

FINANCE ACCOUNTS (VOLUME – 1) 2012-2013



GOVERNMENT OF NAGALAND

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Certificate of the Comptroller and Auditor General of India

This compilation containing the Finance Accounts of the Government of Nagaland for the year ending 31 March 2013 presents the financial position along with accounts of the receipts and disbursements of the Government for the year. These accounts are presented in two volumes, Volume-1 contains the consolidated position of the state of finances and Volume-II depicts the accounts in detail. The Appropriation Accounts of the Government for the year for Grants and Charged Appropriations are presented in a separate compilation.

The Finance Accounts have been prepared under my supervision in accordance with the requirements of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 and have been compiled from the vouchers, challans and initial and subsidiary accounts rendered by the treasuries, offices, and departments responsible for the keeping of such accounts functioning under the control of the Government of Nagaland and the statements received from the Reserve Bank of India. Statement (No. 9) and Appendices (V and part of VI) in this compilation have been prepared directly from the information received from the Government of Nagaland/Corporations/Companies/Societies who are responsible to ensure the correctness of such information.

The treasuries, offices, and/or departments functioning under the control of the Government of Nagaland are primarily responsible for preparation and correctness of the initial and subsidiary accounts as well as ensuring the regularity of transactions in accordance with the applicable laws, standards, rules and regulations relating to such accounts and transactions. I am responsible for preparation and submission of Annual Accounts to the State Legislature. My responsibility for the preparation of accounts is discharged through the office of the Accountant General (A&E). The audit of these accounts is independently conducted through the office of the Accountant General (Audit) in accordance with the requirements of Articles 149 and 151 of the Constitution of India and the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971, for expressing an opinion on these Accounts based on the results of such audit. These offices are independent organizations with distinct cadres, separate reporting lines and management structure.

The audit was conducted in accordance with the Auditing Standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance that the accounts are free from material misstatement. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements.

On the basis of the information and explanations that my officers required and have obtained, and according to the best of my information as a result of test audit of the accounts and on consideration of explanations given, I certify that, to the best of my knowledge and belief, the Finance Accounts read with the explanatory 'Notes to Accounts' give a true and fair view of the financial position, and the receipts and disbursements of the Government of Nagaland for the year 2012-2013.

Points of interest arising from study of these accounts as well as test audit conducted during the year or earlier years are contained in my Reports on the Government of Nagaland being presented separately for the year ended 31 March 2013.

Date
Place: New Delhi

(SHASHI KANT SHARMA)
Comptroller and Auditor General of India

Guide to the Finance Accounts

I. BROAD OVERVIEW OF THE STRUCTURE OF GOVERNMENT ACCOUNTS

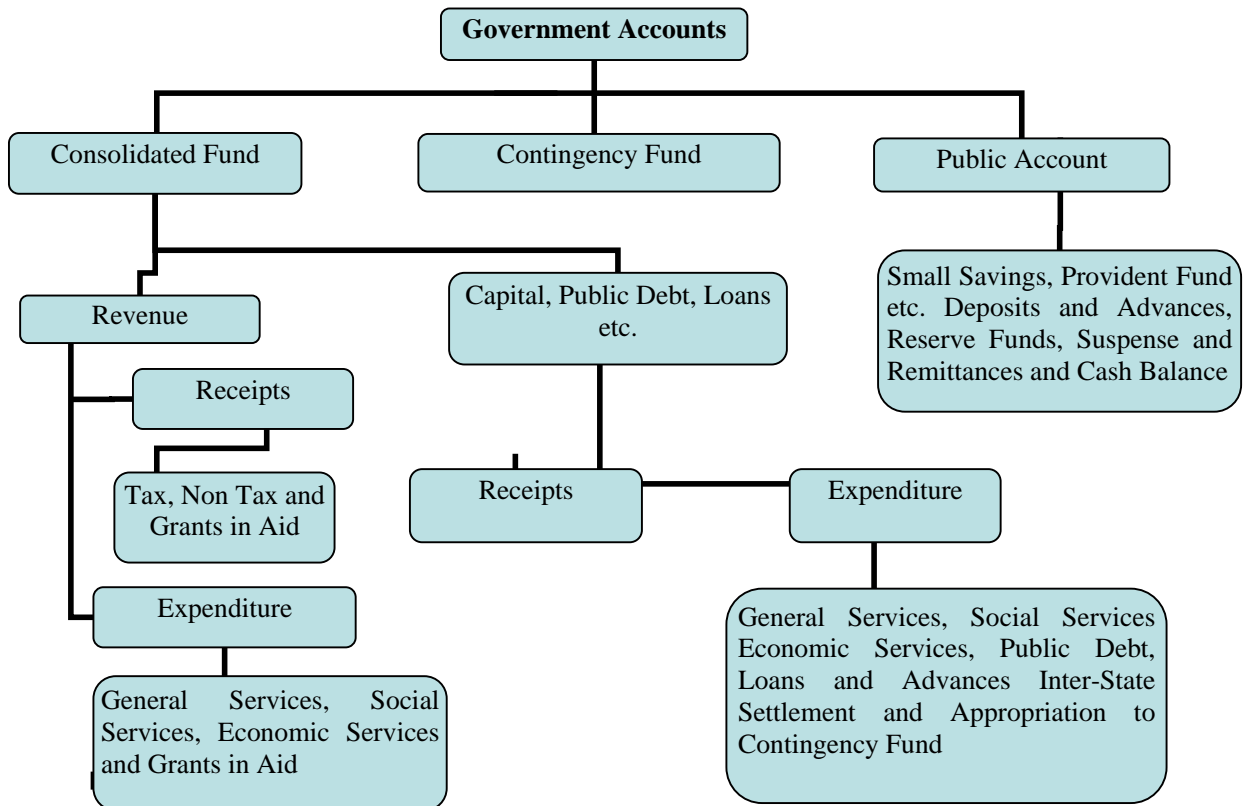
1.1. The Accounts of the Government are kept in three parts:

Part I: The Consolidated Fund: All Receipts and Expenditure on Revenue and Capital Account, Public Debt and Loans & Advances forms the Consolidated Fund of the State.

Part II: The Contingency Fund: Legislature may by law establish a Contingency Fund which is in the nature of an imprest. The Fund is placed at the disposal of the Governor to enable advances to be made for meeting unforeseen expenditure pending authorisation of such expenditure by the State Legislature. The fund is recouped by debiting the expenditure to the concerned functional major head in the Consolidated Fund of the State.

Part III: The Public Account: All other public moneys received by or on behalf of the Government are credited to the Public Account. The expenditure out of this account is not subject to the vote of the Legislature. In respect of the receipts into this account, the Government acts as a banker or trustee. Transactions relating to Debt (other than Public Debt in Part I), Deposits, Advances, Reserve Funds, Remittances and Suspense form the Public Account.

I.1.1 Pictorial representation of Structure of Government accounts
Structure of Government Accounts



1.2. Divisions, Sections, Sectors etc.

The two main divisions of the Accounts in the Consolidated fund are, as depicted in I.1.1 on previous page, 'Revenue' and 'Capital, Public Debt, Loans etc.' which are divided into sections 'Receipts' and 'Expenditure'. Within each of the Divisions and Sections of the Consolidated Fund the transactions on the expenditure side are grouped into Sectors such as, "General Services", "Social Services", "Economic Services", under which specific functions or services shall be grouped. The Sectors are sub-divided into Sub Sectors/Major heads of account. Major heads correspond to functions and are further divided into sub major heads (sub functions) and minor heads (programmes) which are depicted in volume 2 of the Finance Accounts. The classification below minor heads of account i.e. subheads (schemes) and detailed and object heads (objects of expenditure) are not depicted in the Finance Accounts (minor exceptions exist), though some details are included in the appendices.

II. WHAT DO THE STATEMENTS CONTAIN

The Finance Accounts have been divided into two volumes. Volume 1 presents the financial statements of the Government in the form of commonly understood summarised form while the details are presented in volume 2.

Volume 1 contains the Certificate of the Comptroller and Auditor General of India, four summary statements as given below and Notes to Accounts including accounting policy.

- (i) Statement of financial position : Cumulative figures of assets and liabilities of the Government, as they stand at the end of the year, are depicted in the statement. The assets are largely financial assets with the figures for progressive capital expenditure denoting physical assets of the Government. Assets, as per the accounting policy, are depicted at historical cost.
- (ii) Statement of receipts and disbursements : This is a summarised statement showing all receipts and disbursements of the Government during the year in all the three parts in which Government account is kept, namely, the Consolidated Fund, Contingency Fund and Public Account. Further within the Consolidated Fund, receipts and expenditure on revenue and capital account are depicted distinctly.

The fiscal parameters of the Government, i.e. the primary, revenue and fiscal deficit are calculated on the operations of the Consolidated Fund of the State. Hence the following two statements give the operations of the Consolidated Fund in a summarised form.

