



GOVERNMENT OF KARNATAKA

**FINANCE ACCOUNTS
VOLUME - 1**

2010-2011

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## **Certificate of the Comptroller and Auditor General of India**

This compilation containing the Finance Accounts of the Government of Karnataka for the year ending 31<sup>st</sup> March, 2011 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 I 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 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 Karnataka and the statements received from the Reserve Bank of India. Statements (No. 7 (ii), 9, 14, and Annexure to Statement No.15), and Appendices (IX and X) in this compilation have been prepared directly from the information received from the Government of Karnataka/ 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 Karnataka 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 Principal Accountant General (Accounts & Entitlement). The audit of these accounts is independently conducted through the office of the Principal Accountant General (Civil & Commercial 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 Karnataka for the year 2010-11.

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 Karnataka being presented separately for the year ended 31<sup>st</sup> March 2011.



**(VINOD RAI)**

Comptroller and Auditor General of India

Date:

Place: New Delhi



**GUIDE TO FINANCE  
ACCOUNTS**

## GUIDE TO FINANCE ACCOUNTS

### A. Broad overview of the Structure of Government Accounts:

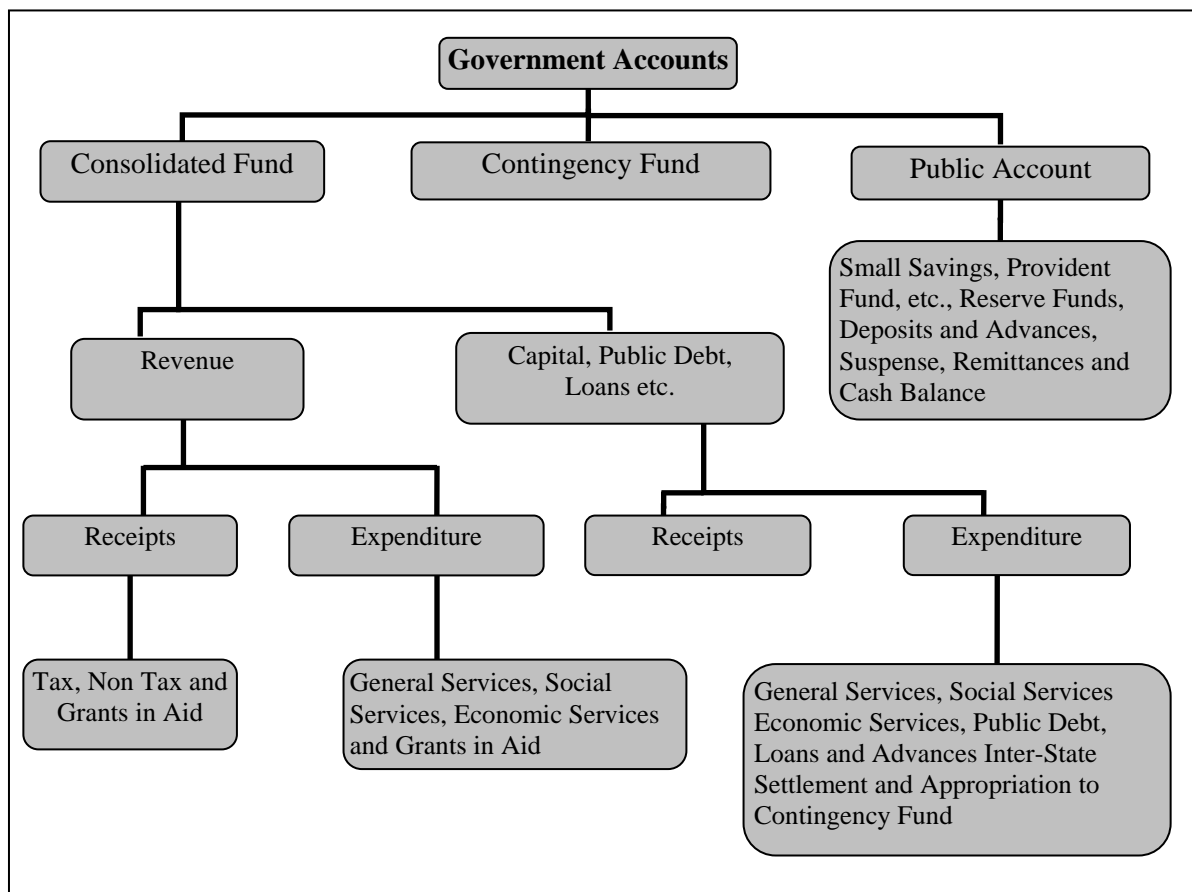
#### 1. The Accounts of the Government are kept in three parts:

**Part I:** The Consolidated Fund: All Receipts and Expenditure on Revenue and Capital Account, Public Debt and Loans and Advances form 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.

#### A.1.1 Pictorial representation of Structure of Government Accounts





## **GUIDE TO FINANCE ACCOUNTS - contd.**

### **2. Divisions, Sections, Sectors etc.:**

The two main divisions of the Accounts in the Consolidated Fund are, as depicted in A.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 subsectors/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.

### **B. 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.

1. 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.
2. Statement of receipts and disbursement: 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.

3. Statement of receipts (Consolidated Fund): This statement comprises revenue and capital receipts and receipts from borrowings of the Government consisting of loans from the Government of India, other institutions, market loans raised by the Government and recoveries on account of loans and advances made by the Government.
4. 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 giving details of cash balances and investments of cash balances.

## **GUIDE TO FINANCE ACCOUNTS - contd.**

**Volume 2** comprises three parts.

**Part-I of Volume 2:** This part contains **6 statements** as given below:

5. Statement of progressive capital expenditure: This statement details progressive capital expenditure by functions, the aggregate of which is depicted in statement 1.
6. 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 Government of India. 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 acts 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.
7. 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 arrears in respect of loans, the details of which are maintained by the Accountant General's office and by the State departments.
8. Statement of Grants in aid given by the State Government, organized by grantee institutions group wise.
9. 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.
10. Statement of Voted and Charged Expenditure: This statement presents details of voted and charged expenditure of the Government.

**Part-II of Volume 2:** This part contains **9 statements** presenting details of transactions **by minor heads** corresponding to statements in volume 1 and part 1 of volume 2.

