



**GOVERNMENT OF NAGALAND**

**DEPARTMENT OF FINANCE**

**ANNUAL ADMINISTRATIVE REPORT  
2011-2012**

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## CHAPTER -1

### FINANCE DEPARTMENT

1. The Annual Administrative Report of Finance Department for the year 2011-12 covers the activities and performances for the period from 1<sup>st</sup> April 2011 to 31<sup>st</sup> March 2012.

#### 2. Functions:

The Finance Department is responsible for all financial administration of the State Government, including preparation of the States' Annual Budget. It exercises control and supervision over the Receipts and Expenditure of the Government and initiates various measures for improvement in fiscal management, additional resources mobilisation, economy and efficiency in Government expenditures etc. It also formulates policies relating to levy and collection of various taxes such as Value Added Tax, Petroleum Tax, Central Sales Tax, Professions Tax, Entertainment Tax etc. The Department exercises administrative control and supervision over the three Directorates of **Treasuries and Accounts**, **Nagaland State Lotteries** and **Taxes**.

#### 3. Organization:

The Finance Minister is the overall head of the department. At the Administrative level, the department is presently headed by the Additional Chief Secretary and Finance Commissioner who is assisted by three Advisers, three O.S.D.s, two Additional Secretaries, one Joint Secretary, three Deputy Secretaries, 3 Under Secretaries, one Consultant and other supporting staff. The Finance Department comprises of ten (10) branches. Their work allocation is as follows:-

##### (i) Establishment and ROP Cell:

- (a) It looks after all matters relating to creation/continuation of establishments and posts, appointments, entitlements, Service Rules etc.; and
- (b) Revision of Pay & Allowances, Pensions etc.

##### (ii) Revenue:

- (a) All matters relating to administration of tax and non-tax revenue including revision of tariff/rates from time to time.
- (b) All matters relating to establishments under the Commissioner of Taxes.
- (c) All matters relating to promotion of Small Savings.
- (d) All matters relating to Stamps & Registration.

##### (iii) Treasuries and Accounts:

- (a) All matters relating to the Directorate of Treasuries & Accounts and its subordinate offices.
- (b) All matters relating to compilation of accounts of works departments including cheque drawing powers of Divisional Officers.
- (c) All matters relating to Internal Audit of Directorate of Treasuries & Accounts.

##### (iv) Lottery Branch:

- (a) All matters relating to the State Lotteries.
- (b) All matters relating to the establishment of the Directorate of Nagaland State Lotteries.

##### (v) Computer Cell:

Office automation in key areas such as managing Budget works, compiling, editing, storing, retrieving etc. of data and reducing time and other manual and voluminous work involved during the annual Budget preparation time.

##### (vi) Budget & Monitoring Cell:

- (a) All matters relating to Budget and budgetary controls.
- (b) Matters relating to Calamity Relief Fund.
- (c) Matters relating to Servicing of Debt.
- (d) Finance concurrence/Drawing Limit in respect of Demand Nos. 1, 2, 8, 10, 12, 17, 21, 23, 32, 44, 47, 57, 58, 60, 62, 63, 64, 74, 75, 78, 80.

The need to have a Budget and Monitoring Cell arose from the incidents of fraudulent drawal of pension cases detected by the Vigilance Department. The main objectives were to have a better monitoring of all Government transactions through the Treasuries which in turn would improve the quality of preparation of the annual budget. This would also improve financial control and help reduce financial irregularities. A major objective was to have more precise monitoring of the flow of cash for better fiscal management. This has resulted in good cash management, an achievement that was also commended even by the Governor of the Reserve Bank of India during a visit to the State in . The data derived from these exercises would also help prepare a realistic budget. The Cell was formally created vide order of the P&AR Department No. AR-15/1/85 dated 10.12.2004.

**(vii) Finance Commission Research Cell:**

- (a) All matters relating to Finance Commissions, including follow-up action on the awards of the Finance Commissions especially relating to grants for upgradation, special problems, local bodies, calamity relief, etc.
- (b) Updating of data for use in connection with future Finance Commission.

**(viii) General Branch:**

- (a) All matters relating to Provident Funds and Group Insurance.
- (b) All matters relating to Committees of Assembly (PAC, Estimates Committee, Committee on Government Assurances, etc.)
- (c) All matters relating to Audit Notes/objections, Audit Reviews, C&AG's Reports, Internal Audit, (co-ordination of action taken by various departments and follow-up action especially relating to tendering of evidence/reports before the Assembly Committees).
- (d) All matters relating to Public Sector Undertakings (including their financing, administration, debt servicing and compilation of accounts).
- (e) All matters relating to Guarantees given/to be given by the State Government.
- (f) Creation of a Cell to oversee the problems of pensioners and missing GPF credits.
- (g) All matters relating to banking/insurance.

**(ix) Expenditure 'A':**

- (a) All matters relating to Finance concurrence and issue of Drawal Authority/Drawing Limit in respect of Demand Nos. 4, 7, 11, 13, 14, 15, 16, 19, 26, 27, 28, 29, 31, 33, 34, 36, 38, 39, 43, 49, 55, 65, 67, 68, 69, 77, 79.
- (b) All cases of condemnation of assets/write-off relating to all departments.
- (c) All matters relating to Delegation of Financial and Cognate Power Rules.

**(x) Expenditure 'B':**

All matters relating to Finance Concurrence and issue of Drawal Authority/Drawing Limit in respect of Demand Nos. 3, 5, 6, 9, 20, 22, 25, 30, 35, 37, 40, 41, 42, 45, 46, 48, 50, 51, 52, 53, 54, 56, 59, 66, 70, 71, 72.

## CHAPTER - 2

### COMMISSIONERATE OF TAXES

#### I. Introduction:

Till attainment of statehood, the then Naga Hills District was an administrative unit under the State of Assam. Among others, Sales Tax laws of Assam were extended to Naga Hills effective from 2-2-1948. However, no records are available as to whether any revenue was collected from the Naga Hills District.

The Department of Taxes, Nagaland was established in August 1964, with the appointment of the Commissioner, Nagaland as the ex-officio Commissioner of Taxes vide Government Notification No. SGN.182/63/29 (a) 14.06.63. A full fledged Commissioner of Taxes was created only on 20<sup>th</sup> August 1976, with its headquarters at Kohima. In the same year, the headquarter was shifted down to Dimapur, the commercial hub of the State for better tax administration. A post of Superintendent of Taxes was also created and an officer from the Assam Taxation Service brought on deputation to start the functioning of the department along with skeleton staff.

With the establishment of the department, the question of adoption of the existing taxation laws of Assam as applied to the erstwhile Naga Hills District to the newly formed State by the Nagaland Adoption of Laws Order, 1965, were examined. But due to some confusion the taxation laws of Assam could not be enforced by adoption/modification. Meanwhile, the State Government took a decision to have its own laws which led to the enactment of the following taxation laws:

1. The Nagaland Sales Tax Act, 1967;
2. The Nagaland Finance (Sales Tax) Act, 1967;
3. The Nagaland (Sales of Petroleum & Petroleum Products, including Motor Spirit and Lubricants) Taxation Act, 1967;
4. The Nagaland Passenger and Goods Taxation Act, 1967; and
5. The Nagaland Professions, Trade, Callings and Employment Taxation Act, 1968.

The above laws could not be implemented immediately, even after the assent of the President. It was only with the enactment of Rules in respect of each of the Acts in 1970, that all the above Acts, except the Passengers and Goods Taxation Act, were implemented in the State. The revenue collection made during the first year of implementation i.e., 1970-71 stood as under:

(` in lakhs)

Year	NST	P. Tax	Amusement Tax	Total
1970-71	14.22	1.42	2.92	18.56

The following are the details of subsequent expansions of the department that took place from time to time till date:

Sl. No.	Name of the Office	Year established
1.	Directorate	1964
2.	Superintendent of Taxes, Dimapur	1964
3.	Superintendent of Taxes, Kohima	1973
4.	Superintendent of Taxes, Mokokchung	1973
5.	Superintendent of Taxes, Tuensang	1973
6.	Superintendent of Taxes (MS), Dimapur	1976
7.	Superintendent of Taxes, Mon	1981
8.	Inspector of Taxes, Kiphire	1981

9.	Inspector of Taxes, Peren	1981
10.	Superintendent of Taxes, Phek	1986
11.	Superintendent of Taxes, Wokha	1986
12.	Superintendent of Taxes, Zunheboto	1986
13.	Zonal Offices, Dimapur, Kohima and Mokokchung	1992
14.	Nagaland Taxation Check post, New Field Gate, Golaghat Road and Dillai Road, Dimapur	1993
15.	Nagaland Taxation Check post, Zubza, Kohima	2003
16.	Nagaland Taxation Check post, Tsutapela, Mokokchung	2005
17.	Nagaland Taxation Deemed Check post, Tuli, Mokokchung	2011

## **2. ORGANISATIONAL SET UP OF THE DEPARTMENT:**

### **(a) Secretariat:**

In the Secretariat, the department is headed by the Minister in-charge of Finance. The Additional Chief Secretary and Finance Commissioner is the Administrative Head of the Department. He is assisted by the Officer-on-Special Duty (Revenue) and other subordinate officials.

### **(b) Directorate:**

In the directorate, the Commissioner of Taxes is the head of the department. He exercises overall control and supervision of the entire tax administration. The Commissioner is assisted by two Additional Commissioners of Taxes and two Deputy Commissioner of Taxes in the directorate. In addition, other officers and staff assist the Commissioner in carrying out the day to day activities at the directorate.