- (iii) Statement of receipts (Consolidated Fund): This statement comprises revenue and capital receipts and receipts from borrowings of the Government consisting of loans from the GOI, other institutions, market loans raised by the Government and recoveries on account of loans and advances made by the Government.
- (iv) Statement of expenditure (Consolidated Fund): This statement not only gives expenditure by function (activity) but also summarises expenditure by nature of activity (objects of expenditure).

In addition, the volume comprises an appendix, Appendix 1, which is an alternate depiction of receipts and disbursements of the Government in the form of Cash Balances and Investments of Cash Balances.

Volume 2 comprises three parts.

Part I Volume 2: This part contains **six statements** as given below:

- (v) Statement of progressive capital expenditure: This statement details progressive capital expenditure by functions, the aggregate of which is depicted in statement 1.
- (vi) Statement of Borrowings and other liabilities : Borrowings of the Government comprise market loans raised by it (internal debt) and Loans and Advances received from the GOI. Both these together form the public debt of the State Government. In addition, this summary statement depicts 'other liabilities' which are the balances under various sectors in the public account. In respect of the latter, the Government as a trustee or custodian of the funds, hence these constitute liabilities of the Government. The statement also contains a note on service of debt, i.e. a note on the quantum of net interest charges met from revenue receipts.
- (vii) Statement of Loans given by the Government: The loans and advances given by the State Government are depicted in statement 1 and recoveries, disbursements feature in statement 2, 3 and 4. Here, loans and advances are summarised sector and loanee group wise. This is followed by a note on the recoveries in arrear in respect of loans, the details of which are maintained by the AG office and details of which are maintained by the State departments.
- (viii) Statement of Grants-in-aid given by the State Government, organised by grantee institutions group wise. It includes a note on grants given in kind also.
- (ix) Statement of Guarantees given by the Government: Guarantees given by the State Government for repayment of loans, etc. raised by Statutory Corporations, Government Companies, Local Bodies and Other institutions during the year and sums guaranteed outstanding as at the end of the year are presented in this statement.
- (x) Statement of Voted and Charged Expenditure: This statement presents details of voted and charged expenditure of the Government.

Part II Volume 2: This part contains **nine statements** presenting details of transactions **by minor head** corresponding to statements in volume 1 and part 1 of volume 2.

- (xi) Detailed Statement of Revenue and Capital Receipts by minor heads: This statement presents the revenue and capital receipts of the Government in detail.
- (xii) Detailed Statement of Revenue Expenditure by minor heads: This statement presents the details of revenue expenditure of the Government in detail. Non Plan and Plan figures are depicted separately and a comparison with the figures for the previous year are available.
- (xiii) Detailed Statement of Capital Expenditure: This statement presents the details of capital expenditure of the Government in detail. Non Plan and Plan figures are depicted separately and a comparison with the figures for the previous year are available. Cumulative capital expenditure upto the end of the year is also depicted.
- (xiv) Detailed Statement of Investments of the Government: The position of Government Investment in the share capital and debentures of different concerns is depicted in this statement for the current and previous year. Details include type of shares held, face value, dividend received etc.

- (xv) Detailed Statement of Borrowings and other Liabilities: Details of borrowings (market loans raised by the Government and Loans, etc. from GOI) by minor heads, the maturity and repayment profile of all loans is provided in this statement. This is the detailed statement corresponding to statement 6 in part 1 of volume 2.
- (xvi) Detailed Statement on Loans and Advances given by the Government: The details of loans and advances given by the Government, the changes in loan balances, loans written off, interest received on loans etc. is presented in this statement. It also presents plan loans separately. This is the detailed statement corresponding to statement 7 in part 1 of volume 2.
- (xvii) Detailed Statement on Sources and Application of funds for expenditure other than revenue account: The capital and other expenditure (other than on revenue account and the sources of fund for the expenditure is depicted in this statement.
- (xviii) Detailed Statement on Contingency Fund and Public Account transactions: The statement shows changes in Contingency Fund during the year, the appropriations to the fund, expenditure, amount recouped etc. It also depicts the transactions in Public Account in detail.
- (xix) Statement showing details of earmarked balances: This statement shows the details of investment out of reserve funds in public account.

Part III Volume 2: This part contains **appendices** on salaries, subsidies, grants-in-aid scheme wise and institution wise, details of externally aided projects, scheme wise expenditure in respect of major Central schemes and State Plan schemes etc. These details are present in the accounts at sub head level or below (i.e. below minor head levels) and so are not depicted in the Finance accounts. For a detail list please refer to the index in volume 1 or 2. The Statements read with the appendices give a complete picture of the state of finances prevailing in the State Government.

III. READY RECKONER

For a quick reference to what the statements contain, please refer to the table below. The summary and detail statement in respect of the important parameters is depicted below. The number of appendices depicted below is not exhaustive.

Parameter	Summary Statements (Volume 1)	Summary Statements (Volume 2)	Detailed Statements (Volume 2)	Appendices
Revenue Receipts (including Grants received)	2,3	-	11	-
Revenue Expenditure	2,4	-	12	II (Salary), III (Subsidy)
Grants-In-Aid given by the Government	2	8	-	IV (Grants-in-aid)
Capital receipts	2,3	-	11	-
Capital expenditure	1,2,4	5	13,17	-
Loans and Advances given by the Government	1,2,4	7	16,17	-
Debt Position/Borrowings	1,2	6	15	-

Parameter	Summary Statements (Volume I)	Summary Statements (Volume 2)	Detailed Statements (Volume 2)	Appendices
Investments of the Government in Companies, Corporations etc	1	-	13, 14	I (Cash balances and Investment of Cash balances)
Cash	1,2	-	-	I,VIII
Balances in Public Account and investments thereof	1,2	-	18, 19	VIII
Government Guarantees	-	9	-	-
Schemes	-	-	-	V (Externally Aided Projects), VI(Plan Schemes),VII (Direct transfer of Central funds)
Maintenance Expenditure	-	-	-	XI
Charged and Voted Expenditure	-	10	12,13	-

IV. PERIODICAL ADJUSTMENTS AND BOOK ADJUSTMENTS:

Certain transactions are in the nature of book adjustments and do not represent actual cash transaction, as mentioned below. The specific details are mentioned as 'Notes to Accounts' and as footnotes in the relevant statements.

- (i) Adjustment of all deductions (GPF, recoveries of advances given, etc.) from salaries by debiting functional major heads (department concerned) by book adjustment to revenue receipt (e.g. deductions other than GPF)/Public Account (e.g. GPF).
- (ii) Creation of funds/adjustment of contribution to Funds in Public Account by debit to Consolidated Fund e.g. Calamity Relief Fund, Reserve Funds, Sinking Fund etc.
- (iii) Crediting of deposit heads of accounts in Public Account by debit to Consolidated Fund.
- (iv) Annual adjustment of interest on GPF and State Government Group Insurance Scheme where interest on General Provident Fund of State Government is adjusted by debiting 2049-Interest and crediting 8009-General Provident Fund.
- (v) Certain adjustments such as adjustment of Debt waiver scheme granted by the Government of India in accordance with the recommendation of Finance Commission. It affects both revenue receipts and Public Debt heads where Central loans are written off by crediting 0075-Misc. General Services by contra entry in the Major Head 6004-Loans and Advances from the Central Government.

1. STATEMENT OF FINANCIAL POSITION

(` in crore)

Asset ¹	Reference (Sl.No.)		As at 31 March 2013	As at 31 March 2012
	Notes to Accounts	Statement		
Cash				
(i) Cash in Treasuries and Local Remittance	0.00	0.00
(ii) Departmental Balances	...	18	4,02.87	3,75.65
iii) Permanent Imprest	0.00	0.00
(iv) Cash Balance Investments	...	18	0.00	0.00
(v) Deposits with Reserve Bank of India (If credit balance include here with minus sign)	6	2, Appendix I & VIII	(-) 2,97.88	(-) 1,98.86
(vi) Investments from Earmarked Funds	...	18,19	1,75.53	1,51.40
Capital Expenditure				
(i) Investments in shares of Companies, Corporations, etc.	...	13,14	2,42.65	2,28.01
(ii) Other Capital Expenditure	...	5,13	106,17.06	93,76.52
Contingency Fund (unrecouped)	0.00	0.00
Loans and Advances	...	7,16	27.43	26.12
Advances with departmental officers	...	18	0.91	1.00
Suspense and Miscellaneous Balances ²	...	18	94.24	87.62
Remittance Balances	...	18	10,49.30	9,69.07
Cumulative excess of Expenditure over Receipts	0.00	0.00
Total -	123,12.11	110,16.53

1. The figures of assets and liabilities are cumulative figures. Please also see note 1 (ii) in the section 'Notes to Accounts'.

2. In this statement the line item 'Suspense and Miscellaneous Balances' does not include 'Cash Balance Investment Account', 'Departmental Balances' & 'Permanent Imprest' which are included separately above, though the later form part of this sector elsewhere in these Accounts.