11. Detailed Statement of Revenue and Capital Receipts by minor heads: This statement presents the revenue and capital receipts of the Government in detail.
12. 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 is available.
13. Detailed Statement of Capital Expenditure by minor heads: 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 is available. Cumulative capital expenditure upto the end of the year is also depicted.
14. 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.

## GUIDE TO FINANCE ACCOUNTS - contd.

15. Detailed Statement of Borrowings and other Liabilities: Details of borrowings (market loans raised by the Government and Loans etc from Government of India) 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 volume 2.
16. 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 volume 2.
17. 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.
18. Detailed Statement on Contingency Fund and other 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.
19. Statement showing details of earmarked balances: This statement shows the details of investment out of reserve funds in public account.

**Part-III of 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.

### Ready Reckoner

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

| Parameter                                                    | Summary Statements<br>(Volume 1) | Detailed Statements<br>(Volume 2) | Appendices                   |
|--------------------------------------------------------------|----------------------------------|-----------------------------------|------------------------------|
| Revenue Receipts (Including Grants received)                 | 2, 3                             | 11                                | ...                          |
| Revenue Expenditure                                          | 2, 4                             | 12                                | II (Salary)<br>III (Subsidy) |
| Grants-In-Aid given by the Government                        | 2                                | 8                                 | IV                           |
| Capital receipts                                             | 2, 3                             | 11                                | ...                          |
| Capital expenditure                                          | 1, 2, 4                          | 5, 13,17                          | ...                          |
| Loans and Advances given by the Government                   | 1, 2                             | 7, 16                             | ...                          |
| Debt Position/Borrowings                                     | 1, 2                             | 6, 15                             | ...                          |
| Investments of the Government in Companies, Corporations etc | 1                                | 14                                | ...                          |
| Cash                                                         | 1, 2                             | ...                               | I, VIII                      |
| Balances in Public Account and investments thereof           | 1, 2                             | 18, 19                            | ...                          |
| Guarantees                                                   | ...                              | 9                                 | ...                          |
| Schemes                                                      | ...                              | ...                               | V (EAP), VI,<br>VII          |

## **GUIDE TO FINANCE ACCOUNTS - conclud.**

### **C. Periodical 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) Creation of funds/adjustment of contribution to Funds in Public Account by debit to Consolidated Fund e.g. State Disaster Response Fund, Reserve Funds, Sinking Fund etc.
- (ii) Crediting of deposit heads of accounts in public account by debit to Consolidated Fund
- (iii) 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.

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STATEMENTS

STATEMENT NO.1 - STATEMENT OF FINANCIAL POSITION

ASSETS ¹	Reference (Sl. No.)		As at 31 st March	As at 31 st March
	Notes to Accounts	Statement/Appendix	2011	2010
(1)	(2)	(3)	(In crores of rupees)	
(1)	(2)	(3)	(4)	(5)
Cash		Appendix I	76,67.31	97,73.52
(i) Cash in Treasuries and Local Remittances		Appendix I	0.01	0.01
(ii) Departmental Balances		18, Appendix I	7.07	9.15
(iii) Permanent Cash Imprest		18, Appendix I	1.62	1.62
(iv) Cash Balance Investments account		18, Appendix I	68,71.51	88,89.99
(v) Deposits with Reserve Bank	Para 10	Appendix I	(-) 6,57.14	(-) 1,07.69
(vi) Investment from Earmarked Funds		19, Appendix I	14,44.24	9,80.44
Capital Expenditure ^Ω		5, 13	8,85,25.12 ^Ω	7,51,59.95
(i) Investments in shares of Companies, Corporations etc. ^Ω		14	3,84,20.70 ^Ω	3,24,83.28
(ii) Other capital expenditure		13	5,01,04.42	4,26,76.67
F. Loans and Advances	Para 12	7,16	96,22.98	80,46.42
Contingency Fund (un recouped)		18	12.53	...
K. (c) Advances		18	9.95	10.17
L. Suspense and Miscellaneous Balances				...
M. Remittances	Para 13	18	4,33.91	3,99.03
Cumulative excess of expenditure over receipts ²				...
Total			10,62,71.80	9,33,89.09

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

2 The cumulative excess of receipts over expenditure or expenditure over receipts is different from and not the fiscal/revenue deficit for the current year. This represents the cumulative excess of receipts over expenditure or expenditure over receipts under the heads of accounts closed to Government Accounts excluding the expenditure on Capital Outlay.

Ω Assistance of ₹10.00 crore released to Milk Unions during 2009-10 under the Revenue Section has now been treated as investment in the equity of the Milk Unions as ordered by Government. Hence progressive Capital Investment to end of the year 2010-11 has been increased proforma by ₹10.00 crore.

Also includes investments of ₹6.00 crore in respect of Sheep and Wool Development Corporation made during 2007-08 not shown in the earlier years Finance Accounts.

Investments in shares of Companies, Corporations etc. includes ₹13,27.01 crore from Reserve Funds (BMRCL Fund: ₹3,54.64 crore, Infrastructure Initiative Fund: ₹9,72.33 crore and ₹0.04 crore from Sinking Fund).

STATEMENT NO.1 - STATEMENT OF FINANCIAL POSITION

<i>LIABILITIES</i> ¹	<i>Reference (Sl. No.)</i>		<i>As at 31st March</i>	<i>As at 31st March</i>
	<i>Notes to Accounts</i>	<i>Statement</i>	<i>2011</i>	<i>2010</i>
(1)	(2)	(3)	(4)	(5)
Borrowings (Public Debt)		6, 15	5,92,76.81	5,53,70.20
(i) Internal Debt of the State Government		6, 15	4,87,62.05	4,54,68.00
(ii) Loans and Advances from the Central Government		6, 15	1,05,14.76	99,02.20
Pre 1984-85 Loans		6, 15	0.07	0.07
Non-Plan Loans		6, 15	86.37	92.62
Loans for State Plan Schemes		6, 15	1,02,74.20	96,39.38
Loans for Central Plan Schemes		6, 15	21.82	25.48
Loans for Centrally Sponsored Plan Schemes		6, 15	1,32.30	1,44.65
Other Loans		6, 15	...	...
Contingency Fund		18	80.00	80.00
Liabilities in Public Account			3,82,54.69	3,35,87.72
(i) I. Small Savings, Provident Funds, etc.		15, 18	1,27,84.10	1,11,77.06
(ii) J. Reserve Funds ³	Para 14	18	1,16,28.06	1,02,54.03
(iii) K. Deposits ⁴		18	96,98.19	76,60.97
(iv) L. Suspense and Miscellaneous Balances ⁵	Para 13	18	41,44.34	44,95.66
(v) M. Remittances			...	...
Cumulative excess of receipts over expenditure⁶			86,60.30	43,51.17
Total			10,62,71.80	9,33,89.09

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

3 Gross balance under J. Reserve Funds are shown here. The investment out of J. Reserve Funds is included in the Assets side under 'Investment from Earmarked Funds'.

