

(₹ in crore)

Heads	2014-15	2015-16	2016-17	2017-18	2018-19		Percentage of Increase(+)/ Decrease(-) over previous year
					Budget Estimates	Actual	
Goods and Services Tax	0.00	0.00	0.00	187.57	250.00	469.64	150.38
Taxes on Sales, Trade, etc	294.29	328.58	400.12	287.55	225.00	186.69	(-)35.08
State Excise	4.70	5.12	4.63	4.20	5.10	4.65	10.71
Taxes on Vehicles	46.46	53.09	57.39	101.53	105.00	126.22	24.32
Stamps and Registration Fees	1.93	2.04	2.05	2.62	2.40	2.53	(-)3.44
Land Revenue	0.74	0.75	0.82	0.90	0.65	1.13	25.56
Taxes on Goods & Passengers	9.73	5.88	14.76	17.59	14.60	20.16	14.61
Other Taxes	30.76	31.64	30.98	36.32	37.81	35.41	(-)2.51
<b>Total</b>	<b>388.61</b>	<b>427.10</b>	<b>510.75</b>	<b>638.28</b>	<b>640.56</b>	<b>846.43</b>	<b>32.61</b>

Source: Finance Accounts of respective years

The major contributions to the State's Tax Revenue during the year were State Goods and Services Tax (SGST) (55.48 per cent), Tax on Sales, Trade, etc., (22.06 per cent), Taxes on Vehicles (14.91 per cent).

Growth rate in respect of Tax Revenue (₹ 208.15 crore) of Nagaland for the period 2017-18 to 2018-19 was 32.61 per cent as per details given in **Table 1.10**. It was 12.72 per cent for General Category States and 23.22 per cent for Special Category States. Therefore, the growth rate of Tax Revenue in Nagaland was better than that of General Category States as well as Special Category States. Tax Revenue-GSDP ratio for the State was 3.18 per cent during 2018-19 as compared to 6.69 per cent for the Special Category States.

### 1.7.2.3 Position of Protected Revenue to Actual Collection after Implementation of GST

The Nagaland Goods and Services Tax (GST) Act, 2017 was passed by the State Legislature in May 2017 and made effective from 01 July 2017 in the State. The Protected Revenue<sup>7</sup> of the State for the year 2018-19 in accordance with Section 6 of GST (Compensation to States) Act, 2017, was fixed at ₹ 379.43 crore<sup>8</sup>.

The actual revenue received by the State under Goods and Services Tax (SGST) was ₹ 656.33 crore including an amount of ₹ 373.19 crore on account of apportionment of Integrated Goods and Services Tax (IGST) and pre-GST arrear of VAT collection and other of ₹ 186.69 crore.

<sup>7</sup> The GST (Compensation to state) Act, 2017 provides that Union shall compensate the states for loss of revenue due to implementation of GST. Base year for calculating the compensation shall be the revenue collection of the State for 2015-16. Protected revenue is calculated/arrived at, by taking into consideration the revenue collection of base year plus 14 per cent increase for every following year.

<sup>8</sup> Ministry of Finance, GoI Office Memorandum No. S-31011/03/2014-SO(ST)-Pt-I dated 29 August 2017.

**Table 1.11: Details of SGST receipt of the Government of Nagaland including apportionment of IGST and pre-GST arrears of VAT during 2018-19***(₹ in crore)*

Sl. No	Components	Amount
1.	Protected Revenue of State for the year 2018-19	379.43
2.	State Goods and Services Tax (SGST)	
	(a) Tax	96.45
	(b) Apportionment of Taxes from IGST	331.41
	(c) Advance apportionment of Taxes from IGST	41.78
3.	VAT collection (Arrear pre-GST)	186.69
	<b>Total GST Collection</b>	<b>656.33</b>

*Source: Finance Accounts.*

Thus, the revenue collection of the Government of Nagaland was more than the protected revenue of the State during the period 2018-19. As such, the State Government did not receive any compensation from the Government of India during 2018-19 under Section 6 of GST (Compensation to States) Act, 2017.

With automation of the collection of Goods and Services Tax (GST) having taken place, it is essential for Audit to transition from sample checks to a comprehensive check of all transactions, to fulfil the CAG's Constitutional mandate of certifying the Accounts. The required access to data is yet to be provided. Not having access to the data pertaining to all GST transactions has come in the way of comprehensively auditing the GST receipt. The accounts for the year 2018-19 are, therefore, certified on the basis of test audit as was done when records were manually maintained, as a one-time exception.

#### 1.7.2.4 Non-Tax Revenue

Non-Tax revenue comprises receipts from services rendered and supplies made by various departments of Government and interest receipts. Non-Tax Revenue constituted 2.23 per cent of the total Revenue Receipts during the year. The gross collection of Non-Tax Revenue is given in **Table 1.12**:

**Table 1.12: Collection of Non-Tax Revenue 2014-19***(₹ in crore)*

Revenue Head	2014-15	2015-16	2016-17	2017-18	2018-19	Percentage Increase(+)/ Decrease(-) over previous year
Interest Receipts	7.23	5.19	6.73	6.97	12.06	73.03
Dividends and Profits	0.00	4.94	0.00	0.00	0.66	100.00
Misc. General Services	13.08	13.43	13.64	16.10	24.15	50.00
Power	98.91	111.10	114.58	127.89	147.97	15.70
Education, Sports, Art and Culture	103.56	76.52	119.40	132.84	4.33	(-) 96.74
Other Non-Tax Receipts	45.56	42.43	88.68	104.73	66.07	(-) 36.91
<b>Total</b>	<b>268.34</b>	<b>253.61</b>	<b>343.03</b>	<b>388.53</b>	<b>255.24</b>	<b>(-)34.31</b>

*Source: Finance Accounts of respective years*

#### 1.7.3 Grants-in-Aid from Government of India

The break-up of Grants-in-Aid (GIA) received from Government of India during 2014-19 is given in the **Table 1.13**:

**Table 1.13: Grants-in-Aid from Government of India**

(₹ in crore)

	2014-15	2015-16	2016-17	2017-18	2018-19
Grants for State Development Schemes	2257.17	193.05	214.71	290.01	601.16
Non-Development Grants	2068.04	3310.43	3545.73	3976.63	4286.98
Grants for Central Development Schemes	80.93	18.41	26.84	25.92	170.43
Grants for Centrally Sponsored Development Schemes	1428.26	1203.85	1660.65	2224.45	1439.73
Grants for Special Schemes	94.64	93.62	105.45	122.26	45.03
<b>Total</b>	<b>5929.04</b>	<b>4819.36</b>	<b>5553.38</b>	<b>6639.27</b>	<b>6543.33</b>
Percentage of Increase (+)/Decrease (-) over previous year	(+)19.86	(-)18.72	15.23	19.55	(-)1.45

Source: Finance Accounts of respective years.

- The significant increase under Grants for Central Development Schemes was due to increase in funding by Government of India for implementation of Pradhan Mantri Gramin Sadak Yojana.
- The decrease in Centrally Sponsored Development Schemes was due to decrease in funding by Government of India in respect of 37 different schemes.
- The decrease in Grants for Special Schemes was due to decrease in funding by Government of India under North Eastern Council funds.

The details of devolution of taxes as well as grants for the last one year of XIII FC (2014-15) and first four years of XIV FC (2015-19) are given in **Table 1.14**:

**Table 1.14: Devolution of Taxes as well as Grants**

(₹ in crore)

	2014-15	2015-16	2016-17	2017-18	2018-19
1. State share of Union Taxes and Duties	1062.68	2540.72	3032.63	3353.13	3792.41
2. Grants-in-Aid from GoI	5929.04	4819.36	5553.38	6639.27	6543.33
<b>TOTAL: (1+2)</b>	<b>6991.72</b>	<b>7360.08</b>	<b>8586.01</b>	<b>9992.40</b>	<b>10335.74</b>
Revenue Receipts	7648.67	8040.79	9439.79	11019.21	11437.41
Per cent of devolution to Revenue Receipts	91.41	91.53	90.96	90.68	90.37
Per cent of State's Own Resources	8.59	8.47	9.04	9.32	9.63

Source: Finance Account of respective years.

#### 1.7.4 Grants under XIV Finance Commission

The details of release of funds to the State on the basis of recommendations of the XIV FC during the years (2017-19) and expenditure there against have been shown in **Table 1.15**:

**Table 1.15: XIV Finance Commission Grants**

(₹ in crore)

Year	2017-18		2018-19	
	Received	Expenditure	Received	Expenditure
Disaster Management	9.90	11.00*	9.90	11.00*
Revenue Deficit Grant	3700.00	3700.00	3945.00	3945.00
<b>Total</b>	<b>3709.90</b>	<b>3711.00</b>	<b>3954.90</b>	<b>3956.00</b>

Source: Finance Accounts of respective years.

\*Including 10 per cent of State's matching share



The details of Revenue Receipts and its components (pre and post XIV FC), net Public Debt and fiscal parameters are given in **Table 1.16**:

**Table 1.16: Revenue Receipts (its components), Net Public Debt and Fiscal Parameters (2015-19)**

Year	2015-16	2016-17	2017-18	2018-19
<b>Revenue Receipt</b>	<b>8040.79</b>	<b>9439.79</b>	<b>11019.21</b>	<b>11437.41</b>
Own Tax Revenue	427.10	510.75	638.28	846.43
Non-tax Revenue	253.61	343.03	388.53	255.24
Central Transfers	2540.72	3032.63	3353.13	3792.41
Grants-in-Aid from GoI	4819.36	5553.38	6639.27	6543.33
<i>FC Grant out of GIA</i>	<i>3203.00</i>	<i>3451.00</i>	<i>3700.00</i>	<i>3945.00</i>
Net Public Debt	840.59	379.32	689.01	310.95
Own Tax and Non-Tax Revenue as percentage of Revenue Receipt	8.47	9.04	9.32	9.63

(₹ in crore)

Source: Finance Accounts of respective years.

The State was hugely dependent on Central transfers and GIA.

### 1.7.5 Central Tax Transfers

The XIV FC had recommended that the States' share of central taxes may be increased to 42 per cent from 2015-16 onwards. Consequently, the State's share in the net proceeds of Central Taxes (excluding Service Tax) and net proceeds of Service Tax has been fixed at 0.498 per cent and 0.503 per cent of the net proceeds of Central Taxes and Service Tax respectively. The break-up of State's share of Union Taxes and Duties received during 2014-19 is given in **Table 1.17**:

**Table 1.17: Central Tax Transfers**

Head	2014-15	2015-16	2016-17	2017-18	2018-19
CGST/IGST	0.00	0.00	0.00	386.44	1010.77
Corporation Taxes	371.26	804.56	973.28	1027.20	1318.92
Taxes on Income other than Corporation Tax	265.11	564.00	676.44	867.42	971.32
Tax on Wealth	1.00	0.13	2.22	-0.03	0.48
Customs	171.94	405.10	418.66	338.50	268.83
Union Excise Duties	97.09	332.50	478.09	353.90	178.66
Service Tax	156.28	433.27	483.93	379.70	34.60
Other Taxes and Duties on Commodities and Services	0.00	1.16	0.01	0.00	1.96
Other taxes on Income and Expenditure	0.00	0.00	0.00	0.00	6.87
<b>Total</b>	<b>1062.68</b>	<b>2540.72</b>	<b>3032.63</b>	<b>3353.13</b>	<b>3792.41</b>
Central Tax Transfer to RR per cent	13.89	31.60	32.13	30.43	33.16

(₹ in crore)

Source: Finance Accounts of respective years.

Central Tax transfers during the year (₹ 3792.41 crore) were more than the assessment made in Budget Estimate (₹ 3777.86 crore) by ₹ 14.55 crore (0.39 per cent). State's share of Union Taxes and Duties increased by ₹ 439.28 crore (13.10 per cent) from ₹ 3353.13 crore in 2017-18 to ₹ 3792.41 crore in 2018-19 contributing 33.16 per cent of the total Revenue Receipts during 2018-19. This increase was mainly due to implementation of GST and collection of revenue from CGST/IGST.

### 1.7.6 Capital Receipts

The details of Capital Receipts for the period from 2014-15 to 2018-19 are given in Table 1.18:

**Table 1.18: Capital Receipts**

Source of State's Receipt	2014-15	2015-16	2016-17	2017-18	2018-19
<b>Capital Receipts (CR)</b>	<b>725.71</b>	<b>1068.90</b>	<b>1183.53</b>	<b>1236.11</b>	<b>948.92</b>
Recovery of Loans and Advances ( <i>₹ in crore</i> )	0.71	0.50	1.09	1.09	1.08
Public Debt Receipt ( <i>₹ in crore</i> )	725.00	1068.40	1182.44	1235.02	947.84
Rate of growth of Debt Capital Receipts ( <i>per cent</i> )	17.09	47.37	10.67	4.45	(-) 23.25
Rate of growth of Non-Debt Capital Receipts ( <i>per cent</i> )	(-)29.70	(-)29.58	118.00	0.00	(-)0.92
Rate of growth of CR ( <i>per cent</i> )	17.02	47.29	10.72	4.44	(-) 23.23
Debt Capital buoyancy w.r.t GSDP	1.59	7.77	0.95	0.38	(-)2.40
Non Debt Capital Buoyancy w.r.t GSDP	(-)2.76	(-)4.85	10.48	0.00	(-)0.09

Source: Finance Accounts of respective years.

Public Debt Receipts constituted 99.89 *per cent* of the Capital Receipts in 2018-19. The Capital Receipts had decreased by ₹ 287.19 crore, which was the result of less market borrowings.

#### 1.7.6.1 Proceeds from Disinvestment

During the financial year 2018-19, the Government of Nagaland did not resort to any Disinvestment.

#### 1.7.6.2 Recoveries of Loans and Advances

The State Government in its Medium Term Fiscal Policy Statement (MTFPS) for the year 2018-19 targeted recovery of Loans and Advances of ₹ 2.91 crore. During the year, the actual recovery was only ₹ 1.08 crore which was marginally less than last year (₹ 1.09 crore).

#### 1.7.6.3 Debt Receipts from Internal Sources (Market Loans, Borrowings from Financial Institutions, Banks)

Debt Receipts from internal sources decreased by ₹ 287.18 crore (23.25 *per cent*) from ₹ 1235.02 crore in 2017-18 to ₹ 947.84 crore in 2018-19. Debt Receipts from internal sources of ₹ 947.84 crore comprised of Market loans (₹ 822.00 crore), Loans from NABARD (₹ 20.00 crore), Loans from Government of India (₹ 3.98 crore), Loans from other Institutions (₹ 79.23 crore) and Loan from National Co-operative Development Corporation (₹ 22.63 crore).

### 1.7.7 Public Account Receipts

Receipts and disbursements in respect of certain transactions such as Small Savings, Provident Funds, Reserve Funds, Deposits, Suspense, Remittances, *etc.*, which do not form part of the Consolidated Fund are kept in the Public Account set up under Article 266 (2) of the Constitution and are not subject to vote by the State Legislature. Here, the Government acts as a banker.



**Table 1.19: Net transactions under Public Account**(*₹ in crore*)

Resources under various heads	2014-15	2015-16	2016-17	2017-18	2018-19
Small Savings, Provident Fund etc	55.35	11.76	29.10	61.53	616.63
Reserve Fund	41.01	200.67	225.00	225.00	225.00
Deposits and Advances	(-)607.76	(-)75.07	(-)7.69	(-)123.75	88.18
Suspense and Miscellaneous	0.56	2.98	(-)5.83	(-)0.36	(-)1.80
Remittances	277.54	73.96	32.00	32.45	2.10
<b>Total</b>	<b>(-)233.30</b>	<b>214.30</b>	<b>272.58</b>	<b>194.87</b>	<b>930.12</b>

Source: Finance Accounts of respective years.

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

The net receipts from Public Account increased by ₹ 735.25 crore (377.30 per cent) from ₹ 194.87 crore in 2017-18 to ₹ 930.12 crore in 2018-19. The increase was mainly due to increase under Provident Fund (₹ 555.10 crore) as the differential amount in increase of pay after implementation of 7<sup>th</sup> Pay Commission for State Government Employees was impounded in GPF accounts till February 2020. The increase in Deposits and Advances (₹ 88.18 crore) is mainly due to deposits of funds under Civil Deposit in the current year.

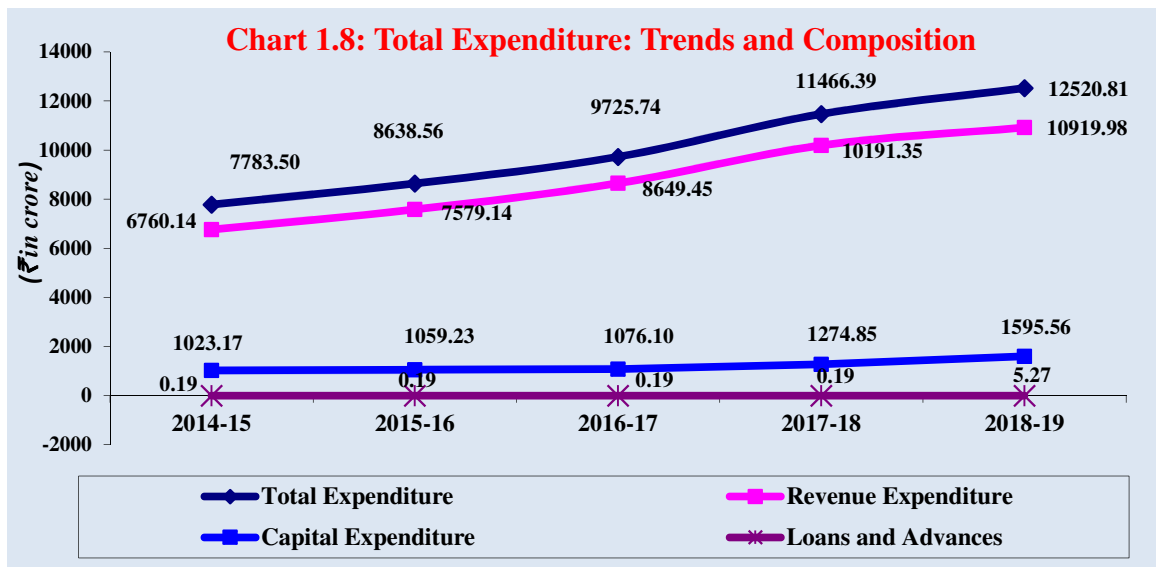
## 1.8 Application of Resources

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 directed towards development and social sectors.

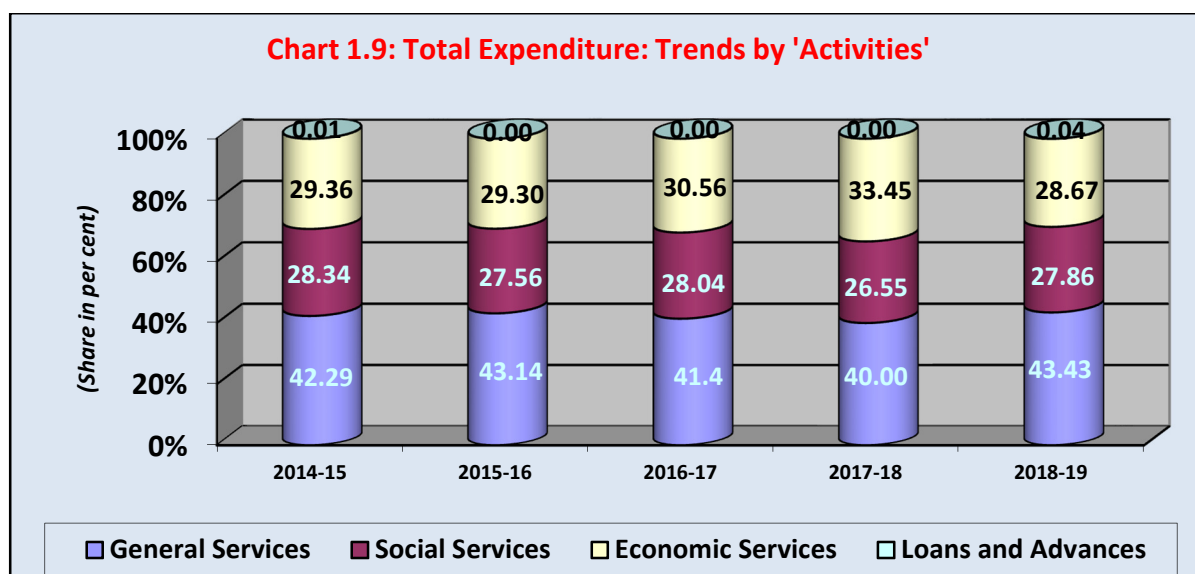
### 1.8.1 Growth and Composition of Expenditure

**Chart 1.8** presents the trends in Total Expenditure over a period of five years (2014-19) and its composition in terms of 'Expenditure by Activities' is depicted in **Charts 1.9**.



States raise resources to perform their sovereign functions, maintain their existing nature of delivery of Social and Economic Services and extend the network of these services through Capital Expenditure and Investments to discharge their debt service obligations.

Total Expenditure during 2018-19 (₹ 12520.81 crore) increased by 9.20 per cent over the previous year, and comprised of Revenue Expenditure of ₹ 10919.98 crore (87.22 per cent), Capital Expenditure ₹ 1595.56 crore (12.74 per cent) and Loans and Advances ₹ 5.27 crore (0.04 per cent).



### Buoyancy of Expenditure

Total Expenditure (TE), its annual growth rate, the ratio of expenditure to the GSDP and to Revenue Receipts (RR) and its buoyancy with respect to GSDP and Revenue Receipts are indicated in **Table 1.20**:

**Table 1.20: Total Expenditure-Basic Parameters**

	2014-15	2015-16	2016-17	2017-18	2018-19
Total Expenditure (TE) (₹ in crore)	7783.50	8638.56	9725.74	11466.39	12520.81 <sup>9</sup>
Growth rate of TE (per cent)	11.89	10.99	12.59	17.90	9.20
TE/GSDP ratio (per cent)	42.30	44.25	44.77	47.22	47.01
RR/TE (per cent)	98.27	93.08	97.06	96.10	91.35
<b>Buoyancy of total expenditure with reference to:</b>					
GSDP (ratio)	1.10	1.80	1.12	1.52	0.95*
Revenue Receipt (ratio)	0.67	2.14	0.72	1.07	2.42*

Source: Finance Accounts of respective years. \*Buoyancy of TE w.r.t GSDP=9.20/9.70=0.95, Buoyancy of TE w.r.t RR = 9.20/3.80=2.42.

During the current year, 91.35 per cent of Total Expenditure was met from Revenue Receipts and the remaining was met from Capital Receipts and borrowed funds.

In the context of State finances, the quality of expenditure has always been an important issue. During the current year, revenue expenditure, which is in the nature of current

<sup>9</sup> Total Expenditure = Revenue Expenditure + Capital Expenditure + Disbursement of Loan and Advances (During 2018-19 ₹ 12520.81 = ₹ 10919.98+₹ 1595.56+₹ 5.27)

consumption, accounted for around 87.22 *per cent* of the State's aggregate expenditure, leaving only 12.78 *per cent* for investment in infrastructure and asset creation.

General Services expenditure increased by 18.56 *per cent* from ₹ 4586.51 crore in 2017-18 to ₹ 5437.61 crore in 2018-19, Social Services expenditure increased by 14.59 *per cent* and Economic Services expenditure decreased by ₹ 245.99 crore (6.28 *per cent*).

### 1.8.2 Revenue Expenditure

Revenue Expenditure constituted 86.85 *per cent* to 88.93 *per cent* of the total expenditure of the State during 2014-19. The Revenue Expenditure, its rate of growth, the ratio of Revenue Expenditure to GSDP and to Revenue Receipts and its buoyancy are indicated in **Table 1.21**:

**Table 1.21: Revenue Expenditure-Basic Parameters**

	2014-15	2015-16	2016-17	2017-18	2018-19
Revenue Expenditure (RE), of which (₹ in crore)	6760.14	7579.14	8649.45	10191.35	10919.98
Non-Development Revenue Expenditure (NDRE) (₹ in crore)	5530.84 (81.82%)	6456.48 (85.19%)	6917.82 (79.98%)	7602.23 (74.59%)	8661.46 (79.32%)
Development Revenue Expenditure (DRE) (₹ in crore)	1229.30 (18.18%)	1122.66 (14.81%)	1731.63 (20.02%)	2589.12 (25.41%)	2258.52 (20.68%)
Rate of growth of RE ( <i>per cent</i> )	17.61	12.12	14.12	17.83	7.15
RE as percentage to TE	86.85	87.74	88.93	88.88	87.21
Buoyancy of RE with GSDP ( <i>ratio</i> )	1.64	1.99	1.25	1.51	0.74
Buoyancy of RE with RR ( <i>ratio</i> )	0.99	2.36	0.81	1.07	1.88

Source: Finance Accounts of respective years. Parenthesis shows percentage on Revenue Expenditure

Non-Development Revenue Expenditure increased from 75 *per cent* of revenue expenditure in 2017-18 to 79 *per cent* during the current year. It ranged between 75 to 85 *per cent* during the last five years, which indicates that the expenditure of the State was not managed efficiently.