1. STATEMENT OF FINANCIAL POSITION

(` in crore)

Liabilities	Reference (Sl.No.)		As at 31 March 2013	As at 31 March 2012
	Notes to Accounts	Statement		
Borrowings (Public Debt)				
(i) Internal Debt	...	6,15	49,80.23	45,71.33
(ii) Loans and Advances from Central Government				
Non Plan Loans	...	6,15	16.78	17.57
Loans for State Plan Schemes	...	6,15	2,15.07	2,34.66
Loans for Central Plan Schemes	...	6,15	0.18	0.20
Loans for Centrally Sponsored Plan Schemes	...	6,15	24.39	24.68
Other loans	...	6,15	10.72	12.00
Contingency Fund (corpus)	0.35	0.35
Liabilities on Public Account				
(i) Small Savings, Provident Funds, etc	...	18	6,82.92	6,10.43
(ii) Deposits	...	18	13,77.55	11,68.42
(iii) Reserve Funds	...	18	1,44.71	1,20.58
(iv) Remittance Balances	0.00	0.00
(v) Suspense and Miscellaneous Balances	0.00	0.00
Cumulative excess of Receipts over Expenditure ³	...	17 {footnote (b)}	48,59.21	42,56.31
Total -	123,12.11	110,16.53

3. The cumulative excess of receipts over expenditure or expenditure over receipts is different from and not the fiscal/revenue deficit for the current year.

2. STATEMENT OF RECEIPTS AND DISBURSEMENTS

(` in crore)

Receipts			Disbursements		
	2012-2013	2011-2012		2012-2013	2011-2012
Part-I Consolidated Fund					
Section-A: Revenue					
Revenue Receipts			Revenue Expenditure		
Tax Revenue (raised by the State)	3,39.95	3,03.88	Salaries ¹	26,03.87	22,83.75
Non-Tax Revenue			Subsidies	0.00	0.00
			Grants-in-aid ²	2,22.07	1,51.90
Interest Receipts	5.90	9.62	General Services		
Others	2,01.27	2,23.33	Interest Payment and Service of Debt	4,81.64	4,46.39
Total	2,07.17	2,32.95	Pension	6,77.03	5,86.68
Share of Union Taxes/Duties	9,17.14	8,03.20	Others	3,89.89	4,06.54
			Total	15,48.56	14,39.61
			Social Services	2,94.98	2,13.32
			Economic Services	9,31.91	7,87.08
Grants from Central Government	47,40.03	42,46.35	Compensation and Assignment to Local Bodies and PRIs	0.00	0.00
Revenue Deficit	0.00	0.00	Revenue Surplus	6,02.90	7,10.72
Section-B: Capital					
Capital Receipts	0.00	0.00	Capital Expenditure		
			Salaries	0.00	0.00
			General Services	2,11.01	2,35.75
			Social Services	3,46.81	3,38.77
			Economic Services	6,97.36	6,74.87
Recoveries of Loans and Advances	0.85	2.44	Loans and Advances disbursed		
			General Services	0.00	0.00
			Social Services	0.00	0.00
			Economic Services	1.82	2.42
			Loans to Govt. Servants & Misc. Loans	0.34	0.33

1. Salary, Subsidy and Grants in Aid figures have been summed up across all sectors to present a consolidated figure. The expenditure in this statement under the sectors 'Social', 'General' and 'Economic' services does not include expenditure on salaries, subsidies and grants in aid (explained in footnote 2).
2. Grants in Aid given to statutory corporations, companies, autonomous bodies, local bodies etc by the Government which is included as a line item above. These grants are distinct from compensation and assignment of taxes, duties to Local Bodies which is depicted as a separate line item 'Compensation and assignment to Local Bodies and PRIs'. Grants- in-aid comprises the total of the dedicated object head (09) across all Major Heads and totals of minor heads 190 and 191.

2. STATEMENT OF RECEIPTS AND DISBURSEMENTS

(` in crore)

Receipts			Disbursements		
	2012-2013	2011-2012		2012-2013	2011-2012
Public Debt Receipts			Repayment of Public Debt		
Internal Debt # (market loans etc.)	27,30.12	12,97.88	Internal Debt # (market loans etc.)	23,21.22	7,60.10
Loans from GOI	0.00	20.97	Loans from GOI	21.97	38.47
Total Receipts Consolidated Fund	89,35.26	69,07.67	Total Expenditure Consolidated Fund	92,01.92	69,26.37
Deficit in Consolidated Fund	2,66.66	18.70	Surplus in Consolidated Fund	0.00	0.00
Part II Contingency Fund					
Contingency Fund	0.00	0.00	Contingency Fund	0.00	0.00

Part III Public Account³					
Small Savings	2,35.63	1,96.97	Small Savings	1,63.15	1,60.54
Reserve & Sinking Funds	45.01	37.50	Reserve & Sinking Funds	45.01	37.50
Deposits	9,09.69	7,02.38	Deposits	7,00.56	3,92.75
Advances	17.85	15.73	Advances	17.76	15.72
Suspense and Misc.	40,39.28	56,37.60	Suspense and Misc.⁴	40,73.11	54,27.33
Remittance	18,32.05	16,42.51	Remittance	19,12.28	17,76.31
Total Receipts Public Account	70,79.51	82,32.69	Total Disbursements Public Account	69,11.87	78,10.15
Deficit in Public Account	0.00	0.00	Surplus in Public Account	1,67.64	4,22.53
Opening Cash Balance	(-)1,98.86	(-) 6,02.70	Closing Cash Balance	(-)2,97.88	(-)1,98.86
Increase in Cash Balance	(-)99.02	0.00	Decrease in Cash Balance	0.00	(-)4,03.84

3. For details please refer to statement 18 in Volume 2.

4. 'Suspense and Miscellaneous' includes 'other accounts' such as Cash Balance Investment account (Major Head 8673) etc. The figures may appear huge on account of these other accounts. Details may please be seen in Statement 18.

Includes receipts of ` 3.13 crore and ` 7.53 crore and payment of ` 5.35 crore and ` 4.98 crore for the year 2012-2013 and 2011-2012 respectively pertaining to NSSF transaction.

Increased/ Decreased by ` 0.01 crore due to computerized rounding.

3. STATEMENT OF RECEIPTS

I – CONSOLIDATED FUND

		(` in crore)	
Description		Actual	
		2012-13	2011-2012
A.	Tax Revenue		
A.1	Other Tax Revenue		
	Other Taxes on Income and Expenditure	27.22	27.02
	Land Revenue	0.72	0.68
	Stamps and Registration Fees	1.58	1.85
	Taxes on Immovable Property Other than Agricultural Land	0.00	0.01
	State Excise	3.73	3.36
	Taxes on Sales, Trade etc.	2,57.21	2,31.12
	Taxes on Vehicles	41.59	34.58
	Taxes on Goods and Passengers	6.71	4.85
	Taxes on Duties and Electricity	0.05	0.04
	Other Taxes and Duties on Commodities and Services	1.14	0.37
A.2	Share of Net Proceeds of Taxes		
	Corporation Tax	3,29.59	3,16.26
	Taxes on Income Other than Corporation Tax	1,97.31	1,60.65
	Taxes on Wealth	0.55	1.22
	Customs	1,52.48	1,39.31
	Union Excise Duties	1,03.63	90.14
	Service Tax	1,33.58	95.62
	Total -A.	12,57.09	11,07.08
B.	Non-Tax Revenue		
	Interest Receipts	5.90	9.62
	Miscellaneous General Services	6.60	29.01
	Power	1,02.83	94.28
	Road Transport	11.37	12.90
	Forestry and Wild Life	7.76	8.87
	Housing	5.12	4.38
	Co-operation	1.13	3.54
	Roads and Bridges	1.80	2.53
	Other Administrative Services	3.22	2.38
	Others	61.44	65.44
	TOTAL -B.	2,07.17	2,32.95

3. STATEMENT OF RECEIPTS – Concl'd.

II – GRANTS FROM GOVERNMENT OF INDIA

(` in crore)

Description	Actual	
	2012-2013	2011-2012
C. Grants		
Grants-in-Aid from Central Government		
Non Plan – Grants		
Grants towards contribution to State Disaster Response Fund	12.87	1.00
Other Grants	20,26.20	19,67.15
Grants for State/Union Territory Plan Schemes		
Block Grants (of which EAP)	10.52	10.39
Grants under the proviso to Article 275 (1) of the Constitution	24.54	23.01
Grants for Central Road Fund	22.53	11.53
Other Grants	21,17.34	18,13.28
Grants for Central Plan Schemes		
Other Grants	7.78	39.98
Grants for Centrally Sponsored Plan Schemes		
Other Grants	3,93.49	2,95.46
Grants for Special Plan Schemes		
Other Grants	1,24.76	84.55
TOTAL -C.	47,40.03	42,46.35
TOTAL REVENUE RECEIPTS (A+B+C)	62,04.29	55,86.38

III – CAPITAL, PUBLIC DEBT AND OTHER RECEIPTS

(` in crore)