4 Gross balance under K.(a) - Deposits bearing Interest and K (b) - Deposits not bearing Interest are shown here. The investment out of K. Deposits is included in the Assets side under 'Investment from Earmarked Funds'.

5 In this statement the line item 'Suspense and Miscellaneous Balances' does not include Cash Balance Investment Account, Department Balances and Permanent Cash Imprest which is included separately above, though the latter forms part of this sector elsewhere in these Accounts. Correspondingly, the total amount shown against Public Account differs from that shown elsewhere in these Accounts.

6 The Cumulative excess of receipts over expenditure is arrived as under:

Cumulative excess of expenditure over receipts in Government Account as in Appendix VIII	7,98,64.82
Less Cumulative expenditure on Capital Outlay as indicated under Assets above	8,85,25.12
	(-) 86,60.30 *

(*) Minus sign indicates that the receipts are in excess of expenditure.

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**STATEMENT NO.2 - STATEMENT OF RECEIPTS AND DISBURSEMENTS**

| <i>Receipts</i>                                               |                   |                   | <i>Disbursements</i>                                                     |                   |                   |
|---------------------------------------------------------------|-------------------|-------------------|--------------------------------------------------------------------------|-------------------|-------------------|
|                                                               | <i>2010-11</i>    | <i>2009-10</i>    |                                                                          | <i>2010-11</i>    | <i>2009-10</i>    |
| <i>(In crores of rupees)</i>                                  |                   |                   |                                                                          |                   |                   |
| <i>(1)</i>                                                    | <i>(2)</i>        | <i>(3)</i>        | <i>(4)</i>                                                               | <i>(5)</i>        | <i>(6)</i>        |
| <b>Part-I Consolidated Fund</b>                               |                   |                   |                                                                          |                   |                   |
| <b>Section-A: Revenue</b>                                     |                   |                   |                                                                          |                   |                   |
| <b>Revenue Receipts</b>                                       | <b>5,82,06.23</b> | <b>4,91,55.70</b> | <b>Revenue Expenditure</b>                                               | <b>5,40,33.84</b> | <b>4,75,36.92</b> |
| <i>Tax revenue (raised by the State)</i>                      | <b>3,84,73.12</b> | <b>3,05,78.60</b> | Salaries <sup>1</sup>                                                    | 52,81.21          | 44,55.79          |
| <i>Non-tax revenue</i>                                        | <b>33,58.29</b>   | <b>33,33.80</b>   | Subsidies                                                                | 63,03.27          | 41,18.14          |
| Interest receipts                                             | 5,75.07           | 3,83.86           | Grants-in-aid <sup>2</sup>                                               | 1,60,64.88        | 1,39,48.33        |
| Others <sup>3</sup>                                           | 27,83.22          | 29,49.94          | <b>General services</b>                                                  | <b>1,08,47.46</b> | <b>98,48.89</b>   |
| <i>States Share of Union Taxes/Duties</i>                     | <b>95,06.31</b>   | <b>73,59.98</b>   | Interest Payment and service of debt                                     | 56,41.00          | 52,12.91          |
|                                                               |                   |                   | Pension                                                                  | 40,69.94          | 34,08.32          |
|                                                               |                   |                   | Others                                                                   | 11,36.52          | 12,27.66          |
|                                                               |                   |                   | <b>Social services</b>                                                   | <b>71,92.97</b>   | <b>68,42.53</b>   |
|                                                               |                   |                   | <b>Economic services</b>                                                 | <b>53,68.03</b>   | <b>58,51.54</b>   |
| <i>Grant-in-aid and contributions from Central Government</i> | <b>68,68.51</b>   | <b>78,83.32</b>   | <b>Compensation and assignment to Local Bodies and PRIs <sup>1</sup></b> | <b>29,76.02</b>   | <b>24,71.70</b>   |
| <b>Revenue Deficit</b>                                        | ...               | ...               | <b>Revenue Surplus</b>                                                   | <b>41,72.39</b>   | <b>16,18.78</b>   |
| <b>Section-B: Capital</b>                                     |                   |                   |                                                                          |                   |                   |
| <b>Capital Receipts</b>                                       | <b>71.81</b>      | <b>69.79</b>      | <b>Capital Expenditure</b>                                               | <b>1,33,55.17</b> | <b>1,21,36.68</b> |
| Miscellaneous Capital Receipts                                | 71.81             | 69.79             | Salaries <sup>4</sup>                                                    | ...               | ...               |
|                                                               |                   |                   | General Services                                                         | 4,65.47           | 4,89.85           |
|                                                               |                   |                   | Social Services                                                          | 26,16.70          | 26,50.68          |
|                                                               |                   |                   | Economic Services <sup>4</sup>                                           | 1,02,73.00        | 89,96.15          |
| <b>Recoveries of Loans and Advances</b>                       | <b>1,61.37</b>    | <b>5,55.36</b>    | <b>Loans and Advances disbursed</b>                                      | <b>17,37.93</b>   | <b>9,81.58</b>    |
| General Services                                              | ...               | ...               | General Services                                                         | ...               | ...               |
| Social Services                                               | 43.89             | 6.07              | Social Services                                                          | 14,89.51          | 8,05.10           |
| Economic Services                                             | 1,13.92           | 5,45.73           | Economic Services                                                        | 2,46.91           | 1,71.36           |
| Loans to Government Servants                                  | 3.56              | 3.23              | Loans to Government Servants                                             | 1.51              | 5.12              |
| Miscellaneous loans                                           | ...               | 0.33              | Miscellaneous loans                                                      | ...               | ...               |
| <b>Fiscal Deficit</b>                                         | <b>1,06,87.53</b> | <b>1,08,74.33</b> | <b>Fiscal Surplus</b>                                                    | ...               | ...               |
| <b>Public debt receipts</b>                                   | <b>67,13.74</b>   | <b>79,90.86</b>   | <b>Repayment of Public Debt</b>                                          | <b>28,07.13</b>   | <b>23,08.33</b>   |
| Internal Debt (Market loans etc.) <sup>5</sup>                | 52,10.22          | 73,10.01          | Internal Debt (Market loans etc.) <sup>5</sup>                           | 19,16.17          | 18,37.87          |
| Loans from GOI                                                | 15,03.52          | 6,80.85           | Loans from GOI                                                           | 8,90.96           | 4,70.46           |
| <b>Net of Inter –State-Settlement</b>                         | ...               | ...               | <b>Net of Inter –State-Settlement</b>                                    | ...               | ...               |
| <b>Total Receipts Consolidated Fund</b>                       | <b>6,51,53.15</b> | <b>5,77,71.71</b> | <b>Total Expenditure Consolidated Fund</b>                               | <b>7,19,34.07</b> | <b>6,29,63.51</b> |
| <b>Deficit in Consolidated Fund</b>                           | <b>67,80.92</b>   | <b>51,91.80</b>   | <b>Surplus in Consolidated Fund</b>                                      | ...               | ...               |