There is a Computer Cell attached to the directorate with one Computer Engineer and one Data Analyst/Computer Operator. The Computer Engineer heads the Cell and ensures its safe and smooth functioning. The Data Analyst operates and functions under the supervision of the Computer Engineer.

The department is presently in the process of computerizing the administration of VAT and CST Acts through implementation of an application developed by NIC, Karnataka called 'TaxSoft'. The application would automate the work flow involved in the following functions:-

• Registration	• Issuance of statutory forms
• Returns	• Refunds
• Electronic Payments	• Transfer & cancellation of registration
• Check Post Operations	• Audit and Assessment
• Declaration by Dealers of their Purchases & Sales	• Declaration by Dealers of their TDS Deductions

The Project was been commissioned on 6<sup>th</sup> January 2011 and is expected to be completed within a period of 18 months. The Department has taken significant steps towards implementing this project with M/s Wipro Ltd. as the Management Consultant. The Department has already formed the Project e-Mission Team for continuous monitoring and handholding of the project.

The Department has also availed and started implementing the Tax Information Exchange System (TINXSYS) facility offered by the Central Government since April 2007. The TINXSYS is deployed for tracking of inter-State transactions of the dealers of the State.

### **(c) Mobile Squad:**

The Mobile Squad functions as the intelligence wing of the department and is attached with the directorate. Its jurisdiction covers the entire State. It is headed by an Assistant Commissioner of Taxes. He coordinates and supervises the activities of the officers and staff of the Mobile Squad. The Squad maintains vigil over the business activities of the traders to prevent tax evasion. It also conducts searches and seizures, and investigates cases of tax evasion on assignment by Commissioner as well as on its own initiative, and reports to the Commissioner. The Mobile Squad functions under the direct supervision and control of the Commissioner of Taxes.

**(d) Zonal Offices:**

The entire State is divided into three Zones for smooth and efficient tax administration. Each zone is headed by an Assistant Commissioner of Taxes. The jurisdiction of the respective Zonal Assistant Commissioner of Taxes is as under:-

Sl. No.	Name of the Zone	Jurisdictions	Remarks
1	Dimapur Zone	Dimapur, Mon & Peren Districts	Dimapur is divided into four Wards, each headed by a Superintendent of Taxes.
2	Kohima Zone	Kohima, Phek and Wokha Districts	Kohima is divided into two Wards, each headed by a Superintendent of Taxes.
3	Mokokchung Zone	Mokokchung, Kiphire, Longleng, Tuensang and Zunheboto Districts	Mokokchung is divided into two Wards, each headed by a Superintendent of Taxes.

**(e) District offices:**

All the District Tax Offices function under the supervision of the Zonal Assistant Commissioner of Taxes. The District Tax Office is headed by a Superintendent of Taxes. Dealers register their business and file tax returns at the District Tax Office. Tax is directly deposited in the respective head of account by the tax payers through the District Treasury Office.

**(f) Nagaland Taxation Check Gates:**

The Department has set up Check Gates at the four strategic entry points namely Zubza at Kohima, Tsutapela at Mokokchung and Dillai Road and New Field Gate at Dimapur with a view to prevent evasion of tax. These Check Gates monitor the movement of taxable goods both into and out of the State. The Nagaland Taxation Check Gates at Dillai Road and Golaghat Road, Dimapur, function under the control of the Assistant Commissioner of Taxes, Mobile Squad. The Check Gates at Zubza and Tsutapela function under the direct control and supervision of the Assistant Commissioner of Taxes, Kohima and Mokokchung Zones respectively.

**(g) Auditors for Audit Assessment:**

Sl. No.	Unit
1	Deputy Commissioner of Taxes –I, Nagaland, Dimapur
2	Deputy Commissioner of Taxes –II, Nagaland, Dimapur
3	Assistant Commissioner of Taxes, Dimapur Zone, Dimapur
4	Assistant Commissioner of Taxes, Mokokchung Zone, Mokokchung
5	Assistant Commissioner of Taxes,, Kohima Zone, Kohima
6	Superintendent of Taxes, Dimapur, Ward-A
7	Superintendent of Taxes, Dimapur, Ward-B
8	Superintendent of Taxes, Dimapur, Ward-C
9	Superintendent of Taxes, Dimapur, Ward-D
10	Superintendent of Taxes, Kohima, Ward-A
11	Superintendent of Taxes, Kohima, Ward-B
12	Superintendent of Taxes, Mokokchung, Ward-A
13	Superintendent of Taxes, Mokokchung, Ward-B
14	Superintendent of Taxes, Tuensang
15	Superintendent of Taxes, Mon
16	Superintendent of Taxes, Wokha
17	Superintendent of Taxes, Phek
18	Superintendent of Taxes, Zunheboto

**3. Right to Information Act:**

The following are the name, designation and other particulars of the Public Information Officers in the department:-

Sl. No.	Name of PIOs	Designation	Jurisdiction	Appellate Authority
1	Shri K.Chuba	Addl. Commr. of Taxes	Directorate	Commr. of Taxes
2	Shri Tokhevi Sema	Deputy Commr. of Taxes	Dimapur & Peren	Commr. of Taxes
3	Shri Ramziu	Asstt. Commr. of Taxes	Kohima	Commr. of Taxes
4	Shri P. Demo	Asstt. Commr. of Taxes	Mokokchung	Commr. of Taxes
5	Smti Chievitshu	Supdt. of Taxes	Wokha	Commr. of Taxes
6	Smti Imtilemla	Supdt. of Taxes	Phek	Commr. of Taxes
7	Smti Margaret Sentila	Supdt. of Taxes	Mon	Commr. of Taxes
8	Vacant	Supdt. of Taxes	Zunheboto	Commr. of Taxes
9	Smti Lirila Sangtam	Supdt. of Taxes	Tuensang, Kiphire & Longleng	Commr. of Taxes

**4. Incumbency list of head of department from beginning till date indicating period:**

Sl. No.	Name	From	To
1	L. Lungalang, IFAS	Aug. '64	14.12.71
2	S.C. Dev, IAS	15.12.71	8.9.76
3	R. Ezung, IAS	9.9.76	10.10.77
4	Binod Kumar, IAS	11.10.77	8.4.78
5	A. Imkongmar Aier, IAS	15.4.78	24.4.81
6	S. Lima Aier, IAS	25.4.81	28.2.83
7	A.H. Zhimomi, NCS	1.3.83	31.7.85
8	Toshi Aier, IAS	1.8.85	3.9.85
9	Lalthara, IAS	4.9.85	8.7.86
10	S. Lima Aier, IAS	9.7.86	31.7.87
11	I.K. Chankija, IAS	11.10.88	6.11.89
12	Khriezohu, IAS	18.11.89	8.6.90
13	H.K. Khullu, IAS	13.6.90	24.8.90
14	M. Hangsingh, IAS	24.8.90	3.9.93
15	Pankaj Kumar, IAS	8.11.93	1.8.94
16	D.K. Bhalla, IAS	12.12.94	20.3.95
17	J. Noklang Ao, NTS	21.3.95	31.7.96
18	R.O. Ovung, NTS	1.8.96	31.8.2000
19	Sanjay Kumar, IAS	2.9.2000	16.4.03
20	V. Hekali Zhimomi, IAS	17.4.2003	4.6.04
21	Paolal Hangsingh, IAS	5.6.04	31.12.07
22	B. Thawang Konyak IAS	2.1.08	9.6.08
23	M. Patton, IAS	9.5.08	31-7-11
24	Dinesh Kumar	1-8-11	Till date

**5. No. of employees in all grades - Directorate and all field establishments:**

Sl. No.	Grades	No. of post
	<b>Directorate:</b>	
1	Commissioner of Taxes (IAS cadre)	1
2	Addl. Commissioner of Taxes	2
3	Deputy Commissioner of Taxes	2
4	Registrar	1
5	Stenographer	1
6	Office Superintendent	1
7	Computer Engineer	1
8	Assistant Superintendent.	1
9	Steno. Grade-III	3
10	UDA	5

11	LDA (Dte)	5
12	Analyst	1
13	Typist	3
14	Driver	7
15	Duftry	1
16	Peon	6
17	Chowkidar	2
18	Sweeper	1
	<b>Zonals &amp; District Offices</b>	
19	Assistant Commissioner of Taxes	4
20	Superintendent. of Taxes	14
21	Inspector of Taxes	39
22	Head Assistants	8
23	UDA	19
24	LDA	46
25	Typist	10
26	Driver	16
27	Checker	24
28	Peon	40
29	Chowkidar	8
30	Sweeper	8
31	Mali	1
	<b>Total:</b>	<b>281</b>

#### 6. Nature and areas of activities of the Department:

The Department's roles and activities are quasi-judicial in nature. It ensures registration, payment of tax and filing of tax returns by all liable dealers. The Department conducts scrutiny of the tax returns filed by the dealers and conducts audit assessment on the basis of parameters set under the tax laws. Normal and show cause notices are issued to the dealers depending on the nature of the case to ensure tax compliance by all concerned. The department also keeps strict vigil over the entire business activities of the tax payers and takes remedial measures under the tax laws to prevent evasion and avoidance of tax by unscrupulous tax payers. It also extends tax assistance to the tax payer in matters of registration, filing of tax returns etc. to comply with the provisions of the tax laws. The department also compiles the sales tax revenue deposited by the tax payers and submits collection statements to the Government at regular intervals.