Revenue Expenditure of the State increased by ₹ 4159.84 crore (61.53 *per cent*) during the last five years from ₹ 6760.14 crore in 2014 -15 to ₹ 10919.98 crore in 2018-19, at a compound annual growth rate of 12.74 *per cent*. During 2018-19, Revenue Expenditure increased by ₹ 728.63 crore (7.15 *per cent*) as compared to previous year mainly due to increase in Education, Sports, Art and Culture (₹ 325.07 crore), Pension and Miscellaneous General Services (₹ 289.73 crore), Administrative Services (₹ 267.73 crore), Social Welfare and Nutrition (₹ 175.01 crore), Interest payment and Servicing of Debt (₹ 93.99 crore), Health and Family Welfare (₹ 78.19 crore), General Economic Services (₹ 75.70 crore) and Agriculture and Allied Activities (₹ 68.03 crore) offset by decrease in Rural Development (₹ 734.67 crore).

#### 1.8.2.1 Committed Expenditure

The expenditure of the State Government on Revenue Account mainly consists of Interest payments, expenditure on Salaries and Wages and Pensions. **Table 1.22** presents the trends in the expenditure on these components during 2014-19.

**Table 1.22: Components of Committed Expenditure**

(₹ in crore)

	2014-15	2015-16	2016-17	2017-18	2018-19
Salaries & Wages, of which	3274.16	3688.50	3750.05	4155.72	4944.95
<i>Non-Development</i>	3165.57	3503.94	3635.51	3968.07	4769.13
<i>Development</i>	108.59	184.56	115.54	187.65	175.82
Interest Payment	555.34	586.45	635.50	677.75	771.74
Expenditure on Pension	905.15	1028.80	1093.47	1264.10	1552.79
<b>Total</b>	<b>4734.65</b>	<b>5303.75</b>	<b>5479.02</b>	<b>6097.57</b>	<b>7269.48</b>
<b>As per cent of Revenue Receipts</b>					
Salaries & Wages	42.81	45.87	39.73	37.72	43.23
Interest Payment	7.26	7.29	6.73	6.15	6.75
Expenditure on pension	11.83	12.79	11.58	11.47	13.58
<b>As per cent of GSDP</b>					
Salaries & Wages	17.79	18.89	17.26	17.12	18.56
Interest Payment	3.02	3.00	2.93	2.79	2.90
Expenditure on pension	4.92	5.27	5.03	5.21	5.83

Source: Finance Accounts of respective years

### A. Salaries & Wages

Expenditure on Salaries and Wages increased by 51.03 *per cent* from ₹ 3274.16 crore in 2014-15 to ₹ 4944.95 crore in 2018-19 at a compound annual growth rate of 10.86 *per cent*. 18.99 *per cent* increase over the previous year was mainly due to revision of salaries as per 7<sup>th</sup> Pay Commission, release of dearness allowances and incremental benefits. It may be seen that 43.23 *per cent* of the Revenue Receipts and 45.28 *per cent* of Revenue Expenditure went towards disbursement of Salary and Wages during the year 2018-19. The total number of Government employees was 123686 during 2018-19 which comprised of 6.25 *per cent* of the total population of the State.

### B. Pension Payment

The expenditure on Pension had increased by ₹ 288.69 crore (22.84 *per cent*) from ₹ 1264.10 crore in 2017-18 to ₹ 1552.79 crore (including ₹ 58.17 crore on New Pension System) in 2018-19 mainly due to revision of Pension on implementation of 7<sup>th</sup> Pay Commission.

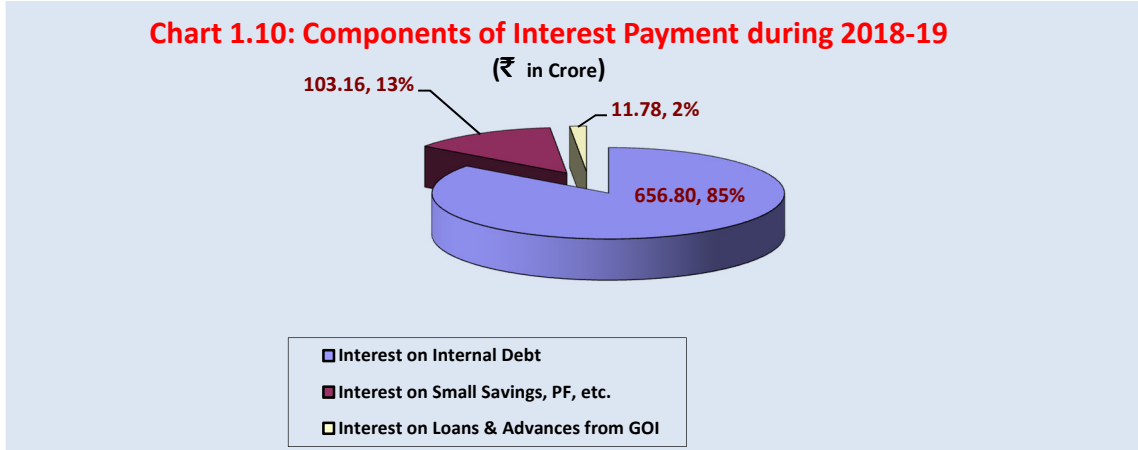
### C. National Pension System

State Government employees appointed on or after 01 January 2010 are covered under the National Pension System (NPS) which is a Defined Contributory Pension Scheme. In terms of the scheme, employees contribute 10 *per cent* of their basic pay plus Dearness Allowances and the State Government is required to make matching contribution.

Government collected ₹ 86.74 crore from employees as contribution towards NPS and contributed only ₹ 58.17 crore as Government's share towards the Scheme. Thus, Government did not discharge its statutory liability as it failed to contribute ₹ 28.57 crore as Government's matching share under NPS. Further, against the total collected funds of ₹ 144.91 crore, the Government transferred ₹ 111.47 crore only to the Designated Authority (NSDL) and did not transfer ₹ 33.44 crore to NSDL for further investment as per the provisions of the Scheme. Thus, there was a short transfer of ₹ 62.01 crore (₹ 33.44 crore not transferred + ₹ 28.57 crore short contribution) to the NSDL and the current liability stands deferred to future year(s). Further, the State Government has created interest liability on the amount not transferred to NSDL, incorrectly used the funds that

belong to its employees and created uncertainty in respect of benefits due to the employees affected/ avoidable financial liability of Government in future; thus leading to possible failure of the scheme itself.

#### D. Interest Payments



Interest payment increased by 38.97 per cent from ₹ 555.34 crore in 2014 -15 to ₹ 771.74 crore in 2018-19 at a compound annual growth rate of 8.57 per cent. The interest payment increased by ₹ 93.99 crore (13.87 per cent) during 2018-19 over the previous year due to increase in interest payment on Internal Debt (₹ 56.68 crore) and Small Savings, Provident Fund, etc. (₹ 39.03 crore) offset by decrease in interest payment on Loans and Advances from Central Government (₹ 1.72 crore).

#### 1.8.3 Capital Expenditure

Capital Expenditure is the part of government spending that goes into creation of assets. Capital Expenditure assumes importance as it has a lasting impact on the economic and social growth of the State. If spent wisely and efficiently, Capital Expenditure ensures a productive economy. Capital Expenditure (₹ 1,595.56 crore) during the current year (2018-19) increased by ₹ 320.71 crore over the previous year (₹ 1274.85 crore) but was ₹ 265.19 crore (14.25 per cent) less than the Budget Estimate (₹ 1860.75 crore) (Appendix 1.2). As compared to the total expenditure, the capital outlay showed a fluctuating trend (11.06 to 13.15 per cent) over the period 2014-15 to 2018-19.

#### 1.8.4 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 1.23:

**Table 1.23: Financial Assistance to Local bodies, etc.**

Financial Assistance to Institutions	(₹ in crore)	
	2017-18	2018-19
Urban Local Bodies	1.62	1.62
Public Sector Undertakings	25.96	23.82
Autonomous Bodies	44.66	51.38
Non-Government Organisations	6.15	3.50
Rural Local Bodies	185.09	66.19
District Rural Development Agencies	4.70	4.94

<b>Financial Assistance to Institutions</b>	<b>2017-18</b>	<b>2018-19</b>
Voluntary Cultural Organisation	2.00	1.65
Various Sports Associations	3.00	0.00
Indira Awas Yojana	16.11	0.00
Special Development Programme	8.00	0.00
Other Institutions	31.11	13.96
<b>Total</b>	<b>328.40</b>	<b>167.06</b>
Assistance as percentage of RE	3.22	1.53

Source: Finance Accounts of respective years

The total financial assistance to Local Bodies and Other Institutions, decreased by ₹ 161.34 crore (49.13 per cent) from ₹ 328.40 crore in 2017-18 to ₹ 167.06 crore in 2018-19 mainly due to decrease in assistance to Rural Local Bodies (₹ 118.90 crore) and non-release of assistance under Indira Awas Yojana, Various Sports Associations & Special Development Programme.

### 1.8.5 Quality of Expenditure

The availability of better social and physical infrastructure in the State generally reflects the quality of its expenditure. 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).

#### 1.8.5.1 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 1.24** analyses the fiscal priority given by the Nagaland Government to various expenditure heads in 2014-15 and 2018-19 with regard to Developmental Expenditure, Social Sector Expenditure, Economic Sector Expenditure and Capital Expenditure.

**Table 1.24: Fiscal Priority of the State in 2018-19**

Fiscal priority by the State	<i>(in per cent)</i>						
	AE/GSDP	*DE/AE	SSE/AE	ESE/AE	CE/AE	Education/AE	Health/AE
Special Category States Average (Ratio) 2018-19	26.73	64.82	35.75	29.08	15.69	18.21	6.48
Nagaland's (Ratio) 2018-19	47.01	56.57	27.86	28.71	12.74	14.76	4.98
AE: Aggregate Expenditure; DE: Developmental Expenditure; SSE: Social Sector Expenditure CE: Capital Expenditure ESE: Economic Sector Expenditure. *Developmental expenditure includes Developmental Revenue Expenditure, Developmental Capital Expenditure and Loans & Advances disbursed. Source: For GSDP, Central Statistical Office (CSO), Ministry of Statistics and Programme Implementation website as on August 2019.							

A comparison of the data related to Nagaland with that of the Special Category States (SCS) revealed that the state did not fare well in any sector in comparison to the SCS.

Development expenditure as a proportion of aggregate expenditure was lower in the State compared to the SCS average.

Expenditure on Social Sector as a proportion of aggregate expenditure was lower than the SCS average. The share of expenditure on education and health as a proportion of aggregate expenditure was also lower than the SCS averages.



Expenditure on Economic Sector as a proportion of aggregate expenditure was slightly lower than the SCS average.

Ratio of Capital Expenditure to Aggregate Expenditure stood at 12.74 *per cent* which was less than the combined average (15.69 *per cent*) of the SCS as well as compared to the states of Manipur and Sikkim (15.08 *per cent* and 19.67 *per cent* respectively) in 2018-19.

It indicates that the State Government did not accord appropriate fiscal priorities to enhance the productive capacity of the State.

### 1.8.6 Efficiency of Expenditure Use

Apart from improving the allocation for Developmental Expenditure<sup>10</sup>, particularly in view of the fiscal space being created on account of decline in debt servicing in the current year, the efficiency of expenditure use is also reflected by the ratio of Capital Expenditure to Total Expenditure (and/or GSDP) and proportion of Revenue Expenditure being spent on operation and maintenance of the existing Social and Economic Services. The higher the ratio of these components to Total Expenditure (and/or GSDP), the better would be the quality of expenditure. **Table 1.25** 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 1.25: Developmental Expenditure**

Components of Developmental Expenditure	2014-15	2015-16	2016-17	2017-18	2018-19	
					BEs	Actuals
<b>Developmental Expenditure (a to c)</b>	<b>4491.58</b> (57.71)	<b>4912.31</b> (56.86)	<b>5699.23</b> (58.60)	<b>6879.88</b> (60.01)	<b>7785.85</b>	<b>7083.20</b> (56.57)
a. Developmental Revenue Expenditure <sup>11</sup>	3629.17 (46.63)	3958.67 (45.82)	4755.49 (48.90)	5871.94 (51.22)	7024.36	5901.86 (47.14)
b. Developmental Capital <sup>12</sup> Expenditure	862.22 (11.08)	953.45 (11.04)	943.55 (9.70)	1007.75 (8.79)	761.09	1176.07 (9.39)
c. Developmental Loans and Advances	0.19 (0.00)	0.19 (0.00)	0.19 (0.00)	0.19 (0.00)	0.40	5.27 (0.04)

Source: Finance Accounts of respective years. Figures in parentheses indicate percentage to Total Expenditure.

The Developmental Expenditure (₹ 7083.20 crore) was less than the assessment made by the State Government in the Budget (₹ 7785.85 crore) by ₹ 702.65 crore (9.02 *per cent*) during 2018-19. The Developmental Revenue Expenditure increased by ₹ 29.92 crore (0.51 *per cent*) and Developmental Capital Expenditure by ₹ 168.32 crore (16.70 *per cent*) over the previous year. Overall, the Development Expenditure as percentage of Total Expenditure did not change much.

### 1.8.7 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

<sup>10</sup> The analysis of expenditure data is disaggregated into developmental and non-developmental expenditure. All expenditure relating to Revenue Account, Capital Account and Loans and Advances are categorised into social services, economic services and general services. Broadly, the social and economic services constitute developmental expenditure, while expenditure on general services is treated as non-developmental expenditure.

<sup>11</sup> Development Revenue Expenditure = Social Service Expenditure + Economic Service Expenditure of RE

<sup>12</sup> Development Capital Expenditure = Social Service Expenditure + Economic Service Expenditure of CE

(including Loans and Advances) requirements. In addition, in a transition to complete dependence on market based resources, the State Government needs to initiate measures to earn adequate return on its investments and recover its cost of borrowed funds rather than bearing the same on its budget in the form of implicit subsidy and to take requisite steps to infuse transparency in financial operations. This section presents the broad financial analysis of investments and Capital Expenditure incurred by the Government during the current year *vis-à-vis* previous years.

### 1.8.7.1 Incomplete Projects

The department-wise information pertaining to incomplete projects as on 31 March 2019 is given in **Table 1.26**:

**Table 1.26: Department-wise Profile of Incomplete Projects**

(₹ in crore)

Department	No. of Incomplete Projects	Initial Budgeted Cost	Revised Cost	Cumulative Expenditure as on 31.03.2019
Department of Under Developed Area	10	38.69	38.69	21.57
Police Engineering Projects	48	697.04	697.04	177.75
Veterinary and Animal Husbandry	65	50.62	50.76	19.52
Public Works Department (Road & Bridges)	13	309.03	369.53	278.71
Civil Administrative Works Department (CAWD)	26	68.85	68.85	25.83
Public Works Department (Housing)	15	222.38	222.38	150.13
Urban Development	32	402.98	402.98	165.58
Department of Higher Education	8	17.32	17.32	9.79
State Council of Educational Research and Training (SCERT)	14	80.88	81.57	30.29
Legal Metrology and Consumer Protection	5	6.80	6.80	2.46
Transport Commissioner	10	81.24	86.33	54.88
31 Other Departments	144	515.53	587.67	316.36
<b>Total</b>	<b>390</b>	<b>2491.36</b>	<b>2629.92</b>	<b>1252.87</b>

Source: Finance Accounts and Departmental records.

As on 31 March 2019, 390 projects involving an expenditure of ₹ 1252.87 crore were incomplete. Out of those, two projects involving an expenditure of ₹ 10.47 crore, which were taken up under PWD (Roads & Bridges), had been suspended.

Age-wise analysis of delay in completion of projects from the stipulated date of their completion showing status as on 31 March 2019 is given in **Table 1.27**:

**Table 1.27: Age Profile of Incomplete Projects**

(in number)

Sl. No	Delay of Projects in number of years from stipulated date of completion	Number of Incomplete Projects
1	0 to 3 years	145
2	3 to 5 years	134
3	5 to 7 years	7
4	Above 7 years	37
	<b>Total</b>	<b>323</b>

Source: Finance Accounts and Departmental records.

Information regarding target year of completion in respect of 67 out of 390 projects was not furnished by the Department, though called for. The remaining 323 projects were



stipulated to be completed on or before 31 March 2019, and remained incomplete as of December 2019. The possibilities of the incomplete projects being abandoned cannot be ruled out as many of the projects are over five years beyond scheduled completion date. Project cost in respect of 14 incomplete projects was revised from ₹ 200.90 crore to ₹ 339.46 crore. Increase in cost was related to projects under PWD (Road & Bridges- ₹ 60.50 crore), Geology and Mining (₹ 27.41 crore), State Council of Educational Research and Training (₹ 0.69 crore), Transport (₹ 5.09 crore), Veterinary and Animal Husbandry (₹ 0.14 crore), Youth Resources and Sports (₹ 12.02 crore), Agriculture (₹ 0.01 crore), Social Welfare (₹ 7.98 crore) and Forest (₹ 24.72 crore).

Blocking of funds on incomplete projects/ works beyond their scheduled date of completion, adversely impinged on the quality of expenditure and deprived the State of intended benefits for prolonged periods. Further, the funds borrowed for implementation of these projects during the respective years proved ineffectual with the State having to bear additional burden for debt servicing and interest liabilities. Effective steps need to be taken to complete all these above projects without further delay.

### 1.8.7.2 Investment and Returns

As on 31 March 2019, Government had invested ₹ 294.17 crore in Government Companies, Statutory Corporations, Joint Stock Companies and Co-operatives (Table 1.28). An amount of ₹ 0.97 crore was invested in State Mineral Development Corporation during the current year.

The average return on this investment was 'Nil' during the year 2014-15, 2016-17 and 2017-18, while there was a return of ₹ 4.94 crore during the year 2015-16 and 0.66 crore during the year 2018-19, which indicated non-performing investments. The Government paid an average interest rate of 7.14 per cent on its borrowings during the same period.

**Table 1.28: Return on Investment**

(₹ in crore)

Investment/Return/Cost of Borrowings	2014-15	2015-16	2016-17	2017-18	2018-19
Investment at the end of the year (a-d)	278.44	290.60	291.75	293.20	294.17
(a) Joint Stock Companies	32.10	43.10	43.10	43.10	43.10
(b) Government Companies	190.48	191.60	192.75	194.20	195.17
(c) Statutory Corporations	0.04	0.04	0.04	0.04	0.04
(d) Co-operatives	55.82	55.86	55.86	55.86	55.86
Return	0.00	4.94	0.00	0.00	0.66
Return ( per cent)	0.00	1.70	0.00	0.00	0.22
Average rate of interest on Government borrowing ( per cent)	6.81	6.95	6.87	6.79	7.14
Difference between interest rate and return ( per cent)	6.81	5.25	6.87	6.79	6.92

Source: Finance Accounts of respective years.

Out of the total Government investment of ₹ 294.17 crore at the close of the current year, ₹ 195.17 crore was invested in five Government companies (₹ 108.76 crore), Distillery Project (part of Nagaland Sugar Mills Ltd.) (₹ 0.30 crore) and other Undertakings (Nagaland Hotels Ltd.) (₹ 86.11 crore). The remaining amount of ₹ 99.00 crore was invested in two Joint Stock Companies (₹ 43.10 crore) and Statutory Corporations, Co-operative Bank and Co-operative Societies, etc., (₹ 55.90 crore). During the current year, the Government made additional investment of ₹ 0.97 crore in State Mineral Development Corporation Ltd.

Out of six Government companies in the State, one company viz., Nagaland Sugar Mills Ltd., along with Distillery Project (₹ 7.59 crore investment up to 2001-02) was non-working, whose accounts were in arrears for 17 years. The five working companies include Nagaland Industrial Development Corporation Ltd. (₹ 8.39 crore), Nagaland Industrial Raw Materials and Supply Corporation Ltd., (₹ 4.05 crore), State Mineral Development Corporations (₹ 86.20 crore), Nagaland Handloom and Handicrafts Development Corporation Ltd. (₹ 2.82 crore) and Nagaland Hotels Ltd. (₹ 86.11 crore). The accounts of the five working Government Companies were in arrears for periods ranging between one and nine years. Hence, the actual financial status of the companies as of March 2019 could not be assessed by Audit.

In all five working Government Companies, accumulated losses (₹ 63.38 crore) had exceeded their paid-up capital (₹ 27.26 crore), meaning thereby, their net worth has been completely eroded.

### **1.8.8 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 1.29** presents the outstanding Loans and Advances as on 31 March 2019 and interest receipts *vis-à-vis* interest payments during the last five years:

**Table 1.29: Average Interest received on Loans advanced by the State Government**  
(₹ in crore)

Quantum of loans/interest receipts/ cost of borrowings	2014-15	2015-16	2016-17	2017-18	2018-19
<b>Opening Balance</b>	27.33	26.81	26.50	25.60	24.70
Amount advanced during the year	0.19	0.19	0.19	0.19	5.27
Amount repaid during the year	0.71	0.50	1.09	1.09	1.08
<b>Closing Balance</b>	<b>26.81</b>	<b>26.50</b>	<b>25.60</b>	<b>24.70</b>	<b>28.89</b>
Net addition	(-) 0.52	(-) 0.31	(-) 0.90	(-) 0.90	4.19
Interest Receipts	3.29	1.81	3.11	2.18	2.23
Interest receipts as <i>per cent</i> to outstanding loans and advances	12.15	6.79	11.94	8.67	8.32
Interest payments as <i>per cent</i> to outstanding fiscal liabilities of the State Government	6.81	6.95	6.87	6.79	7.00
Difference between interest receipts and interest payments ( <i>per cent</i> )	5.34	(-) 0.16	5.07	1.88	1.32

Source: Finance Accounts of respective years.

At the end of March 2019, the Government had outstanding Loans and Advances of ₹ 28.89 crore. The amount of loans disbursed during the year increased by ₹ 5.08 crore as compared with the previous year. Out of the total amount of ₹ 28.89 crore as on 31 March 2019, the break-up of Loans and Advances were ₹ 26.15 crore (90.52 *per cent*) for Agriculture and Allied Activities, ₹ 0.57 crore (1.97 *per cent*) to Government Servants and ₹ 2.17 crore (7.51 *per cent*) for Industry and Minerals.

The recovery of Loans and Advances during the year slightly declined as compared to the previous year. During 2018-19, ₹ 0.46 crore (42.59 *per cent*) of loans were repaid by the Government servants and ₹ 0.62 crore (57.41 *per cent*) by the Co-operatives. The interest receipts as a percentage of outstanding loans decreased from 8.67 *per cent* in 2017-18 to 8.32 *per cent* in 2018-19.

## 1.9 Transactions under Reserve fund

Out of the four Reserve funds operated by the State Government, three are operative and one (Depreciation/Renewal Reserve Fund- ₹ 0.07 crore) was dormant. The total accumulated balance at the end of 31 March 2018 in the Reserve Funds was ₹ 2177.72 crore, of which ₹ 1104.20 crore (50.70 per cent) had been invested.

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

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

The State Government created a Consolidated Sinking Fund in 2006-07, for amortisation of liabilities, with an initial corpus of ₹ 12.17 crore. As per the constitution of CSF of Nagaland, the State Government was to contribute 1 to 3 per cent of the outstanding open market loans at the end of the previous years to the Fund. In terms of the revised guidelines of the RBI for fund management, the State Government is required to contribute a minimum of 0.5 per cent of its outstanding liabilities (Internal Debt + Public Account) as at the end of the previous year. During the year, the State Government transferred ₹ 224.00 crore to the Fund from Revenue Account which works out to 3.27 per cent of Total Outstanding Open Market Loans of ₹ 6849.76 crore as on 31 March 2018; and to 2.15 per cent of Total Outstanding Liability of ₹ 10409.15 crore (Internal Debt + Public Account) as on 31 March 2018. The Opening Balance of ₹ 16.17 crore in the Consolidated Sinking Fund as on 31 March 2018 remained as the closing balance at the end of 31 March 2019. However, the balance amount lying in the CSF was not being invested by the Government and as a result, no interest was credited to the Fund.

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

The State Government constituted a Guarantee Redemption Fund in 2006-07 with an initial corpus of ₹ 4.00 crore determined on the basis of guarantees invoked during the preceding five years. In terms of the Guarantee Redemption Fund Scheme of the Government of Nagaland, contributions shall be made to the Fund annually or at lesser intervals so as to reach the levels deemed sufficient to meet the amount of anticipated guarantees devolving on the Government as a result of the likely invocation of outstanding guarantees in the succeeding five years. No guarantees of the State Government were invoked since inception of the Scheme. During 2018-19, ₹ one crore was transferred by the State Government and the entire corpus of ₹ 11.34 crore as on 31 March 2019 was invested by the RBI in Government of India Securities.