For footnotes please see page 15.



**STATEMENT NO.2 - STATEMENT OF RECEIPTS AND DISBURSEMENTS**

| <i>Receipts</i>                             |                    |                    | <i>Disbursements</i>                      |                    |                    |
|---------------------------------------------|--------------------|--------------------|-------------------------------------------|--------------------|--------------------|
|                                             | <i>2010-11</i>     | <i>2009-10</i>     |                                           | <i>2010-11</i>     | <i>2009-10</i>     |
| <i>(In crores of rupees)</i>                |                    |                    |                                           |                    |                    |
| <b>(1)</b>                                  | <b>(2)</b>         | <b>(3)</b>         | <b>(4)</b>                                | <b>(5)</b>         | <b>(6)</b>         |
| <b>Part II Contingency Fund</b>             |                    |                    |                                           |                    |                    |
| <b>Contingency Fund <sup>6</sup></b>        | ...                | <b>2.10</b>        | <b>Contingency Fund <sup>6</sup></b>      | <b>12.53</b>       | ...                |
| <b>Part III Public Account <sup>7</sup></b> |                    |                    |                                           |                    |                    |
| Small savings, Provident Fund, etc.         | 29,96.91           | 25,91.15           | Small savings, Provident Fund, etc.       | 13,89.87           | 11,23.64           |
| Reserves Funds                              | 21,34.09           | 51,18.02           | Reserves Funds                            | 12,23.86           | 22,44.97           |
| Deposits                                    | 2,37,43.70         | 2,21,87.80         | Deposits                                  | 2,17,06.47         | 2,02,79.25         |
| Advances                                    | 0.22               | 0.78               | Advances                                  | ...                | ...                |
| Suspense and Miscellaneous                  | 26,20,11.53        | 20,47,85.10        | Suspense and Miscellaneous <sup>8</sup>   | 26,02,87.38        | 20,55,58.04        |
| Remittances                                 | 14,74.07           | 12,51.04           | Remittances                               | 15,08.94           | 12,87.52           |
| <b>Total Receipts Public Account</b>        | <b>29,23,60.52</b> | <b>23,59,33.89</b> | <b>Total Disbursements Public Account</b> | <b>28,61,16.52</b> | <b>23,04,93.42</b> |
| <b>Deficit in Public Account</b>            | ...                | ...                | <b>Surplus in Public Account</b>          | <b>62,44.00</b>    | <b>54,40.47</b>    |
| <b>Opening Cash Balance</b>                 | <b>(-) 1,07.68</b> | <b>(-) 3,58.45</b> | <b>Closing Cash Balance <sup>9</sup></b>  | <b>(-) 6,57.13</b> | <b>(-) 1,07.68</b> |
| <b>Increase in cash balance</b>             |                    | <b>2,50.77</b>     | <b>Decrease in cash balance</b>           | <b>5,49.45</b>     | ...                |

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).

The expenditure shown against 'Compensation and Assignments to Local Bodies and Panchayati Raj Institutions' does not include expenditure on salaries.

Salaries include expenditure booked in the accounts under the object heads 'Pay-Officers, Pay-Staff, Dearness Allowances, Other Allowances, Medical Allowance and Reimbursement of Medical Expenses' only. The salaries do not include grants given to Local Bodies etc., for the purpose of payment of salary.

2 Grants-in-Aid are 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 the Local Bodies which is depicted as a separate line item 'Compensation and Assignment to Local Bodies and Panchayat Raj Institutions'.

3 Includes Dividends and Profits of ₹43.44 crore (Major Head 0050) during the year 2010-11. Details of Non-Tax Revenue are given in Statement No. 3.

4 The expenditure on Salaries is included under Economic Services (₹17.24 crore for 2010-11 and ₹15.57 crore for 2009-10)

5 Includes loan from National Small Savings Fund ₹24,65.77 crore and repayment of ₹6,27.78 crore during 2010-11.

|                                                                                                         |       |
|---------------------------------------------------------------------------------------------------------|-------|
| 6 Expenditure debited to Contingency Fund during the current year and not recouped                      | 12.53 |
| Expenditure debited to Contingency Fund during the previous year and recouped during the current year : | Nil   |

7 For details please refer to Statement No.18 in Volume 2.

8 Suspense and Miscellaneous' includes 'Other Accounts' such as Cash Balance Investment Account (Major Head 8673) etc. Details are given in Statement No.18 in Volume 2.

9 The closing cash balance comprises Deposits with the Reserve Bank (-) ₹6,57.14 crore and Remittances in Transit - Local ₹0.01 crore.