#### 7. Acts and Rules being implemented by the department:

The Department administers the following taxation laws:-

- (i) The Nagaland (Sales of Petroleum & Petroleum products including Motor spirit and lubricants) Taxation Act 1967 and Rules as amended from time to time;
- (ii) The Nagaland Professions Trades, Calling and Employment Taxation Act 1968 and Rules as amended from time to time;
- (iii) The Nagaland Amusement Tax Act 1965 and Rules as amended from time to time;
- (iv) The Nagaland Value Added Tax Act 2005 and Rules as amended from time to time; and
- (v) The Central Tax Act 1956 and Rules as amended from time to time.

#### 8. Revenue collection statement for the last five years ( ` in lakhs):

Sl. No.	Year	Particulars					Total
		P/Tax	VAT	Pet. Tax	CST	A/Tax	
1	2006-07	1616.77	5128.30	2785.77	351.84	0.50	<b>9882.73</b>
2	2007-08	1763.75	6162.49	2693.40	327.44	0.00	<b>10947.08</b>
3	2008-09	1920.93	8095.63	3002.70	436.87	0.10	<b>13456.23</b>
4	2009-10	2234.45	9870.35	2808.90	536.06	0.29	<b>15450.05</b>
5	2010-11	2447.05	12018.56	4159.02	543.83	0.18	<b>19168.64</b>
6	2011-12	1929.86	9872.08	3535.22	412.56	11.49	<b>15761.21</b>

**Notes:**

\*Figures for 2011-12 are upto December 2011 only.

\*Revenue target for 2011-12 is `24000 lakhs.

\* The department expects to collect `82.39 crores during the months of January, February and March 2012 to achieve the target for the financial year 2011-2012.

**9. Total no. of registered dealers under all Acts as on 31-12-2011:**

Sl. No.	District	VAT	CST	Pet. Tax	Prof. Tax	Total
1	Dimapur	4109	2639	47	3945	10740
2	Kohima	1087	688	7	1156	2938
3	Mokokchung	583	119	9	600	1311
4	Tuensang	168	16	2	320	506
5	Mon	61	24	3	136	224
6	Phek	67	3	1	105	176
7	Wokha	182	39	2	319	542
8	Zunheboto	417	63	4	488	972
9	Peren	16	10	2	45	73
10	Kiphire	40	1	1	102	144
11	Longleng	21	0	1	98	120
<b>Total:</b>		<b>6751</b>	<b>3602</b>	<b>79</b>	<b>7314</b>	<b>17746</b>

**10. Receipt and expenditure of the department during the last five years:-****(A). Receipts:****(i) (Non Plan)****(` in lakhs)**

Sl. No.	Source of receipt	2007-08	2008-09	2009-10	2010-11	2011-12
1	Salaries of regular staff	377.39	392.70	426.20	654.83	680.08
2	Wages of fixed pay	2.37	2.37	2.37	2.76	2.76
3	Others	76.65	94.15	90.65	109.65	90.65
<b>Total</b>		<b>456.41</b>	<b>489.22</b>	<b>519.22</b>	<b>747.24</b>	<b>773.49</b>

**(ii) Receipt (Plan)****(` in lakhs)**

Sl. No.	Source of receipt	2007-08	2008-09	2009-10	2010-11	2011-12
1	Construction works	50.00	50.00	Nil	100.00	340.00
2	MMP-CT	Nil	Nil	Nil	66.66	117.64
<b>Total</b>		<b>50.00</b>	<b>50.00</b>	<b>Nil</b>	<b>166.66</b>	<b>457.64</b>

**(B). Expenditure:****(i) Non-Plan****(` in lakhs)**

Sl. No.	Nature of expenditure	2007-08 Year 2	2008-09 Year 3	2009-10 Year 4	2010-11 Year 5	2011-12 Year 6
1	Salaries of regular staff	373.22	393.01	476.93	651.36	519.42
2	Wages of W/C Staff	1.60.	1.80	1.80	1.80	2.18
3	Grand-in-aid	-	-	-	-	-
4	Scholarships, etc	-	-	-	-	-
5	Others	72.94	94.09	105.41	109.00	Nil
<b>Non-Plan Total</b>		<b>447.76</b>	<b>488.90</b>	<b>584.14</b>	<b>762.16</b>	<b>521.16</b>

(ii) Plan

(` in lakhs)

Sl. No.	Nature of expenditure	2007-08 Year 2	2008-09 Year 3	2009-10 Year 4	2010-11 Year 5	2011-12 Year 6
1	Salaries of regular staff	-	-	-	-	-
2	Wages of W/C Staff	-	-	-	-	-
3	Grand-in-aid	-	-	-	-	-
4	Scholarships, etc	-	-	-	-	-
5	Works expenditure/MMPCT	50.00	-	30.45	166.66	Nil
6	Others	-	-	-	-	-
	<b>Plan Total</b>	<b>50.00</b>	<b>50.00</b>	<b>30.45</b>	<b>166.66</b>	<b>Nil</b>

\* Figures for 2011-12 are up to December 2011 only

**11. Details of plans and activities of the department for the ensuing year indicating and target proposed to be achieved indicating financial outlays for major projects:**

**(a) District-wise Revenue Target for 2011-12 (` in lakhs):**

Sl. No.	District	Target for 2011-2012
1	Dimapur including Peren	12986.07
2	Kohima	8324.08
3	Mokokchung	637.87
4	Mon	246.23
5	Phek	332.68
6	Tuensang	406.00
7	Wokha	188.26
8	Peren	113.45
9	Zunheboto	454.73
10	Kiphire	95.50
11	Longleng	43.10
12	Book transfer from AG	<b>172.03</b>
	<b>Grand Total</b>	<b>24000.00</b>

**(b) New initiatives undertaken during the current financial year:**

**i. Amendment of the provision of various tax laws.**

- VAT rates on goods under 4% category were revised to 4.75%;
- VAT rates on goods under 12.5% were revised to 13.25%;
- VAT rates on Declared Goods under Central Sales Tax Act, 1956 are revised from 4% to 4.75%;
- VAT rate on tobacco is further revised from 13.25% to 15%;
- VAT Registered Retailers are given the option to pay the tax by way of composition in order to promote compliance;
- Works executed under the MP & MLA LADPF are allowed to pay VAT at a flat rate of 1%.
- The Nagaland Amusement Tax Act has been suitably amended for better implementation and administration;
- The Nagaland Professions Trade callings and Employment Taxation Act, 1968 & Rules 1970 have been suitably amended to streamline, rationalize and strengthen the provisions of the Acts & Rules.
- A proposal for amendment of the Nagaland Petroleum Tax Act is under process for better compliance and administration.
- Capacity building of all the stakeholders.
- Submission of collection figures in time for proper monitoring.
- Special Registration drives.
- Ensure proper payment of tax in time.
- Monitoring of TDS deposits.
- Special revenue drives.

**ii. E-Services:**

The Department has, in collaboration with NIC, Karnataka, customized the VATSoft to provide e-services to the taxpayers and the citizens through web-based applications. This will facilitate easy tax compliance and enable the taxpayers to discharge their tax obligations at the safe comfort of their home/offices from anywhere at any time. The following e-services are already available in the department's website for use:-

- ✿ e – Registration
- ✿ e – Returns
- ✿ e – Payments
- ✿ e – Waybills
- ✿ Online filing of Purchases & Sales
- ✿ Online Issuance of Statutory Forms
- ✿ e – Transit Pass

The e-services initiative will give to the taxpayers and citizens an easy and transparent process for registration, better proximity to tax services through web based applications, on-line payment of taxes, paperless application and issuance of waybills and statutory forms and filing of tax returns, online status tracking of transactions and real time information on the tax rates and calculation of taxes.

Further, to encourage the taxpayers and the citizens to use the e-services, the department has already conducted Dealers' Sensitization Workshops-cum-Trainings on e-services at Dimapur, Kohima and Mokokchung in the month of January 2012. The department will continue to facilitate and support the taxpayers and the citizens to use the e-services through such sensitization workshop and seminars at regular intervals.

**iii. Other items of interest and relevance to be highlighted for public consumption:**

**(a) Goods and Services Tax (GST)**

Value Added Tax (VAT) is considered to be a major improvement over the pre-existing sales tax system. The Goods and Services Tax (GST) will be a further significant step towards a comprehensive indirect tax reform in the country. It is pertinent to note that despite the success in the existing State VAT structure, it has certain short comings. For instance, even now several taxes which are in the nature of indirect tax on goods and services such as luxury tax, entertainment tax etc. are yet to be subsumed in the VAT. Moreover, in the present State-level VAT, CENVAT loaded on the goods remains included in the value of goods to be taxed under State VAT, thereby contributing to that extent to the cascading effect on account of CENVAT element. Since any commodity, in general, is produced on the basis of physical inputs as well as services, there should be integration of VAT on goods with tax on services at the State level as well, and at the same time there should also be removal of cascading effects of service tax.

With GST both the cascading effect of CENVAT and service tax are removed with setoff, and a continuous chain of set-off from the original producers upto the retailers level is established. As a result it reduces the burden of all cascading effects.

GST at the Central and at the State level will give relief to industry, trade, agriculture and consumers through a more comprehensive and wider coverage of input tax and service tax set-off, subsuming several taxes in the GST and phasing out CST. With proper formulation and implementation of GST, there will also be revenue/resource gain for both the Centre and the States and in the process, stimulate voluntary tax compliance by all concerned.