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

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

The status of funds under SDRF during the period 2014-15 to 2018-19 is given in **Table 1.30**:

**Table 1.30: Position of funds under SDRF during 2014-15 to 2018-19**

<i>(₹ in crore)</i>						
Year	Opening Balance	Central Share	State Share	Total Funds Available	Expenditure	Closing Balance
2014-15	0.86	5.44	3.48	9.78	8.92	0.86
2015-16	0.86	9.00	1.00	10.86	10.00	0.86
2016-17	0.86	9.00	1.00	10.86	10.00	0.86
2017-18	0.86	9.90	1.10	11.86	11.00	0.86
2018-19	0.86	9.90	1.10	11.86	11.00	0.86

*Source: Finance Accounts of respective years.*

Following Government of India's release of ₹ 9.90 crore in 2018-19, the State Government transferred ₹ 11.00 crore (including State's share of ₹ 1.10 crore) to SDRF. During the year, the State Government incurred an expenditure of ₹ 11.00 crore on natural calamities leaving a balance of ₹ 0.86 crore in the Fund as on 31 March 2019. However, interest amounting to ₹ 0.07 crore (calculated at the average interest rate applicable for Ways and Means Advances) was not credited to SDRF by the Government.

## **1.10 Assets and Liabilities**

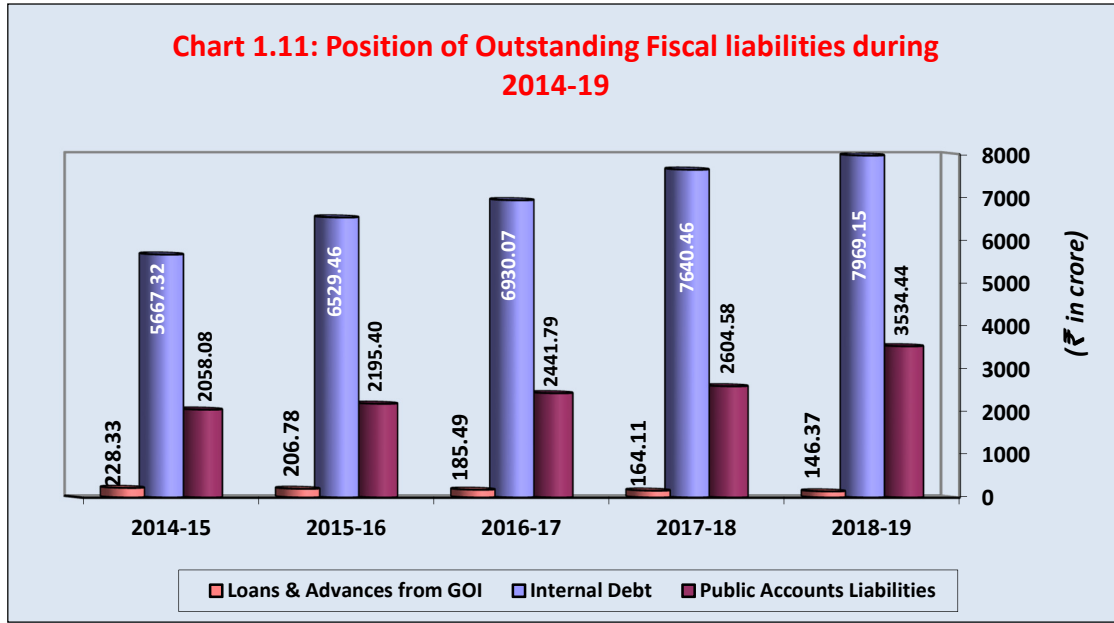
### **1.10.1 Growth and Composition of Assets and Liabilities**

In the existing Government accounting system, comprehensive accounting of fixed assets like land and buildings owned by the Government is not done. However, the Government accounts do capture the financial liabilities of the Government and the assets created out of the expenditure incurred. **Appendix 1.4** gives an abstract of such liabilities and the assets as on 31 March 2019, compared with the corresponding position on 31 March 2018. While the liabilities in the Appendix consist mainly of internal borrowings, Loans and Advances from the Government of India, receipts from the Public Account and Reserve Funds, the assets comprise mainly the Capital Expenditure, Loans and Advances given by the State Government and Cash Balances.

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

### 1.10.2 Fiscal Liabilities

The Fiscal Liabilities at the end of the year stood at ₹ 11649.96 crore. **Chart 1.11** gives the position of outstanding Fiscal Liabilities during the last five years. Moreover, **Table 1.31** represents the trend of Fiscal Liabilities during 2014-15 to 2018-19 (**Appendix 1.2**).



**Table 1.31 Trend of Fiscal Liabilities during 2014-15 to 2018-19**

	2014-15	2015-16	2016-17	2017-18	2018-19
<b>Fiscal liabilities</b>	<b>7953.73</b>	<b>8931.64</b>	<b>9557.35</b>	<b>10409.15</b>	<b>11649.96</b>
Revenue Receipts	7648.67	8040.79	9439.79	11019.21	11437.41
Rate of growth of Fiscal Liabilities ( <i>per cent</i> )	(-) <i>4.82</i>	12.29	7.01	8.91	11.92
Rate of growth of Revenue Receipts ( <i>per cent</i> )	17.75	5.13	17.40	16.73	3.80
<b>Fiscal liabilities/ Revenue Receipts (<i>per cent</i>)</b>	<b>103.99</b>	<b>111.08</b>	<b>101.25</b>	<b>94.46</b>	<b>101.86</b>
Buoyancy of <b>Fiscal liabilities</b> with Revenue Receipt (ratio) <sup>13</sup>	(-) <i>0.27</i>	2.40	0.40	0.53	3.14
Own Tax Revenue /Fiscal liabilities ( <i>per cent</i> )	4.89	4.78	5.34	6.13	7.27

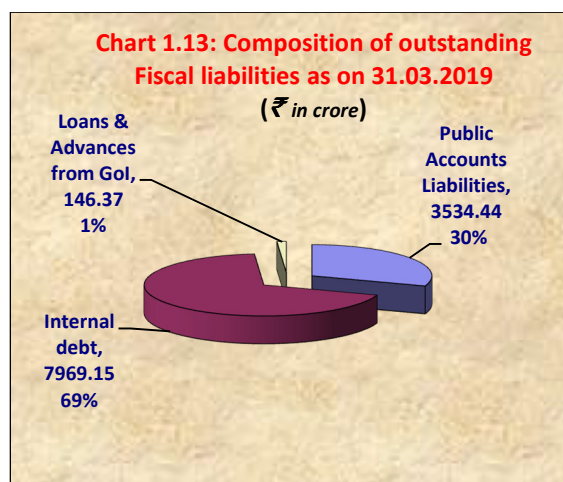
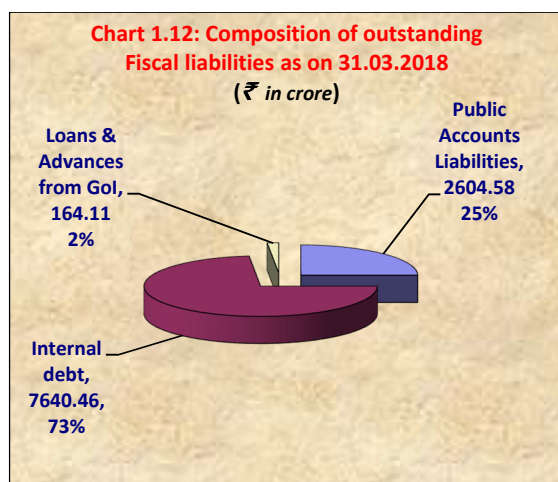
Source: Finance Accounts of respective years.

#### Fiscal Liability

Fiscal Liabilities of the State comprise Consolidated Fund liabilities and Public Account liabilities. The growth rate of Fiscal Liabilities was 11.92 *per cent* during 2018-19 over the previous year. The buoyancy of Fiscal Liabilities with reference to Revenue Receipt during the year was 3.14 *per cent*.

The composition of Fiscal Liabilities of the State during the current year *vis-à-vis* the previous year are presented in **Chart 1.12** and **Chart 1.13**.

<sup>13</sup> Buoyancy of Fiscal Liability with Revenue Receipt (RR) = Growth rate of Fiscal Liability/Growth rate of RR (During 2018-19 Buoyancy of Fiscal Liability with RR = 11.92/3.80 = 3.14)



The Consolidated Fund liability (₹ 8115.52 crore) comprised market loan (₹ 7204.80 crore), Loans from Government of India (₹ 146.37 crore) and other Loans (₹ 764.35 crore). The Public Account Liabilities (₹ 3534.44 crore) comprised of Small Savings, Provident Funds (₹ 1569.34 crore), Interest Bearing Obligations (₹ 137.12 crore) and Non-interest Bearing Obligations like Deposits and other Earmarked Funds (₹ 1827.98 crore).

The ratio of Fiscal Liabilities to GSDP had increased from 42.87 per cent in 2017-18 to 43.74 per cent in 2018-19. These Fiscal Liabilities stood at nearly 1.02 times the Revenue Receipts and 13.76 times of the State's Own Tax Revenue at the end of 2018-19. The Fiscal Liabilities to GSDP (43.74 per cent) were more than the assessment made by the State Government in its Medium Term Fiscal Policy Statement (MTFPS) (39.05 per cent).

### 1.10.3 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 decided to charge guarantee fee at the rate of one per cent to cover the risk in the guarantees.

**Table-1.32: Guarantees given by the Government of Nagaland**

Guarantees	2014-15	2015-16	2016-17	2017-18	2018-19
Total amount of guarantees given up to end of the year	70.22	70.22	81.19	110.46	120.96
Outstanding amount of guarantees at the end of the year	70.22	70.22	81.19	110.46	120.96
Percentage guarantees to Revenue Receipts	0.92	0.87	0.86	1.00	1.06
Outstanding amount of guarantee as percentage of GSDP	0.38	0.36	0.37	0.45	0.45

Source: Finance Accounts of respective years

The Outstanding Guarantees increased by ₹ 10.50 crore (9.51 per cent) during 2018-19 over the previous year. The Outstanding Guarantees of ₹ 120.96 crore mainly pertained to Nagaland Industrial Development Corporation (₹ 44.24 crore) for repayment of principal and payment of interest on loan obtained. The Outstanding Guarantees were 1.06 per cent of the Revenue Receipts of the Government as on 31 March 2019.

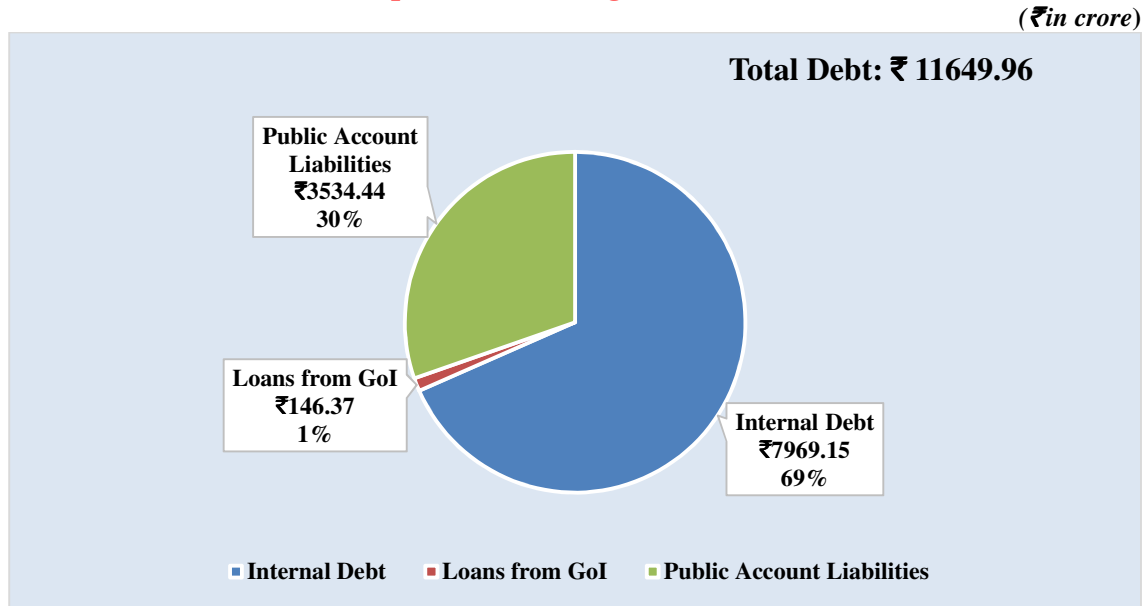


## 1.11 Debt Management

### 1.11.1 Debt Management and Sustainability

The total outstanding debt of the State Government at the end of 2018-19 was ₹ 11649.96 crore. Component-wise break-up of debt is shown below in **Chart 1.14**.

**Chart 1.14: Break-up of Outstanding Debt at the end of FY 2018-19**



Internal debt, which is primarily market borrowings accounts for 69 per cent of the total outstanding debt.

### 1.11.2 Trend of Debt

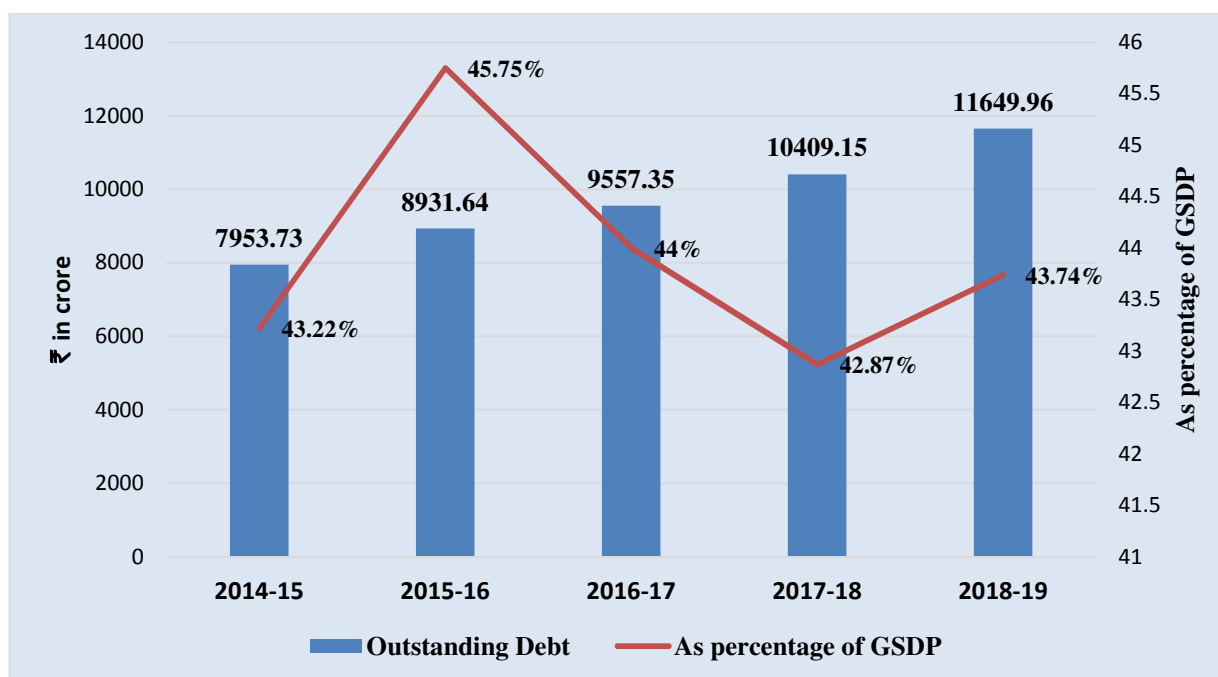
The details relating to total debt received, repayment of debt, ratio of debt to GSDP and the actual quantum of debt available to the State during the five-year period 2014-19 are given in **Table 1.33**, as also in **Chart 1.15**.

**Table 1.33: Trend of Debt**

(₹ in crore)

	2014-15	2015-16	2016-17	2017-18	2018-19	
<b>Outstanding Debt</b>	<b>7953.73</b>	<b>8931.64</b>	<b>9557.35</b>	<b>10409.15</b>	<b>11649.96</b>	
<i>Public Debt</i>	<i>Internal Debt</i>	5667.32	6529.46	6930.07	7640.46	7969.15
	<i>Loans from GoI</i>	228.33	206.78	185.49	164.11	146.37
<i>Public Account Liabilities</i>	2058.08	2195.40	2441.79	2604.58	3534.44	
Rate of growth of outstanding debt (in per cent)	(-) 4.82	12.29	7.01	8.91	11.92	
Gross State Domestic Product (GSDP)	18401	19524	21722	24281	26637	
Debt/GSDP (in per cent)	43.22	45.75	44.00	42.87	43.74	
Total Debt Receipts	1250.45	2227.83	2252.62	2311.03	2798.93	
Total Debt Repayments	1893.49	2126.39	1972.39	2136.98	2329.86	
Net Debt available to the State	-643.04	101.44	280.23	174.05	469.07	

**Chart 1.15: Trend of overall Debt**



### 1.11.3 Debt Sustainability

Debt is considered sustainable if the borrower, in this case the State, is in a position to service its debt now, and in future. Debt sustainability indicators accordingly seek to assess the credit worthiness and the liquidity position of the borrower by examining their ability to service the debt through timely interest payments and repay debt out of current and regular sources of revenue.

This section assesses the sustainability of debt of the State Government in terms of debt/GSDP ratio, Fiscal Deficit, burden of interest payments (measured by ratio of interest payments to Revenue Receipts) and maturity profile of the State Government debt.

**Table 1.34** shows the debt sustainability of the State according to these indicators for the five-year period beginning from 2014-15.

**Table 1.34: Debt Sustainability: Indicators and Trends**

Indicators of Debt sustainability	2014-15	2015-16	2016-17	2017-18	2018-19
<b>Outstanding Debt (₹ in crore)</b>	<b>7953.73</b>	<b>8931.64</b>	<b>9557.35</b>	<b>10409.15</b>	<b>11649.96</b>
Debt/GSDP ( <i>per cent</i> )	43.22	45.75	44.00	42.87	43.74
Fiscal Deficit/GSDP ( <i>per cent</i> )	(-) 0.73	(-) 3.06	(-) 1.31	(-) 1.84	(-) 4.06
Interest Payments/Revenue Receipts Ratio	7.26	7.29	6.73	6.15	6.75
Rate of growth of RR ( <i>per cent</i> )	17.75	5.13	17.40	16.73	3.80
Rate of growth of outstanding Debt ( <i>percentage</i> )	(-)4.82	12.29	7.01	8.91	11.92
Rate of growth of GSDP ( <i>percentage</i> )	10.77	6.10	11.26	11.78	9.70
Interest payment (₹ in crore)	555.34	586.45	635.50	677.75	771.74
Average interest rate on Outstanding debt ( <i>per cent</i> )	6.81	6.95	6.87	6.79	7.00
Available Debt as a percentage of Debt Receipts	(-) 51.42	4.55	12.44	7.53	16.76

The fiscal consolidation roadmap recommended by the XIV FC had set the following targets relating to debt sustainability –



- Debt should be less than 38.73 *per cent* of GSDP; and
- Interest payments should be less than 10 *per cent* of Revenue Receipts.

As can be seen from **Table 1.34**, in the last five years, the ratio of debt to GSDP of the State ranged from 42.87 to 45.75 *per cent*. At 43.74 *per cent*, the Debt-GSDP ratio during 2018-19 exceeded the target of Outstanding Debt to GSDP (38.73 *per cent*) determined by XIV FC for Nagaland. The growth rate of revenue receipts outpaced the growth rate of debt in 2014-15, 2016-17 and 2017-18, however, debt grew at a significantly faster rate of 12.29 and 11.92 *per cent* as compared to growth rate of Revenue Receipts of 5.13 and 3.80 *per cent* respectively during 2015-16 and 2018-19. Net Debt available to the State oscillated between positive and negative magnitudes. Compared to 2017-18, the situation improved during 2018-19, with the net debt available to the State ₹ 469.07 crore as against ₹ 174.05 crore during 2017-18. The trends in Debt-repayment/Debt receipts ratio fluctuated widely during 2014-19 and decreased to 0.83 during 2018-19 against 0.92 during the previous year. The burden of interest payment, which ranged from 6.15 to 7.29 *per cent* of the Revenue Receipts, has been less than 10 *per cent* recommended by the XIV FC. However, during the five-year period 2014-15 to 2018-19, while GSDP has grown at a CAGR of 9.69 *per cent*, the outstanding debt has grown at a faster rate of 10.01 *per cent*.

Sustainability of debt of the Government of Nagaland is also assessed in terms of the Domar model in **Table 1.35**, where the sustainability of debt is based on the relationship between the key fiscal values - public debt, growth rate, interest rate and primary balance. As per this model, for debt to be sustainable, the rate of interest payable on the outstanding debt should be lower than the rate of growth of GSDP (Domar gap); and there should be a primary surplus.

Debt sustainability of Government of Nagaland is given below as per the Domar model.

**Table 1.35: Debt sustainability as per the Domar model**

Year	Growth Rate (g) of GSDP	Average Interest Rate (r)	g-r	Primary Deficit/ Surplus (s) (₹ in crore)	Remarks
2014-15	10.77	6.81	3.96	421.22	As $g-r > 0$ and $s > 0$ , public debt will converge to a stable level less than zero leading to public savings
2015-16	6.10	6.95	(-) 0.85	(-) 10.82	As $g-r < 0$ and $s < 0$ , public debt will increase indefinitely, without converging to a stable level
2016-17	11.26	6.87	4.39	350.64	As $g-r > 0$ and $s > 0$ , public debt will converge to a stable level less than zero leading to public savings
2017-18	11.78	6.79	4.99	231.66	
2018-19	9.70	7.00	2.70	(-) 310.58	As $g-r > 0$ and $s < 0$ , public debt will converge to a stable level

Note: Since the CPI rate for the State is not available in almost all the NER States, the average interest rate, as featured in the SFARs of the respective years, has been taken as 'r' rather than the real interest rate. GSDP is nominal.

The positive Domar gap is, however, combined with a primary deficit in 2018-19. This related with the indicator analysis above as well as the fiscal consolidation roadmap recommended by the XIV FC, while indicating debt sustainability, warrants caution by the Government of Nagaland regarding its debt.

#### **1.11.4 Maturity Profile**

As per Annexure to Statement 17 of the Finance Accounts for the year 2018-19, the maturity profile of the State debt is as indicated in **Table 1.36**.

**Table 1.36: Maturity Profile of Outstanding Debt**

(₹ in crore)

Debt maturity	Maturity Profile	Amount			Per cent
		Internal Debt	Loans & Advances from GoI	Total	
During 2019-20	0-1 year	577.41	22.19	599.60	7.39
Between 2020-21 & 2021-22	Over 1 year to 2 years	1138.63	43.74	1182.37	14.57
Between 2022-23 & 2023-24	Over 2 years to 5 years	1075.00	39.55	1114.55	13.73
Between 2024-25 & 2025-26	Over 5 years to 7 years	1215.00	2.83	1217.83	15.01
2026-27 onwards	Over 7 years and above	3963.11	38.06	4001.17	49.30
<b>Total</b>		<b>7969.15</b>	<b>146.37</b>	<b>8115.52</b>	<b>100.00</b>

Source: Finance Account of respective years.

Maturity profile of outstanding stock of Public Debt as on 31 March 2019 indicates that out of Outstanding Public Debt of ₹ 8115.52 crore, 50.70 per cent of debt needs to be repaid within seven years. The remaining 49.30 per cent was in the maturity bracket of seven years and above. Of the total outstanding public debt, internal debt consisting of market borrowings, loans from LIC, GIC, NABARD, etc. constituted 98.20 per cent (₹ 7969.15 crore).

The State's track record in repayment of public debt as per amortisation schedule of the past 7 years is given below:

**Table 1.37: Schedule of Repayment vis-à-vis actual repayment of Debt of past seven years (2012-13 to 2018-19)**

(₹ in crore)

Year	Schedule of Repayment*	Repayment
2012-13	193.31	335.42
2013-14	144.56	268.82
2014-15	269.59	300.72
2015-16	326.67	517.84
2016-17	293.38	513.35
2017-18	400.49	546.01
2018-19	488.84	636.89

\* Schedule payment of debt shown is excluding loans from Financial Institution (viz. LIC, GIC, NABARD, NSSF, NCDC, etc.), as details of maturity year for this category of loans were not provided by the State government. This has resulted in mismatch between maturity and repayment.

**1.12 Cash Balances and Investment of Cash balances**

**Table 1.38** depicts the cash balances and investments made by the State Government out of cash balances during the year.