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STATEMENT NO. 3 - STATEMENT OF RECEIPTS: CONSOLIDATED FUND

I TAX AND NON-TAX REVENUE

<i>Description</i>		<i>Actuals</i>	
		<i>2010-11</i>	<i>2009-10</i>
		<i>(In crores of rupees)</i>	
	(1)	(2)	(3)
A.	Tax Revenue		
A.1	Own Tax Revenue	3,84,73.12	3,05,78.60
	Taxes on Agricultural Income	9.33	8.70
	Other Taxes on Income and Expenditure	5,49.74	5,27.21
	Land Revenue	1,77.53	1,27.88
	Stamps and Registration Fees	35,31.08	26,27.57
	State Excise	82,84.74	69,46.32
	Taxes on Sales, Trade etc.	2,02,34.69	1,58,32.67
	Taxes on Vehicles	25,50.02	19,61.60
	Taxes on goods and passengers	15,25.55	12,91.13
	Taxes and Duties on Electricity	6,63.49	6,78.69
	Other Taxes and Duties on Commodities and Services	9,46.95	5,76.83
A.2	Share of net proceeds of Union Taxes and Duties	95,06.31	73,59.98
	Corporation Tax	37,15.63	30,28.92
	Taxes on Income other than Corporation Tax	19,63.50	16,87.23
	Taxes on Wealth	7.62	6.85
	Customs	16,62.27	10,30.07
	Union Excise Duties	12,09.25	8,29.73
	Service Tax	9,48.05	7,77.19
	Other Taxes and Duties on Commodities and Services	(-) 0.01	(-) 0.01
	Total A	4,79,79.43	3,79,38.58
B	Non-Tax Revenue		
	Interest receipts	5,75.07	3,83.86
	Miscellaneous General services ^(a)	(-) 2,05.02	5,48.35
	Non-Ferrous Mining and Metallurgical Industries	11,85.96	8,59.50
	Other General Economic Services	5,96.05	4,62.65
	Forestry and Wild Life	1,63.74	2,12.48
	Education, Sports, Art and Culture	1,27.83	95.85
	Medical and Public Health	1,21.29	54.67
	Police	1,05.90	82.13
	Other Administrative Services	1,04.20	99.29
	Village and Small Industries	86.19	50.41
	Roads and Bridges	61.07	32.46
	Contributions and Recoveries towards Pension and Other Retirement Benefits	54.74	69.07
	Co-operation	51.47	46.62
	Power	47.57	60.12

(a) Waiver of debt of ₹3,58.32 crore granted to Government of Karnataka during 2008-09 has been withdrawn and the amount recovered during the year 2010-11. The recovery has been adjusted by debiting the Major Head "0075-Miscellaneous General Services" per contra credit to "6004 Loans and Advances from the Central Government". Hence the minus figure during the year 2010.11.

STATEMENT NO. 3 - STATEMENT OF RECEIPTS: CONSOLIDATED FUND - contd.

I TAX AND NON-TAX REVENUE - conclud.

<i>Description</i>	<i>Actuals</i>	
	<i>2010-11</i>	<i>2009-10</i>
	<i>(In crores of rupees)</i>	
(1)	(2)	(3)
B. Non-Tax Revenue - conclud.		
Dividends and Profits	43.44	29.48
Labour and Employment	34.49	22.94
Housing	23.02	20.55
Civil Aviation	21.27	0.63
Public Works	20.12	25.27
Major Irrigation	16.09	14.43
Food Storage and Warehousing	15.01	14.00
Crop Husbandry	13.03	9.96
Social Security and Welfare	12.75	32.93
Stationary and Printing	11.09	9.67
Ports and Light Houses	9.53	14.51
Shipping	8.25	14.59
Minor Irrigation	7.67	11.52
Other Social Services	7.32	4.95
Fisheries	6.88	6.19
Animal Husbandry	5.59	3.82
Industries	5.65	4.76
Public Service Commission	4.89	11.20
Medium Irrigation	4.56	2.14
Other Rural Development Programmes	3.88	7.74
Urban Development	1.94	5.31
Jails	1.61	0.90
Tourism	1.20	0.92
Information and Publicity	0.98	0.74
Water supply and Sanitation	0.73	0.34
Inland Water Transport	0.45	0.43
Civil Supplies	0.41	0.36
Land Reforms	0.16	0.17
Family Welfare	0.13	0.31
Other Agricultural Programmes	0.08	5.58
Others	0.01	...
Total B	33,58.29	33,33.80

STATEMENT NO. 3 - STATEMENT OF RECEIPTS: CONSOLIDATED FUND - contd.

II GRANTS-IN-AID AND CONTRIBUTIONS FROM GOVERNMENT OF INDIA

<i>Description</i>	<i>Actuals</i>	
	<i>2010-11</i>	<i>2009-10</i>
	<i>(In crores of rupees)</i>	
(1)	(2)	(3)
C. Grants		
Grants-in-aid from Central Government		
Non Plan Grants	22,56.86	34,29.68
Grants under the proviso to Article 275 (1) of the Constitution ^(b)	7,03.60	7,77.51
Grants towards contribution to State Disaster Response Fund ^(c)	1,24.72	1,04.52
Grants from National Calamity Contingency Fund	...	15,94.36
Other Grants	14,28.54	9,53.29
Grants for State/Union Territory Plan Schemes	28,38.81	29,72.78
Block Grants	18,33.03	21,13.22
Externally Aided Projects out of Block Grants	3,03.02	1,88.47
Grants under the proviso to Article 275 (1) of the Constitution	58.66	34.71
Grant from Central Road Fund	96.01	1,20.30
Other Grants ^(b)	5,48.09	5,16.08
Grants for Central Plan Schemes	1,44.43	61.10
Grants for Centrally Sponsored Plan Schemes	16,28.41	14,19.76
Grants for Special Plan Schemes	...	...
Total C	68,68.51	78,83.32
Total Revenue Receipts (A+B+C)	5,82,06.23	4,91,55.70

(b) The total Grant released under the proviso to Article 275 (1) of the Constitution is ₹9,73.84 crore which includes Non-Plan Grant of ₹8,28.32 crore and Plan grants of ₹1,45.52 crore (classified as grants for Plan schemes as per the decision of Government of India).

The Non-Plan Grants includes ₹1,20.72 crore being grant towards Contribution to State Disaster Response Fund, ₹4.00 crore released towards capacity building and ₹42.31 crore released towards State Specific Needs as per recommendations of XII Finance Commission

(c) The Grant released under the proviso to Article 275 (1) of the Constitution for Plan schemes are included under Other Grants

STATEMENT NO. 3 - STATEMENT OF RECEIPTS: CONSOLIDATED FUND - conclud.