Keeping this overall in view, the then Union Finance Minister in the Central (Budget 2007-2008) announced that GST would be introduced from 1<sup>st</sup> April, 2010. But due to various administrative and legal issues involved, GST could not be introduced till date. Nevertheless the Empowered Committee of State Finance Ministers is positively working with the Central Government to overcome the issues, and have redesigned a road map for introduction of GST in India. Our State will join the rest of the States as and when GST is implemented.

**(b) Mission Mode Project- Commercial Taxes (MMP-CT) under National e-Governance Plan (NeGP):**

E-Governance is a powerful tool to bridge the digital divide between two entities, be it the Government and citizens, the Government and businesses or the departments within the Government. The

Government of India envisaged the NeGP in 2006 with the aim of leveraging the benefits Information and Communication Technology (ICT) tools offer while addressing the issues related to Government service delivery, information access etc.

MMP-CT is one of the 27 MMPs identified by the Government of India as the tax department is critical from the perspective of being one of the highest revenue generating departments of the States and has significant citizen interface also.

Taking advantage of the opportunity offered by the Government of India, the department in association with NIC, Karnataka and NIC Nagaland has prepared a Detailed Project Report which was forwarded to the Ministry of Finance of the Government of India. The total approved cost of this initiative stands at ` 635.11 lacs, out of which ` 571.59 lacs will be funded by Gol and ` 63.52 lacs shall be borne by the State of Nagaland which is in the pattern of 90:10 cost sharing arrangement.

As part of this project, the department plans to computerize the administration of VAT and CST Acts through the implementation of an application developed by NIC, Karnataka called TaxSoft. The application will automate the work flow involved in the following:

• Registration	• Issuance of Statutory Forms
• Returns	• Refunds
• Electronic Payments	• Transfer & Cancellation of Registration
• Check Post Operations	• Audit and Assessment
• Declaration by Dealers of their Purchases & Sales	• Declaration by Dealers of their TDS Deductions

The Project has been commissioned with effect from the 6<sup>th</sup> of January 2011 and would be completed within a period of 18 months. The Department has taken significant steps towards implementing this Project. M/s Wipro Ltd. has been appointed as the Management Consultant for the Project. The department has already constituted the Project e-Mission Team for continuous monitoring and handholding of the project. The department has already completed the following activities crucial for implementation of the project:

• Current State Assessment	• Identification of Business Process Re-engineering Requirements
• GAP Assessment w.r.t. envisaged scenario	• Designing the To-Be Processes for post TAXSoft implementation
• Identification of Site Preparation Requirements	• Identification of Hardware & Networking Equipment Requirements
• Identification and Initiation of the Legal Changes for Delivery of Services Electronically	• Identification and Communication to BSNL about the Connectivity Plan and Requirements
• Procurements of Leased Lines for Connecting the Offices of the Department	

In the subsequent months and subject to the release of funds, the following activities will be taken up:

• Procurements and Installation of Hardware such as Computers, Printers, Scanners for the Department Officials	• Procurement and Installation of Networking Equipments
• Deployment of the VATSoft Application in a Phased Manner	• Training and Awareness Programme for the Stakeholders including Dealers of the State

**(c) Tax Deducted at Source:**

Drawing and Disbursing Officers of every department are to ensure proper deduction and deposit of TDS on account of works contract and supplies/purchases executed by them.

**(d) Taxable threshold:**

Dealers whose gross turnover exceed ` 3 lakhs in a financial year are liable for registration and must possess a valid Tax payers Identification Number (TIN).

**(e) Issue of Cash memos/Invoices:**

Consumers should insist on issuance of cash memos/invoices from the traders on every purchase of taxable goods to ensure that the taxes paid by them are properly accounted by the dealer for payment into the account of the State Exchequer.

**(f) Tax Services:**

For any tax related services, citizens may visit the Department's website or any of the District Tax office on any working day during office hours.

## Chapter 3

### DIRECTORATE OF TREASURIES AND ACCOUNTS

#### **1. Introduction:-**

The Department of Treasuries and Accounts was established in the Year 1980. At that time there were only eight (8) District Treasuries and two (2) Sub-Treasuries. Since then, this has increased to eleven (11) District Treasuries and twelve (12) Sub-Treasuries. Three (3) new District Treasuries and ten (10) Sub-Treasuries have been established after the establishment of the Directorate. The objective of the Department is to provide the facility of Government transactions to the people of the State at their doorsteps through the Treasuries, and to ensure financial discipline and control.

In the initial stages, the Treasuries functioned under the establishment of the Deputy Commissioners until the time a separate department was carved out in 1980. The department today comprises of staff from diverse departments such as the Accountant General's office, Auditors from NST and Accountants from Works Divisions whose services were absorbed.

#### **2. Functions:-**

The department of Treasuries and Accounts is the main organ of the State Government that administers and enforces the financial rules and regulations in the functioning of all Government Departments. It also enforces financial discipline through the Accounts Officers posted to the directorates and Works Divisions as well as in the Treasuries. The Department also carries out Internal Audit of all the departments of the Government, Local Bodies and Private Institutions that receive Government grants. These agencies serve as financial advisors and guide to the Head of Departments (HoDs) and the Drawing & Disbursing Officers (DDOs). They also help the Departments maintain correct service records as well as accounts and submit them to the concerned authorities. Through the department's officers posted at various levels in the departments, the budget and expenditure of the departments are regulated and controlled.

The department of Treasuries and Accounts also holds the responsibility of streamlining the accounting system and maintaining records of accounts of the State, and keeps a watch on the accounting system to ensure it works effectively.

#### **3. Administrative set up:**

The Directorate of Treasuries and Accounts has seven (7) major wings viz:-

1. Directorate.
2. Internal Audit
3. Civil Accounts and various Heads of Departments
4. Works Accounts in Divisions
5. Treasuries and Sub-Treasuries.
6. Training
7. Monitoring Cell.

#### **4. Duties and responsibilities of various units:**

- A) **Directorate:-** The Directorate looks after the overall administration of the Department, cadre control of all non-gazetted staff, monitoring of expenditure of all departments, monitoring and regulation of expenditure on GPF, authentication of Drawal Authorities/ Drawing Limits, overall supervision of the working of Treasuries and Sub-Treasuries and all service matters of both gazetted and non-gazetted staff

of the department. It also carries out pre-audit of all arrear bills, M.R. bills and leave encashment bills of all departments and issues Pay Slips in cases where A.G. is not issuing the same. Further, it also looks after training of Accounts Personnel of the Department. The Department is also constantly assessing and compiling the revenue realization under all revenue Heads of Accounts of the State.

- B) **Internal Audit:-** The Internal Audit Wing of the Directorate comprises of three (3) teams, each consisting of one (1) Audit Officer and four (4) Assistant Auditors. These teams conduct Internal Audit of the Governmental and non-Governmental bodies receiving Government grants. This Wing also gives financial guidance to the various offices and brings financial irregularities to the notice of the Government. One (1) Deputy Director (Audit) is posted to this Wing for proper supervision and effective functioning of the Wing.
- C) **Civil Accounts:-** Senior Accounts Officers/Accounts Officers/Junior Accounts Officers belonging to this Department are posted to various directorates to guide and assist the Head of Departments in all financial matters including response to Audit Paras, Draft Paras, C&AG's Reports, etc. They also carry out inspection of the subordinate offices of the respective Departments and guide them in accounts matters.
- D) **Works Accounts:-** The Divisional Accounts Officers, Senior Divisional Accountants and Junior Divisional Accountants are posted to all the Works Divisions having cheque drawal authorities. These officers and staff are responsible for maintenance of Divisional Accounts and for rendering monthly accounts to the Accountant General. They are also responsible for maintenance of Stock, T & P records etc. accounts and help in reconciliation of accounts with the office of the Accountant General. The Divisional Accounts Officers posted in the Works Divisions act as financial advisors and guide to the Divisional Engineers.
- E) **Treasuries and Sub-Treasuries:-** There are eleven (11) District Treasuries and twelve (12) Sub-Treasuries in the State. The Sub-Treasuries of Baghty, Akuloto, Mangkolemba and Naginimora are functioning temporarily from the respective District Treasuries. Tobu Sub-Treasury is functioning from Aboi Sub-Treasury. All the Treasuries and Sub-Treasuries are directly controlled by the Directorate of Treasuries and Accounts. All receipts and payments of the State Government and all payment of pension and pensionary benefits to the Pensioners are made through the Treasuries and Sub-Treasuries.

They also maintain initial accounts of the State Government's receipts and payments and render monthly accounts to the Accountant General. They also monitor payments of all the DDOs and submit accounts of the same to the Directorate on monthly basis. They issue Stamps (non-Postal) to the Stamp Vendors. Non-Banking Sub-Treasuries also maintain RBI Currency Chests for meeting their cash requirements. Strong Rooms in the Treasuries and Sub-Treasuries serve as places of safe custody for the Departmental chests, confidential documents and valuables.