Description	Actual	
	2012-2013	2011-2012
D. Capital Receipts		
Disinvestment proceeds	0.00	0.00
Others	0.00	0.00
TOTAL -D.	0.00	0.00
E. Public Debt		
Internal Debt		
Market Loans	6,55.00	5,04.99
Ways & Means Advances from the RBI	19,65.40	6,46.63
Loans from Financial Institution	1,06.59	1,38.73
Special Securities issued to National Small Savings Fund	3.13	7.53
Loans and Advances from Central Government		
Loans for State Plan Schemes	0.00	15.87
Loans for Centrally Sponsored Plan Schemes	0.00	5.10
TOTAL -E.	27,30.12	13,18.85
F. Loans and Advances by State Government (Recoveries)¹	0.85	2.44
G. Inter-State Settlements	0.00	0.00
TOTAL RECEIPTS IN CONSOLIDATED FUND² (A+B+C+D+E+F+G)	89,35.26	69,07.67

1. Details are in Statement 7 and 16 in Volume 2.

2. Details are in Statement 11, 15 and 16 in Volume 2.

4 STATEMENT OF EXPENDITURE
(CONSOLIDATED FUND)

A. EXPENDITURE BY FUNCTION

(` in crore)

	Description	Revenue	Capital	L & A	Total
A.	GENERAL SERVICES				
A.1	Organs of State				
	Parliament/State/Union Territory Legislature.	18.93	0.00	0.00	18.93
	President,Vice-President/Governor/Administrator of Union Territories	4.23	0.00	0.00	4.23
	Council of Ministers	9.07	0.00	0.00	9.07
	Administration of Justice	22.85	0.00	0.00	22.85
	Elections	21.32	0.00	0.00	21.32
A.2	Fiscal Services				
	Land Revenue	12.97	0.00	0.00	12.97
	Stamps and Registration	0.72	0.00	0.00	0.72
	State Excise	14.10	0.00	0.00	14.10
	Taxes on Sales, Trade etc	9.22	0.00	0.00	9.22
	Taxes on Vehicles	6.91	0.00	0.00	6.91
	Other Taxes and Duties on Commodities and Services	1.70	0.00	0.00	1.70
	Other Fiscal Services	0.04	0.00	0.00	0.04
A.3	Interest payment and servicing of Debt				
	Appropriation for reduction or avoidance of Debt	31.00	0.00	0.00	31.00
	Interest Payment	4,50.64	0.00	0.00	4,50.64
A.4	Administrative Services				
	Public Service Commission	4.41	0.00	0.00	4.41
	Secretariat General Services	83.04	0.00	0.00	83.04
	District Administration	94.87	0.00	0.00	94.87
	Treasury and Accounts Administration	23.39	0.00	0.00	23.39
	Police	8,90.36	51.63	0.00	9,41.99
	Jails	23.24	0.00	0.00	23.24
	Stationery and Printing	15.09	0.00	0.00	15.09
	Public Works	73.58	1,59.38	0.00	2,32.96
	Other Administrative Services	45.91	0.00	0.00	45.91
A.5	Pensions and Miscellaneous General Services				
	Pensions and Other Retirement benefits	6,77.03	0.00	0.00	6,77.03
	Miscellaneous General Services	3.18	0.00	0.00	3.18
	Total GENERAL SERVICES :	25,37.80	2,11.01	0.00	27,48.81
B.	SOCIAL SERVICES				
B.1	Education, Sports, Art and Culture				
	General Education	8,13.90	81.01	0.00	8,94.91
	Technical Education	12.74	0.00	0.00	12.74
	Sports and Youth Services	28.11	0.00	0.00	28.11
	Art and Culture	15.23	0.00	0.00	15.23
B.2	Health and Family Welfare				
	Medical and Public Health	2,48.83	20.67	0.00	2,69.50
	Family Welfare	22.46	0.00	0.00	22.46
B.3	Water Supply, Sanitation, Housing and Urban Development				
	Water Supply and Sanitation	48.55	39.39	0.00	87.94
	Housing	14.27	1,11.61	0.00	1,25.88
	Urban Development	7.01	67.55	0.00	74.56

**4 STATEMENT OF EXPENDITURE
(CONSOLIDATED FUND)**

(` in crore)					
	Description	Revenue	Capital	L & A	Total
B.4	Information and Broadcasting				
	Information and Publicity	23.40	1.08	0.00	24.48
B.5	Welfare of Schedule Castes, Schedule Tribes and Other Backward Classes				
	Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	27.81	0.00	0.00	27.81
B.6	Labour and Labour Welfare				
	Labour and Employment	26.20	0.00	0.00	26.20
B.7	Social Welfare and Nutrition				
	Social Security and Welfare	1,01.18	21.66	0.00	1,22.84
	Nutrition	52.70	0.00	0.00	52.70
	Relief on Account of Natural Calamities	10.67	0.00	0.00	10.67
B.8	Others				
	Other Social Services	0.00	3.84	0.00	3.84
	Secretariat Social Services	8.73	0.00	0.00	8.73
	Total SOCIAL SERVICES :	14,61.79	3,46.81	0.00	18,08.60
C.	ECONOMIC SERVICES				
C.1	Agriculture and Allied Activities				
	Crop Husbandry	1,70.66	17.30	0.00	1,87.96
	Soil and Water Conservation	39.18	0.26	0.00	39.44
	Animal Husbandry	68.34	14.89	0.00	83.23
	Dairy Development	4.33	0.00	0.00	4.33
	Fisheries	27.53	1.00	0.00	28.53
	Forestry and Wild Life	57.61	43.22	0.00	1,00.83
	Food Storage and Warehousing	13.48	13.80	0.00	27.28
	Agricultural Research and Education	9.70	0.00	0.00	9.70
	Co-operation	20.04	8.44	1.82	30.30
C.2	Rural Development				
	Special Programmes for Rural Development	14.36	0.00	0.00	14.36
	Rural Employment	40.00	0.00	0.00	40.00
	Other Rural Development Programmes	77.32	1.33	0.00	78.65
C.3	Special Areas Programmes				
	North Eastern Areas	38.66	14.95	0.00	53.61
	Other Special Areas Programmes	70.19	94.39	0.00	1,64.58
C.4	Irrigation and Flood Control				
	Minor Irrigation	1,27.81	1.32	0.00	1,29.13
C.5	Energy				
	Power	3,41.78	87.40	0.00	4,29.18
	Non-Conventional Sources of Energy	3.49	3.93	0.00	7.42
C.6	Industry and Minerals				
	Village and Small Industries	74.31	0.45	0.00	74.76
	Non-ferrous Mining and Metallurgical Industries	16.33	6.59	0.00	22.92
C.6	Industry and Minerals				
	Capital Outlay on Telecommunication & Electronic Industries	0.00	0.15	0.00	0.15
	Capital Outlay on Consumer Industries	0.00	26.60	0.00	26.60
C.7	Transport				
	Civil Aviation	13.65	1.40	0.00	15.05
	Roads and Bridges	1,68.51	3,38.93	0.00	5,07.44
	Road Transport	42.55	16.35	0.00	58.90

**4 STATEMENT OF EXPENDITURE
(CONSOLIDATED FUND)**

(` in crore)

	Description	Revenue	Capital	L & A	Total
C.9	Science, Technology and Environment				
	Other Scientific Research	8.43	0.00	0.00	8.43
C.10	General Economic Services				
	Secretariat Economic Services	1,04.87	0.00	0.00	1,04.87
	Tourism	11.12	1.52	0.00	12.64
	Census, Surveys and Statistics	26.93	0.00	0.00	26.93
	Other General Economic Services	10.62	3.14	0.00	13.76
	Total ECONOMIC SERVICES :	16,01.80	6,97.36	1.82	23,00.98
D.	GRANTS-IN-AID AND CONTRIBUTIONS				
	Total GRANTS-IN-AID AND CONTRIBUTIONS :	0.00	0.00	0.00	0.00
E.	PUBLIC DEBT				
	Internal Debt of the State Government			23,21.22	23,21.22
	Loans and Advances from the Central Government			21.97	21.97
	Total PUBLIC DEBT :			23,43.19	23,43.19
F.	LOANS AND ADVANCES				
	Loans to Government Servants,etc			0.34	0.34
	Total LOANS AND ADVANCES :			0.34	0.34
	Total CFS Expenditure :	56,01.39	12,55.18	23,45.35	92,01.92

**4 STATEMENT OF EXPENDITURE
(CONSOLIDATED FUND)**

B. EXPENDITURE BY NATURE

(` In crore)