III CAPITAL, PUBLIC DEBT AND OTHER RECEIPTS

	<i>Description</i>	<i>Actuals</i>	
		<i>2010-11</i>	<i>2009-10</i>
		<i>(In crores of rupees)</i>	
	(1)	(2)	(3)
D.	Capital Receipts		
	Disinvestments proceeds	...	...
	Others	71.81	69.79
	Total D	71.81	69.79
E.	Public Debt receipts		
	Internal Debt	52,10.22	73,10.01
	Market Loans	20,00.00	59,99.95
	Ways and Means Advances from the RBI	...	...
	Bonds	...	...
	Loans from Financial Institutions	7,44.45	6,48.59
	Special Securities issued to National Small Savings Fund	24,65.77	6,61.47
	Other Loans	...	...
	Loans and Advances from Central Government	15,03.52	6,80.85
	Non Plan Loans	...	0.04
	Loans for State Plan Schemes	15,03.52	6,80.81
	Loans for Central Plan Schemes	...	...
	Loans for Centrally Sponsored Plan Schemes	...	...
	Other Loans	...	...
	Total E	67,13.74	79,90.86
F.	Loans and Advances by State Government (Recoveries)	1,61.37	5,55.36
	Total Receipts in Consolidated Fund (A+B+C+D+E+F)	6,51,53.15	5,77,71.71

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**STATEMENT NO. 4 - STATEMENT OF EXPENDITURE: CONSOLIDATED FUND**

**A. EXPENDITURE BY FUNCTION**

| <i>Description</i>                                                        | <i>Revenue</i>               | <i>Capital</i> | <i>Loans and Advances</i> | <i>Total</i>      |
|---------------------------------------------------------------------------|------------------------------|----------------|---------------------------|-------------------|
|                                                                           | <i>(In crores of rupees)</i> |                |                           |                   |
| <b>(1)</b>                                                                | <b>(2)</b>                   | <b>(3)</b>     | <b>(4)</b>                | <b>(5)</b>        |
| <b>A. General Services</b>                                                |                              |                |                           |                   |
| <b>A.1 Organs of State</b>                                                |                              |                |                           |                   |
| Parliament/State/Union Territory/<br>Legislatures                         | 65.45                        | ...            | ...                       | 65.45             |
| President, Vice-President/Governor,<br>Administrator of Union Territories | 4.62                         | ...            | ...                       | 4.62              |
| Council of Ministers                                                      | 10.11                        | ...            | ...                       | 10.11             |
| Administration of Justice                                                 | 4,51.32                      | ...            | ...                       | 4,51.32           |
| Elections                                                                 | 56.83                        | ...            | ...                       | 56.83             |
| <b>TOTAL A.1</b>                                                          | <b>5,88.33</b>               | <b>...</b>     | <b>...</b>                | <b>5,88.33</b>    |
| <b>A.2 Fiscal Services</b>                                                |                              |                |                           |                   |
| Collection of Taxes on Income and<br>Expenditure                          | 5.47                         | ...            | ...                       | 5.47              |
| Land Revenue                                                              | 1,73.96                      | ...            | ...                       | 1,73.96           |
| Stamps and Registration                                                   | 53.53                        | ...            | ...                       | 53.53             |
| State Excise                                                              | 72.96                        | ...            | ...                       | 72.96             |
| Taxes on Sales, Trade etc.                                                | 1,65.51                      | ...            | ...                       | 1,65.51           |
| Taxes on Vehicles                                                         | 59.72                        | ...            | ...                       | 59.72             |
| Other Taxes and Duties on Commodities<br>and Services                     | 8.46                         | ...            | ...                       | 8.46              |
| Other Fiscal Services                                                     | 5.30                         | ...            | ...                       | 5.30              |
| Interest Payments                                                         | 56,41.00                     | ...            | ...                       | 56,41.00          |
| <b>TOTAL A. 2</b>                                                         | <b>61,85.91</b>              | <b>...</b>     | <b>...</b>                | <b>61,85.91</b>   |
| <b>A.3 Administrative Services</b>                                        |                              |                |                           |                   |
| Public Service Commission                                                 | 13.02                        | ...            | ...                       | 13.02             |
| Secretariat - General Services                                            | 79.46                        | ...            | ...                       | 79.46             |
| District Administration                                                   | 2,39.94                      | ...            | ...                       | 2,39.94           |
| Treasury and Accounts Administration                                      | 72.05                        | ...            | ...                       | 72.05             |
| Police                                                                    | 18,99.98                     | 1,01.76        | ...                       | 20,01.74          |
| Jails                                                                     | 67.19                        | ...            | ...                       | 67.19             |
| Stationery and Printing                                                   | 95.71                        | ...            | ...                       | 95.71             |
| Public Works                                                              | 5,02.84                      | 3,63.61        | ...                       | 8,66.45           |
| Other Administrative Services                                             | 2,15.77                      | 0.09           | ...                       | 2,15.86           |
| <b>TOTAL A.3</b>                                                          | <b>31,85.96</b>              | <b>4,65.46</b> | <b>...</b>                | <b>36,51.42</b>   |
| <b>A.4 Pensions and Miscellaneous General Services</b>                    |                              |                |                           |                   |
| Pensions and Other Retirement Benefits                                    | 40,69.94                     | ...            | ...                       | 40,69.94          |
| Miscellaneous General Services                                            | 24.95                        | ...            | ...                       | 24.95             |
| <b>TOTAL A4</b>                                                           | <b>40,94.89</b>              | <b>...</b>     | <b>...</b>                | <b>40,94.89</b>   |
| <b>TOTAL A General Services</b>                                           | <b>1,40,55.09</b>            | <b>4,65.46</b> | <b>...</b>                | <b>1,45,20.55</b> |