- F) **Training:-** The Departmental Training Institute at Purana Bazar, Dimapur is functioning in full swing. This Institute imparts accounts training to in-service staff and officers of the Department throughout the year. The fresh recruits of the department through NPSC are made to undergo training for one year at the Institute on probation. The Institute also provides training facilities to all the officers and staff in accounts matters to equip them to perform their duties well and also to enable them appear the Departmental Examinations.
- G) **Monitoring Cell:-** The Directorate of Treasuries and Accounts monitors the DDO-wise expenditure of all departments on the basis of monthly monitoring reports received from various Treasuries and Sub-Treasuries. These reports are compiled in the directorate and submitted to the Finance Department. They are an important tool in monitoring and control of expenditure, and in detecting malpractices. In addition to the above assignments, the following works are also entrusted to the department by the Government and is looked after by this Wing:-
- i) Authentication of Department wise Drawal Authority/Drawing Limit issued by the Finance Department.
  - ii) Authentication of drawal authorities for payment of GPF (non-refundable and refundable) and sanction of scholarships and stipends issued by the various Heads of Departments.
  - iii) Pre-Audit of Medical Reimbursements, Leave Encashment bills and arrears of pay presented by various Departments for payment.
  - iv) Circulation of DDO-wise sub-allotment of funds of all departments to the Treasuries and Sub-Treasuries.

## **5. Incumbency list of Heads of Department:**

1. Shri T.P. Imchen IAS	-	28.3.1980	to	23.9.1980
2. Shri P. Talitemjen IAS	-	24.9.1980	to	7.2.1983
3. Shri S.S. Rai, IAS	-	8.2.1983	to	16.7.1984
4. Shri T. Dounge	-	17.7.1984	to	31.7.1984
5. Shri Toshi Aier, IAS	-	1.8.1984	to	14.7.1986
6. Shri J. Viswedel, IAS	-	15.7.1986	to	7.9.1987
7. Shri Imtikumzuk, IAS	-	8.9.1987	to	8.8.1989
8. Shri H.B. Gurung	-	9.8.1989	to	31.3.1993
9. Shri G.W. Lee	-	5.4.1993	to	31.5.2003
10. Shri R.C. Acharjee	-	1.6.2003	to	31.1.2005
11. Shri H.K. Khulu, IAS	-	1.2.2005	to	11.8.2005
12. Shri M.K. Chopi	-	12.8.2005	to	28.2.2006
13. Shri Menukhol John	-	1.3.2006	to	31.12.2007
14. Shri L. Allong Longkumer	-	30.1.2008	to	31.10.2009
15. Shri Akong Longkumer	-	3.11.2009	to	30.09.2010
16. Shri Z. Messen	-	01.10.2010	till date.	

## **6. Staff position in the Directorate:**

1. Director	-	1 No.
2. Additional Director	-	2 Nos.
3. Joint Director	-	4 Nos.
4. Assistant Director	-	4 Nos.
5. Audit Officers	-	3 Nos.
6. Registrar	-	1 No.
7. Superintendent	-	3 Nos.
8. Stenographer Grade-I (Sr.)	-	1 No.
9. Stenographer Grade-II	-	1 No.
10. Stenographer Grade-III	-	1 No.
11. Assistant Superintendent	-	4 Nos.
12. U.D.A.	-	9 Nos.
13. L.D.A.	-	9 Nos.
14. LDA-Cum-Computer Asstt.	-	3 Nos.
15. Auditor	-	6 Nos.
16. Assistant Auditor	-	13 Nos.
17. Typist	-	4 Nos.
18. Driver (regular)	-	8 Nos.
19. Duftry	-	1 No.
20. Store Keeper	-	1 No.
21. Grade-IV Staff	-	9 Nos.

## **7. Sanctioned strength of various posts in the Department:**

1. Director	-	1
2. Additional Director	-	2
3. Joint Director	-	3
4. Deputy Director/Sr. A.O./SR.T.O.	-	31
5. Senior Lecturer	-	1
6. Accounts Officer/Treasury Officer	-	33
7. Lecturer	-	2
8. J.A.O./S.T.O./Audit Officer	-	40
9. Divisional Accounts Officer	-	79
10. Registrar	-	1
11. Superintendent	-	3
12. Stenographer Grade-I (Sr.)	-	1
13. Stenographer Grade-II	-	1
14. Stenographer Grade-III	-	1
15. Assistant Superintendent	-	4
16. Auditor	-	6
17. Assistant Auditor	-	13
18. Sr. D.A.	-	68
19. Jr. D.A.	-	116
20. U.D.A.	-	9
21. L.D.A.	-	9
22. LDA-Cum-Computer Asstt.	-	3
23. Treasury Accountant	-	18
24. S.A.A.	-	99
25. J.A.A.	-	132
26. Potdar	-	12
27. Record Keeper	-	9
28. Duftry	-	10
29. Typist	-	27
30. Drivers	-	21
31. Store Keeper	-	1
32. Grade-IV Staff	-	120

## 8. Existing Treasuries and Sub-Treasuries:

### Treasuries:

1. Kohima (North)
2. Kohima (South)
3. Dimapur
4. Wokha
5. Phek
6. Zunheboto
7. Mokokchung
8. Tuensang
9. Mon
10. Peren
11. Kiphire

### Sub-Treasuries:

- Tseminyu.
- -
- -
- Baghty
- Pfutsero/Chazouba
- Aghunato/Akuloto
- Changtongya/Mangkolemba
- Longleng.
- Aboi/Naginimora/Tobu.
- -
- -

Baghty, Akuloto, Mangkolemba and Naginimora Sub-Treasuries are presently functioning from the respective District Treasuries to which they have been attached. Tobu is functioning from Aboi Sub-Treasury.

## 9. List of schemes being implemented showing year-wise fund allocation and utilization in the last 5(five) years.

During the year 2006-07 the following schemes were implemented under State Plan:

Name of the work/Scheme	Location	(` in Lakh)
		Amount Allocated/ sanctioned
Construction of Directorate Office Building	Kohima	15.66
Const. of Dist. Treasury Office building	Mon	11.73
Const. of Dist. Treasury Office building	Zunheboto	12.94
Const. of Treasury Office building	Wokha	12.85
Const. of Dist. Treasury Office building	Tuensang	14.01
Const. of Treasury Office building	Kiphire	12.88
Const. of Sub-Treasury Office building	Naganimora	3.93
Const. of Treasury Office building	Phek	25.00
Const. of Treasury Office building	Mokokchung	40.00
Construction of Office Complex (Try)	Dimapur	35.00
Const. of Sub-Treasury Office building	Pfutsero	8.00
Const. of Sub-Treasury Office building	Chozuba	8.00
<b>Grand Total 2006-07:</b>		<b>200.00</b>

During the year 2007-08 the following schemes were implemented under State Plan:

Name of the work/Scheme	Location	(` in Lakh)
		Amount allocated/ sanctioned
(a) Constn. of Dte. of T & A Office Building	Kohima	175.00
(b) Constn. of B/wall at old DTA Building, Lerie	Kohima	5.00
(c) Provision for const. of Kohima (S) Try.	Kohima	10.00
(d) Activation of Kohima Try within new DTA building	Kohima	16.32
(e) Quarter No.DTA/MRH-2(III)DTE. Kohima	Kohima	0.20
(f) Quarter No.LR/TRY-3 & 4	Kohima	0.70
(g) Quarter No.DTA/MRH-3	Kohima	1.00
(h) Quarter No.LR/TRY-1	Kohima	0.50
Total		208.72

(a) Constn. of Boundary wall/Kitchen for guards	Tseminyu	3.04
(b) Constn. of 1 Type-V Quarter	Tseminyu	3.56
<b>Total:</b>		<b>6.60</b>
Const. of Boundary Wall/Sentry Box/Kitchen	Wokha	4.96
Const. of Boundary Wall/Sentry Box	Longleng	5.50
Const. of Boundary Wall/Sentry Box	Changtongya	4.00
(a) Constn. of Treasury Office Building	Phek	30.00
(b) Const. of Sentry Box for guards	Phek	2.50
(c) Const. of 1 Type-V Quarter	Phek	9.10
(d) Const. of retaining wall at Try. Office	Phek	3.665
(e) Completion of Try. Office Building	Phek	2.78
<b>Total:</b>		<b>48.045</b>
(a) Completion of Sub-Treasury Office Building	Pfutsero	0.61
(b) Constn. of Sub-Treasury Office	Pfutsero	10.00
(c) Constn. of Fencing/Soiling/Metalling/Black Topping/ Kitchen/Sentry Box	Pfutsero	13.926
(d) Constn. of Drainage & Sentry Box	Pfutsero	2.50
(e) Constn. of 1 type-V Quarter	Pfutsero	2.13
<b>Total:</b>		<b>29.166</b>
(a) Completion of Treasury Office Building	Mokokchung	7.00
(b) Constn. Of Treasury Office Building	Mokokchung	70.00
(c) Constn. of B/Wall/Kitchen for Guards	Mokokchung	5.00
(d) Constn. of 1 Type-V Quarter	Mokokchung	9.57
<b>Total:</b>		<b>91.57</b>
(a) Constn. Of Training Centre Office Building	Dimapur	15.00
(b) R/R of B/Wall and Gate at Training Centre	Dimapur	3.409
(c) Const. of B/Wall at Khushiabil Plot	Dimapur	6.50
(d) Completion of Training Institute Building	Dimapur	13.29
<b>Total:</b>		<b>38.199</b>
(a) Constn. Of Security Fencing	Kiphire	4.00
(b) Constn. of 1 Type-V Quarter	Kiphire	6.44
<b>Total:</b>		<b>10.44</b>
(a) Constn. Of B/Wall/Kitchen for Guards	Tuensang	4.00
(b) Constn. of 1 Type-V Quarter	Tuensang	5.38
<b>Total:</b>		<b>9.38</b>
(a) Constn. Of Security Box/Security Barrack	Mon	3.00
(b) Constn. of 1 Type-V Quarter	Mon	7.32
(c) Constn. of B/Wall/Kitchen for Guards	Naganimora	6.50
(d) Constn. of Barrack/Kitchen/Latrine/Sentry Box	Aboi	5.50
(e) Constn. of 1 Type-V Quarter	Aboi	1.44
(f) Constn. of 1 Type-V Quarter	Naganimora	3.56
<b>Total:</b>		<b>27.32</b>
(a) Constn. of B/Wall/Kitchen for Guards	Zunheboto	4.00
(b) Constn. of R/Wall	Zunheboto	8.00
(c) Constn. of 1 Type-V Quarter	Zunheboto	4.10
(d) Payment of Land Compensation for T.O. Quarter	Zunheboto	5.00
<b>Total:</b>		<b>21.10</b>
<b>Grand Total 2007-08:</b>		<b>505.00</b>