Object of Expenditure	2012-13			2011-2012			2010-2011		
	Revenue	Capital	Total	Revenue	Capital	Total	Revenue	Capital	Total
Salaries	26,03.87	0.00	26,03.87	22,83.75	0.00	22,83.75	20,33.93	0.00	20,33.93
Office Expenses	38.96	0.00	38.96	55.21	0.00	55.21	1,27.73	0.00	1,27.73
Motor Vehicles	32.73	0.00	32.73	97.65	0.08	97.73	47.50	0.09	47.59
Maintenance & Repairs/ Tools & Plants	1,14.17	9.65	1,23.81	1,12.09	29.66	1,41.75	50.81	0.00	50.81
Other Charges	62.17	0.00	62.17	41.59	30.38	71.97	74.36	21.51	95.87
Material & Supply	17.09	0.00	17.09	51.67	0.00	51.67	1,42.70	0.00	1,42.70
Grants-in-Aid/Contributions	2,22.07	10.43	2,32.50	1,51.90	12.82	1,64.72	1,02.89	0.00	1,02.89
Wages	75.95	0.00	75.95	72.48	0.00	72.48	47.11	0.00	47.11
Scholarships	43.02	0.00	43.02	29.00	0.00	29.00	38.23	0.00	38.23
Machinery & Equipments	17.32	0.00	17.32	47.92	0.15	48.07	46.71	0.10	46.81
Travel Expenses	44.94	0.00	44.94	43.03	0.00	43.03	48.24	0.00	48.24
POL	30.17	0.00	30.17	22.54	0.00	22.54	63.35	0.00	63.35
Rent, Rates & Taxes	13.01	0.00	13.01	12.75	0.04	12.79	28.78	0.00	28.78
Minor Works	16.53	0.00	16.53	14.97	0.00	14.97	32.36	0.00	32.36
Subsidy	0.00	0.00	0.00	0.00	0.00	0.00	20.55	0.00	20.55
Land Compensation	0.00	0.00	0.00	30.00	0.00	30.00	0.00	0.00	0.00
Works	13.34	0.00	13.34	15.17	0.00	15.17	0.00	0.00	0.00
Other District Roads	0.00	3,09.14	3,09.14	0.00	3,02.02	3,02.02	0.00	0.00	0.00
Ration	38.70	0.00	38.70	36.34	0.00	36.34	0.00	0.00	0.00
Accommodation of Security Forces	4.95	0.00	4.95	13.44	0.00	13.44	0.00	0.00	0.00
Gender Budgeting	0.55	0.00	0.55	12.82	0.00	12.82	0.00	0.00	0.00
Rashtriya Krishi Vikas Yojna (RKVY)	74.55	0.00	74.55	42.54	0.00	42.54	0.00	0.00	0.00
Local Area Development Programme (LADP)	60.00	0.00	60.00	60.00	0.00	60.00	0.00	0.00	0.00
Others	21,15.59	9,25.96	30,41.55	16,77.63	8,74.24	25,51.87	13,21.70	11,01.24	24,22.94
Total :	56,39.68	12,55.18	68,94.86	49,24.49	12,49.39	61,73.88	42,26.95	11,22.94	53,49.89
Deduct Recoveries	38.29	0.00	38.29	48.83	0.00	48.83	39.11	0.00	39.11
GRAND TOTAL :	56,01.39	12,55.18	68,56.57	48,75.66	12,49.39	61,25.05	41,87.84	11,22.94	53,10.78

Notes to Accounts

1. Summary of Significant Accounting Policies

(i) **Entity and Accounting period:** These accounts present the transactions of the Government of Nagaland for the period 1 April 2012 to 31 March 2013. The accounts of receipts and expenditure have been compiled based on the initial accounts rendered by the District Treasuries, Public Works and Forest Divisions and advices of the Reserve Bank of India. Delays in the rendering of monthly accounts by the treasuries and divisions ranged between 2 to 30 days, resulting in exclusion of these transactions from the monthly civil accounts in some cases. However, no accounts have been excluded from the Finance Accounts of the Government of Nagaland for the year 2012-13.

(ii) **Basis of Accounting:** With the exception of some book adjustments (**Annexure ‘A’**) the accounts represent the actual cash receipts and disbursements during the account period. Physical Assets and Financial Assets such as investments etc., are shown at historical cost i.e., the value at the year of acquisition/ purchase. Physical assets are not depreciated or amortised. Losses of physical assets at the end of their life have not been expensed or recognised.

(iii) **Currency in which Accounts are kept:** The accounts of Government are maintained in Indian Rupees.

(iv) **Form of Accounts:** Under Article 150 of the Constitution, the accounts of the Union and of the States are kept in such form as the President may, on the advice of the Comptroller and Auditor General, prescribe. The word “form” used in Article 150 has a comprehensive meaning so as to include the prescription not only of the broad form in which the accounts are to be kept but also the basis for selecting appropriate heads under which the transactions are to be classified.

(v) **Classification between Revenue and Capital:** Revenue expenditure is recurring in nature and is expected to be met from revenue receipts. Capital expenditure is defined as expenditure incurred with the object of increasing concrete assets of a material and permanent character or of reducing permanent liabilities. Further, as per the Indian Government Accounting Standards (IGAS) 2, expenditure on Grants-in-aid is to be classified as Revenue expenditure regardless of end utilization.

During the year, however, Government of Nagaland booked an expenditure of ` 10.43 crore towards Grants-in-aid under Capital heads of account instead of under the Revenue section, resulting in understatement of revenue expenditure, and overstatement of Revenue Surplus to this extent. Details of such incorrect booking of value of ` 25 lakh and above are indicated in **Annexure ‘B’**.

2. Quality of accounts

(i) Operation of omnibus Minor Head 800:

The State Government classified ` 12,53.13 crore under 52 Revenue and Capital Major Heads of expenditure, constituting 18.28 per cent of the total expenditure (Revenue and Capital), under Minor Head “800 – Other Expenditure” below the concerned Major Heads. Similarly ` 27,33.89 crore under 42 Revenue receipt Major Heads, constituting about 44.06 per cent of total receipts (Revenue and Capital), was classified under Minor Head “800 – Other Receipts”. Instances of substantial booking (50 per cent and above of the concerned Major Head) under Minor Head 800-Other Receipts and 800- Other Expenditure are listed in **Annexure “C”**.

(ii) Reconciliation of Receipt and Expenditure:

All Chief Controlling Officers (CCOs) are required to reconcile the Receipts and Expenditure of the Government with the figures accounted for by the Accountant General (A&E). During the year, the entire Receipts (₹ 68,56.57 crore) and Expenditure (₹ 62,04.29 crore) were reconciled by all 82 CCOs.

(iii) Reconciliation of Cash balances

As on 31 March 2013, there was a net difference of ₹ 1,08.27 crore (Credit) between the Cash Balance figures available with the Accountant General (A&E) and those reported by the RBI. The difference is mainly due to incorrect reporting by agency banks to the RBI and misclassification by banks/ treasuries. As of 30 June, the net difference has been reduced to ₹ 108.13 crore (Credit).

(iv) Unadjusted Abstract Contingency Bills (AC) Bills

Drawing and Disbursing Officers are authorised to draw sums of money by preparing Abstract Contingency (AC) Bills by debiting Service Heads, following which, they are required to present Detailed Contingency (DC) Bills with supporting documents/ vouchers of final expenditure in all the cases, which are to reach the Office of the Accountant General (A&E) not later than 25th of the month following the date of preparation of the AC bill. 155 DC bills amounting ₹ 1,60.26 crore pertaining to the period up to 2010-11 to 2012-13 are outstanding as on 31 March 2013. Prolonged non-submission of supporting DC bills renders the expenditure under AC bills opaque. Details are given below:

(₹ in crore)

Year	AC Bills drawn		DC Bills submitted		Outstanding DC bills	
	Number	Amount	Number	Amount	Number	Amount
Upto 2010-11	98	41.80	33	22.63	65	19.17
2011-12	55	65.69	15	11.54	40	54.15
2012-13	110	94.86	60	7.92	50	86.94
Total	263	2,02.35	108	42.09	155	1,60.26

(v) Utilization Certificate (UCs) against Grants-in-aid vouchers

Grantee Institution receiving Grants-in-aid from the Government are required to furnish the Utilisation Certificates (UCs) to the office of the Accountant General (A&E) after countersignature by the disbursing authority. At the close of March 2013, 226 UCs for an amount of ₹ 3,60.32 crore remained outstanding in the books of Accountant General (A&E) for want of UCs. Non submission of UCs results in lack of adequate assurance that the grants have been expended as intended by the grantee, viz., the Government. Details of UCs outstanding as on 31 March 2013 are given below:

Year	Total amount drawn during the year (` in crore)	Percentage of outstanding amount	No. of GIA sanctions awaiting UCs
Up to 2010-2011	5,07.64	14.42	79
2011-2012	1,64.73	37.21	59
2012-2013	2,32.50	97.12	88
Total	9,04.87	39.82	226

(vi) Transfer of Funds to Personal Deposit (PD) accounts

In specific cases, the Government authorizes the opening of PD accounts into which funds are transferred from the Consolidated Fund, booking such transfers as final expenditure. The Administrators of these PD accounts are required to close such accounts on the last working day of the financial year and transfer the unspent balances back to the Government Account (Consolidated Fund). If necessary, the PD Accounts may be opened again next year. For the past several years, no transaction was reported under MH 8443-106 Personal Deposit Account. However, an amount of ` 0.02 crore (Cr) pertaining to previous periods is outstanding under this head, and requires to be remitted to the Consolidated Fund.