**Table 1.38: Cash Balances and Investment of Cash Balances***(₹ in crore)*

	Opening Balance on 01.04.2018	Closing Balance on 31.03.2019
<b>(a) General Cash Balance</b>		
Cash in Treasuries	0.00	0.00
Deposits with Reserve Bank	339.01	163.49
Deposits with other Banks	0.00	0.00
Remittances in Transit- Local	0.00	0.00
<b>Total</b>	<b>339.01</b>	<b>163.49</b>
Investments held in Cash Balance Investment Account	63.16	134.96
<b>Total (a)</b>	<b>402.17</b>	<b>298.45</b>
<b>(b) Other Cash Balances and Investments</b>		
Cash with Departmental Officers <i>viz.</i> , Public Works Department/ Officers, Forest Department Officers, District Collectors	416.81	454.28
Permanent Advances for Contingent Expenditure with Departmental Officers	0.00	0.00
Investment of Earmarked Funds	879.20	1104.20
<b>Total (b)</b>	<b>1296.01</b>	<b>1558.48</b>
<b>Total (a) + (b)</b>	<b>1698.18</b>	<b>1856.93</b>

*Source: Finance Accounts of respective years.*

It was noticed that State Government's opening general Cash Balance as on 01 April 2018 was ₹ 402.17 crore. The closing general Cash Balance (31 March 2019) showed a decrease of 25.79 *per cent* (₹ 103.72 crore) and stood at ₹ 298.45 crore. The State Government had earned ₹ 9.57 crore from the Cash Balance Investments during 2018-19.

The Cash Balance Investments of the State of Nagaland for last five years (2014-15 to 2018-19) are given in **Table 1.39**:

**Table 1.39: Cash Balance Investment MH: 8673***(₹ in crore)*

Year	Opening Balance	Closing Balance	Increase/Decrease
2014-15	0.00	141.48	141.48
2015-16	141.48	0.00	-141.48
2016-17	0.00	35.41	35.41
2017-18	35.41	63.16	27.75
2018-19	63.16	134.96	71.80

The trend analysis of the cash balance investment of the State Government revealed that there has been large fluctuation in cash balance of the State.

The total market loans outstanding for the state at the end of the 2018-19 were ₹ 7204.80 crore. The yearly Market Loans *vis-s-vis* Cash Balance during last five years are given below:

**Table 1.40: Market Loan vis-à-vis Cash Balance**

(₹ in crore)

Year	General Cash Balance	Other Cash Balance	Total Cash Balance	Market Loans availed	Loan and Advances from GoI	Total Loan availed
2014-15	(-)108.88	544.61	435.73	725.00	0.00	725.00
2015-16	156.34	737.01	893.35	1068.40	0.00	1068.40
2016-17	262.33	998.06	1260.39	1182.44	0.00	1182.44
2017-18	402.17	1296.01	1698.18	1234.69	0.33	1235.02
2018-19	298.45	1558.48	1856.93	943.86	3.98	947.84

The above table shows that during 2018-19, there was an opening general Cash Balance of ₹ 402.17 crore, the Government resorted to Market Borrowings to the tune of ₹ 947.84 crore (excluding WMA and Over draft). Audit analysis showed that interest realised on Cash Balance Investment Account was 2.38 per cent (₹ 9.57 crore) while Government paid an average interest of 9.70 per cent on its market borrowings during the year.

The State Government should examine whether it is prudent to borrow funds at higher rate of interest when there are large cash balance available which are earning lower rates of interest.

### 1.13 Ways and Means Advances

Under an agreement with the Reserve Bank of India (RBI), the State Government has to maintain a minimum Cash Balance of ₹ 0.25 crore with the Bank. If the balance falls below the agreed minimum amount on any day, the deficiency is made good by taking Ordinary and Special Ways and Means Advances/Overdrafts from time to time. The Ways and Means Advances are not sources of finance but are meant to provide support, for purely temporary difficulties that arise on account of mismatch/shortfall in revenue or other receipts for meeting Government liabilities.

The limit for ordinary<sup>14</sup> Ways and Means Advances to the State Government was ₹ 205.00 crore with effect from 1 April 2018. The extent to which the Government maintained the minimum Cash Balance with the RBI during 2018-19 is as given in Table 1.41:

**Table 1.41: Details of Cash Balance with RBI during 2017-18 and 2018-19**

(₹ in crore)

Sl. No.	Period	2017-18		2018-19	
		Days	Amount	Days	Amount
1	No of days on which the minimum balance was maintained without taking any Advance	261	0.00	317	0.00
2	No of days on which the minimum balance was maintained by taking Ordinary Means and Advance	14	611.95	16	877.23
3	No of days on which the minimum balance was maintained by taking Special Ways and Means Advances	81	3034.82	30	1033.62
4	Number of days on which there was a shortfall in minimum balance even after taking the above advances but no overdraft was taken	0	0.00	0	0.00
5	Number of days on which the overdrafts were taken	9	259.23	2	48.53
<b>Total</b>		<b>365</b>	<b>3906.00</b>	<b>365</b>	<b>1959.38</b>

<sup>14</sup> Normal WMAs are clean advances whereas Special WMAs are secured advances provided against the pledge of Government of India which attract higher interest rates.

During the year, the State Government availed Ways and Means Advances (WMA) of ₹ 1959.38 crore and discharged the full amount. State resorted to Special WMA of ₹ 1033.62 crore where the advances are provided against the pledge of Government of India (GoI), which attract higher interest rates. However, the overall position of minimum cash balance with RBI improved over previous year. The State Government had to pay an interest of ₹ 0.91 crore on the WMA as well. The analysis of the WMA revealed that:

- The WMA constituted 15.66 *per cent* of the Total Revenue and Capital Expenditure;
- It constituted 17.13 *per cent* of the Revenue Receipts of the State;
- During the year, the WMA stood at 7.36 *per cent* of the GSDP;

#### 1.14 Conclusion

- ❖ *State's Own Resources (Own Tax and Non-Tax Resources) were a meager 10 per cent or less, of the total Revenue Receipts, in last five years.*
- ❖ *The State registered Revenue Surplus of ₹ 517.43 crore during 2018-19 but recorded Fiscal Deficit (₹ 1082.32 crore) which was 4.06 per cent of GSDP and thus exceeded 3 per cent norms fixed by NFRBM Act and 3.25 per cent by XIV FC.*
- ❖ *Capital Expenditure (₹ 1595.56 crore) increased by 25.16 per cent. Its ratio to Total Expenditure stood at 12.74 per cent which was less than the combined average (15.69 per cent) of Special Category States.*
- ❖ *Under National Pension System, the Government failed to transfer ₹ 62.01 crore (short contribution ₹ 28.57 crore and short transfer ₹ 33.44 crore) to the NSDL and, incorrectly used the Funds that belong to its employees, and created uncertainty in respect of benefits due to the employees, leading to possible failure of the Scheme itself.*
- ❖ *Revenue Expenditure accounted for 87.22 per cent of the State's Aggregate Expenditure, leaving only 12.78 per cent for Capital Expenditure for Investment in Infrastructure and Asset Creation.*
- ❖ *The overall Development Expenditure of the State decreased by 3.44 per cent in respect of Total Expenditure as compared to previous year,*
- ❖ *Return from Investments (₹ 294.17 crore) in Statutory Corporations, Government Companies, Joint Stock Companies and Co-operatives was ₹ 0.66 crore while Government paid 7.14 per cent on its borrowings. Accumulated losses in all the five working Government Companies had completely eroded their paid-up capital.*

#### 1.15 Recommendations

- ❖ *The State Government may explore the possibility of mobilising additional resources both through Tax and Non-Tax sources to bring down its fiscal deficit.*

- ❖ *Under National Pension System, the State Government should ensure that employees' contributions are fully deducted, fully matched by the Government contributions and fully transferred to NSDL/Trustee Bank in a timely manner to avoid interest liability.*
- ❖ *Efforts should be made to increase the Capital Expenditure in order to improve the productive capacity of the State's economy.*
- ❖ *State Government should review the working of loss making Corporations, Companies and Co-operative Societies and take appropriate action to avoid further financial burden.*
- ❖ *390 projects are lying incomplete in which ₹ 1252.87 crore are stuck up. The Government should thoroughly examine the reasons for their delay and take corrective action to complete them so that desired benefits of the projects reach the targeted group.*

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





## Chapter II

### Financial Management and Budgetary Control

#### 2.1 Introduction

**2.1.1** Appropriation Accounts list the original Budget Estimates, Supplementary Grants, Surrenders and Re-appropriations distinctly and indicate actual Capital and Revenue Expenditure on various specified services *vis-à-vis* those authorized by the Appropriation Act in respect of both charged and voted items of Budget. Appropriation Accounts, thus, facilitate management of Finances and monitoring of Budgetary Provisions and are, complementary to Finance Accounts.

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

#### 2.2 Summary of Appropriation Accounts

The summarised position of actual expenditure during 2018-19 against 82 Grants/Appropriations is given in **Table 2.1**:

**Table 2.1: Summarised Position of Actual Expenditure *vis-a-vis* Original/Supplementary provisions for the year 2018-19**

(₹ in crore)								
	Nature of Expenditure	Original Grant/ Appropriation	Supplementary Grant/ Appropriation	Total	Actual Expenditure	Saving (-) Excess (+)	Amount Surrendered	Percentage of Savings Surrendered by 31 March 2019 (col. 7/col.6)
	1	2	3	4	5	6	7	8
<b>Voted</b>	I Revenue	11037.41	891.25	11928.66	9937.64	-1991.02	1989.47	99.92
	II Capital	1341.09	1255.53	2596.62	1595.56	-1001.06	992.98	99.19
	III Loans and Advances	0.40	4.87	5.27	5.27	0.00	0.00	0.00
	<b>Total Voted</b>	<b>12378.90</b>	<b>2151.65</b>	<b>14530.55</b>	<b>11538.47</b>	<b>-2992.08</b>	<b>2982.45</b>	<b>99.68</b>
<b>Charged</b>	IV Revenue	1085.78	2.56	1088.34	1023.45	-64.89	64.28	99.06
	V Capital	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	VI Public Debt-Repayment	4851.08	0.00	4851.08	2596.27	-2254.81	2254.80	100.00
	<b>Total Charged</b>	<b>5936.86</b>	<b>2.56</b>	<b>5939.42</b>	<b>3619.72</b>	<b>-2319.70</b>	<b>2319.08</b>	<b>99.97</b>
	<b>Appropriation to Contingency Fund (if any)</b>	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	<b>Grand Total</b>	<b>18315.76</b>	<b>2154.21</b>	<b>20469.97</b>	<b>15158.19</b>	<b>-5311.78</b>	<b>5301.53</b>	<b>99.81</b>

Source: Appropriation Accounts.

Overall Saving of ₹ 5311.78 crore (25.95 per cent of Total Allocation) was the result of Saving in 72 Grants and four Appropriations under Revenue Section, 46 Grants under

Capital Section and one Appropriation (Public Debt-Repayments), offset by Excess of ₹ 0.01 crore in one Grant under Revenue Section. During the year, the amount surrendered was 99.81 per cent of overall Savings.

The Savings/Excess (Detailed Appropriation Accounts for the year 2018-19) were intimated to all the 82 Controlling Officers requesting them to explain the significant variations. The Controlling Officers of 23 Departments of the State furnished their replies before finalisation of the Appropriation Accounts 2018-19. However, no valid reasons for the Savings were explained or explicitly stated by any of the Departments.

### **2.3 Financial Accountability and Budget Management**

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

The Appropriation audit revealed that there was a total Saving of ₹ 5311.78 crore, out of which Savings of ₹ 5292.44 crore occurred in 55 cases (**Appendix 2.1**) which exceeded rupees one crore in each case or by more than 20 per cent. Against the savings, an amount of ₹ 4777.63 crore (90.27 per cent) with savings of ₹ 50 crore and above occurred in nine Grants/Appropriation of the total provisions indicated in **Table 2.2:**

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

(₹ in crore)								
Sl. No.	Grant No.	Name of the Grant/Appropriation	Original	Supplementary	Total	Actual Expenditure	Savings	Percentage
<b>Revenue (Voted)</b>								
1	18	Pension and Other Retirement Benefits	1786.44	0.00	1786.44	1552.79	233.65	13.08
2	27	Planning Machinery	446.72	0.00	446.72	162.92	283.80	63.53
3	31	School Education	1674.88	0.00	1674.88	1553.52	121.36	7.25
4	35	Medical, Public Health and Family Welfare	648.37	46.48	694.85	616.79	78.06	11.23
5	42	Rural Development	1455.44	0.00	1455.44	556.94	898.50	61.73
6	72	Land Resource Development	135.06	0.00	135.06	63.09	71.97	53.29
<b>Capital(Voted)</b>								
7	27	Planning Machinery	588.41	0.00	588.41	125.82	462.59	78.62
8	35	Medical, Public Health and Family Welfare	85.40	17.23	102.63	14.63	88.00	85.75
9	37	Municipal Administration	119.89	0.00	119.89	46.26	73.63	61.42
10	59	Irrigation and Flood Control	185.30	0.00	185.30	37.84	147.46	79.58
<b>Revenue (Charged)</b>								
11	75	Servicing of Debt	1060.55	0.00	1060.55	996.74	63.81	6.02
<b>Capital (Charged)</b>								
12	75	Servicing of Debt	4851.08	0.00	4851.08	2596.28	2254.80	46.48
<b>Total</b>			<b>13037.54</b>	<b>63.71</b>	<b>13101.25</b>	<b>8323.62</b>	<b>4777.63</b>	<b>36.47</b>

Source: Appropriation Accounts.

The Government/Departments had not furnished any replies (April 2020) regarding the reasons for Savings.

### 2.3.2 Persistent Savings

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

**Table 2.3: List of Grants indicating Persistent Savings during 2014-19**

(₹ in crore)

Sl. No.	No. and Name of the Grant	Amount of Savings					
		2014-15	2015-16	2016-17	2017-18	2018-19	
<b>Revenue-Voted</b>							
1	31-School Education	Amount	333.41	336.82	347.12	202.10	121.36
		Percentage	26.88	24.13	24.02	13.68	7.25
<b>Capital-Voted</b>							
2	27-Planning Machinery	Amount	815.84	318.68	300.65	156.21	462.59
		Percentage	91.28	81.45	75.64	61.91	78.62
3	59-Irrigation and Flood Control	Amount	21.25	132.48	186.89	92.84	147.46
		Percentage	57.59	57.07	80.70	79.62	79.58

Source: Appropriation Accounts of respective years.

During the five years period 2014-15 to 2018-19, there were persistent Savings in the above three Grants which indicates poor budgeting, shortfall in performance or both, as funds could not be utilised as estimated on activities planned by the Departments concerned. The accountability of the executive responsible for persistent savings over estimation of requirement of funds and failure to prepare a realistic Budget should be fixed.

The report was forwarded to the Government (April 2020) and replies 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 under the Budget. It was, however, noticed that an expenditure of ₹ 0.44 crore was incurred in one case 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 2018-19**

(₹ in crore)

Number and Name of		Amount of Expenditure without Provision
Grants	Head of Account	
52-Forest, Ecology, Environment and Wildlife	4406-01-070-01 Buildings	0.44
<b>Total</b>		<b>0.44</b>

Source: Appropriation Accounts.

### 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

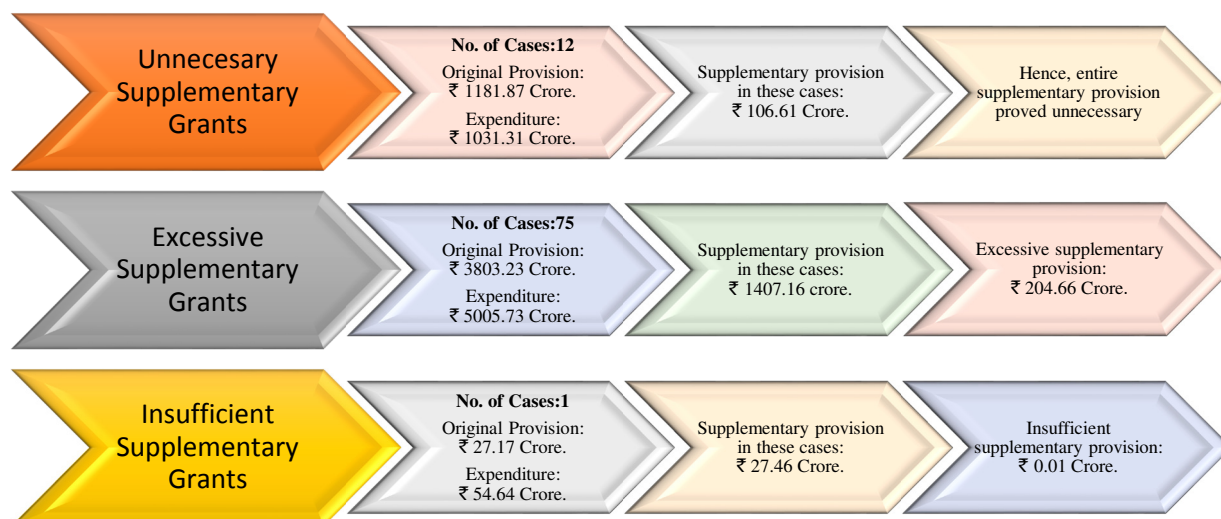
Appropriation Accounts by the Public Accounts Committee (PAC). However, excess expenditure amounting to ₹ 723.69 crore for the years 2012-13 to 2017-18 was not regularised till December 2019 (**Appendix 2.2**). The State Government also did not offer any valid reasons for Excess Expenditure over Grants/Appropriation.

The persistent excess expenditure over Grants/Appropriation is a serious matter. Such repeated excess expenditure over grants approved by the State Legislature is in violation of Article 204 of the Constitution which provides that no money shall be drawn from the Consolidated Fund except under appropriations made by law. As this vitiates the basic principle of legislative financial control, the State Legislature needs to view such cases of financial irregularity/indiscipline seriously. Thus, all the cases of the Excess Expenditure of ₹ 723.69 crore pertaining to the year 2012-13 to 2017-18 are to be regularised at the earliest under Article 205 of the Constitution of India. The responsibility of the executive on account of persistent Excess Expenditure over Grants/Appropriation needs to be fixed as this is contrary to legislative intent and defeats the objective of ensuring accountability of the executive over utilisation of public money. In future, such unauthorised excess expenditure should be stopped completely, except in case(s) of dire and extreme emergency, the amount of which cannot be met from the Contingency Fund.

### 2.3.5 Unnecessary Supplementary Provision

Supplementary Provision of ₹ 106.61 crore obtained by 12 Departments during the year proved unnecessary as the expenditure either did not come up to the level of Original Provision or the Subsequent Supplementary Provision was not utilised by the Departments concerned as detailed in **Appendix 2.3**. It was also observed that in 75 cases the Supplementary Grants of ₹ 204.66 crore proved excessive as discussed below:

**Chart: 2.1: Unnecessary, Excessive and Insufficient Supplementary Provisions**



### 2.3.6 Excessive/Insufficient Re-Appropriation of Funds

Re-appropriation is transfer of funds within a Grant from one unit of Appropriation, where Savings are anticipated to another unit where additional Funds are needed. Injudicious Re-appropriation of Funds made during the year 2018-19 proved either

excessive or insufficient (by ₹ 10 lakh or more) resulting in Savings of ₹ 22.80 crore in 15 Sub-heads and Excess of ₹ 28.98 crore in 14 Sub-heads as detailed in **Appendix 2.4**.

### 2.3.7 Unexplained Re-Appropriations

According to Financial Rules, reasons for additional expenditure and savings should be explained in the Re-appropriation statement and specific reasons should be given 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 80 grants (98 *per cent*) on the last day without stating specific reasons for withdrawal of provision or additional provision by way of Re-appropriation of funds. This Re-appropriation on last day of the financial year resulted in unnecessary Savings in some Grants on the one hand and excess in some Grants on the other hand which was avoidable as discussed in **Paragraph 2.3.6** above.

### 2.3.8 Substantial Surrenders

Substantial surrenders (more than 50 *per cent* of Total Provision was surrendered) were made in respect of 116 Sub Heads. Out of the Total Provision amounting to ₹ 3376.15 crore in those Sub Heads, ₹ 2623.52 crore (77.71 *per cent*) was surrendered, which included cent *per cent* surrender under 47 Sub Head (₹ 527.72 crore). The circumstances prompting the Department to surrender the funds were neither stated nor on record. The details of such cases are given in **Appendix 2.5**.

### 2.3.9 Inadequate Budgetary Control

In one case, the amount surrendered (₹ one crore or more in each case) was in excess of actual savings which resulted in Excess Expenditure over the Provisions under the respective Grants. As against savings of ₹ 121.36 crore, the amount surrendered was ₹ 125.12 crore resulting in Excess Expenditure of ₹ 3.76 crore over the Provisions which needed regularisation. Such action was indicative of lack of, or inadequate Budgetary control in those Departments. Details are given in **Appendix 2.6**.

### 2.3.10 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 2018-19, savings in 19 Grants (amounting to ₹ 5.47 crore) occurred which had not been surrendered by the Departments concerned (**Appendix 2.7**) as was required.

Besides, in 27 cases an amount of ₹ 5287.64 crore (₹ 10.00 crore and above) which comprised of 25 *per cent* of the total Budget for the year was surrendered (**Appendix 2.8**) on the last two working days of March 2019 indicating Inadequate Financial Control. As a result, those funds could not be utilised for other developmental activities during the year and purpose of surrender of Funds was defeated in those cases.

### 2.3.11 Rush of Expenditure

According to Rule 62(3) of GFR 2017, rush of expenditure, particularly in the closing months of the financial year shall be regarded as breach of financial propriety and should be avoided.

**Table 2.5: Percentage of Expenditure in March alone**

No of Grants	Expenditure incurred in each quarters					Expenditure in March'20	Expenditure in March as percentage of TE
	1 <sup>st</sup> Qtr	2 <sup>nd</sup> Qtr	3 <sup>rd</sup> Qtr	4 <sup>th</sup> Qtr	Total		
82	2785.48	3611.80	2957.40	5762.41	15117.09	2946.36	19.49

Source: Summary of Appropriation Accounts

As can be seen from above, out of the Total Expenditure of ₹ 15117.09 crore (including ₹ 2596.28 crore of Servicing Debt and excluding Recoveries of ₹ 41.11 crore) during the year, an amount of ₹ 2946.36 crore comprising of 19.49 *per cent* was incurred in March 2019, which indicated lack of effective financial control and violation of Financial Rules.

It was also observed that the State Government received an amount of ₹ 1995.79 crore against total Grants of ₹ 6543.33 crore (30.50 *per cent*) in the last quarter and ₹ 666.67 crore in the last month of the financial year 2018-19 in the form of Grants-in-Aid from GoI.

### 2.3.12 Gender Budgeting

The Constitution of India has mandated equality for every citizen of the country as a fundamental right.

Among others, Gender Budgeting Serves in (i) Identifying the felt needs of women and re-prioritising and/ or increasing expenditure to meet these needs; (ii) Supporting gender mainstreaming in macro-economic; (iii) Strengthening civil society participation in economy; (iv) Enhancing the linkages between economic and social policy outcomes; (v) Tracking Public expenditure against gender and development policy commitments and (vi) Contributing to the attainment of the Sustainable Development Goals (SDGs).

One of the tools that can be used to promote women's equality and empowerment is gender-responsive budgeting or Gender Budgeting. However, Nagaland State is yet to adopt Gender Budgeting.

## 2.4 Advances from Contingency Fund

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

During the year, no expenditure was incurred under this fund. An amount of ₹ 0.35 crore pertaining to expenditure from the Contingency Fund, had not been recouped till the end of the year 2018-19.



## 2.5 Outcome of the Review of Selected Grant

A review of Grant No. 31 - School Education was conducted mainly to assess the efficiency in the process of Budgeting and consequent control over expenditure both for the Revenue and Capital heads of the Grant during the year 2018-19.

### 2.5.1 Budget and Expenditure

The summarised position of Budget Provision and Actual Expenditure during 2018-19 in respect of Grant No. 31 - School Education is given in **Table 2.6**.

**Table 2.6: Summarised position of Budget Provision and Actual Expenditure**

(₹ in crore)

Nature of Expenditure	Budget Provision			Actual Expenditure	Saving(-) / Excess(+)
	Original	Supplementary	Total		
Revenue	1674.89	0.00	1674.89	1553.52	(-) 121.37
Capital	0.00	13.08	13.08	12.52	(-) 0.56
<b>Total</b>	<b>1674.89</b>	<b>13.08</b>	<b>1687.97</b>	<b>1566.04</b>	<b>(-) 121.93</b>

Source: Appropriation Accounts of respective year.