During the year 2008-09 the following schemes were implemented under State Plan:

Name of the work/Scheme	Location	(` In Lakh)
		Amount Allocated/ sanctioned
(a) Completion of DTA Office Building	Kohima	678.00
(b) Constn. of Type-'A' Unit Flat & Type 'C' Unit Flat	Kohima	95.28
(c) Constn. of Garage 2-Unit	Kohima	4.72
<b>Total:</b>		778.00
Constn. of Treasury Office Building	Dimapur	50.00
<b>Grand Total 2008-09:</b>		<b>828.00</b>

During the year 2009-2010 the following schemes were implemented under State Plan:

Name of the work/Scheme	Location	(` in Lakh)
		Amount Allocated/ sanctioned
(a) Construction of Kohima(S) Try Office building	Kohima	75.00
<b>Grand Total 2009-2010:</b>		<b>75.00</b>

During the year 2010-2011 the following schemes were implemented under State Plan:

Name of the work/Scheme	Location	(` in Lakh)
		Amount Allocated/ sanctioned
<b>Ongoing works:</b>		
a) Construction of Dimapur Try Office building	Dimapur	80.00(HUDCO)
b) Construction of Kohima(S) Try Office building	Kohima	100.00(HUDCO)
c) Addl. Works under DTA Office building	Kohima	20.00(Plan)
<b>New works:</b>		
(a) Extension of Tseminyu Sub-Try for S.B.I.	Tseminyu	15.47 (HUDCO)
(b) Const. of Mangkolemba Sub-Treasury Office Building.	Mokokchung	50.00 (HUDCO)
(c) Const. of Aboi Sub-Treasury Office building	Mon	50.00 (HUDCO)
(d) Const. of Longleng Sub-Treasury Office building.	Longleng	54.53 (HUDCO)
<b>Grand Total 2010-2011:</b>		370.00

## 10. Achievements during the last 5(five) years (year-wise).

### 2006-2007

Name of the work/scheme	Location	Remarks
Const. of Dist. Treasury Office building	Mon	Completed.
Const. of Dist. Treasury Office building	Zunheboto	Completed.
Const. of Treasury Office building	Wokha	Completed.
Const. of Dist. Treasury Office building	Tuensang	Completed.
Const. of Treasury Office building	Kiphire	Completed.
Const. of Sub-Treasury Office building	Naganimora	Completed.
Const. of Treasury Office building	Phek	Completed.
Const. of Treasury Office building	Mokokchung	Completed.
Construction of Office Complex (Try)	Dimapur	Completed.
Const. of Sub-Treasury Office building	Pfutsero	Completed.

**2007-2008**

<b>Name of the work/scheme</b>	<b>Location</b>	<b>Remarks</b>
(b) Const. of B/wall at old DTA Building, Lerie	Kohima	Completed.
(e) Quarter No.DTA/MRH-2(III) DTE. Kohima	Kohima	Completed.
(f)Quarter No.LR/TRY-3 & 4	Kohima	Completed.
(g) Quarter No.DTA/MRH-3	Kohima	Completed.
(h) Quarter No.LR/TRY-1	Kohima	Completed.
(a) Const. of boundary wall/Kitchen for guards	Tseminyu	Completed.
(b) Const. of 1 Type-V Quarter	Tseminyu	Completed.
Const. of Boundary Wall/Sentry Box/Kitchen	Wokha	Completed.
Const. of Boundary Wall/Sentry Box	Longleng	Completed.
Const. of Boundary Wall/Sentry Box	Changtongya	Completed.
(a) Const. of Treasury Office Building	Phek	Completed.
(b) Const. of Sentry Box for guards	Phek	Completed.
(c) Const. of 1 Type-V Quarter	Phek	Completed.
(d) Const. of retaining wall at Try. Office	Phek	Completed.
(e) Completion of Try. Office Building	Phek	Completed.
(a) Completion of Sub-Treasury Office Building	Pfutsero	Completed.
(b) Const. of Sub-Treasury Office	Pfutsero	Completed.
(c) Const. of Fencing/Soiling/Metalling/Black Topping/ Kitchen/Sentry Box	Pfutsero	Completed.
(d) Const. of Drainage & Sentry Box	Pfutsero	Completed.
(e) Const. of 1 type-V Quarter	Pfutsero	Completed.
(a) Completion of Treasury Office Building	Mokokchung	Completed.
(b) Const. of Treasury Office Building	Mokokchung	Completed.
(c) Const. of B/Wall/Kitchen for Guards	Mokokchung	Completed.
(d) Const. of 1 Type-V Quarter	Mokokchung	Completed.
(a) Const. of Training Centre Office Building	Dimapur	Completed.
(b) R/R of B/Wall and Gate at Training Centre	Dimapur	Completed.
(c) Const. of B/Wall at Khushiabil Plot	Dimapur	Completed.
(d) Completion of Training Institute Building	Dimapur	Completed.
(a) Const. of Security Fencing	Kiphire	Completed.
(b) Const. of 1 Type-V Quarter	Kiphire	Completed.
(a) Const. of B/Wall/Kitchen for Guards	Tuensang	Completed.
(b) Const. of 1 Type-V Quarter	Tuensang	Completed.
(a) Const. of Security Box/Security Barrack	Mon	Completed.
(b) Const. of 1 Type-V Quarter	Mon	Completed.
(c) Const. of B/Wall/Kitchen for Guards	Naganimora	Completed.
(d) Constt. Of Barrack/Kitchen/Latrine/Sentry Box	Aboi	Completed.
(e) Const. of 1 Type-V Quarter	Aboi	Completed.
(f) Const. of 1 Type-V Quarter	Naganimora	Completed.
(a) Const. of B/Wall/Kitchen for Guards	Zunheboto	Completed.
(b)Const. of R/Wall	Zunheboto	Completed.
(c) Const. of 1 Type-V Quarter	Zunheboto	Completed.
(d) Payment of Land Compensation for T.O Quarter	Zunheboto	Completed.

**2008-2009**

Name of the work/Scheme	Location	Remarks
(a) Completion of DTA Office Building	Kohima	Completed.
(b) Const. of Type-'A' Unit Flat & Type 'C' Unit Flat	Kohima	Completed.
(c) Construction of Garage 2-Unit	Kohima	Completed.
(d) Construction of Treasury Office building,Dimapur	Dimapur	Ongoing

**2009-2010:**

Name of the work/Scheme	Location	Remarks
(a) Const. of Kohima(S) Treasury Office building	Kohima	Ongoing.
(b) Construction of Treasury Office building,Dimapur	Dimapur	Ongoing

**2010-2011:**

Name of the work/Scheme	Location	Remarks
(a) Const. of Kohima(S) Treasury Office building	Kohima	Ongoing.
(b) Extension of Tseminyu Sub-Treasury	Kohima	Ongoing.
(c) Construction of Treasury Office building,Dimapur	Dimapur	Ongoing
(d) Extension of Mangkolemba Sub-Treasury	Mokokchung	Net work.
(e) Const. of Aboi Sub-Treasury Office building	Mon	Net work.
(f) Const. pf Longleng Sub-Treasury Office building	Longleng	Net work.

In addition to these activities, the Department has undertaken the task of physical verification of pensioners who are drawing monthly pension from various Treasuries and Sub-Treasuries located in the State. Currently, there are 12 Treasuries and 8 Sub-Treasuries in the 11 districts that regulate monthly payments of pensions to retired personnel. The entire exercise of physical verification of pensioners comprised of 3 (three) phases and took 1 year, 4 months and 9 days to complete. The 1<sup>st</sup> phase commenced w.e.f. 22.6.07 to 15.11.07 in the office of the Senior Treasury Officer Kohima (North). During the verification process, 2014 pensioners were physically verified against a total of 3202 pensioners. On the basis of the verifications, 1236 cases of doubtful P.P.O.s of pensioners were closed.

The 2<sup>nd</sup> phase commenced during the period from 21.1.08 to 31.7.08 covering the Treasury Offices of Kohima (South), Dimapur, Mokokchung, Zunheboto, Tuensang, Wokha, Phek and Sub-Treasuries of Mangkolemba, Aghunato, Baghty and Pfutsero. In the physical verification process, 7166 pensioners were physically verified and the disburser portion of remaining 268 cases of doubtful P.P.O.'s were seized and closed for non-appearance of the pensioners.