3. Other Items

(i) Liabilities on Retirement Benefits

The liability of the Government towards payment of retirement benefits for the past and the present service of its employees is not included in the accounts. However, the expenditure during 2012-13 on pension and other retirement benefits on State Government employees recruited on or before 31 December 2009 was ` 6,77.03 crore (12.09 per cent of total revenue expenditure). State Government employees recruited on or after 1 January 2010 are covered under the New Pension Scheme (NPS), which is a defined contributory pension scheme. In terms of the Scheme, employees contribute 10 per cent of their basic pay and dearness allowance, which is matched by the State Government and the entire amount is transferred to the designated fund manager through the National Securities Depository Limited (NSDL)/ Trustee Bank. While the actual amount payable by the employees and the matching Government contribution from the implementation of the Scheme till date has not been estimated, during 2012-13, the State Government deposited ` 11.35 crore towards employees' contribution. The State Government, however, has not transferred its matching contribution (` 11.35 crore), thereby overstating its Revenue Surplus to this extent. This has also resulted in understatement of the State Government's liability during the year to the Fund, which has been depicted in the Accounts at ` 15.00 crore as on 31 March 2013, or a deposit of only ` 3.65 crore against employee and Government contribution in the Fund between January 2010 and March 2012. Consequently, the liability of the employees and the Government to the Fund has been substantially understated.

(ii) Guarantees

Guarantees, which constitute contingent liabilities of the State Government, are reported in Statement 9 on the basis of the information received from the State Government which is the authority for issuing such Guarantees. The State Government has not made any provision either in the rules or in the budget for collection of Guarantee Commission. During 2012-13, the State Government issued guarantees for an amount of ` 5.00 crore in respect of the Nagaland Handloom and Handicraft Development Corporation. The State Government has informed that the total of debt and risk weighed outstanding guarantees as on 31 March 2013 was ` 70.22 crore.

(iii) Loans and Advances

Statements 7 and 16 relating to Loans and Advances have been prepared as required under the Indian Government Accounting Standards (IGAS) 3 notified by the Government of India. The information, however, is incomplete since the State Government has not furnished detailed information of overdue principal and interest in respect of Loans and Advances where the accounts are maintained by the State Government. The State Government has also not confirmed the balances as on 31 March 2013, including those where individual loanee accounts are maintained by the Accountant General (A&E).

(iv) Reserve Funds

The Twelfth Finance Commission had recommended that States should set up (i) Sinking Funds for amortization of all loans including loans from banks, liabilities on account of National Small Savings Funds etc., which should not be used for any other purpose, except for redemption of loans and (ii) Guarantee Redemption Funds for discharge of the States' obligations on guarantees. The total accumulated balance at the end of 31 March 2013 in these funds was ` 3,20.23 crore, of which ` 1,75.53 crore (55 per cent) has been invested. Details of significant Reserve Funds of the Government of Nagaland are given below:

(a) Consolidated Sinking Fund (CSF)

In terms of the recommendations of the Twelfth Finance Commission, the State Government created a consolidated Sinking Fund in 2006-2007, for amortization of liabilities, with an initial corpus of ` 12.17 crore. Though the State Government has not framed any rules regarding annual contributions to the Fund, in terms of the guidelines of the Reserve Bank of India which is responsible for management of the Fund, the State Government was required to contribute a minimum of 0.5 per cent of its outstanding liabilities (Internal Debt + Public Account) as at the end of the previous year. Against ` 31.79 crore (0.5 per cent of the outstanding liabilities of ` 63,57.77 crore as on 31 March 2012) due from the State Government in 2012-2013, the State Government contributed ` 30.00 crore, a shortfall of ` 1.79 crore in contribution, which resulted in overstatement of Revenue Surplus to this extent. The entire corpus of the Fund amounting to ` 1,54.09 crore as on 31 March 2013, was invested in Government of India Securities.

(b) Guarantee Redemption Fund (GRF)

The State Government constituted a Guarantee Redemption Fund in 2006-2007 with an initial corpus of ` 4.00 crore determined on the basis of guarantees invoked during the preceding five years. In terms of the Guarantee Redemption Fund Scheme of the Government of Nagaland, contributions shall be made to the Fund annually or at lesser intervals so as to reach the levels deemed sufficient to meet the amount of anticipated guarantees devolving on the Government as a result of the likely invocation of outstanding guarantees in the succeeding five years. No guarantees of the State Government were invoked from inception of the Scheme. During 2012-13, ` 1.00 crore was transferred by the State Government and the entire corpus of ` 6.00 crore as on 31 March 2013 was invested by the Reserve Bank of India in Government of India Securities.

(c) State Disaster Response Fund (SDRF)

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

of ` 3.57 crore on natural calamities against the Fund and invested ` 10.44 crore, leaving a balance of ` 0.72 crore in the Fund as on 31 March 2013.

(v) Suspense Heads:

The Finance Accounts reflect the net balances under Suspense and Remittance Heads. The outstanding balances under these heads are worked out by aggregating the outstanding debit and credit balance separately under the various heads. The position of gross figures under some of the major Suspense Heads (below MH: 8658) to the end of last three years is indicated below:

Suspense

(` in crore)

Name of Minor Head	2010-11		2011-12		2012-13.	
	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.
101 – Pay and Accounts Office- Suspense	27.36	8.96	37.79	19.39	55.07	27.91
Net	18.40	0.00	18.40	0.00	27.16	0.00
102 – Suspense Account (Civil)	18.40	0.10	18.59	0.58	18.64	0.91
Net	18.30	0.00	18.01	0.00	17.73	0.00
107 – Cash Settlement Suspense Account	34.87	0.00	34.87	0.00	34.87	0.00
Net	34.87	0.00	34.87	0.00	34.87	0.00
109 – Reserve Bank Suspense-Headquarters	0.58	10.61	6.26	14.16	6.26	14.16
Net	0.00	10.03	0.00	7.90	0.00	7.90
110–Reserve Bank Suspense-Central Accounts Office	53.46	2.73	53.98	9.89	52.13	9.89
Net	50.73	0.00	44.09	0.00	42.24	0.00
129 – Material Purchase Settlement Suspense Account	9.30	25.56	66.14	82.44	68.43	84.73
Net	0.00	16.26	0.00	16.30	0.00	16.30

(vi) Status on inclusion of Statements/ information in the Finance Accounts as recommended by the Twelfth Finance Commission

Out of the eight statements/ information recommended by the Twelfth Finance Commission for inclusion in the Finance Accounts, two statements viz; (i) Implications of major policy decisions during the year on new schemes proposed in the budget on the future cash flows as on 31 March 2013; and (ii) Information on committed liabilities of the State in future as at the end of 31 March 2013, could not be incorporated, for want of information from the State Government.

(vii) Release of Central share and matching State share for implementation of various Major Plan Schemes.

The State Government is entrusted with the execution of the Central Plan and Centrally Sponsored Schemes in the State, for which grants are released by the Government of India. The State Government makes necessary budgetary provision for the Central and State share. During the year, the Government of India released ` 3,98.37 crore towards Centrally Sponsored Schemes, Central Plan Schemes and Additional Central Assistance. The State Government Budget 2012-2013 provided for expenditure of ` 3,61.36 crore (Central share ` 2,42.21 crore and State share ` 1,19.15 crore), against which, the State Government spent ` 3,54.48 crore. The

amount of State share in the actual expenditure has not been estimated, but if it is taken at the full amount of ` 1,19.15 crore as provided in the budget, the State Government has spent only ` 2,35.33 crore out of the ` 3,98.37 crore received from the Central Government, a shortfall of ` 1,63.04 crore which has resulted in overstatement of Revenue Surplus to this extent. Details of releases of Central share and State share in respect of major schemes are given in **Annexure ‘D’**

(viii) Disclosures under the Nagaland Fiscal Responsibility and Budget Management (FRBM) Act 2005

In terms of the FRBM Act, the State Government has laid the Medium Term Fiscal Policy Statement and Fiscal Policy Strategy Statement before the Legislative Assembly along with the annual Budget for 2012-13. The targets in terms of the Policy and achievements as per the accounts are given below:

SI No	Targets	Achievements
a.	Maintain Revenue Surplus	The Revenue Surplus of the Government of Nagaland for 2012-13 as per the accounts was ` 6,02.90 crore.
b.	Maintain Fiscal deficit 3.5 per cent of Gross State Domestic Product for the year 2012-13 and thereafter reduce to 3 per cent of Gross State Domestic Product 2013-14 and beyond.	The Fiscal Deficit for 2012-13 as per the accounts was ` 6,53.59 crore (4.91 per cent of Gross State Domestic Product)
c.	Reduce outstanding debt to a maximum of 54.90 per cent of Gross State Domestic Product by the end of 2014-15	The outstanding debt for the year 2012-13 as per the accounts (` 52,47.37 crore) was 39.39 per cent of Gross State Domestic Product. *

* Gross State Domestic Product for 2012-2013 as per the Department of Economics and Statistics, Government of Nagaland was ` 1,33,21.61 crore.

(ix) Rush of Expenditure

The financial rules stipulate that rush of expenditure, particularly in the closing month of the financial year shall be regarded as a breach of financial regularity and should be avoided. However, the expenditure incurred by the State Government under certain selected Heads of Account during March 2013 ranged between 50.00 per cent and 98.48 per cent of the total expenditure during the year indicating that the drawal was primarily to exhaust the budget. The flow of expenditure during the four quarters in the above mentioned heads is given in **Annexure ‘E’**.