The above table shows that during the year 2018-19, there was overall saving of ₹ 121.93 crore representing 7.22 per cent of the total Budget Provision as a result of saving under Revenue (₹ 121.37 crore). As per Financial Rules, the spending Departments are required to surrender the anticipated savings to the Finance Department as and when occurred. The Department surrendered ₹ 125.12 crore out of the savings of ₹ 121.36 crore under Revenue Head during the year 2018-19 resulting in Excess Expenditure of ₹ 3.76 crore over the provisions.

An analysis of the Expenditure *vis-à-vis* the Budget Provision under the Revenue Section revealed that there was an overall Excess Expenditure of ₹ 3.76 crore under the section. This was mainly due to the fact that the Department expended ₹ 4.26 crore in excess under the 'Rashtriya Madhyamik Shiksha Abhiyan' Sub head and ₹ 0.04 crore under 'National Programme for Nutritional Support to Primary Education, offset by the savings of ₹ 0.54 crore under 'Inspectorate (DEO)' through the final Grant under the Major Heads 2202.

## 2.6 Conclusion

- ❖ During the year, there was an overall Savings of ₹ 5311.78 crore, of which 99.81 per cent was Surrendered (₹ 5301.53 crore).
- ❖ In 116 Sub-heads, the surrender of funds amounted to more than 50 per cent of the Provisions. At the close of the year 2018-19, savings in 19 Grants (amounting to ₹ 5.47 crore) occurred, which were not surrendered by the Departments concerned. Besides, in 27 cases ₹ 5287.64 crore was surrendered on the last two working days of March 2019 indicating inadequate financial control. As such, these Funds could not be utilised for other developmental purposes.

- ❖ *Excess Expenditure over the Allocations amounting to ₹ 723.69 crore pertaining to the years 2012-13 to 2017-18 was not regularised till December 2019. The cases of Excess Expenditure over Grants were serious violations of the will of the Legislature. It is, thus, important to fix the responsibility of erring officials in this regard.*

## **2.7 Recommendations**

- ❖ *Since the revenue of the State is largely dependent on various receipts from the GoI, the State Government should ensure that formalities/conditions for receipt of Funds are furnished timely so that Funds are received timely and rush of expenditure at the fag end of Financial Year is avoided.*
- ❖ *The cases of persistent Savings should be analysed by the Government for making Budgetary assumptions more realistic under respective Grants in order to avoid such instances in future.*
- ❖ *Financial controls may be streamlined so that anticipated Savings may be Surrendered well in time for their effective utilisation in other Programmes /Activities.*



**CHAPTER-III**  
**FINANCIAL REPORTING**



## Chapter III Financial Reporting

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

### 3.1 Delay in Submission of Utilisation Certificates

Financial Rules provide that for the grants provided for specific purposes, Utilisation Certificates (UCs) should be obtained by the departmental officers from the grantees. After verification, these should be forwarded to the Accountant General (Accounts & Entitlement) within 12 months from the date of their sanction unless specified otherwise. As per Finance Accounts, Utilization Certificates in respect of 187 cases involving an amount of ₹ 760.72 crore were outstanding for submission as on March 2019 as detailed in **Table 3.1**. The department-wise break-up of outstanding UCs is given in **Chart 3.1** and **Appendix 3.1**

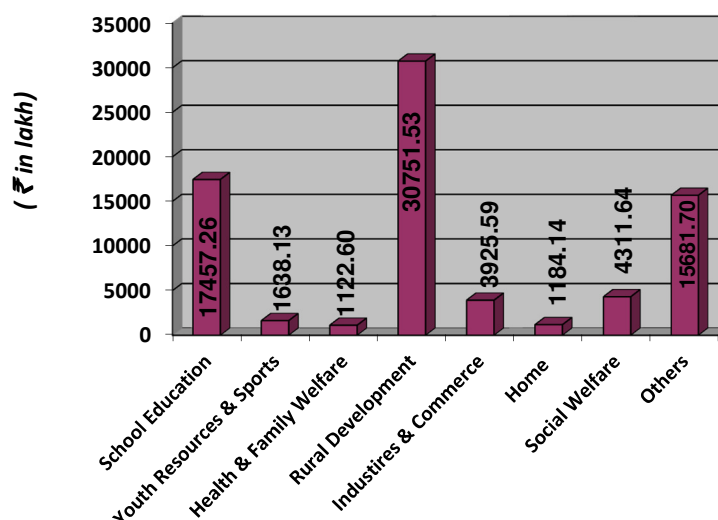
**Table 3.1: Year-wise break up of pending Utilisation Certificates in respect of Grants-in-Aid**

(₹ in crore)

Years	Number of cases / Amount of Grant		Number of UCs submitted		Number of UCs Outstanding as of March 2019	
	Number of cases	Amount	Number of cases	Amount	Number of cases	Amount
Up to 2016-17 (Oldest case 2010-11)	365	1302.46	261	672.84	104	629.62
2017-18	55	328.40	31	313.19	24	15.21
2018-19	70	167.06	11	51.17	59	115.89
<b>Total</b>	<b>490</b>	<b>1797.92</b>	<b>303</b>	<b>1037.20</b>	<b>187</b>	<b>760.72</b>

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

**Chart 3.1: Department wise Outstanding position of UCs as on March 2019**



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

Eighteen Government Departments did not submit 59 Utilisation Certificates (UCs) involving ₹ 115.89 crore which were due to be submitted during the year 2018-19 and, therefore, there is no assurance that the expenditure of ₹ 115.89 crore was actually incurred for the purpose for which it was authorized. In addition to this, 128 UCs worth ₹ 644.83 crore due for submission up to 2017-18 were also outstanding as on 31 March 2019. Thus, 187 UCs worth ₹ 760.72 crore were due for submission as of March 2019. Huge pendency in submission of UCs is fraught with risk of fraud and misappropriation of funds.

### **3.2 Pendency in Submission of Detailed Countersigned Contingent Bills against Abstract Contingent Bills**

As per rule 309 of Central Treasury Rules, every drawing officer is required to certify in each Abstract Contingent (AC) Bill that detailed bills for all contingent charges drawn by him/her prior to the first of the current month have been forwarded to the respective controlling officers for countersignature and transmission to the Accountant General (Accounts & Entitlement). The total amount of Detailed Countersigned Contingency (DCC) Bills received up to the period 2018-19 was only for ₹ 453.68 crore (46.27 per cent) against ₹ 980.45 crore drawn on AC Bills, leading to pendency of DCC Bills of ₹ 526.77 crore as on 31 March 2019. Year wise details are given in **Table 3.2**:

**Table 3.2 : Pendency in Submission of Detailed Countersigned Contingent Bills against Abstract Contingent Bills**

(₹ in crore)

Year	AC Bills drawn		DCC Bills submitted		Outstanding DCC Bills	
	Number	Amount	Number	Amount	Number	Amount
Up to 2016-17	426	589.06	319	394.21	107	194.85
2017-18	103	166.26	43	40.17	60	126.09
2018-19	144	225.13	20	19.30	124	205.83
<b>Total</b>	<b>673</b>	<b>980.45</b>	<b>382</b>	<b>453.68</b>	<b>291</b>	<b>526.77</b>

Source: Principal Accountant General (A&E).

Details of the pending bills are given in **Appendix 3.2**. Out of 124 bills (₹ 205.83 crore) drawn through AC Bills pending for submission of DCC Bills at the end of 2018-19, 34 bills (₹ 7.91 crore) were drawn in the last month of the financial year.

Fifteen Government Departments did not submit 124 Detailed Countersigned Contingent Bills amounting to ₹ 205.83 crore before closing of the accounts for the financial year 2018-19 and, therefore, there is no assurance that the expenditure of ₹ 205.83 crore has actually been incurred during the financial year for the purpose for which it was authorized by the Legislature. In addition to this, 167 AC Bills amounting to ₹ 320.94 crore drawn up to 2017-18 were also outstanding as on 31 March 2019. Thus, 291 AC bills involving ₹ 526.77 crore were outstanding as of March 2019. Advances drawn and not accounted for increases the possibility of wastage/ misappropriation/ malfeasance, etc.

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

### 3.3 Personal Deposit (PD) Account

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

As on 01 April 2017, there was only one PD account with a balance of ₹ 0.02 crore and no transaction was done during the year 2018-19. Thus, on 31 March 2019, one PD account involving ₹ 0.02 crore which was required to be closed, was still in existence. Non-transfer of unspent balances lying in PD Accounts to Consolidated Fund of the State entails the risk of misuse of public fund, fraud and misappropriation.

### 3.4 Balances Lying Unspent in Civil Deposits

The State Government provides its share to various Departments/Agencies for the implementation of Centrally Sponsored/State schemes. During 2018-19 an amount of ₹ 44.75 crore was sanctioned in favour of 12 Departments/Agencies which were instead kept in Civil Deposit and retained outside the Government account. This indicated that the funds were not immediately required for utilization.

The details of funds drawn and kept in Civil Deposits in respect of 12 departments/agencies are presented in the **Table 3.3**:

**Table 3.3: Non-utilisation of Funds during the year 2018-19**

(₹ in crore)

Sl. No.	Name of the Department/Directorate	Amount drawn	Expenditure incurred	Amount kept in Civil Deposit
1	New & Renewable Energy	1.77	0.00	1.77
2	Planning & Co-ordination Department	18.85	0.00	18.85
3	Nagaland State Transport	4.77	0.00	4.77
4	Youth Resources and Sports	2.23	0.00	2.23
5	Nagaland State Lotteries	0.15	0.00	0.15
6	Motor Vehicles Transport	0.88	0.00	0.88
7	Water Resources Department	0.60	0.00	0.60
8	Directorate of Evaluation	0.23	0.00	0.23
9	Election Department	1.00	0.00	1.00
10	Land Resources	3.27	0.00	3.27
11	Agriculture	10.00	0.00	10.00
12	Art and Culture	1.00	0.00	1.00
<b>Grand Total</b>		<b>44.75</b>	<b>0.00</b>	<b>44.75</b>

Source: Departmental Figures.

The above table shows that an amount of ₹ 44.75 crore was drawn by twelve departments during the year 2018-19 for implementation of different schemes. However, the entire amount of ₹ 44.75 crore was kept in Civil Deposits. The funds drawn and kept in Civil Deposits were shown as utilized (expenditure) by the respective DDOs and thus, the expenditure of the respective year(s) were inflated to that extent, without actual expenditure having been incurred under the programme/scheme, in contravention of financial rules.

### **3.5 Outstanding Balances under the Head ‘Cheques and Bills’**

Major Head 8670 Cheques and Bills is an intermediary accounting head for initial record of transactions which are eventually to be cleared. There would normally be a credit balance outstanding under this head, representing cheques not encashed. The accounts of the State Government, however, showed an outstanding debit balance of ₹ two lakh as on 31 March 2019, which needs to be reconciled by the State Government.

### **3.6 Delay in Submission of Accounts/Separate Audit Reports of Autonomous Bodies**

#### **(i) Delay in submission of Accounts of Autonomous Bodies**

Fourteen Autonomous Bodies have been set up by the State Government, of which, only the audit of accounts of the Nagaland Khadi and Village Industries Board (NKVIB) up to 2018-19 was entrusted to the Comptroller and Auditor General of India under Section 19 (3) of the DPC Act. However, the annual accounts of the Board since 2015-16 were not furnished to Audit (December 2019). The status of entrustment of audit, issuance of Separate Audit Report (SAR) and its placement in respect of NKVIB in the Legislature is indicated in **Table 3.4:**

**Table 3.4: Delay in Submission of Accounts and Tabling of Separate Audit Reports**

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

**(ii) Non-Submission of accounts for preparation of Separate Audit Reports**

Four out of 14 Autonomous Bodies, established under the State Legislative Act, the audit of whose accounts was entrusted to the Comptroller and Auditor General of India are given in **Table 3.5**:

**Table 3.5: Details showing the Section of Entrustment of audit of Autonomous Bodies**

Sl. No.	Name of the Autonomous Bodies	Provision for Audit under Section
1	Nagaland Electricity Regularity Commission	Section 104 and 105 of Central Electricity Act 2003
2	Nagaland State Legal Services Authority	Section 18 of National Legal Services Authority Act.
3	Nagaland Pollution Control Board	Section 40 of Water (Prevention and Control of Pollution) Act 1974
4	Nagaland Building and Other Construction Worker's Welfare Board	Section 27 of Building and Other Construction Workers Act 1996.

*Source: Relevant Acts*

Although the Annual Accounts of these Bodies were due for submission to the Accountant General (Audit) every year, yet the Accounts were not furnished by those authorities since their inception due to which C&AG could not conduct the audit and submit Separate Audit Report to the State Legislature. Besides, non-furnishing of accounts and absence of audit was fraught with the risk of misappropriation etc.

### 3.7 Departmental Commercial Undertakings

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

As on 31 March 2019, there were eight departmentally managed Government Commercial Undertakings.

A mention was made in the Report of the Comptroller and Auditor General of India on State Finances for the year 2012-13 about delay in preparation of Proforma Accounts of those undertakings. Despite this, Accounts were in arrears for periods ranging between two and 38 years as of March 2019.

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

### **3.8 Non-Submission/Delay in Submission of Accounts of Bodies/Authorities**

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

A total of 143 Annual Accounts in respect of 22 Autonomous Bodies/Authorities due up to 2018-19 had not been received as of August 2019 by the Accountant General (Audit). The details of those accounts are given in **Appendix 3.4** and their age-wise pendency is presented in **Table 3.6**:

**Table 3.6: Age-wise Arrears of Annual Accounts due from Government Bodies/Authorities**

Sl. No.	Delay in number of years	No. of the Bodies/ Authorities	Grants received (₹ in Lakhs)
1	5 – 6	15	Details not Available
2	>7 – 9	7	Details not Available

It may be seen from the table above that delay in submission of Accounts ranged between five and nine years in respect of the Autonomous Bodies/Authorities.

Thus, proper utilisation of Grants and Loans disbursed to these Bodies/Authorities and their accounting remained unverified in audit. The non-submission/delay in submission of Annual Accounts dilutes accountability. The reasons for non-preparation of the Accounts were not intimated. Such inaction was also indicative of the failures of the management at the level of such Bodies/ Authorities and proper monitoring at Government's level, which is a matter of concern.

### **3.9 Funds Transferred Directly to Implementing Agencies**

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

During the year 2018-19, central funds amounting to ₹ 269.47 crore were directly transferred to the Implementing Agencies (**Appendix 3.5**). Details of major amount of funds transferred directly to Implementing Agencies are shown in **Table 3.7**:



**Table 3.7: Funds Transferred Directly to Implementing Agencies***(₹ in crore)*

Programme/Scheme	Implementing Agency in the State	Funds transferred directly by GoI during 2018-19
Support to National Institute of Technology (NIT) including Ghani Khan Institute	National Institute of Technology	29.43
Swadesh Darshan-Integrated Development Theme	Nagaland Tourism Board	34.10
Pradhan Mantri Kishan Samman Nidhi	Department of Agriculture	5.57
National AIDS and STD Control	Nagaland State AIDS Control Society	20.10
Infrastructure Development and Capacity Building	Nagaland Tool Room & Training Centre	5.50
Support of Academies	North East Zonal Cultural Centre	7.94
Health and Family Welfare	State Health Society	6.89
Pradhan Mantri Kishan Sampa Yojana MEGA Food Parks	DOYS Agri Resources Pvt. Ltd.	14.78
Organic Value Chain Development of NE Region	Nagaland Organic Mission	27.45
Electronic Governance	Nagaland State E-Governance Society	5.55
Pradhan Mantri Kishan Sampada Yojana Integrated Cold Chain and Value Addition Infrastructure	Nagaland Integrated Cold Chain	5.27
Others	Other 146 implementing Agencies against 62 Schemes	106.89
<b>Total</b>		<b>269.47</b>

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

There is no single agency in the State to monitor the funds directly transferred by the GoI to the Implementing Agencies and no data readily available as to how much money has actually been spent in a particular year on major flagship schemes and other important schemes which are being implemented by Implementing Agencies and funded directly by the GoI.

### 3.10 Reconciliation of Departmental figures

During the year 2018-19, all the 82 Controlling Officers (COs) had reconciled their figures (both Receipt and Expenditure) in full with the books of Principal Accountant General (A&E) of the State.

### 3.11 End use of Cess

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

The details of amount collected and actual expenditure incurred during the period from 2014-15 to 2018-19 are shown in **Table 3.8:**

**Table 3.8: Statement of Cess Collection and Expenditure incurred (2014-15 to 2018-19)**

(₹ in crore)

Year	Opening Balance	Receipt during the year	Available Fund	Expenditure	Balance at the end of the year
2014-15	7.13	6.17	13.30	0.42	12.88
2015-16	12.88	7.22	20.10	2.00	18.10
2016-17	18.10	9.23	27.33	1.40	25.93
2017-18	25.93	9.45	35.38	7.56	27.82
2018-19	27.82	18.30	46.12	9.84	36.28

Source: Information furnished by NBOCW Welfare Board.

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

The Board received ₹ 46.12 crore as cess during the year, the Receipt was not deposited in the Consolidated Fund of the State and the expenditure out of the fund was also not accounted under the respective head of the Appropriation Account, in contravention of provisions envisaged under Article 266 (1) of the Constitution of India. Instead of depositing to the Consolidated Fund of the State, the fund was kept in a dedicated bank account and day to day transactions were being made out of the bank account.

### 3.12 Misappropriation, Loss, Defalcation, etc.

There were 36 cases of misappropriation, losses etc., involving Government money of ₹ 215.89 crore (Amount involving ₹ 218.56 crore out of which ₹ 2.67 crore was recovered) up to the period ending 31 March 2019 on which final action was pending. The Department-wise break up of pending cases and age wise analysis is given in **Appendix 3.6** and nature of the cases are given in **Appendix 3.7**. The age-profile of the pending cases and the number of cases pending in each category are summarised in **Table 3.9:**

**Table 3.9: Profile of Misappropriation, Loss, Defalcation, etc.**

Nature of the Pending Cases				
Range in Years	Number of Cases	Nature/ Characteristics of the Cases	Number of Cases	Amount Involved (₹ in crore)
0-5	34	Theft	4	0.18
		Misappropriation/ Losses	30	210.37
5-10	2	Defalcations	2	8.01
<b>Total</b>	<b>36</b>		<b>36</b>	<b>218.56</b>

Source: Nagaland Lokayukta and Department records.

A further analysis indicates the reasons for which the cases were outstanding as detailed in **Table 3.10:**

**Table 3.10: Reasons for Outstanding cases of Misappropriation, Losses, Defalcations, etc.**

Reasons for the Delay/ Outstanding Pending Cases		Number of Cases	Amount (₹ in crore)
i)	Awaiting departmental and criminal investigation	26	203.61
ii)	Departmental action initiated but not finalized	6	0.93
iii)	Awaiting orders for recovery or write off	2	0.11
iv)	Pending in the Court of law	2	13.91
<b>Total</b>		<b>36</b>	<b>218.56</b>

Source: Nagaland Lokayukta and Department records.

The highest amount of misappropriation, loss and theft that amounted to ₹ 82.96 crore, involved two cases of misappropriation, one case of theft and one case of loss of government material in School Education Department, out of which an amount of ₹ 0.57 crore had been recovered (December 2019).

### 3.13 Follow up action on Audit Reports

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

The Audit Reports on State Finances for the years from 2008-09 to 2016-17 were placed before the State Legislature are shown in **Table 3.11**:

**Table 3.11: Placement of State Finances Audit Report 2008-09 to 2017-18**

Year of State Finances Audit Report	Date of placement in State Legislature
2008-09	27.03.2010
2009-10	28.03.2011
2010-11	22.03.2012
2011-12	18.03.2013
2012-13	25.07.2014
2013-14	17.03.2015
2014-15	19.03.2016
2015-16	28.03.2017
2016-17	20.09.2018
2017-18	15.02.2020

Explanatory notes on the observations made in the respective Audit Reports had not been furnished by the departments.

### **3.14 Conclusion**

- ❖ *Utilisation Certificates were not furnished in 187 cases involving ₹ 760.72 crore since the last one to eight years. There were delays in submission of Annual Accounts by 22 Autonomous Bodies/Authorities, which diluted accountability and defeated the very purpose of preparation of Accounts.*
- ❖ *Detailed Contingent (DC) Bills were not submitted for an amount of ₹ 526.77 crore drawn on 291 Abstract Contingent (AC) Bills by various Departments. In the absence of DC Bills, it was not possible to ascertain whether expenditure had actually taken place or not. Non-adjustment of AC Bills for long periods in violation of prescribed Rules and Regulations was fraught with the risk of embezzlement/ misappropriation of funds.*
- ❖ *An amount of ₹ 44.75 crore was lying in Civil Deposits at the end of the year. Paying interest at higher rates on borrowings while keeping amounts in Civil Deposits which did not bear any interest showed poor cash and financial management by the State Government.*
- ❖ *The accounts of the State Autonomous Bodies and Departmental Commercial Undertakings were not submitted to Audit for the last two to 38 years due to which audit by C&AG of India could not be conducted.*
- ❖ *As on 31 March 2019, 36 cases of misappropriation, defalcation etc., involving ₹ 215.89 crore were pending for final action by 18 Departments.*

### **3.15 Recommendations**

- ❖ *The Government needs to enforce strict compliance to the timelines for submission of the UCs by the recipients. Action against erring officials needs to be initiated.*
- ❖ *Monitoring mechanism may be put in place to ensure that DC Bills are submitted within the prescribed time. Disciplinary action should be initiated against the Drawing & Disbursing Officers and Treasury Officers for not complying with provisions of extant rules by allowing subsequent AC Bills without ensuring submission of DC Bills against already drawn AC Bills.*
- ❖ *There is a need to impress upon the Autonomous Bodies for submission of accounts regularly besides ensuring by the State Government that the Separate Audit Reports for the Autonomous Bodies, are placed in the Legislature in time.*
- ❖ *The Government may ensure timely preparation of accounts by Departmental Commercial Undertakings and Autonomous Bodies and monitor the same. Effective steps are required to be taken by the State Government for clearance of arrears of accounts on priority.*

- ❖ *The Government should lodge First Information Report in all the cases of defalcation/ misappropriation/ loss to the Government and it may be ensured that timely action is taken in all such cases which may act as a deterrent in recurrence of such cases.*

**Kohima**  
**Dated: 29 July 2020**

**(E. Mhombemo Patton)**  
**Principal Accountant General (Audit)**

**Countersigned**

**Place: New Delhi**  
**Dated: 30 July 2020**

**(RAJIV MEHRISHI)**  
**Comptroller and Auditor General of India**



# APPENDICES





## Appendix 1.1

(Reference: Para 1.4)

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

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

#### Part I: Consolidated Fund

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

#### Part II: Contingency Fund

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

#### Part III: Public Account

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

**Appendix – 1.1**

(Reference: Para 1.4)

**Part B: Layout of Finance Accounts**

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

## Appendix – 1.1

(Reference: Para 1.4 & 1.7.2)

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

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

	2014-15	2015-16	2016-17	2017-18	2018-19
Gross State Domestic Product (₹ in crore)	18401	19524	21722	24281	26637
Growth rate of GSDP	10.77	6.10	11.26	11.78	9.70

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

Term	Basis of calculation
Buoyancy of a parameter	Rate of Growth of the parameter/GSDP Growth
Buoyancy of a parameter (X) with respect to another parameter (Y)	Rate of Growth of parameter (X)/ Rate of Growth of parameter (Y)
Rate of Growth (ROG)	$[(\text{Current year Amount}/\text{Previous year Amount})-1] * 100$
Development Expenditure	Social Services + Economic Services
Average interest paid by the State	Interest Payment/[(Amount of previous year's Fiscal liabilities + Current year's Fiscal Liabilities)/2]*100
Interest received as <i>per cent</i> to Loans Outstanding	Interest Received/[(Opening balance + Closing balance of Loans and Advances)/2]*100
Average interest rate of Outstanding Debt	Interest Paid/[(Opening Balance of Public Debt + Closing Balance of Public Debt)/2]
Revenue Deficit	Revenue Receipt – Revenue Expenditure
Fiscal Deficit	Revenue Expenditure + Capital Expenditure + Net Loans and Advances – Revenue Receipts – Miscellaneous Capital Receipts.
Primary Deficit	Fiscal Deficit – Interest Payments
Compound Annual Growth Rate (CAGR)	The Compound Annual Growth Rate is calculated by taking the $n^{\text{th}}$ root of the total percentage growth rate, where n is the number of years in the period being considered. $CAGR = [\text{ending value} / \text{beginning value}]^{1/\text{no of years}} - 1$
GSDP	GSDP is defined as the total income of the State or the Market Value of Goods and Services produced using Labour and all other factors of production at Current Prices.
Buoyancy Ratio	Buoyancy Ratio indicates the elasticity or degree of responsiveness of a fiscal variable with respect to a given change in the base variable. For instance, Revenue Buoyancy at 0.7 implies that Revenue Receipts tend to increase by 0.7 percentage points, if the GSDP increases by one per cent.