The 3<sup>rd</sup> phase commenced w.e.f. 14.10.08 to 31.10.08 covering the Treasury and Sub-Treasury offices of Mon, Peren, Longleng, Kiphire, Changtongya, Tseminyu, Chozuba and Aboi. During the physical verification process, 1514 pensioners were physically verified and remaining cases of 54 disburser portion of doubtful P.P.O.'s were seized and closed due to non appearance of the pensioners.

In total, the Verification Team detected 1557 cases of non existent pensioners thereby saving the State Ex-Chequer approximately ` 54,49,500/- per month (1479 x 3500/-) and ` 6.53 crores annually. During 2009-2010, all the Treasury Officers/Sub-Treasury Officers were also directed to conduct the physical verification of pensioners under their respective Treasuries/Sub-Treasuries.

**11. Revenue receipts and expenditure of the department and budgetary allocation during the last 5 (five) years.**

**(A) Receipts:**

(` in lakhs)

Sl. No.	Source of receipt	2007-08	2008-09	2009-10	2010-11	2011-12
1	0030-Stamps & Registration.	107.29	100.69	119.39	123.46	*159.55

\* 2011-12 collections are upto February 2012 only.

**(B) Expenditure:**

**(i) Non-Plan:**

(` in lakhs)

Sl. No.	Nature of Expenditure	2006-07	2007-08	2008-09	2009-10	2010-11
1	Salaries of regular staff	648.90	699.47	869.29	878.37	1289.06
2	Wages	7.08	7.09	7.68	14.09	20.97
3	Grand-in-aid	-	-	-	-	-
4	Scholarships, etc.	-	-	-	-	-
5	Others	199.11	239.90	265.05	267.50	265.66
<b>Total Non-Plan:-</b>		<b>855.09</b>	<b>946.46</b>	<b>1072.02</b>	<b>1159.96</b>	<b>1575.69</b>

**(ii) Plan:**

(` in lakhs)

Sl. No.	Nature of Expenditure	2006-07	2007-08	2008-09	2009-10	2010-11
1	Salaries of regular staff	-	-	-	-	-
2	Wages	-	-	-	-	-
3	Grand-in-aid	-	-	-	-	-
4	Scholarships, etc.	-	-	-	-	-
5	Works Expenditure	200.00	505.00	828.00	130.00	370.00
5	Others	-	-	-	-	-
<b>Plan Total:-</b>		<b>200.00</b>	<b>505.00</b>	<b>828.00</b>	<b>130.00</b>	<b>370.00</b>

**12. BUDGET & EXPENDITURE**

**BUDGET ANALYSIS 2010-2011:**

**EXPENDITURE AS ON 31.3.2011:**

(` in lakhs)

Item	Budget allocation	Amount spent
Salaries	1301.40	1289.06
Wages	23.04	20.97
T.E.	38.00	38.11
O.E.	66.32	66.31
Remittance carriage charges	12.94	12.66
M.V.	37.47	37.24
RRT	11.87	10.27
Maintenance	19.00	19.00
System improvement	43.30	42.29
M & E	10.00	9.96
Computerization	5.00	5.00
Stamps	25.00	24.82

4059 Capital Outlay on Public Works Building	Office	<b>370.00</b>	<b>370.00</b>
053(12) Maintenance of Public building under TFC		-	-
<b>Total "2054-Revenue":</b>		<b>1962.34</b>	<b>1945.69</b>

**13. BUDGET allocation for 2011-2012:**

(` in lakhs)

Item	BE 2011-12	RE 2011-12
Salaries	1388.52	1597.88
Wages	23.04	41.04
T.E.	25.00	45.00
O.E.	55.00	85.00
Remittance carriage charges	9.00	12.00
M.V.	37.47	49.47
RRT	11.06	15.75
Maintenance	12.00	86.00
System improvement	32.30	42.00
M & E	10.00	10.00
Computerization	5.00	40.00
Stamps	25.0	25.00
XII FC Awards	250.00	250.00
Training Programmes	-	10.00
New Pension Schemes	-	10.00
<b>Grand total:-</b>	<b>1883.39</b>	<b>2314.14</b>

## CHAPTER -4

### NAGALAND STATE LOTTERIES

#### 1. Introduction:

The Directorate of Nagaland State Lotteries was established in the year 1972 under the supervision of the Finance Department. Initially, the Secretary Finance acted as the Ex-officio Director with the support of a meager staff and M/s Kartar Singh as the Organizing Agent.

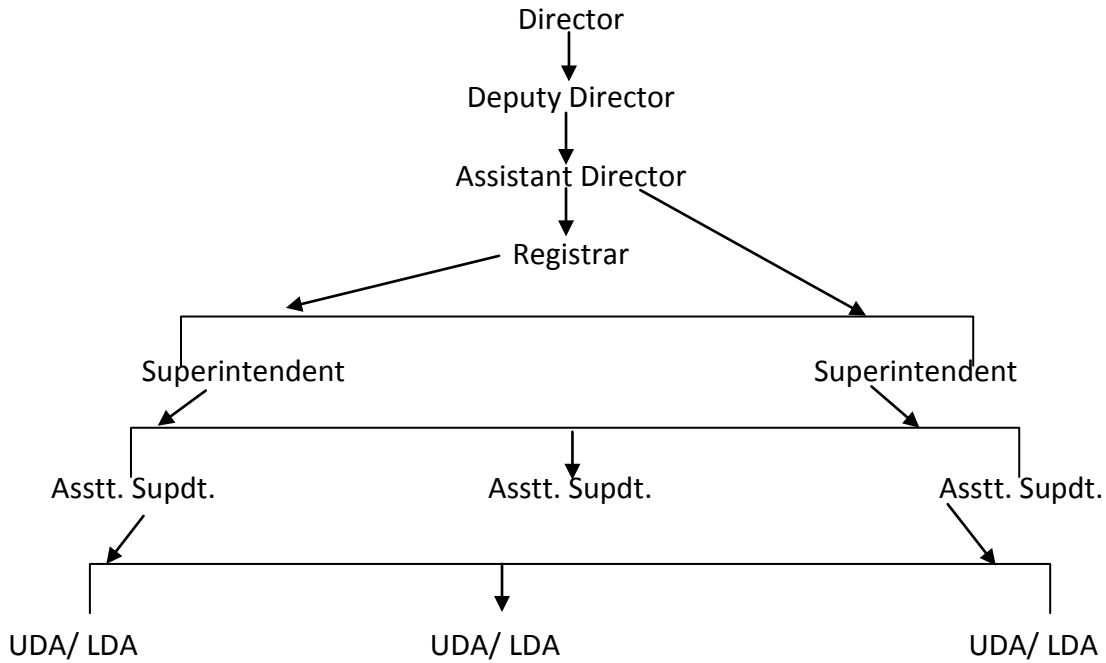
The main objective of establishing the Department was to generate a dependable source of revenue for the State Government. Therefore, the initial activity of the Department was to organize and conduct lotteries once in a month in different District Headquarters within the State. The efforts of the Department to promote and popularize the State lottery took sometime to be established on a firm footing due to lack of manpower and a limited market. During the period 1982-1984 the State Government took some remedial measures by appointing 2 (two) Delhi based Organizing Agents namely, M/s Marwah Agencies and M/s Iqbal Chand Khurana to conduct weekly paper lotteries from which the State Government started to generate a steady trickle of revenue.

Till 1992, the State lottery could capture about 40% of the lottery market in India, reflecting a huge presence and popularity. However, due to stiff competition from other lottery organizing States and Agents, lottery operations came to a standstill for almost most a year in 1992. Eventually, Organizing Agents from Nagaland and outside, namely, (i) M/s V.H. Enterprises, Dimapur, (ii) M/s Killen & Co., (iii) M/s Chuba Walling, Kohima, (iv) M/s P.M. Shah from South India, (v) M/s Amrit & Co., and (vi) M/s Jasmine & Co. from Delhi were appointed. But these firms could not revive the earlier market presence due to lack of market experience. The expansion of the Department took place during 1984-1998 with the creation of different categories of posts up to the level of Joint Director. It became a full-fledged Directorate in 2003. Since then, the Department having familiarized itself with the intricacies of the lottery business over the years, gradually began to generate increased revenue for the Government.

In October 1993, the Department, with the intention of establishing a stable source of revenue generation, appointed a Delhi based firm M/s M.S. Associates. True to its objective, the State lottery became quite popular in different parts of the country and yielded better results. However, after the promulgation of the Lotteries Regulation Act, 1998, all lottery markets in India were hit drastically and this slump continued till 2003. Subsequently, the appointment of M/s CAIRS & Co. (On-line lottery) and M/s MLAL (for Paper lotteries) in the year 2000 and 2004 respectively brought about a significant improvement by earning sizeable revenue to the tune of ` 15.81 crore during 2005-06. Thereafter, developments such as imposition of high rates of tax on lotteries by bigger States like Maharashtra, Karnataka and Kerala negatively affected the market of the State's lotteries. One of the largest markets of our lotteries – the State of Karnataka, decided to ban lotteries altogether. All these developments took away more than 80% of the existing market, and for a few years, revenue receipts from lotteries became nominal. Recently, with a good market presence in the States of North East and West Bengal and the framing of the Lotteries Regulation Rules by the Government of India guaranteeing a minimum revenue share for the States, our revenue receipts have begun to see a substantial increase.