**STATEMENT NO. 4 - STATEMENT OF EXPENDITURE: CONSOLIDATED FUND - contd.**

**A. EXPENDITURE BY FUNCTION**

| <i>Description</i>                                                                   | <i>Revenue</i>               | <i>Capital</i>  | <i>Loans and Advances</i> | <i>Total</i>      |
|--------------------------------------------------------------------------------------|------------------------------|-----------------|---------------------------|-------------------|
|                                                                                      | <i>(In crores of rupees)</i> |                 |                           |                   |
| <b>(1)</b>                                                                           | <b>(2)</b>                   | <b>(3)</b>      | <b>(4)</b>                | <b>(5)</b>        |
| <b>B. Social Services</b>                                                            |                              |                 |                           |                   |
| <b>B. 1 Education, Sports, Art and Culture</b>                                       |                              |                 |                           |                   |
| General Education *                                                                  | 1,01,52.72                   | 4,22.31         | ...                       | 1,05,75.03        |
| Technical Education                                                                  | 2,73.77                      | ...             | ...                       | 2,73.77           |
| Sports and Youth Services                                                            | 90.55                        | ...             | ...                       | 90.55             |
| Art and Culture                                                                      | 2,73.28                      | ...             | ...                       | 2,73.28           |
| <b>TOTAL B.1</b>                                                                     | <b>1,07,90.32</b>            | <b>4,22.31</b>  | <b>...</b>                | <b>1,12,12.63</b> |
| <b>B. 2 Health and Family Welfare</b>                                                |                              |                 |                           |                   |
| Medical and Public Health                                                            | 20,45.05                     | 4,36.86         | ...                       | 24,81.91          |
| Family Welfare                                                                       | 3,14.61                      | ...             | 0.40                      | 3,15.01           |
| <b>TOTAL B.2</b>                                                                     | <b>23,59.66</b>              | <b>4,36.86</b>  | <b>0.40</b>               | <b>27,96.92</b>   |
| <b>B. 3 Water Supply, Sanitation, Housing and Urban Development</b>                  |                              |                 |                           |                   |
| Water Supply and Sanitation                                                          | 1,60.40                      | 10,13.28        | 7,87.11                   | 19,60.79          |
| Housing                                                                              | 8,54.83                      | 61.51           | ...                       | 9,16.34           |
| Urban Development                                                                    | 9,86.30                      | 3,47.98         | 7,00.00                   | 20,34.28          |
| <b>TOTAL B.3</b>                                                                     | <b>20,01.53</b>              | <b>14,22.77</b> | <b>14,87.11</b>           | <b>49,11.41</b>   |
| <b>B. 4 Information and Broadcasting</b>                                             |                              |                 |                           |                   |
| Information and Publicity                                                            | 67.56                        | 9.20            | ...                       | 76.76             |
| <b>TOTAL B.4</b>                                                                     | <b>67.56</b>                 | <b>9.20</b>     | <b>...</b>                | <b>76.76</b>      |
| <b>B. 5 Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes</b> |                              |                 |                           |                   |
| Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes             | 25,04.39                     | 2,11.50         | ...                       | 27,15.89          |
| <b>TOTAL B.5</b>                                                                     | <b>25,04.39</b>              | <b>2,11.50</b>  | <b>...</b>                | <b>27,15.89</b>   |
| <b>B. 6 Labour and Labour Welfare</b>                                                |                              |                 |                           |                   |
| Labour and Employment                                                                | 2,47.15                      | ...             | ...                       | 2,47.15           |
| <b>TOTAL B.6</b>                                                                     | <b>2,47.15</b>               | <b>...</b>      | <b>...</b>                | <b>2,47.15</b>    |
| <b>B. 7 Social Welfare and Nutrition</b>                                             |                              |                 |                           |                   |
| Social Security and Welfare                                                          | 31,01.27                     | 99.89           | 2.00                      | 32,03.16          |
| Nutrition                                                                            | 5,98.86                      | ...             | ...                       | 5,98.86           |
| Relief on account of Natural Calamities                                              | 1,66.17                      | ...             | ...                       | 1,66.17           |
| <b>TOTAL B.7</b>                                                                     | <b>38,66.30</b>              | <b>99.89</b>    | <b>2.00</b>               | <b>39,68.19</b>   |
| <b>B. 8 Others</b>                                                                   |                              |                 |                           |                   |
| Other Social Services                                                                | 2,52.59                      | 14.17           | ...                       | 2,66.76           |
| Secretariat-Social Services                                                          | 18.32                        | ...             | ...                       | 18.32             |
| <b>TOTAL B.8</b>                                                                     | <b>2,70.91</b>               | <b>14.17</b>    | <b>...</b>                | <b>2,85.08</b>    |
| <b>TOTAL B. Social Services</b>                                                      | <b>2,21,07.82</b>            | <b>26,16.70</b> | <b>14,89.51</b>           | <b>2,62,14.03</b> |

(\*) The amount shown under capital section includes Capital Outlay on General Education ₹2,53.23 crore, Technical Education ₹1,27.58 crore, Sports and Youth Services ₹29.27 crore and Art and Culture ₹12.23 crore.