<b>Term</b>	<b>Basis of calculation</b>
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	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.
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.
Misappropriation	Dishonestly misappropriating or converting to own use any property, or dishonestly using or disposing of that property in violation of any direction of law prescribing the mode in which such trust is to be discharged, or of any legal contract, express or implied.
Defalcation	Defalcation is misappropriation of funds by a person trusted with its charge; also, the act of misappropriation, or an instance thereof.

## Appendix 1.1

(Reference Para 1.1)

## Part D: State Profile

A. General Data		
Sl. No	Particulars	Figures
1	Area (in sq. kms.)	16579
2	Population	
	As per 2001 census	19,90,036
	As per 2011 census	19,78,502
3	Density of Population (2011) (per sq. kms.) (All India Average 382 persons per sq km)	119
4	Below Poverty Line (BPL) (2011-12) (All India Population Below Poverty Line -21.90) (2011-12)	18.90
5	Literacy (2011) (in per cent) (All India Average 73.00 %)	79.60
6	Infant Mortality Rate (2017) (All India Average per 1000 live births-33 (2017))	12.00
7	Life Expectancy at Birth (All India Average in years-68.70) (Economic Survey 2012-16)	NA
8	Per capita GSDP CAGR (2011-12 to 2018-19) (All India Average 10.35)	10.66
9	GSDP CAGR (2011-12 to 201-19) (All India Average 11.75)	11.83
10	Population Growth (2009 to 2019) (All India Average 12.84)	11.57

B. Financial Data						
Particulars	Figures (in per cent)					
	2009-10 to 2017-18		2013-14 to 2017-18		2017-18 to 2018-19	
CAGR (per cent)	Special Category* States (SCS)	Nagaland	SCS*	Nagaland	SCS*	Nagaland
Revenue Receipts	13.41	14.54	13.77	14.13	11.64	3.80
Tax Revenue	17.65	17.10	13.08	17.63	23.22	32.61
Non Tax Revenue	8.57	15.08	8.88	16.03	19.16	-34.31
Total Expenditure	11.95	13.22	13.53	13.31	13.97	9.20
Capital Expenditure	9.64	3.22	16.47	1.38	13.68	25.16
Revenue Expenditure on Education	13.97	15.73	12.59	9.53	16.16	21.93
Revenue Expenditure on Health	15.37	16.54	18.84	16.86	17.91	14.55
Salary and Wages	12.81	14.14	11.22	9.03	14.70	18.99
Pension	19.15	20.78	16.53	16.13	13.33	22.84

**Appendix 1.2**

(Reference: Para 1.7.2, 1.8.3 & 1.10.2)

**Time Series Data on the State Government Finances**

(₹ in crore)

	2014-15	2015-16	2016-17	2017-18	2018-19
<b>Part A. Receipts</b>					
<b>1. Revenue Receipts</b>	<b>7648.67</b>	<b>8040.79</b>	<b>9439.79</b>	<b>11019.21</b>	<b>11437.41</b>
<b>(i) Tax Revenue</b>	<b>388.61(5)</b>	<b>427.10(5)</b>	<b>510.75(5)</b>	<b>638.28(6)</b>	<b>846.43(8)</b>
Taxes on Agricultural Income	-	-	-	-	-
Goods and Service Tax	0.00	0.00	0.00	187.57(29)	469.64(55)
Taxes on Sales, Trade, etc.	294.29(76)	328.58(77)	400.12(78)	287.55(45)	186.69(22)
State Excise	4.70(1)	5.12(1)	4.62(1)	4.20(1)	4.65(1)
Taxes on Vehicles	46.46(12)	53.09(13)	57.39(11)	101.53(16)	126.22(15)
Stamps and Registration Fees	1.93(1)	2.04(1)	2.05(0)	2.62(0)	2.53(1)
Land Revenue	0.74(0)	0.75(0)	0.82(0)	0.90(0)	1.13(0)
Taxes on Goods and Passengers	9.73(2)	5.88(1)	14.76(3)	17.59(3)	20.16(2)
Other Taxes	30.76(8)	31.64(7)	30.99(6)	36.32(6)	35.41(4)
<b>(ii) Non Tax Revenue</b>	<b>268.34(3)</b>	<b>253.61(3)</b>	<b>343.03(4)</b>	<b>388.53(4)</b>	<b>255.24(2)</b>
<b>(iii) State's share of Union taxes and Duties</b>	<b>1062.68(14)</b>	<b>2540.72(32)</b>	<b>3032.63(32)</b>	<b>3353.13(30)</b>	<b>3792.41(33)</b>
<b>(iv) Grants in Aid from Government of India</b>	<b>5929.04(78)</b>	<b>4819.36(60)</b>	<b>5553.38(59)</b>	<b>6639.27(60)</b>	<b>6543.33(57)</b>
<b>2. Miscellaneous Capital Receipts</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>3. Recoveries of Loans and Advances</b>	<b>0.71</b>	<b>0.50</b>	<b>1.09</b>	<b>1.09</b>	<b>1.08</b>
<b>4. Total Revenue and Non Debt Capital Receipts (1+2+3)</b>	<b>7649.38</b>	<b>8041.29</b>	<b>9440.88</b>	<b>11020.30</b>	<b>11438.49</b>
<b>5. Public Debt Receipts</b>	<b>2414.87</b>	<b>3545.94</b>	<b>5444.35</b>	<b>5141.02</b>	<b>2907.22</b>
Internal Debt (excluding Ways and Means Advances and Overdrafts)	725.00	1068.40	1182.44	1234.69	943.86
Net transactions under Ways and Means Advances and Overdrafts	1689.87	2477.54	4261.91	3906.00	1959.38
Loans and Advances from Government of India	0.00	0.00	0.00	0.33	3.98
<b>6. Total Receipts in the Consolidated Fund (4+5)</b>	<b>10064.25</b>	<b>11587.23</b>	<b>14885.23</b>	<b>16161.32</b>	<b>14345.71</b>
<b>7. Contingency Fund Receipts</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>8. Public Account Receipts</b>	<b>2661.92</b>	<b>3226.12</b>	<b>2933.99</b>	<b>3319.54</b>	<b>4114.23</b>
<b>9. Total Receipts of the State (6+7+8)</b>	<b>12726.17</b>	<b>14813.35</b>	<b>17819.22</b>	<b>19480.86</b>	<b>18459.94</b>
<b>Part B. Expenditure/Disbursement</b>					
<b>10 Revenue Expenditure</b>	<b>6760.14</b>	<b>7579.14</b>	<b>8649.45</b>	<b>10191.35</b>	<b>10919.98</b>
General Services (including interest payments)	3130.97(46)	3620.47(48)	3893.96(45)	4319.41(42)	5018.12(46)
Social Services	1855.17(28)	2093.61(28)	2295.21(27)	2558.56(25)	3158.58(29)
Economic Services	1774.00(26)	1865.06(25)	2460.28(28)	3313.38(33)	2743.28(25)
Grants-in-Aid and contributions	0.00	0.00	0.00	0.00	0.00
<b>11. Capital Expenditure</b>	<b>1023.17</b>	<b>1059.23</b>	<b>1076.10</b>	<b>1274.85</b>	<b>1595.56</b>
General Services	160.95(16)	105.78(10)	132.55(12)	267.10(21)	419.49(26)
Social Services	350.99(34)	287.49(27)	431.73(40)	485.68(38)	329.89(21)
Economic Services	511.23(50)	665.96(63)	511.82(48)	522.07(41)	846.18(53)
<b>12. Disbursement of Loans and Advances</b>	<b>0.19</b>	<b>0.19</b>	<b>0.19</b>	<b>0.19</b>	<b>5.27</b>
<b>13. Total Expenditure(10+11+12)</b>	<b>7783.50</b>	<b>8638.56</b>	<b>9725.74</b>	<b>11466.39</b>	<b>12520.81</b>

	2014-15	2015-16	2016-17	2017-18	2018-19
<b>14. Repayments of Public Debt</b>	<b>2306.08</b>	<b>2705.35</b>	<b>5065.03</b>	<b>4452.01</b>	<b>2596.27</b>
Internal Debt (excluding Ways and Means Advances and Overdrafts)	279.11	496.30	491.81	524.29	615.17
Net transactions under Ways and Means Advances and Overdraft	2005.36	2187.51	4551.68	3906	1959.38
Loans and Advances from Government of India	21.61	21.54	21.54	21.72	21.72
<b>15. Appropriation to Contingency Fund</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>16. Total disbursement out of Consolidated Fund (13+14+15)</b>	<b>10089.58</b>	<b>11343.91</b>	<b>14790.77</b>	<b>15918.40</b>	<b>15117.08</b>
<b>17. Contingency Fund disbursements</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>18. Public Account disbursements</b>	<b>2895.22</b>	<b>3011.82</b>	<b>2661.41</b>	<b>3124.67</b>	<b>3184.11</b>
<b>19. Total disbursement by the State (16+17+18)</b>	<b>12984.80</b>	<b>14355.73</b>	<b>17452.18</b>	<b>19043.07</b>	<b>18301.19</b>
<b>Part C. Deficits</b>					
<b>20. Revenue Deficit(-)/ Revenue Surplus(+) (1-10)*</b>	<b>888.53</b>	<b>461.65</b>	<b>790.34</b>	<b>827.86</b>	<b>517.43</b>
<b>21. Fiscal Deficit(-)/ Fiscal Surplus(+) (4-13)</b>	<b>-134.12</b>	<b>-597.27</b>	<b>-284.86</b>	<b>-446.09</b>	<b>-1082.32</b>
<b>22. Primary Deficit(-)/Surplus(+) (21+23)</b>	<b>421.22</b>	<b>-10.82</b>	<b>350.64</b>	<b>231.66</b>	<b>-310.58</b>
<b>Part D. Other Data</b>					
<b>23. Interest Payments (included in Revenue Expenditure)</b>	<b>555.34</b>	<b>586.45</b>	<b>635.50</b>	<b>677.75</b>	<b>771.74</b>
<b>24. Financial Assistance to Local Bodies etc.</b>	<b>250.60</b>	<b>120.63</b>	<b>170.87</b>	<b>328.40</b>	<b>167.06</b>
<b>25. Ways and Means Advances/ Overdraft Availed (days)</b>	<b>1689.87(126)</b>	<b>2477.54(110)</b>	<b>4261.65(145)</b>	<b>3906.00(104)</b>	<b>1959.38</b>
Ways and Means Advances Availed (days)	1329.40 (96)	2290.72(101)	4103.85(138)	3646.77(95)	1910.85(98)
Overdraft Availed (days)	360.47 (30)	186.82 (9)	157.80(7)	259.23(9)	48.53(2)
<b>26. Interest on Ways and Means Advances/ Overdraft</b>	<b>4.00</b>	<b>3.11</b>	<b>6.87</b>	<b>6.17</b>	<b>0.92</b>
<b>27. Gross State Domestic Product (GSDP)</b>	<b>18401.00</b>	<b>19524.00</b>	<b>21722.00</b>	<b>24281.00</b>	<b>26637.00</b>
<b>28. Outstanding Fiscal Liabilities (year end)</b>	<b>7953.73</b>	<b>8931.64</b>	<b>9557.35</b>	<b>10409.15</b>	<b>11649.96</b>
<b>29. Outstanding Guarantees (year end) (including Interest)</b>	<b>70.22</b>	<b>70.22</b>	<b>81.19</b>	<b>110.46</b>	<b>120.96</b>
<b>30. Maximum Amount Guaranteed (year end)</b>	<b>0.00</b>	<b>0.00</b>	<b>26.50</b>	<b>51.50</b>	<b>0.00</b>
<b>31. Number of Incomplete Projects</b>	<b>213</b>	<b>373</b>	<b>340</b>	<b>311</b>	<b>390</b>
<b>32. Capital Blocked in Incomplete Projects</b>	<b>863.09</b>	<b>2100.61</b>	<b>2030.18</b>	<b>1737.68</b>	<b>1252.87</b>
<b>Part E. Fiscal Health Indicators</b>					
<b>I Resource Mobilization</b>					
Own Tax Revenue/GSDP	2.11	2.19	2.35	2.63	3.18
Own Non-Tax Revenue/GSDP	1.46	1.30	1.58	1.60	0.96
Central Transfer/GSDP	5.78	13.01	13.96	13.81	14.24
<b>II Expenditure Management</b>					
Total Expenditure/GSDP	42.30	44.25	44.77	47.22	47.01
Total Expenditure/Revenue Receipts	101.76	107.43	103.03	100.25	113.63
Revenue Expenditure/Total Expenditure	86.85	87.74	88.93	88.88	87.21
Expenditure on Social Services/ Total Expenditure	28.34	27.56	28.04	26.55	27.86
Expenditure on Economic Services/ Total Expenditure	29.36	29.30	30.56	33.45	28.67
Capital Expenditure/Total Expenditure	13.15	12.26	11.06	11.12	12.74
Capital Expenditure on Social and Economic Services/Total Expenditure.	11.08	11.04	9.70	8.79	9.39



	2014-15	2015-16	2016-17	2017-18	2018-19
<b>III Management of Fiscal Imbalances</b>					
Revenue Deficit (Surplus)/GSDP	4.83	2.36	3.64	3.41	1.94
Fiscal Deficit/GSDP	(-) 0.73	(-) 3.06	(-) 1.31	(-) 1.84	(-) 4.06
Primary Deficit (Surplus)/GSDP	2.29	(-) 0.06	1.61	0.95	(-) 1.17
Revenue Deficit/Fiscal Deficit	*	*	*	*	*
Primary Revenue Balance/GSDP	3.53	3.46	3.90	4.20	4.09
<b>IV Management of Fiscal Liabilities</b>					
Fiscal Liabilities/GSDP	43.22	45.75	44.00	42.87	43.74
Fiscal Liabilities/RR	103.99	111.08	101.25	94.49	101.86
Debt Redemption (Principal+Interest)/Total Debt Receipts	110.06	97.50	92.17	93.90	137.73
<b>V Other Fiscal Health Indicators</b>					
Return on Investment	0.00	4.94	0.00	0.00	0.66
Balance from Current Revenue (₹ in crore)	-1702.17	276.05	739.32	979.34	744.63
Financial Assets/Liabilities	1.72	1.70	1.74	1.76	1.72

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

*\*The State experienced Revenue Surplus during all the years*



## Appendix 1.3

(Reference: Para 1.4.1)

## Abstract of Receipts and Disbursements for the year 2018-19

(₹ in crore)

Receipts			Disbursement				
2017-18		2018-19	2017-18		2018-19		
<b>Section A: Revenue</b>							
<b>11019.21</b>	<b>I</b>	<b>Revenue Receipts</b>	<b>11437.41</b>	<b>10191.35</b>	<b>I</b>	<b>Revenue Expenditure</b>	<b>10919.98</b>
638.29		Tax Revenue	846.43	<b>4319.41</b>		General Services	5018.12
				<b>2558.56</b>		Social Services	3158.58
388.53		Non-Tax Revenue	255.24	1482.35		Education, Sports, Art and Culture	1807.43
				537.37		Health and Family Welfare	615.56
3353.12		State's share of Union Taxes	3792.41	140.33		Water Supply, Sanitation, Housing and Urban Development	131.32
				31.36		Information and Broadcasting	37.06
3976.63		Non-Plan/Development Grants	4286.98	45.86		Welfare of Scheduled Castes, scheduled Tribes and other Backward Classes	49.60
290.01		Grants for State Development Schemes	601.16	35.35		Labour and Labour Welfare	41.69
2372.63		Grants for Central and Centrally Sponsored plan Schemes	1655.19	273.92		Social Welfare and Nutrition	448.93
				12.02		Others	26.99
				<b>3313.38</b>		Economic Services	2743.28
				625.53		Agriculture and Allied Activities	693.57
				1356.47		Rural Development	621.80
				52.45		Special Areas Programmes	30.43
				27.95		Irrigation and Flood Control	31.15
				450.59		Energy	490.22
				122.32		Industry and Minerals	136.12
				454.27		Transport	438.08
				9.81		Science, Technology and Environment	12.22
				213.99		General Economic Services	289.69
		<b>Total</b>	<b>11437.41</b>	<b>10191.35</b>		<b>Total</b>	<b>10919.98</b>
<b>0</b>	<b>II</b>	<b>Revenue Deficit carried over to Section B</b>	<b>0.00</b>	<b>827.86</b>	<b>II</b>	<b>Revenue Surplus carried over to Section B</b>	<b>517.43</b>
<b>11019.21</b>		<b>Total</b>	<b>11437.41</b>	<b>11019.21</b>		<b>Total</b>	<b>11437.41</b>

Receipts				Disbursement				
2017-18			2018-19	2017-18			2018-19	
		Section B: Others						
1260.39	III	Opening Cash Balance including Permanent Advances and Cash Balance Investment	1698.18	0.00	III	Opening Overdraft from Reserve Bank of India	00.00	
0.00	IV	Miscellaneous Capital Receipts	0.00	1274.85	IV	Capital Outlay	1595.56	
				267.10		General Services	419.49	
				485.68		Social Services	329.89	
				30.41		Education, Sports, Art and Culture	40.36	
				70.80		Health and Family Welfare	7.42	
				375.14		Water Supply, Sanitation, Housing and Urban Development	279.14	
				2.18		Information and Broadcasting	2.97	
				4.70		Social Welfare and Nutrition	0.00	
				2.45		Others	0.00	
				522.07		Economic Services	846.18	
				29.57		Agriculture and Allied Activities	17.26	
				0.00		Rural Development	0.96	
				209.27		Special Areas Programmes	200.51	
				17.46		Irrigation and Flood Control	35.55	
				21.70		Energy	95.59	
				15.88		Industry and Minerals	3.59	
				221.38		Transport	486.22	
				5.93		General Economic Services	2.78	
				0.88		Science, Technology and Environment	3.72	
1.09	V	Recoveries of Loans and Advances	1.08	0.19	V	Loans and Advances Disbursed	5.27	
0.41		From Government Servants	0.46	0.19		To Government Servants	0.40	
0.68		From Others	0.62	0.00		To Others	4.87	
827.86	VI	Revenue Surplus brought down	517.43	0.00	VI	Revenue Deficit brought down	0.00	
5141.02	VII	Public Debt Receipts	2907.22	4452.01	VII	Repayment of Public Debt	2596.27	
1234.69		Internal Debt other than Ways and Means Advances and Overdrafts	943.86	524.30		Internal Debt other than Ways and Means Advances and Overdrafts	615.17	
3646.77		Net transactions under Ways and Means Advances	1910.85	3646.77		Net transactions under ways and Means Advances	1910.85	

Receipts				Disbursement				
2017-18			2018-19	2017-18			2018-19	
259.23		Net transactions under Overdraft	48.53	259.22		Net transactions under Overdrafts	48.53	
0.33		Repayment of Loans and Advances from Central Government	3.98	21.72		Repayment of Loans and Advances to Central Government	21.72	
<b>0.00</b>	<b>VIII</b>	<b>Appropriation to Contingency Fund</b>	<b>0.00</b>	<b>0.00</b>	<b>VIII</b>	<b>Appropriation to Contingency Fund</b>		<b>0.00</b>
<b>0.00</b>	<b>IX</b>	<b>Amount transferred to Contingency Fund</b>	<b>0.00</b>	<b>0.00</b>	<b>IX</b>	<b>Expenditure from Contingency Fund</b>		<b>0.00</b>
<b>3319.54</b>	<b>X</b>	<b>Public Account Receipts</b>	<b>4114.23</b>	<b>3124.67</b>	<b>X</b>	<b>Public Account Disbursements</b>	3184.11	<b>3184.11</b>
353.97		Small Savings and Provident Funds	909.33	292.44		Small Savings and Provident Funds	292.70	
261.01		Reserve Funds	431.99	36.01		Reserve Funds	206.99	
28.94		Suspense and Miscellaneous	36.66	29.30		Suspense and Miscellaneous	38.46	
2200.60		Remittance	2211.27	2168.15		Remittances	2209.17	
475.02		Deposits and Advances	524.98	598.77		Deposits and Advances	436.79	
<b>0.00</b>	<b>XI</b>	<b>Closing Overdraft from Reserve Bank of India</b>	<b>0.00</b>	<b>1698.18</b>	<b>XI</b>	<b>Cash Balance at end of year</b>	1856.93	<b>1856.93</b>
				339.01		Deposits with Reserve Bank	163.49	
				416.81		Departmental Cash Balance including Permanent Advances	454.28	
				63.16		Cash Balance Investment	134.96	
				879.20		Investment in Earmarked Funds	1104.20	
<b>10549.90</b>		<b>Total</b>	<b>9238.14</b>	<b>10549.90</b>		<b>Total</b>		<b>9238.14</b>

**Appendix 1.4**  
(Reference: Para 1.10.1)

**Summarised Financial Position of the Government of Nagaland as on 31.03.2019**

(₹ in crore)

As on 31.03.2018		Liabilities	As on 31.03.2019	
7640.46		Internal Debt -		7969.15
	6849.73	Market Loans Bearing Interest	7204.77	
	0.03	Market Loans Not Bearing Interest	0.03	
	12.02	Loans from Life Insurance Corporation of India	8.87	
	778.68	Loans from Other Institutions	755.48	
	0.00	Ways and Means Advances	0	
	0.00	Overdrafts from Reserve Bank of India	0	
164.11		Loans and Advances from Central Government-		146.37
	0.35	Pre 1984-85 Loans	0.35	
	13.00	Non-Development Loans	12.27	
	114.22	Loans for State Schemes	97.88	
	0.18	Loans for Central Schemes	0.18	
	28.43	Loans for Centrally Sponsored Schemes	28	
	0.00	Ways and Means Advances	0	
	7.93	Loans for Spl. Scheme	7.69	
0.35		Contingency Fund		0.35
952.72		Small Savings, Provident Funds, etc.		1569.34
803.34		Deposits		891.58
848.52		Reserve Funds		1073.52
0.00		Suspense and Miscellaneous Balances		0
(-)663.75		Remittance Balances		-661.66
<b>9745.75</b>		<b>Total</b>		<b>10988.65</b>
<b>Assets</b>				
16500.18		Gross Capital Outlay on Fixed Assets -		18095.74
	293.20	Investments in shares of Companies, Corporations, etc.	294.17	
	16206.98	Other Capital Outlay	17801.57	
24.71		Loans and Advances -		28.91
	0.00	Loans for Power Projects	0	
	24.07	Other Development Loans	28.33	
	0.64	Loans to Government Servants and Miscellaneous Loans	0.58	
0.00		Reserve Fund Investments		0
0.32		Advances		0.37
97.57		Suspense and Miscellaneous Balances		99.34
1698.18		Cash -		1856.93
	0.00	Cash in Treasuries and Local Remittances	0	
	339.01	Deposits with Reserve Bank	163.49	
	416.81	Departmental Cash Balance	454.28	
	0.00	Permanent Advances	0	
	879.20	Investment on Earmarked Funds	1104.2	
	63.16	Cash Balance Investments	134.96	
(-)8575.21		Deficit on Government account -		-9092.64
	(-)827.86	(i) Less Revenue Surplus of the current year	-517.43	
	0.00	(ii) Miscellaneous Deficit	0	
	(-)7747.35	Accumulated Deficit at the beginning of the year	-8575.21	
<b>9745.75</b>		<b>Total</b>		<b>10988.65</b>

*Explanatory Notes: The abridged accounts in the foregoing statements have to be read with comments and explanations in the Finance Accounts. Suspense and Miscellaneous Balances include Cheques issued but not paid, Inter-Departmental and Inter-Government payments and others awaiting settlement.*

## Appendix 2.1

(Reference: Para 2.3.1)

## Statement of various Grants/Appropriations where Savings were more than ₹ 1 crore each or more than 20 per cent of the Total Provision

(₹ in crore)

Sl. No	Grant No	Name of the Grant/ Appropriation	Total Grant/ Appropriation	Savings	Percentage
<b>Revenue (Charged)</b>					
1	75	Servicing of Debt	1060.55	63.81	6.02
<b>Revenue (Voted)</b>					
2	6	Land Revenue	1.35	0.38	28.15
3	7	State Excise	26.01	4.82	18.53
4	11	District Administration & Special Welfare Schemes	161.23	9.72	6.03
5	14	Jails	52.26	1.60	3.06
6	16	State Guest House	21.07	1.16	5.51
7	18	Pensions and Other Retirement Benefits	1786.44	233.65	13.08
8	26	Civil Secretariat	205.91	8.74	4.24
9	27	Planning Machinery	446.72	283.80	63.53
10	28	Civil Police	1476.89	9.96	0.67
11	30	Administrative Training Institute	7.52	1.01	13.43
12	31	School Education	1674.89	121.36	7.25
13	32	Higher Education	202.13	7.23	3.58
14	33	Youth Resources and Sports	38.29	1.09	2.85
15	35	Medical, Public Health and Family Welfare	694.85	78.06	11.23
16	37	Municipal Administration	35.03	29.08	83.01
17	40	Employment and Craftmens' Training	57.28	24.68	43.09
18	42	Rural Development	1455.44	898.50	61.73
19	43	Social Security and Welfare	246.17	24.67	10.02
20	46	Statistics	37.58	2.28	6.07
21	47	Legal Metrology and Consumer Protection	13.35	3.11	23.30
22	48	Agriculture	311.18	26.40	8.48
23	49	Soil and Water Conservation	82.60	20.80	25.18
24	50	Animal Husbandry and Dairy Development	126.55	23.06	18.22
25	52	Forest, Ecology, Environment and Wild Life	139.59	37.43	26.81
26	55	Power	487.73	1.22	0.25
27	56	Road Transport	80.41	1.89	2.35
28	59	Irrigation and Flood Control	41.27	10.13	24.55
29	60	Water Supply	105.77	8.63	8.16
30	62	Civil Administrative Work	8.35	1.05	12.57
31	65	State Council of Educational Research and Training	36.99	4.20	11.35
32	66	Sericulture	20.87	1.26	6.04
33	70	Horticulture	68.44	25.75	37.62
34	72	Land Resource Development	135.06	71.97	53.29
35	78	Technical Education	20.37	1.30	6.38
<b>Capital (Charge)</b>					
36	75	Servicing of Debt	4851.08	2254.80	46.48
<b>Capital (Voted)</b>					
37	4	Administration of Justice	20.00	11.91	59.55
38	22	Civil Supplies	7.00	2.00	28.57
39	27	Planning Machinery	588.41	462.59	78.62
40	32	Higher Education	86.00	73.87	85.90
41	33	Youth Resources and Sports	12.73	2.68	21.05
42	35	Medical, Public Health and Family Welfare	102.63	88.00	85.74
43	36	Urban Development	113.94	31.93	28.02

<b>Sl. No</b>	<b>Grant No</b>	<b>Name of the Grant/ Appropriation</b>	<b>Total Grant/ Appropriation</b>	<b>Savings</b>	<b>Percentage</b>
44	37	Municipal Administration	119.89	73.63	61.41
45	38	Information and Public Relations	10.09	2.03	20.12
46	39	Tourism	4.56	1.33	29.17
47	40	Employment and Craftsmens' Training	8.00	6.29	78.63
48	43	Social Security and Welfare	23.97	23.97	100.00
49	52	Forest, Ecology, Environment and Wild Life	1.85	1.41	76.22
50	55	Power	103.49	8.59	8.30
51	59	Irrigation and Flood Control	185.30	147.46	79.58
52	60	Water Supply	150.31	39.85	26.51
53	70	Horticulture	0.42	0.10	23.81
54	78	Technical Education	20.00	15.00	75.00
55	81	Information Technology and Communication	10.43	1.20	11.51
<b>Total</b>			<b>17786.24</b>	<b>5292.44</b>	<b>29.76</b>

*Source: Appropriation Accounts.*

## Appendix 2.2

(Reference: Para 2.3.4)

### Excess Expenditure Over Provision in Previous Years Requiring Regularisation

(₹ in crore)

Year	Number of Grants	Number of Appropriation	Amount of Excess over Provision	Status of Regularisation
2012-13	23	0	166.13	Not yet regularised
2013-14	21	0	38.51	Not yet regularised
2014-15	09	1	38.78	Not yet regularised
2015-16	16	1	373.60	Not yet regularised
2016-17	09	1	92.16	Not yet regularised
2017-18	09	1	14.51	Not yet regularised
<b>Total</b>			<b>723.69</b>	

Source: State Finances Report 2017-18 in respect of Government of Nagaland.