#### 2. Organizational Setup:

The Directorate has three major Branches, i.e., Establishment, General and Commercial Cash. The Department does not have any District or subordinate offices. It functions directly under the supervision of Finance Department. It is headed by a Director (NCS), who is assisted by one Deputy Director, one Assistant Director, one Registrar, two Superintendents and three Assistant Superintendents. In addition, there are 38 numbers of subordinate staff (excluding fixed pay employees). The organizational structure of the Department is shown below:-



### 3. Incumbency list of Directors/Ex-Officio Directors w.e.f. 1972 till date:

<i>Sl. No.</i>	<i>Name</i>	<i>Cadre</i>	<i>Year</i>	<i>Remarks</i>
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
1	Shri R.K. Gangully	IAS	1972	Secretary (Finance) & Ex-officio Director
2	Shri V.K. Subramaniyan	IFS	1976	-do -
3	Shri M.P. Bhatnagar	IAS	1977	-do -
4	Shri P. Talitemjen	IAS	1980-82	Joint Secretary (Finance) & Ex-officio Director
6	Shri T.C.K. Lotha	IAS	1982	Finance Commissioner & Ex-officio Director
7	Shri S.S. Ahluwallia	IAS	1986	-do -
8	Shri K.M. Chadha	IAS	1987	-do -
9	Shri Satyesh Homechoudhury	NSS	1989	Joint Secretary (Finance) & Ex-officio Director
10	Shri N.G. Laloo	IAS	1989	Finance Commissioner & Ex-officio Director
11	Shri S.S Ahluwallia	IAS	1990	-do -
12	Shri T.P. Imchen	IAS	1991	-do -
13	Shri B. Imti		1992	Joint Secretary (Finance) & Ex-officio Director
14	Shri G.W. Lee		1992	Jt. Director (T&A) & Ex-officio Director
15	Shri A. Dogra	IAS	April, 1993 to 27.07.99	Secretary (Finance) & Ex-officio Director
16	Shri L. Temsuwati Ao	NCS	28.07.99 to 24.04.03	Secretary (NPSC) & Ex-officio Director
17	Shri K. Tohovi Sema		27.11.00 to 1.03.01	Asstt. Director (Lotteries) & Director in-charge
18	Shri C.R. Lotha	NCS	24.04.03 to 31.10.06	Director
19	Shri V. Kezo	IRS	04.12.06 to 08.12.06	OSD (Rev) & Ex-Officio Director
20	Shri Ramongo Lotha	NCS	09.12.06 to 09.09.07	Director
21	Shri N. Hangsing	NCS	10.09.07 to 20.03.09	Director

22	Shri K. Tohovi Sema		20.03.09 to 22.03.09	Asstt. Director (Admn) & Director in-charge
23	Shri A. Wopen Lotha	NCS	23.03.09 to 22.09.2010	Director
24	Shri Kenilo Apon	NCS	22.09.2010 till date	Director

#### **4. Total strength of sanctioned posts (officers and staff).**

##### **A. Regular staff:**

<i>Sl. No.</i>	<i>Designation</i>	<i>No. of post</i>	<i>Category of post</i>
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>
1	Director (NCS)	1	A
2	Deputy Director	1	A
3	Assistant Director	1	A
4	Registrar	1	A
5	Superintendent	2	A
6	Assistant Superintendent	3	B
7	U.D.A.	5	C
8	L.D.A.	13	C
9	Stenographer Gr-II	1	C
10	Stenographer Gr-III	1	C
11	Typist	5	C
12	Driver	3	C
13	Duftry	1	D
14	Chowkidar	1	D
15	Sweeper	1	D
16	Peon	7	D

##### **B. Fixed Paid Staff:**

<i>Sl. No.</i>	<i>Designation</i>	<i>Nos. of post</i>	<i>Category of post</i>
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>
1	Record Keeper	1	D
2	Peon	2	D
3	Sweeper	1	D
4	Night Chowkidar	1	D

**Total: 5 Nos.**

#### **5. Nature of Work and Activities:**

The basic role of this Directorate is to conduct/monitor the different lottery draws through the Distributor appointed by the Government. Lottery draws are held daily except on three National Holidays i.e., 26th January (Republic Day), 15th August (Independence Day) and 2nd October (Gandhi Jayanti) from 11:20 a.m. to 8:00 p.m. even on Sundays and General Holidays i.e., 362 days in a calendar year. At present, it generates sizeable revenue for the Government by conducting 24 draws per day of Online/Paper lotteries. The nature of work of this Directorate is semi-technical in nature and also requires efficient liaison with other States and Companies to sustain market competitiveness. It maintains daily records of lotteries, examines the lottery schemes submitted by Distributors, makes assessment of markets, places order of lottery tickets from Security Printers outside the State, keeps proper records of tickets printed tickets sold/unsold, processes and releases prize money, prize claim/unclaimed, monitors Government revenue, etc.

The Department also provides part-time opportunities to gazetted officers, retired officers and NGO office bearers by appointing them as Judges for the lottery draws conducted everyday for which they are paid a lump sum amount of honorarium on the basis of shifts.

#### **6. Acts/Rules administered by the Directorate:**

The Acts, Rules and Regulations under which the Directorate of Nagaland State Lotteries functions are:-

- i. The Nagaland State Lotteries Rules, 1972 (for Conventional/ Paper lotteries).
- ii. The Lotteries (Regulation) Act, 1998.

- iii. The Nagaland State Online Lotteries Rules, 2003 (for On-line lotteries).
- iv. The Nagaland State Lottery Rules, 2007 (for Paper & On-line lotteries).
- v. The Lotteries (Regulation) Rules, 2010

<i>Sl. No.</i>	<i>Year</i>	<i>Target</i>	<i>Actual achievement</i>
1	2	3	4
1	2006-07	` 10.80 Crore	` 10,83,20,731/-
2	2007-08	` 5.50 Crore	` 3,66,52,057/-
3	2008-09	` 5.00 Crore	` 5,84,30,503/-
4	2009-10	` 5.50 Crore	` 7,03,28,626/-
5	2010-11	` 8.70 Crore	` 12,42,21,836/-

### **7. Year-wise Expenditure:**

<i>Sl. No.</i>	<i>Years</i>	<i>2006-07</i>	<i>2007-08</i>	<i>2008-09</i>	<i>2009-10</i>	<i>2010-11</i>
	<b>Budgetary allocation</b>	<b>90.48 lakhs</b>	<b>102.50 lakhs</b>	<b>110.94 lakhs</b>	<b>133.75 lakhs</b>	<b>158.51 lakhs</b>
	<b>Items of expenditure</b>					
1	Salaries	60,04,575	67,25,792	77,12,462	89,59,928	1,16,11,954
2	Wages	57,278	83,970	88,800	88,671	1,17,400
3	Travel Expenses	3,99,978	4,99,927	4,99,980	4,99,821	4,99,984
4	Office Expenses	6,00,000	5,99,923	7,99,684	6,99,975	6,00,000
5	Motor Vehicles	4,00,000	9,98,389	3,99,802	10,79,683	4,00,000
6	R.R.	1,99,965	3,99,898	3,99,871	3,99,761	3,99,872
7	Machinery & Equipment	39,134	39,932	40,000	40,000	5,82,000
8	Adv. Sales & Publicity	10,41,906	4,44,000	10,41,971	14,91,993	10,42,000
	<b>Total</b>	<b>87,42,836</b>	<b>97,91,831</b>	<b>1,09,82,570</b>	<b>1,28,59,832</b>	<b>1,52,53,210/-</b>

### **8. Revenue receipts:**

The revenue achievement made by the department during the last (5) five preceding years is given below:-

During the last five years, the department has earned an average revenue of ` 8 crore per year against the average yearly target of ` 7 crore by way of conducting lotteries. After the introduction of the Lotteries (Regulation) Rules, 2010, a uniform set of Rules issued by the Ministry of Home Affairs w.e.f. 1<sup>st</sup> April 2010, the total number of daily draws has been reduced from 9000 to 24 draws only per day and 8688 draws in a year, thereby drastically reducing sales volumes. However, through timely remedial measures of the State Government the earnings of the department have increased. The ratio of the department's earnings is very high as compared to the total expenditure.

### **9. Policy initiatives for 2011-12:**

In order to improve the revenue earnings, the department has initiated the following measures:-

- (i) To charge ` 2,000/- per draw from the lotteries of other States being sold in Nagaland as per the Lotteries (Regulation) Rules, 2010.

- (ii) To encourage the Distributors of Nagaland State Lotteries to conduct more Bumper draws. If this attempt is successful, the Government revenue may even double as the existing rate is fixed at ` 7.50 lakh per bumper draw.
- (iii) Attempts are being made to revive major markets in States like Kerala and Karnataka who have imposed high taxes on sale of lotteries of other States in violation of the Lotteries (Regulation) Rules, 2010 passed by the Ministry of Home Affairs, New Delhi.

#### **10. Other measures undertaken:**

In order to earn additional revenue, the department has fixed the chargeable rate per draw at ` 15,000/- (Rupees fifteen thousand) only. Prior to 1st April, 2010, the Government share was charged on the basis of percentage i.e., @ 0.5% of total sales.

#### **11. Achievements of the department during 2011-12:**

- (i) The revenue target of the department was initially fixed at ` 8.70 crore and later revised to ` 10 crore as against the department's total budget provision of ` 1.79 crore for 2011-12. So far, the department has earned revenue of ` 13.10 crore, a surplus of ` 4.40 crore from the initial target fixed.
- (ii) The department has upgraded the working functional system by connecting to the internet and introducing E-Banking facilities.
- (iii) The department has received 7 (seven) applications under the Right to Information Act (RTI) which were all replied to within the stipulated time.