(x) Outstanding balances under the Major Head 8670 ‘Cheques and Bills’:

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

(xi) Direct release of State share of Centrally Sponsored Schemes and State Plan Schemes to the State Implementing Agencies

The State Government provides funds to State /District level Autonomous Bodies and Authorities, Local Self Government Institutions, Public Sector Undertakings, Co-operative Societies, Non-Governmental Organizations, etc., for implementation of Centrally Sponsored Schemes and State Schemes. Since the funds are generally not being spent fully by the implementing agencies in the same financial year, there remain unspent balances in the bank accounts of these implementing agencies. The aggregate amount of the unspent balances in the

accounts of the implementing agencies kept outside Government accounts (in bank accounts) is not readily ascertainable.

(xii) Impact of incorrect booking on Revenue Surplus

The impact on the Revenue Surplus of the State Government consequent to the budgeting and booking under incorrect expenditure/ receipt and revenue heads (details in preceding paragraphs) is given below:

Paragraph No	Item	Impact on Revenue Surplus (` in crore)	
		Overstatement	Understatement
1 (v)	Grants-in-Aid booked under Capital Section instead of Revenue.	10.43	-----
3.(i)	Liabilities on Retirement Benefits.	11.35	-----
3 (iv) (a)	Less transfer to Consolidated Sinking Fund.	1.79	-----
3. (iv) (c)	Less transfer to SDRF	3.50	-----
3 (vii)	Non-expenditure on Plan Schemes for which Central share had been received.	1,63.04	-----

ANNEXURE 'A'

[Refer to Para 1 (ii)]

I- Periodical Adjustments

(` in crore)

SI No	Book Adjustment	Head of Account		Amount	Remarks
		From	To		
1	Transfer to Sinking Fund	2048 – Appropriation for reduction or avoidance of debt	8222 – Sinking Funds	30.00	Sinking Funds are constituted by the Government for liquidation of its debt or loans. Regular contributions are made to the funds for investment and accretion to the funds account is eventually utilized for the redemption of open market loans.
2.	State Disaster Response Fund	2245 – Relief on account of Natural Calamities	8121 – General and other Reserve Funds	10.44	Transfer of both Central and State share to SDRF.
3.	Annual GPF interest Adjustment	8011 – Insurance Payment	8009 – State Provident Fund	44.16	Annual interest is credited to the GPF head of account.
4.	Annual Group Insurance interest adjustment	8011 – Insurance Payment	8011 – Insurance and Pension Funds	0.95	Annual interest is credited to the Group Insurance head of account.

II-Other Adjustments

SI No	Book Adjustment	Head of Account		Amount	Remarks
		From	To		
1	Transfer of fund to Public Account	2202 – General Education	8443 – Civil Deposits 108 – Public Works Deposits	12.79	The department could not utilize budgetary allocation and transferred the fund to Public Works Deposits. There is no provision under the rules for such transfer.
2	Transfer of fund to Public Account	2515 – Other Rural Development Programmes	8443 – Civil Deposits 108 – Public Works Deposits	8.75	
3	Transfer of fund to Public Account	2851 – Village and Small Industries	8443 – Civil Deposits 108 – Public Works Deposits	2.14	
4	Transfer of fund to Public Account	3425 – Other Scientific Research	8443 – Civil Deposits 108 – Public Works Deposits	1.00	

Sl No	Book Adjustment	Head of Account		Amount	Remarks
5	Transfer of fund to Public Account	3451 – Secretariat Economic Services	8443 – Civil Deposits 108 – Public Works Deposits	0.42	
6	Transfer of fund to Public Account	4059 – Capital Outlay on Public Works	8443 – Civil Deposits 108 – Public Works Deposits	5.90	
7	Transfer of fund to Public Account	4202 – Capital Outlay on Education, Sports, Art and Culture	8443 – Civil Deposits 108 – Public Works Deposits	28.64	
8	Transfer of fund to Public Account	4216 – Capital Outlay on Housing	8443 – Civil Deposits 108 – Public Works Deposits	0.89	
9	Transfer of fund to Public Account	4217 – Capital Outlay on Urban Development.	8443 – Civil Deposits 108 – Public Works Deposits	3.86	
10	Transfer of fund to Public Account	4235 – Capital Outlay on Social Security and Welfare	8443 – Civil Deposits 108 – Public Works Deposits	9.47	
11	Transfer of fund to Public Account	4250 – Capital Outlay on other Social Services	8443 – Civil Deposits 108 – Public Works Deposits	0.76	
12	Transfer of fund to Public Account	4405 – Capital Outlay on Fisheries	8443 – Civil Deposits 108 – Public Works Deposits	0.50	
13	Transfer of fund to Public Account	4425 – Capital Outlay on Co-operation	8443 – Civil Deposits 108 – Public Works Deposits	7.36	
14	Transfer of fund to Public Account	4552 – Capital Outlay on North-Eastern Areas	8443 – Civil Deposits 108 – Public Works Deposits	1.18	
15	Transfer of fund to Public Account	4801 – Capital Outlay on Power Projects	8443 – Civil Deposits 108 – Public Works Deposits	4.85	
16	Transfer of fund to Public Account	4860– Capital Outlay on Consumer industries.	8443 – Civil Deposits 108 – Public Works Deposits	0.88	

ANNEXURE 'B'
[Refer to Para 1 (v)]

Classification of Grants-in-Aid under Capital Heads
(Cases where expenditure was ` 25 lakh & above).

(` in crore)

Grant No.	Classification	Description	Amount
53	4860-60-600-03	Payment of Salaries and other allowances	3.30 (State Plan)
61	4575-03-800-02	Welfare of various Societies (SDP)	4.58 (State Plan)
27	4059-60-051-27	Consultancy fee	0.41
53	4860-60-600-22	Pay & Allowances	0.55
51	4059-60-051-03	Fishery Development Project	0.25
27	4059-60-051-27	Visit of HRH Prince Andrew	0.34
53	4860-60-600-07	Japhu Hotel Ltd.	0.75

ANNEXURE 'C'
[Refer to Para 2 (i)]

i. 'Other Receipts' under Minor Head -800

(` in crore)

Sl. No.	Major Head	Receipt under Minor Head-800	Total Receipt under Major Head concerned	Percentage
1	0029 – Land Revenue	0.67	0.72	93.06
2	0030 – Stamps and Registration Fees	1.31	1.58	82.91
3	0039 – State Excise	3.73	3.73	100.00
4	0041 – Taxes on Vehicles	41.55	41.59	99.90
5	0042 – Taxes on Goods and Passengers	6.70	6.71	99.85
6	0043 – Taxes and Duties on Electricity	0.05	0.05	100.00
7	0045 – Other Taxes and Duties on commodities and Services	1.14	1.14	100.00
8	0051– Public Service Commission	0.94	0.94	100.00
9	0055 – Police	7.34	7.34	100.00
10	0058 – Stationery and Printing	0.01	0.01	100.00
11	0059 – Public Works	0.18	0.18	100.00
12	0070 – Other Administrative Services	2.84	3.22	88.20
13	0071 – Contributions and Recoveries towards Pension and Other Retirement Benefits	0.43	0.57	75.44
14	0210 – Medical and Public Health	0.35	0.35	100.00
15	0217 – Urban Development	0.09	0.09	100.00
16	0220 – Information and Publicity	0.08	0.08	100.00
17	0230 – Labour and Employment	0.02	0.02	100.00
18	0235 – Social Security and Welfare	0.55	0.55	100.00

ANNEXURE 'C' (contd.)

'Other Receipts' under Minor Head -800

(` in crore)

Sl. No.	Major Head	Receipts under Minor Head- 800	Total Receipts under Major Head concerned	Percentage
19	0401 – Crop Husbandry	0.16	0.16	100.00
20	0403 – Animal Husbandry	0.46	0.50	92.00
21	0405 – Fisheries	0.01	0.01	100.00
22	0406 – Forestry and Wildlife	7.02	7.76	90.46
23	0408 – Food Storage and Warehousing	0.08	0.09	88.89
24	0425 – Co-operation	1.13	1.13	100.00
25	0435 – Other Agricultural Programmes	0.05	0.05	100.00
26	0515 – Other Rural Development Programmes	0.37	0.37	100.00
27	0552 – North Eastern Areas	0.02	0.02	100.00
28	0575 – Other Special Areas Programmes	0.03	0.03	100.00
29	0702 – Minor Irrigation	0.02	0.02	100.00
30	0801 – Power	102.83	102.83	100.00
31	0851 – Village and Small Industries	0.33	0.34	97.06
32	0853 – Non-Ferrous Mining and Metallurgical Industries	0.87	0.87	100.00
33	1053 – Civil Aviation	1.03	1.03	100.00
34	1054 – Roads and Bridges	1.75	1.80	97.22
35	1055 – Road Transport	11.37	11.37	100.00
36	1452 – Tourism	0.31	0.31	100.00
37	1475 – Other General Economic Services	0.19	0.19	100.00
38	1601 – Grants-in-aid from Central Government	26,05.86	47,40.03	54.98