**Appendix 2.3**

(Reference: Para 2.3.5)

**Cases where Supplementary Provision (₹ 10 lakh or more in each case) Proved Unnecessary**

(₹ in lakhs)

Sl. No.	Number and Name of the Grant	Original Provision	Actual Expenditure	Savings out of Original Provision	Supplementary Provision
<b>Revenue (Voted)</b>					
1	35-Medical, Public Health and Family Welfare	64837.24	61679.04	3158.20	4647.63
2	37- Municipal Administration	3435.08	595.43	2839.65	68.19
3	43- Social Security and Welfare	22282.71	22149.86	132.85	2334.57
4	46- Statistics	3708.95	3529.78	179.17	48.56
5	47- Legal Metrology and Consumer Protection	1218.94	1024.64	194.3	116.35
6	56- Road Transport	7879.39	7851.80	27.59	161.75
7	62- Civil Administration	740.64	730.24	10.4	94.67
8	65- State Council of Educational Research and Training	3660.47	3278.98	381.49	38.40
9	80-State Information Commission	216.18	199.64	16.54	8.44
<b>Total Revenue (Voted)</b>		<b>107979.60</b>	<b>101039.41</b>	<b>6940.19</b>	<b>7518.56</b>
<b>Capital (Voted)</b>					
1	35-Medical, Public Health and Family Welfare	8540.00	1462.82	7077.18	1723.16
2	43- Social Security and Welfare	1000.00	0.00	1000.00	1396.88
<b>Total-Capital (Voted)</b>		<b>9540.00</b>	<b>1462.82</b>	<b>8077.18</b>	<b>3120.04</b>
<b>Revenue (Charged)</b>					
1	10- Public Service Commission	667.71	628.94	38.77	22.40
<b>Total Revenue (Charged)</b>		<b>667.71</b>	<b>628.94</b>	<b>38.77</b>	<b>22.40</b>
<b>Grand Total</b>		<b>118187.31</b>	<b>103131.20</b>	<b>15056.14</b>	<b>10661.00</b>

*Source: Appropriation Accounts.*



## Appendix 2.4

(Reference: Para 2.3.6)

## Excessive/ Insufficient Re-Appropriation of Funds proved either Excessive or Insufficient (by ₹ 10 lakh or more)

(₹ in lakh)

Sl. No.	Grant No.	Description	Head of Account	Reappropriation	Final	
					Excess (+)	Saving (-)
<b>Revenue (Voted)</b>						
1	4	District & Session Judge Establishment	2014-00-102-01	(-) 112.61	63.29	
2	15	State Vigilance	2070-00-104-01	(-) 75.22	10.70	
3	19	Rajya Sainik Board	2235-60-200-01	(+) 7.20		56.01
4	28	Central Workshop	2055-00-001-02	(-) 67.98	25.00	
5	28	Police Training School	2055-00-003-01	(+) 1260.80	40.00	
6	28	Indian Reserve Battalion	2055-00-104-02	(-) 559.10	349.99	
7	28	District Police Establishment	2055-00-109-01	(-) 956.69	392.31	
8	28	Police Telecommunication	2055-00-114-01	(+) 119.70	23.47	
9	31	Inspectorates	2202-02-101-01	(+) 1532.49		54.88
10	31	Rashtriya Madhyamik Shiksha Abhiyan	2202-02-109-05	(+) 117.90	1674.05	
11	31	Rashtriya Madhyamik Shiksha Abhiyan	2202-02-109-05	(-) 1311.04		1247.73
12	32	Buildings	4202-01-203-01	(+) 395.00		45.44
13	47	Direction	3475-00-106-01	(-) 109.96	74.04	
14	50	Direction	2403-00-001-01	(+) 665.28		131.26
15	50	Subordinate Establishment	2403-00-001-02	(+) 274.45	131.27	
16	52	Direction	2406-01-001-01	(-) 584.28		472.52
17	55	Machinery & Equipments	2801-04-800-02	(+) 69.69		31.00
18	55	Distribution and Revenue Execution	2801-05-001-04	(+) 500.95	10.00	
19	55	New Supplies	2801-05-052-01	(+) 0.31	30.00	
20	66	Common Facility Centre	2851-00-107-06	(+) 46.50		11.50
21	68	Police Engineering	2055-00-001-01	(-) 66.19	22.04	
<b>Total of Revenue (Voted)</b>				<b>(+)1147.20</b>	<b>2846.16</b>	<b>2050.34</b>
<b>Capital (Voted)</b>						
22	4	Works under Law	4216-01-106-01	(+) 300.00		34.51
23	27	Works under Planning	4059-60-051-01	(-) 33177.56		22.44
24	29	Works under Printing & Stationary	4059-60-051-01	(+) 427.00		57.38

Sl. No.	Grant No.	Description	Head of Account	Reappropriation	Final	
					Excess (+)	Saving (-)
25	39	Promotion of Tourism in NER	4552-39-800-01	(+) 89.87		33.28
26	59	Construction of Buildings	4702-00-800-04	(+) 110.49		12.71
27	59	Accelerated Irrigation Benefit and Flood Management Programme	4702-00-800-05	(+) 351.37		51.37
28	59	Accelerated Irrigation Benefit and Flood Management Programme	4702-00-800-05	(-) 14959.74	51.37	
29	78	Upgradation of Existing Polytechnics	4202-02-104-02	(+) 200.00		17.70
<b>Total of Capital (Voted)</b>				<b>(-) 46658.57</b>	<b>51.37</b>	<b>229.39</b>
<b>Grand Total</b>				<b>(-) 45511.37</b>	<b>2897.53</b>	<b>2279.73</b>

*Source: Appropriation Accounts.*

## Appendix 2.5

(Reference: Para 2.3.8)

## Results of Review of Substantial Surrenders made during the year 2018-19

(₹ in crore)

Sl. No.	Number and title of Grant	Name of the Scheme	Total Grant/ Appropriation	Amount of Surrender	Percentage of Surrender
		(Head of Account)			
<b>Revenue (Charged)</b>					
1	75-Servicing of Debt	2049-01-115-01 (Interest on Ways & Means Advance from RBI)	7.56	6.65	87.96
<b>Revenue (Voted)</b>					
2	3- Council of Ministers	2013-00-101-01 (Pay and Allowances)	6.99	4.36	62.37
3		2013-00-105-01 (Discretionary Grants)	2.36	1.36	57.63
4	4- Administration of Justice	2014-00-105-01 (District and Session Judge Establishment)	2.19	1.13	51.60
5	12-Treasury and Accounts Administration	2030-01-101-01 (Judicial)	0.13	0.13	100.00
6	13- Village Guards	2055-00-110-02 (Village Guard Personnel)	22.87	22.87	100.00
7	26- Civil Secretariat	2052-00-090-16 (PFMS Cell)	0.05	0.05	100.00
8		2401-00-119-01 (Mission for Integrated Development of Horticulture)	3.43	3.43	100.00
9		2252-26-800-01 North Eastern Areas Development - State Resource (Bee and Honey Mission)	0.89	0.89	100.00
10		3451-00-091-01 (APC Cell)	0.56	0.43	76.79
11		3451-00-091-01 (Fostering Climate Change Resilient Upland Agri System)	20.98	20.98	100.00
12		27 – Planning Machinery	2552-27-101-01 (Pool for Schemes under North Eastern Council)	180.00	179.68
13	3451-00-101-03 (Geographical Information system)		0.92	0.92	100.00
14	3451-00-102-04 (Monitoring Cell)		0.36	0.36	100.00
15	3451-00-101-02 (Pool for State Share)		245	185.44	75.69
16	28- Civil Police	2055-00-001-03 (Security Related Expenses)	0.80	0.45	56.25
17	31- School Education	2202-01-101-01 (Middle School)	219.5	126.25	57.52
18		2202-04-103-01 (Hindi Training Institute)	1.43	1.15	80.42
19		2202-01-109-02 (Scholarship for Minority Community)	5.00	5.00	100.00

Sl. No.	Number and title of Grant	Name of the Scheme	Total Grant/ Appropriation	Amount of Surrender	Percentage of Surrender
		(Head of Account)			
20	32- Higher Education	2202-03-001-02 (Nagaland College of Education)	6.81	3.80	55.80
21	33-Youth Resources and Sports	2204-00-102-03 (National Service Scheme)	0.35	0.35	100.00
22		2204-00-800-04 (Rajiv Gandhi Khel Abhiyan)	2.00	2.00	100.00
23	35- Medical, Public Health and Family Welfare	2210-01-110-02 (Mental Hospitals)	3.23	1.74	53.87
24		2210-01-110-04 (Drug De-Addiction Clinic)	2.17	1.47	67.74
25		2210-01-110-05 (Artificial Limb Centre)	1.15	0.89	77.39
26		2210-01-110-08 (Dietary Charges)	1.86	1.70	91.40
27		2210-01-200-01 (Goitres & Nutrition Programme)	0.28	0.28	100.00
28		2210-01-200-02 (Health Intelligence Bureau)	0.42	0.42	100.00
29		2210-02-102-01 (Homeopathy Establishment)	1.36	1.16	85.29
30		2210-03-102-01(Rural Subsidiary Health Centre)	11.26	7.36	65.36
31		2210-06-800-01 (National Health Mission)	14.42	9.23	64.01
32		2210-01-200-04 (National Mission on Ayush on Medicinal Plants)	0.46	0.46	100.00
33		2210-01-200-04 (Mission Flesi Pool)	7.85	7.85	100.00
34		2210-06-104-01 (Drug Control Establishment)	2.63	2.63	100.00
35		2210-06-800-01 (National Health Mission)	50.2	47.25	94.12
36		2210-06-800-15 (Rashtriya Swasthya Bima Yojana)	5.20	5.20	100.00
37		2211-00-001-01 (Direction)	33.36	32.21	96.55
38	37- Municipal Administration	2217-80-191-01 (Grants under Finance Commission)	22.64	22.64	100.00
39		2217-80-191-02 (Performance Grant)	6.43	6.43	100.00
40	39- Tourism	3452-01-101-03 Non-Development (Fairs and Festivals)	4.17	3.82	91.61

Sl. No.	Number and title of Grant	Name of the Scheme	Total Grant/ Appropriation	Amount of Surrender	Percentage of Surrender
		(Head of Account)			
41	40- Employment and Training	2230-03-800-02 (Vocational Training) World Bank	0.08	0.08	100.00
42		2230-02-101-02 (Pradhan Mantri Kaushal Vikaash Yojana)	30.41	23.62	77.67
43	41- Labour	2230-01-103-01 (Welfare Centres)	0.79	0.69	87.34
44	42- Rural Development	2216-03-800-01 (Indira Awas Yojana)	114.92	114.92	100.00
45		2505-02-101-01 (Employment Scheme)	1159.09	817.49	70.53
46		2515-00-102-03 (DRDA)	35.30	30.36	86.01
47		2515-00-102-106-01 (Shyama Prasad Mukherjee Urban Mission)	15.00	15.00	100.00
48	43- Social Security and Welfare	2235-02-101-02 (Pension to disabled person)	0.84	0.84	100.00
49		2235-02-102-06 (Integrated Child Protection Scheme)	36.05	23.62	65.52
50		2235-02-102-07 (Beti Bachao Beti Padhao)	1.30	1.21	93.08
51		2235-02-103-01 (Rajiv Gandhi Scheme for empowerment of Adolescent girls)	3.20	1.81	56.56
52		2235-02-103-03 (Mission for Empowerment of Women)	5.30	3.00	56.60
53		2235-02-103-04 (Women Helpline)	3.00	3.00	100.00
54		2235-03-103-01 (NNEW including IGMSY)	1.65	1.13	68.48
55	45- Co-operation	3425-00-108-03 (Marketing and Consumer Federation)	1.50	1.50	100.00
56		2425-000-003-01 (Co-operative Training Centre)	1.20	0.65	54.17
57	47- Legal Metrology and Consumer Protection	2552-47-800-01 (Modernisation)	60.65	60.65	100.00
58		3475-00-800-03 (State Consumer Dispute Redressal Commission)	2.20	2.20	100.00
59	48- Agriculture	2401-00-103-01 (Seed Farms)	4.09	3.85	94.13
60		2401-00-105-01 (Establishment of Manure and Fertilizer)	0.56	0.45	80.36
61		2401-00-108-01 (Sugarcane Development & Research)	3.89	2.75	70.69
62		2401-00-113-01 (Superintendence)	4.83	2.77	57.35
63		2401-00-800-02 (Agri Marketing and Quality Control)	1.04	1.04	100.00

Sl. No.	Number and title of Grant	Name of the Scheme	Total Grant/ Appropriation	Amount of Surrender	Percentage of Surrender
		(Head of Account)			
64		2401-00-111-02 (Agriculture Census)	3.85	3.64	94.55
65		2401-00-114-01 (NOOPM)	7.48	4.08	54.55
66		2401-00-800-10 (PKVY)	24.53	24.53	100.00
67		2415-01-004-01 (Chemistry Laboratory)	2.25	1.76	78.22
68	49- Soil and Water Conservation	2402-00-101-01 (Survey and Testing)	6.93	3.74	53.97
69		2402-00-103-11 (Mitigation of Flood & River Bank Erosion)	34.78	19.95	57.36
70	50- Animal Husbandry and Dairy Development	2403-00-104-01 (Sheep & Goat Farm)	2.09	2.03	97.13
71		2403-00-107-01 (Feed Manufacturing Centre)	5.30	4.90	92.45
72		2403-00-101-04 (National Livestock Health and Diseases Control Programme)	8.40	7.46	88.81
73		2404-00-102-01 (Rural Dairy Centre)	3.38	3.38	100.00
74		2404-00-102-02 (National Plan for Dairy Development)	6.50	6.50	100.00
75		2404-00-102-02 (Dairy Development)	10.40	10.40	100.00
76	51- Fisheries	2405-00-101-07 (Integrated Fish Farming)	5.19	3.25	62.62
77		2552-51-101-01 (Fish and Multiplication Firm)	0.24	0.24	100.00
78	52- Forest Ecology, Environment and Wild Life	2406-01-101-02 (JICA)	10.08	10.08	100.00
79		2406-02-111-01 (Rangaphar Zoological Park)	3.05	2.25	73.77
80		2406-01-800-01 (Intensification of Forest Management)	1.50	0.84	56.00
81		2406-04-101-01 (National Afforestation Programme)	12.91	6.50	50.35
82		2406-01-101-02 (Nagaland Forest Management Project)	25.00	25.00	100.00
83	53- Industries	2851-00-200-01 (Bee keeping Firm)	1.01	0.75	74.26
84	55- Power	2801-80-003-01 (Lineman Training Centre)	2.03	1.57	77.34
85	58-Roads and Bridges	3054-80-001-02 (Research Laboratory Cell)	5.88	3.84	65.31
86		3054-80-001-03 (Superintending Engineer Establishment)	22.65	12.44	54.92
87	60- Water Supply	2215-01-102-02 (NRWDP)	2.00	2.00	100.00
88	64- Housing	2059-80-001-01 (Direction)	25.51	14.53	56.96

Sl. No.	Number and title of Grant	Name of the Scheme	Total Grant/ Appropriation	Amount of Surrender	Percentage of Surrender
		(Head of Account)			
89		2216-05-800-01 (Estate Management)	25.08	14.40	57.42
90	70- Horticulture	2401-00-119-10 (Mission for Integrated Dev. Of Horticulture)	45.00	30.00	66.67
91	72- Land Resource Development	2501-05-101-07 (Tea Plantation)	120.00	81.49	67.91
92	78- Technical Education	2203-00-107-01 (Technical Scholarship)	1.65	1.65	100.00
<b>Capital (Charged)</b>					
93	75-Service of Debt	6003-00-108-01 (NCDC)	2.76	1.38	50.00
<b>Capital (Voted)</b>					
94	4- Administration of Justice	4059-01-051-02 (Construction)	20.00	16.79	83.95
95	8- Sales Tax	4216-01-106-01 (Works under Sales Tax)	1.00	0.50	50.00
96	27- Planning Machinery	4059-60-051-01 (Works under Planning)	33.50	33.18	99.04
97	32-Higher Education	4202-01-203-02 (RUSA)	86.00	80.60	93.72
98	33- Youth Resources and Sports	4552-33-800-01 (Development & Promotion of Sports & Youth Affairs Activities in N.E. Region)	1.79	1.79	100.00
99	36- Urban Development	4217-60-051-03 (JNNURM)	3.92	3.92	100.00
100	37- Municipal Administration	4217-04-800-02 ( NULM)	9.80	9.80	100.00
101		4217-60-051-05 (Smart Cities Mission)	74.53	74.53	100.00
102	39- Tourism	5452-01-102-01 (Tourist Centre)	1.91	1.70	89.01
103	40-Employment & Training	4250-00-203-01 (Construction of ITI Buildings)	8.00	8.00	100.00
104	43 Social Security and Welfare	4235-02-800-01 (Buildings)	10.00	10.00	100.00
105		4235-02-800-02 (Construction of Anganwadi Centre)	13.97	13.97	100.00
106	52- Forest, Ecology, Environment and Wildlife	4552-02-110-01 (Works under NEC)	1.85	1.85	100.00
107	55- Power	4552-55-800-01 NEC (Transmission Scheme)	14.17	8.00	56.46
108		4801-01-800-01 (Other Hydel Investigation Scheme)	1.64	1.30	79.27
109		4801-05-001-02 (New Distribution Transformers)	5.50	3.00	54.55
110	58- Roads and Bridges	5054-80-800-03 (Economic and Importance for States and UTs from Central Road Fund)	12.96	12.96	100.00
111	59- Irrigation and Flood Control	4702-00-800-05 (Accelerated Irrigation Benefit and Flood Management Programme)	180.30	149.60	82.97

Sl. No.	Number and title of Grant	Name of the Scheme	Total Grant/ Appropriation	Amount of Surrender	Percentage of Surrender
		(Head of Account)			
112		4705-00-800-01 (Command Area Development)	5.00	5.00	100.00
113	60- Water Supply	4215-01-800-03 (National Rural Drinking Water Programme) NRDWP	42.36	25.00	59.02
114		4215-02-106-01 (NRCP)	10.00	5.00	50.00
115		4552-60-800-01 (Water Supply)	4.36	2.60	59.63
116	78- Technical Education	4202-02-104-01 (RUSA)	20.00	16.80	84.00
	<b>Total</b>		<b>3376.15</b>	<b>2623.52</b>	<b>77.71</b>

*Source: Appropriation Accounts.*



## Appendix 2.6

(Reference: Para 2.3.9)

### Surrender in Excess of Actual Savings (₹ 1 crore or more)

(₹ in crore)

I. No	Number and Name of the Grant/ Appropriation	Total Grant/ Appropriation	Savings	Amount Surrendered	Amount Surrendered in Excess
2	31- School Education	1674.89	121.36	125.12	3.76
<b>Total Revenue (Voted)</b>		<b>1674.89</b>	<b>121.36</b>	<b>125.12</b>	<b>3.76</b>

Source: Appropriation Accounts.

**Appendix 2.7**

(Reference Para 2.3.10)

**Statement of various Grants/Appropriations in which Savings occurred but no part of which had been Surrendered during 2018-19**

(₹ in lakh)

Sl. No.	Grant No.	Name of Grant/Appropriation	Saving
<b>Capital (Voted)</b>			
1	7	State Excise	25.44
2	8	Sales Tax	3.45
3	13	Village Guards	11.50
4	14	Jails	29.72
5	29	Stationary and Printing	57.38
6	30	Administrative Training Institute	5.75
7	34	Art and Culture and Gazetteers Unit	5.39
8	44	Evaluation	39.21
9	45	Co-operation	64.31
10	46	Statistics	14.73
11	47	Legal Metrology and Consumer Protection	16.11
12	53	Industries	10.88
13	54	Mineral Development	2.98
14	63	Science, Technology, Ecology and Environment	22.31
15	65	State Council of Education Research and Training (SCERT)	22.75
16	67	Home Guards	50.92
17	69	Fire and Emergency Services	32.78
18	79	Border Affairs	11.50
19	81	Information Technology And Communication	119.99
<b>Total Capital (Voted)</b>			<b>547.10</b>

Source: Appropriation Accounts.