II. 'Other Expenditure' under Minor Head -800

(in crore)

Sl. No.	Major Head	Expenditure under Minor Head - 800	Total Expenditure under Major Head concerned	Percentage
1.	2013 – Council of Ministers	5.15	9.07	56.78
2.	2216 – Housing	7.51	14.27	52.63
3	2401 – Crop Husbandry	94.29	170.66	55.25
4	2575 – Other Special Areas Programmes	65.21	70.19	92.90
5	2702 – Minor Irrigation	115.90	127.81	90.68
6	3055 – Road Transport	35.85	42.55	84.25
7	4202 – Capital Outlay on Education, Sports, Art and Culture	43.59	81.01	53.81
8	4210 – Capital Outlay on Medical and Public Health	11.28	20.68	54.55
9	4215 – Capital Outlay on Water Supply and Sanitation	38.24	39.39	97.08
10	4220 – Capital Outlay on Information and Publicity	1.08	1.08	100.00
11	4235 – Capital Outlay on Social Security and Welfare	16.16	21.66	74.61
12	4401 – Capital Outlay on Crop Husbandry	17.30	17.30	100.00
13	4402 – Capital Outlay on Soil and Water Conservation	0.27	0.27	100.00
14	4403 – Capital Outlay on Animal Husbandry	11.00	14.89	73.88
15	4552 – Capital Outlay on North Eastern Areas	14.95	14.95	100.00
16	4575 – Capital Outlay on Other Special Areas Programmes	94.39	94.39	100.00
17	4702 – Capital Outlay on Minor Irrigation	1.33	1.33	100.00
18	4801 – Capital Outlay on Power Projects	82.49	87.40	94.38
19	4859 – Capital Outlay on Telecommunication and Electronic Industries	0.15	0.15	100.00
20.	5053 – Capital Outlay on Civil Aviation	1.40	1.40	100.00
21.	5054 – Capital Outlay on Roads & Bridges	3,38.38	338.93	99.84
22.	5055 – Capital Outlay on Road Transport	10.10	16.35	61.77

ANNEXURE 'D'
[Refer to Para 3 (viii)]
Statement of Central Plan/Centrally Sponsored Schemes

(in crore)

Name of the Scheme	Release by GOI	Central share actually released by State Govt.	Deficit(-)/ Excess(+)	State share as per budget	State share released	Deficit(-)/ Excess(+)	Total Releases
SarvaShikshaAbhiyan (90:10)	0.00	0.00	0.00	0.00	13.93	(+)13.93	13.93
Nutrition Support-Mid-Day Meal (90:10)	28.18	34.83	(+)6.65	3.13	0.00	(-)3.13	34.83
Implementation of ICDS (90:10)	93.65	47.65	(-)46.00	10.41	0.00	(-)10.41	47.65
ICDP Supplementary Nutrition (90:10)	0.00	0.20	(+)0.20	0.00	0.00	0.00	0.20
Macro Management of Agricultural (MMA) Scheme	23.25	0.00	(-)23.25	0.00	0.00	0.00	0.00
Accelerated Irrigation Benefited Programme (90:10)	92.44	0.00	(-)92.44	0.00	0.00	0.00	0.00
RashtriyaKrishiVikashYojana	85.75	7.70	(-)78.05	9.53	0.00	(-)9.53	7.70
Backward Regions Grant Fund Panchayati Raj	41.51	0.00	(-)41.51	0.00	0.00	0.00	0.00
PM's Book Banks and Upgradation of Merit ST Students	21.91	21.91	0.00	0.00	0.00	0.00	21.91
Merit-cum-means Scholarship for minority students.	2.11	1.86	(-)0.25	0.00	0.00	0.00	1.86
Post matric Scholarship for SC/ST students. (100:0)	0.07	0.04	(-)0.03	0.00	0.00	0.00	0.04
Pre-matric Scholarship for minorities (100:0)	4.00	4.00	0.00	0.00	0.00	0.00	4.00

Name of the Scheme	Release by GOI	Central share actually released by State Govt.	Deficit(-)/ Excess(+)	State share as per budget	State share released	Deficit(-)/ Excess(+)	Total Releases
Live Stock Health and Disease Control (50:50)	4.42	0.38	(-)4.04	4.42	0.00	(-)4.42	0.38
Live Stock Census (50:50)	1.08	0.58	(-)0.50	1.08	0.00	(-)1.08	0.58

Annexure 'E'
[Refer to Para 3 (ix)]
Rush of Expenditure

(` in crore)

Head of Account	Description	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total	During March	Expenditure during March 2013 as per cent of total expenditure
2405	Fisheries	1.95	2.94	5.03	17.61	27.53	14.07	51.11
2501	Special Programmes for Rural Dev.	0.89	0.86	1.96	10.65	14.36	11.31	78.76
2505	Rural Employment	0.00	0.00	0.00	40.00	40.00	20.00	50.00
4055	Capital outlay on Police	0.00	12.28	10.49	28.85	51.62	27.36	53.00
4202	Capital outlay on Education, Sports, Art and Culture	0.00	11.52	5.96	63.53	81.01	47.44	58.56
4235	Capital outlay on Social Security and Welfare	0.00	0.00	0.00	21.66	21.66	21.33	98.48
	Total	2.84	27.60	23.44	182.30	236.18	141.51	59.92

APPENDIX I
CASH BALANCES AND INVESTMENTS OF CASH BALANCES

	On 31 March 2013	On 1 April 2012
	(` in crore)	
(a) General Cash Balance –		
1. Cash in Treasuries	0.00	0.18
2. Deposits with Reserve Bank	(-) 2,97.88	(-)1,99.04
Total	(-) 2,97.88	(-)1,98.86
3. Investment held in Cash Balance Investment Account	0.00	0.00
Total – (a)	(-) 2,97.88	(-)1,98.86
(b) Other Cash Balances and Investment –		
1. Cash with Departmental Officers, viz. Officers of Forest and Public Works Department	4,02.87	3,75.65
2. Permanent Advances for Contingent Expenditure	0.00	0.00
3. Investment of Earmarked Funds	1,75.53	1,51.40
Total – (b)	5,78.40	5,27.05
Total – (a) and (b)	2,80.52	3,28.19

Explanatory Notes

(a). **Cash and Cash Equivalents:** Cash and cash equivalents consist of cash in treasuries and deposit with Reserve Bank of India and other Banks and Remittances in Transit, as stated below. The balance under the head 'Deposits with Reserve Bank' as detailed above, depicts the combined balance of the Consolidated Fund, Contingency Fund and the Public Account at the end of the year. To arrive at the overall cash position, the cash balances with treasuries, departments and investments out of the cash balances/reserve funds etc are added to the balance in 'Deposits with RBI'.

APPENDIX I
CASH BALANCES AND INVESTMENTS OF CASH BALANCES

(b). **Daily Cash Balance:** Under an agreement with the Reserve Bank of India, 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 on any day, the deficiency is made good by taking ordinary and special ways and means advances/overdrafts from time to time.

For arriving at the daily cash balance² for the purpose of grant of Ways and Means advances/Overdraft, the RBI evaluates the holdings of the 14 days Treasury Bills along with the transactions reported (at RBI counters, Inter-Government transactions and Treasury transactions reported by the agency banks) for the day. To the cash balance so arrived, the maturity of 14 days Treasury Bills if any, is added and excess balance, if any, after maintaining the minimum cash balance is reinvested in Treasury Bills. **If the net cash balance arrived at results in less than the minimum cash balance** or a credit balance and if there are no 14 days Treasury Bills maturing on that day, RBI rediscounts the holdings of the 14 days Treasury Bills and makes good the shortfall. If there is no holding of 14 days Treasury Bills on that day the State Government applies for Ways and Means Advances/Special Ways and Means Advances/ Over Draft.

(c). The limit for ordinary ways and means advances to the State Government was ` 80.00 crore with effect from 1 April 2012. The Bank has also agreed to give special ways and means advances against the pledge of Government Securities. The limit of special ways and means advances is revised by the Bank from time to time. The extent to which the Government maintained the minimum cash balance with the Reserve Bank during 2012-2013 is given below:-

- | | |
|--|----------|
| (i) Number of days on which the minimum balance was maintained without taking any advance | 365 days |
| (ii) Number of days on which the minimum balance was maintained by taking ordinary ways and means advance | 95 days |
| (iii) Number of days on which the minimum balance was maintained by taking special ways and means advances | 02 days |
| (iv) Number of days on which there was shortfall in minimum balance even after taking the above advances, but no overdraft was taken | 0 days |
| (v) Number of days on which overdrafts were taken | 12 days |

(d). During the year investments from out of the Cash balance were made in Government of India securities. Interest of ` 3.30 crore (net) was realized and no balance is lying outstanding on such investment at the end of the year.

²The cash balance ('Deposits with RBI') above is the closing cash balance of the year as on 31 March but worked out by 16 April and not simply the daily balance on 31 March.

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