## Appendix 2.8

(Reference Para 2.3.10)

## Cases of Surrender of Funds (in excess of ₹ 10 crore) made on 30 and 31 March 2019

(₹ in crore)

Sl. No.	Grant No.	Major Head	Amount of Surrender	Total Provision	Percentage of Total Provision
<b>Revenue (Voted)</b>					
1	18	2071- Pensions and Other Retirement Benefits	233.65	1786.44	13.08
2	27	2552- North Eastern Areas	179.68	180.00	99.82
3		3451- Secretariat Economic Services	104.13	266.72	39.04
4	31	2202- General Education	125.12	1674.89	7.47
5	35	2210- Medical and Public Health	78.13	660.16	11.84
6	37	2217- Urban Development	29.08	35.03	83.01
7	40	2230- Labour and Employment	24.68	57.28	43.09
8	42	2216- Housing	114.92	114.92	100.00
		2505- Rural Employment	811.20	1159.09	69.99
		2515- Other Rural Development Programmes	22.20	119.01	18.65
9	43	2235- Social Security and Welfare	20.24	170.66	11.86
10	48	2401- Crop Husbandry	24.38	303.42	8.04
11	49	2402- Soil & Water Conservation	20.89	81.61	25.60
12	50	2404- Dairy Development	19.28	20.28	95.07
13	52	2406- Forestry and Wild life	31.76	139.49	22.77
14	59	2702- Minor Irrigation	10.13	41.27	24.55
15	70	2401- Crop Husbandry	25.74	67.81	37.96
16	72	2501- Special Programme for Rural Development	75.20	135.06	55.68
<b>Total</b>			<b>1950.41</b>	<b>7013.14</b>	<b>27.81</b>
<b>Capital (Voted)</b>					
17	4	4059- Capital Outlay on Public Works	14.57	20.00	72.85
18	27	4059- Capital Outlay on Public Works	532.27	560.00	95.05
19	32	4202- Capital Outlay on Education, Sports, Art & Culture	73.46	86.00	85.42
20	35	4210- Capital Outlay on Medical & Public Health	86.97	94.39	92.14
21	36	4217- Capital Outlay on Urban Development	31.93	113.94	28.02
22	37	4217- Capital Outlay on Urban Development	73.63	119.89	61.41
23	43	4235- Social Security and Welfare	23.97	23.97	100.00
24	59	4702- Capital Outlay on Minor Irrigation	144.58	180.30	80.19
25	60	4215- Capital Outlay on Water Supply and Sanitation	37.24	143.24	26.00
<b>Total Capital (Voted)</b>			<b>1018.62</b>	<b>1341.73</b>	<b>75.92</b>
<b>Revenue (Charged)</b>					
26	75	2049- Interest Payment	63.81	835.55	7.64
<b>Capital (Charged)</b>					
27	75	6003- Internal Debt of the State Government	2254.80	4829.37	46.69
<b>Grand Total</b>			<b>5287.64</b>	<b>14019.79</b>	<b>37.72</b>

Source: Appropriation Accounts.

**Appendix 3.1**

(Reference Para 3.1)

**Utilisation Certificates Outstanding as on 31 March 2019**

Sl. No.	Department	Year of Payment of grant	Outstanding Utilization Certificates	
			Number	Amount (₹ in lakh)
1	School Education	Up to 2014-15	9	7754.32
		2015-16	3	8798.14
		2016-17	2	510.42
		2017-18	1	135.13
		2018-19	3	259.25
		<b>Total</b>	<b>18</b>	<b>17457.26</b>
2	Youth Resources & Sports	Up to 2014-15	5	755.00
		2015-16	0	0.00
		2016-17	2	400.00
		2017-18	4	433.13
		2018-19	1	50.00
		<b>Total</b>	<b>12</b>	<b>1638.13</b>
3	Health & Family Welfare	Up to 2014-15	8	44.74
		2015-16	0	0.00
		2016-17	0	0.00
		2017-18	2	12.50
		2018-19	6	1065.36
		<b>Total</b>	<b>16</b>	<b>1122.60</b>
4	Rural Development	Up to 2014-15	9	20227.51
		2015-16	0	0.00
		2016-17	2	4772.51
		2017-18	0	0.00
		2018-19	2	5751.51
		<b>Total</b>	<b>13</b>	<b>30751.53</b>
5	Industries & Commerce	Up to 2014-15	1	100.00
		2015-16	0	0.00
		2016-17	3	1393.24
		2017-18	2	145.00
		2018-19	23	2287.35
		<b>Total</b>	<b>29</b>	<b>3925.59</b>
6	Home	Up to 2014-15	8	419.06
		2015-16	7	662.11
		2016-17	5	36.86
		2017-18	5	36.83
		2018-19	4	29.28
		<b>Total</b>	<b>29</b>	<b>1184.14</b>
7	Social Security & Welfare	Up to 2014-15	6	1190.34
		2015-16	1	415.65
		2016-17	2	2255.65
		2017-18	5	305.00
		2018-19	2	145.00
		<b>Total</b>	<b>16</b>	<b>4311.64</b>

Sl. No.	Department	Year of Payment of grant	Outstanding Utilization Certificates	
			Number	Amount (₹ in lakh)
8	Others	Up to 2014-15	25	11193.77
		2015-16	4	1579.00
		2016-17	2	453.44
		2017-18	5	453.86
		2018-19	18	2001.63
		<b>Total</b>	<b>54</b>	<b>15681.70</b>
<b>Grand Total</b>			<b>187</b>	<b>76072.59</b>

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

### **Appendix 3.2**

*(Reference: Para 3.2)*

#### **Pending DCC Bills for the year up to 2018-19**

*(₹ in crore)*

<b>Sl. No.</b>	<b>Department</b>	<b>Number of AC Bills for which DC Bills were Outstanding</b>	<b>Amount</b>
1	Civil Police	58	280.38
2	Youth Resources & Sports	42	33.39
3	Home	114	90.20
4	Tourism	17	27.59
5	Others	60	95.21
<b>Total</b>		<b>291</b>	<b>526.77</b>

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

## Appendix 3.3

(Reference Para 3.7)

## Department-wise Position of Proforma Accounts not prepared by the Departmentally Managed Commercial Undertakings

Sl. No.	Name of the Undertaking	Period of Accounts
1	2	3
1	Nagaland State Transport Department	2013-14 to 2018-19
2	Nagaland Power Department	2017-18 to 2018-19
3	Farm Under Agriculture Department	
	(a) Potato seed Farm, Kuthur	1999-01 to 2018-19
	(b) Medium Size Seed Farm, Merapani	2001-02 to 2018-19
	(c) Seed Farm, Tizit	2000-01 to 2018-19
4	Changki Valley Fruit Preservation Factory	2006-07 to 2018-19
5	Timber Treatment and Seasoning Plant, Dimapur	1998-99 to 2018-19
6	Government Cottage industries Emporia, Kohima	1998-99 to 2018-19
7	Farms under Veterinary and Animal Husbandry Department	
	(a) Cattle Breeding Farm, Medziphema	1998-99 to 2018-19
	(b) Cattle Breeding Farm, Tuensang	1998-99 to 2018-19
	(c) Cattle Breeding Farm, Aliba	1998-99 to 2018-19
	(d) Chick Rearing Centre, (with Hatchery unit), Mokokchung	1998-99 to 2018-19
	(e) Chick Rearing Centre ( with Hatchery unit), Dimapur	1998-99 to 2018-19
	(f) Chick Rearing Centre, Tuensang	1985-86 to 2018-19
	(g) Chick Rearing Centre, Medziphema	1985-86 to 2018-19
	(h) Pig Breeding Centre, Medziphema	1997-98 to 2018-19
	(i) Pig Breeding Centre, Tizit	1997-98 to 2018-19
	(j) Pig Breeding Centre, Tuensang	1985-86 to 2018-19
	(k) Pig Breeding Centre, Tuli	1980-81 to 2018-19
	(l) Regional Rabbit Breeding Farm, Jharnapani	1998-99 to 2018-19
	(m)Pig Breeding Centre, Merangkong	1998-99 to 2018-19
	(n) Chick Rearing Centre, Kohima	1998-99 to 2018-19
	(o) Pig Breeding Centre, Sathuja	1998-99 to 2018-19
	(p) Cattle Breeding Farm, Baghty	1998-99 to 2018-19
	(q) Sheep Farm, Poilwa	1998-99 to 2018-19
	(r) Buffalo Farm, Jalukie	1998-99 to 2018-19
8	Farm under Horticulture Department	
	(a) Regional Progeny Orchard, Lonnak	1987-88 to 2018-19

**Appendix 3.4**

*(Reference Para 3.8)*

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

<b>Sr. No.</b>	<b>Name of the Body/Authority</b>	<b>Year for which Accounts had not been received</b>	<b>Grants received (₹ in lakh)</b>
1	DRDA, Tuensang.	2013-14 to 2018-19	Details not available
2	DRDA, Mon.	2013-14 to 2018-19	Details not available
3	DRDA, Kohima.	2013-14 to 2018-19	Details not available
4	DRDA, Wokha	2012-13 to 2018-19	Details not available
5	DRDA, Longleng.	2013-14 to 2018-19	Details not available
6	DRDA, Peren	2010-11 to 2018-19	Details not available
7	DRDA, Kiphire	2013-14 to 2018-19	Details not available
8	DRDA, Zunheboto	2013-14 to 2018-19	Details not available
9	DRDA, Dimapur	2013-14 to 2018-19	Details not available
10	DRDA, Mokokchung	2013-14 to 2018-19	Details not available
11	DRDA, Phek	2013-14 to 2018-19	Details not available
12	NSLS Aut., Kohima	2013-14 to 2018-19	Details not available
13	NBSE, Kohima	2013-14 to 2018-19	Details not available
14	SIRD, Kohima	2012-13 to 2018-19	Details not available
15	DAN, Dimapur	2012-13 to 2018-19	Details not available
16	KVIC, Dimapur	2012-13 to 2018-19	Details not available
17	NPCB, Dimapur	2010-11 to 2018-19	Details not available
18	NB & OCWWB, Kohima	2014-15 to 2018-19	Details not available
19	NSAMB, Dimapur	2011-12 to 2018-19	Details not available
20	NHK, Kohima	2013-14 to 2018-19	Details not available
21	KMC, Kohima	2013-14 to 2018-19	Details not available
22	MMC, Mokokchung	2013-14 to 2018-19	Details not available



## Appendix 3.5

(Reference: Para 3.9)

## Statement showing Funds Transferred to State Implementing Agencies under Programmes/Schemes outside the State Budget during 2018-19

(` in lakh)

Sl. No.	Government of India Schemes	Implementing Agencies	2018-19
1	Voter Education	Chief Electoral Officer	112.28
2	Kala Sanskriti Vikas Yojana	Kevinu Multipurpose Cooperative Society	166.56
3		Tesophenyu Light Bearer Youth	10.00
4	Cyber Security including CERT in IT Act	National Institute of Technology Nagaland	9.94
5	National Fellowship and Scholarship for Higher Education of ST Children	National Institute of Technology Nagaland	4.49
6	National Handloom Development Programmes	Nagaland Handloom and Handicrafts Development Corporations	40.45
7	Welfare Grant and Miscellaneous	Smt. Thsophopila Sangtam	25.00
8	AID to Voluntary Organisations Working for Welfare of Scheduled Tribes	Dayanand Swashram Singh Naharbari Dimapur	7.18
9		M/S Vitate Women Society, Kohima Nagaland	27.12
10		Nagaland Children's Home, Diphupar	5.60
11		Women Welfare Society, Atoizu Town Zunheboto	5.26
12	Health and Family Welfare	State Health Society, Nagaland	689.50
13	Environment Information System	Nagaland Pollution Control Board	30.52
14	CIC- PPF & P	Nagaland Information Commission	3.00
15	Establishment Expenditure (Police)	CISF unit ASG Dimapur	0.07
16	Pradhan Mantri Kishan Samman Nidhi	Department of Agriculture, Nagaland	557.20
17	Pradhan Mantri Kishan Sampada Yojana Human Resource and Institution	Director of Industries and Commerce, Government of Nagaland	9.90
18	Pradhan Mantri Kishan Sampa Yojana MEGA Food Parks	DOYS Agri Resources Pvt. Ltd.	1478.00
19	Atal Innovation Mission	Dolen Thangian Society	12.00
20		Don Bosco Higher Secondary School	12.00
21		Government Higher Secondary School Pfutsero	12.00
22		Holy Cross Higher Secondary School	12.00
23	Exploration Activities under National Exploration Trust	Directorate of Geology and Mining Nagaland	63.16

Sl. No.	Government of India Schemes	Implementing Agencies	2018-19
24	Small Hydro Power	S.D. Jain Higher Secondary School	12.00
25		St. Mary's Higher Secondary School	12.00
26		St. Paul School	12.00
27		St. Paul Higher Secondary School	12.00
28	Integrated Scheme on Agriculture Marketing	Nagaland Agricultural Marketing Board	404.10
29	National AIDS and STD Control Programme (NACO)	Nagaland State AIDS Control Society	2010.94
30	Pradhan Mantri Kishan Sampada Yojana Committed Liabilities for Infrastructures Related Scheme	Kohima Municipal Council	249.94
31	Centenaries and Anniversaries Celebrations	North East Zone Cultural Centre	14.25
32		Nagaland Art and Culture Council	263.00
33	Development of Museums (Culture)	Ayolta Human Resources Society	247.74
34		Tenak Society	245.13
35		Charity Welfare Society	50.00
36		Directorate of Art and Culture Kohima Nagaland	365.67
37		Kipi Qomi Welfare Society	120.17
38		Naga Traditional Museum	25.00
39		Needy People Society	49.54
40		Tesophenyu Light Bearer Youth Club	24.33
41		Vikehie Welfare Society	50.00
42	Scheme for Prevention of Alcoholism and Substance (Drug) abuse	Ayolta Human Resources Society	43.21
43		Bethesda Youth Welfare Centre DMR	55.37
44		Prodigals Home	29.90
45		Youth Mission	31.31
46		Charity Welfare Society	2.33
47		Needy People Society	2.33
48	National Service Scheme NSS CS	Nagaland State NSS Cell	39.76
49	National Rural Livelihood Mission	Nagaland State Rural Livelihoods Mission Society (NSRLM)	247.39
50	Scheme for Leadership Development of Minority Women CS	Ayolta Human Resources Society	2.62
51		Charity Welfare Society	2.62
52		Kipi Qomi Welfare Society	2.62
53	Baba Sahib Ambedkar Hastshilpa Vikas Yojana	Heto Multipurpose Co-operative Society Ltd.	0.75
54	Pradhan Mantri Kishan Sampada Yojana Creation/ Expansion of Food Processing and Preservation Capacities	Kitchen Oils Products	243.43
55		Supper Bakery Products	250.00
56		Vegetable Pasta and Noodle Products	250.00

Sl. No.	Government of India Schemes	Implementing Agencies	2018-19
57	Rashtriya Krishi Vikas Yojana (RKVY)	Central Institute of Horticulture	5.38
58	Khelo India National Programme	Nagaland State Sports Council	30.00
59	Pollution Abatement	Nagaland Pollution Control Board	21.00
60	Swadesh Darshan-Integrated Development Theme based Tourism Circuits	Nagaland Tourism Board	3410.00
61	Biotechnology Research and Development	Healthcare Laboratory and Research and Development	7.05
62		Nagaland State Science and Technology Council	65.88
63		Nagaland University	146.98
64		Kohima Science College	6.00
65		National Institute of Technology Nagaland	39.99
66		School of Agricultural Science and Rural Development Nagaland University	6.57
67	North Eastern Council	Development Authority of Nagaland	60.00
68		Art and Culture Department	57.37
69		Director of Horticulture	50.97
70		Marcofeed Limited	245.00
71		Nagaland State Biodiversity Board	25.70
72		Nagaland State Rifle Association	95.76
73		Nagaland University	435.00
74		National Institute of Technology	10.66
75		School of Agricultural Science and Rural Development Nagaland University	5.00
76		Rashtriya Madhyamik Shiksha Abhiyan	91.00
77		Rattle and Hum Music Society	5.00
78		Abiogenesis Society	10.00
79		Agency for Porcine Foundation and Development of Nagaland	229.30
80		Nagaland State Agricultural Marketing Board	113.00
81		Small Farmers Agri-Business Consortium (SFAC) for the Department of Horticulture, Government of Nagaland	10.00
82	National Action Plan on Climate Change.	Department of Environment, Forest and Climate Change.	4.00

Sl. No.	Government of India Schemes	Implementing Agencies	2018-19
83	MPs Local Area Development Scheme (MPLADs)	Deputy Commissioner, Dimapur	500.00
84		Deputy Commissioner, Kohima	250.00
85	Beti Bachao Beti Padhao	Deputy Commissioner, BBBP, Longleng	50.00
86		Deputy Commissioner, BBBP, Wokha	48.50
87		Deputy Commissioner, BBBP, Mon	50.00
88		Deputy Commissioner, BBBP, Peren	25.00
89		Deputy Commissioner, BBBP, Phek	48.55
90		Deputy Commissioner, BBBP, Tuensang	25.00
91		Deputy Commissioner, BBBP, Mokokchung	48.47
92	NER Textile Promotion Scheme	Directorate of Industries & Commerce	159.60
93	Establishment Expenditure (Tourism)	Nagaland Tourism Board	45.00
94	Boys and Girls Hostel for OBC CASP	Nagaland University	263.51
95	Implementation of MIS/ PSS Subsidies	Hutokito Multipurpose Co-operative Society Ltd.	92.81
96	Research Education Training and Outreach	Government Polytechnic Kohima, near IG Stadium, Nagaland	1.00
97		Nagaland University	4.00
98	Pradhan Mantri Kishan Sampada Yojana Integrated Cold Chain and Value Addition Infrastructure	Nagaland Integrated Cold Chain	527.30
99	Institutional Development for Inclusive Urban Governance, Building Material and Technology Promotion Council (BMTPC)	Directorate of Economics and Statistics Nagaland Kohima	15.00
100	National Hydrology Project	Irrigation and Flood Control	99.93
101	International Co-operation	North East Zone Cultural Centre	2.91
102	Step Support to Training and Employment for Women	Batso- Welfare Society	11.65
103		Chewang Society	36.65
104	Management Support to RD Programmes and Strengthening of District Planning Process in lieu of Programmes	State Institute of Rural Development Nagaland.	488.50
105		ETC Phek	8.73
106		ETC Tuensang	9.30
107	Deen Dayal Disabled Rehabilitation Scheme	Tabitha Enabling Society	2.49
108	Young Leaders Programme	NYKS- Nagaland	2.09
109	Support to NGO's Institution/SRC's for Adult Education and Skill Development (Merged Schemes of NGO's JSS SRCs)	Jan Shikshan Sansthan, Dimapur	15.25

Sl. No.	Government of India Schemes	Implementing Agencies	2018-19
110	Infrastructure Development and Capacity Building	Nagaland Tool Room & Training Centre	550.00
111	Road Transport	Motor Vehicles Department	300.00
112	Rashtriya Gokul Mission	Nagaland Livestock Development Board	484.75
113	Organic Value Chain Development of NE Region	Nagaland Organic Mission	2745.73
114	Innovation, Technology Development	Government Polytechnic Kohima Near IG Stadium, Nagaland	10.06
115		Immanuel Collage	10.33
116		Uzho Cultural Society	3.00
117		Nagaland University	23.35
118		National Institute of Technology	1.50
119		Health Care Laboratory and Research Centre NHK	17.50
120		Nagaland Institute of Health Environment and Social Welfare	4.94
121		Nagaland State Science and Technology Council	51.40
122		Patkai Christian College	12.50
123	Support to National Institute of Technology (NITs) including Ghani Khan Institute	National Institute of Technology, Nagaland	2943.00
124	Sugar Subsidy payable under PDs	The Directorate of Food & Civil Supplies Nagaland	26.36
125	Assistance to Voluntary Organization for Programmes relating to Aged	Good Samaritan Women Society	18.90
126	Apprenticeship and Training	Vocational Training Projects Implementation Society of Nagaland	16.64
127	Training Schemes PPG & P	Administrative Training Institute, Kohima	73.12
128	Hostels for Working Women	Aghiyilito MPCS	168.18
129		Chophi Welfare Society	143.78
130		Porbami Women Welfare Society	66.57
131		Nagaland Handloom and Handicrafts Development Co. Ltd.	41.05
132	Consumer Welfare Fund	Legal Metrology and Consumer Protection Department, Government of Nagaland	49.96
133		Charity Welfare Society	1.50

Sl. No.	Government of India Schemes	Implementing Agencies	2018-19
134	Establishment Expenditure Ayush	Medicinal Plants Board Agency (MPDA), Nagaland	94.61
135		Nagaland University	5.00
136	Small Hydro Power-Grid Interactive	Nagaland Renewable Energy Development Agency (NREDA)	33.30
137	Solar Power-off grid	Nagaland Renewable Energy Development Agency (NREDA)	205.87
138	Electronic Governance	Nagaland State E-Governance Society	555.00
139	S&T Institutional and Human Capacity Building	Nagaland State Science & Technology Council	85.79
140		Nagaland University	57.59
141		Kohima Science College	10.58
142		Health Care Laboratory and Research Centre Naga Hospital Authority Kohima	25.00
143	Support to Academies	North East Zone Cultural Centre	794.52
144	E-Court Phase-II	Registrar General, High Court of Guwahati (Nagaland)	71.00
145	One Stop Centre	Sakhi One Stop Centre Dimapur	30.51
146		Sakhi One Stop Centre Kohima	30.51
147		Deputy Commissioner One Stop Centre LLG	43.76
148		District Magistrate One Stop Centre Phek	43.76
149		Sakhi One Stop Centre Kiphire	43.76
150		Sakhi One Stop Centre Mokokchung	43.76
151		Sakhi One Stop Centre Mon	43.76
152		Sakhi One Stop Centre Peren	43.76
153		Sakhi One Stop Centre Tuensang	43.76
154		Sakhi One Stop Centre Wokha	43.76
155	Sakhi One Stop Centre Zhunoboto	43.76	
156	Capacity Building in Forestry Sector	State Forest Development Agency Nagaland	39.55
157	Women's helpline	Women helpline Nagaland	68.16
<b>Grand Total</b>			<b>26947.48</b>

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

### Appendix 3.6

(Reference Para 3.12)

#### Department-wise/Duration wise Break-up of the Cases of Misappropriation, Defalcation, etc. (Cases where Final Action was Pending at the end of March 2019)

(In number)

Sl. No.	Name of the Department	Up to 5 years	5 to 10 years	Total No. of Cases
1	School Education	3	1	4
2	Power	1	0	1
3	Rural Development	3	1	4
4	Public Works Department (Roads & Bridges)	3	0	3
5	Health and Family Welfare	6	0	6
6	Tourism	2	0	2
7	Public Health Engineering	2	0	2
8	Municipal Affairs	2	0	2
9	Taxes	2	0	2
10	Planning & Co-ordination	1	0	1
11	Land Records and Survey	1	0	1
12	Urban Development	1	0	1
13	Technical Education	1	0	1
14	Various Department	2	0	2
15	Public Works Department (NH)	1	0	1
16	Woman Resources Development	1	0	1
17	Information & Public Relations	1	0	1
18	Private Firms	1	0	1
<b>Total</b>		<b>34</b>	<b>2</b>	<b>36</b>

Source: Nagaland Lokayukta and Department records.

**Appendix 3.7**

(Reference Para 3.12)

**Department/Category wise details in respect of Cases of Loss to Government due to Theft, Misappropriation/Loss of Government Material**

(₹ in lakhs)

Name of Department	Theft Cases		Misappropriation		Loss of Government Material		Defalcation		Total		
	Number of Cases	Amount	Number of Cases	Amount	Number of Cases	Amount	Number of Cases	Amount	Number of Cases	Amount	Amount recovered
School Education	1	0.82	2	8279.50	1	16.00	0	0.00	4	8296.32	56.78
Power	0	0.00	1	2548.00	0	0.00	0	0.00	1	2548.00	0.00
Rural Development	0	0.00	2	283.83	2	276.00	0	0.00	4	559.83	0.00
Public Works Department (R&B)	0	0.00	1	78.51	2	2300.10	0	0.00	3	2378.61	0.00
Health & Family Welfare	0	0.00	1	19.00	4	1141.50	1	301.00	6	1461.50	32.69
Tourism	0	0.00	1	919.72	0	0.00	1	500.00	2	1419.72	0.00
Public Health Engineering	0	0.00	0	0.00	2	505.63	0	0.00	2	505.63	0.00
Municipal Affairs	0	0.00	2	411.24	0	0.00	0	0.00	2	411.24	0.00
Taxes	0	0.00	0	0.00	2	644.90	0	0.00	2	644.90	0.00
Planning & Co-ordination	0	0.00	1	2023.00	0	0.00	0	0.00	1	2023.00	0.00
Land Records and Survey	0	0.00	1	124.00	0	0.00	0	0.00	1	124.00	0.00
Urban Development	0	0.00	1	28.50	0	0.00	0	0.00	1	28.50	0.00
Technical Education	0	0.00	1	107.99	0	0.00	0	0.00	1	107.99	0.00
Various Department	0	0.00	0	0.00	2	606.00	0	0.00	2	606.00	177.48
Private Firms	0	0.00	0	0.00	1	723.00	0	0.00	1	723.00	0.00
Woman Resources Development	1	5.30	0	0.00	0	0.00	0	0.00	1	5.30	0.00
Public Works Department (NH)	1	6.01	0	0.00	0	0.00	0	0.00	1	6.01	0.00
Information & Public Relations	1	6.20	0	0.00	0	0.00	0	0.00	1	6.20	0.00
<b>Total</b>	<b>4</b>	<b>18.33</b>	<b>14</b>	<b>14823.29</b>	<b>16</b>	<b>6213.13</b>	<b>2</b>	<b>801.00</b>	<b>36</b>	<b>21855.75</b>	<b>266.95</b>

Source: Nagaland Lokayukta and Department records.





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