**STATEMENT NO. 4 - STATEMENT OF EXPENDITURE: CONSOLIDATED FUND - contd.**

**A. EXPENDITURE BY FUNCTION – contd.**

| <i>Description</i>                              | <i>Revenue</i>               | <i>Capital</i>  | <i>Loans and Advances</i> | <i>Total</i>    |
|-------------------------------------------------|------------------------------|-----------------|---------------------------|-----------------|
|                                                 | <i>(In crores of rupees)</i> |                 |                           |                 |
| <b>(1)</b>                                      | <b>(2)</b>                   | <b>(3)</b>      | <b>(4)</b>                | <b>(5)</b>      |
| <b>C. Economic Services</b>                     |                              |                 |                           |                 |
| <b>C. 1 Agriculture and Allied Activities</b>   |                              |                 |                           |                 |
| Crop Husbandry                                  | 10,35.70                     | 35.15           | ...                       | 10,70.85        |
| Soil and Water Conservation                     | 1,61.83                      | ...             | ...                       | 1,61.83         |
| Animal Husbandry                                | 3,93.80                      | 39.27           | ...                       | 4,33.07         |
| Dairy Development                               | 3,14.02                      | ...             | ...                       | 3,14.02         |
| Fisheries                                       | 67.95                        | 21.68           | ...                       | 89.63           |
| Forestry and Wild Life                          | 10,79.61                     | 4.04            | ...                       | 10,83.65        |
| Food, Storage and Warehousing                   | 9,58.97                      | ...             | 16.04                     | 9,75.01         |
| Agricultural Research and Education             | 2,49.79                      | ...             | ...                       | 2,49.79         |
| Agricultural Financial Institutions             | ...                          | ...             | 3.48                      | 3.48            |
| Co-operation                                    | 5,15.29                      | (-) 1.15        | 5.35                      | 5,19.49         |
| <b>TOTAL C.1</b>                                | <b>47,76.96</b>              | <b>98.99</b>    | <b>24.87</b>              | <b>49,00.82</b> |
| <b>C. 2 Rural Development</b>                   |                              |                 |                           |                 |
| Special Programmes for Rural Development        | 68.86                        | ...             | ...                       | 68.86           |
| Rural Employment                                | 1,44.92                      | ...             | ...                       | 1,44.92         |
| Land Reforms                                    | 9.33                         | ...             | ...                       | 9.33            |
| Other Rural Development Programmes              | 11,47.93                     | 1,25.25         | ...                       | 12,73.18        |
| <b>TOTAL C.2</b>                                | <b>13,71.04</b>              | <b>1,25.25</b>  | <b>...</b>                | <b>14,96.29</b> |
| <b>C. 3 Special Areas Programmes</b>            |                              |                 |                           |                 |
| Hill Areas                                      | 30.22                        | ...             | ...                       | 30.22           |
| Other Special Area Programmes                   | 1,08.17                      | 3,77.39         | ...                       | 4,85.56         |
| <b>TOTAL C.3</b>                                | <b>1,38.39</b>               | <b>3,77.39</b>  | <b>...</b>                | <b>5,15.78</b>  |
| <b>C. 4 Irrigation and Flood Control</b>        |                              |                 |                           |                 |
| Major Irrigation                                | 35.35                        | 39.73           | ...                       | 75.08           |
| Medium Irrigation                               | 1,40.20                      | 39,95.61        | ...                       | 41,35.81        |
| Minor Irrigation                                | 1,56.80                      | 7,06.58         | ...                       | 8,63.38         |
| Command Area Development                        | 1,20.98                      | ...             | ...                       | 1,20.98         |
| Flood Control and Drainage                      | 0.46                         | 23.34           | ...                       | 23.80           |
| <b>TOTAL C.4</b>                                | <b>4,53.79</b>               | <b>47,65.26</b> | <b>...</b>                | <b>52,19.05</b> |
| <b>C. 5 Energy</b>                              |                              |                 |                           |                 |
| Power                                           | 44,48.53                     | 13,81.10        | 33.90                     | 58,63.53        |
| New and Renewable Energy                        | 11.60                        | ...             | ...                       | 11.60           |
| <b>TOTAL C.5</b>                                | <b>44,60.13</b>              | <b>13,81.10</b> | <b>33.90</b>              | <b>58,75.13</b> |
| <b>C. 6 Industry and Minerals</b>               |                              |                 |                           |                 |
| Village and Small Industries                    | 4,19.08                      | 29.67           | 1.68                      | 4,50.43         |
| Industries (^)                                  | 1,82.96                      | ...             | 17.98                     | 2,00.94         |
| Iron and Steel Industries                       | ...                          | 4.79            | ...                       | 4.79            |
| Non-Ferrous Mining and Metallurgical Industries | 11.23                        | ...             | ...                       | 11.23           |
| Engineering Industries                          | ...                          | ...             | 0.64                      | 0.64            |

(^) The amount shown under Revenue Section includes Revenue Expenditure on Engineering Industries ₹0.14 crore and Consumer Industries. ₹72.45 crore



**STATEMENT NO. 4 - STATEMENT OF EXPENDITURE: CONSOLIDATED FUND - contd.**

**A. EXPENDITURE BY FUNCTION – contd.**

| <i>Description</i>                                                           | <i>Revenue</i>               | <i>Capital</i>    | <i>Loans and Advances</i> | <i>Total</i>      |
|------------------------------------------------------------------------------|------------------------------|-------------------|---------------------------|-------------------|
|                                                                              | <i>(In crores of rupees)</i> |                   |                           |                   |
| <b>(1)</b>                                                                   | <b>(2)</b>                   | <b>(3)</b>        | <b>(4)</b>                | <b>(5)</b>        |
| <b>C. Economic Services - conclud.</b>                                       |                              |                   |                           |                   |
| <b>C. 6 Industry and Minerals - conclud.</b>                                 |                              |                   |                           |                   |
| Consumer Industries                                                          |                              | 45.53             | 1,34.84                   | 1,80.37           |
| Other Outlays on Industries and Minerals                                     | ...                          | 23.84             | ...                       | 23.84             |
| <b>TOTAL C.6</b>                                                             | <b>6,13.27</b>               | <b>1,03.83</b>    | <b>1,55.14</b>            | <b>8,72.24</b>    |
| <b>C. 7 Transport</b>                                                        |                              |                   |                           |                   |
| Ports and Light Houses                                                       | 21.17                        | ...               | ...                       | 21.17             |
| Civil Aviation                                                               | 1.17                         | ...               | ...                       | 1.17              |
| Roads and Bridges                                                            | 10,24.24                     | 29,01.78          | ...                       | 39,26.02          |
| Road Transport                                                               | 3,15.90                      | 1,66.76           |                           | 4,82.66           |
| Inland Water Transport                                                       | 2.53                         | ...               | ...                       | 2.53              |
| <b>TOTAL C.7</b>                                                             | <b>13,65.01</b>              | <b>30,68.54</b>   |                           | <b>44,33.55</b>   |
| <b>C. 8 Science, Technology and Environment</b>                              |                              |                   |                           |                   |
| Other Scientific Research                                                    | 30.37                        | ...               | ...                       | 30.37             |
| Ecology and Environment                                                      | 10.99                        | ...               | ...                       | 10.99             |
| <b>TOTAL C.8</b>                                                             | <b>41.36</b>                 | <b>...</b>        | <b>...</b>                | <b>41.36</b>      |
| <b>C. 9 General Economic Services</b>                                        |                              |                   |                           |                   |
| Secretariat-Economic Services                                                | 1,26.20                      | ...               | ...                       | 1,26.20           |
| Tourism                                                                      | 1,03.12                      | 1,05.98           |                           | 2,09.10           |
| Census, Surveys and Statistics                                               | 38.90                        | ...               | ...                       | 38.90             |
| Meteorology                                                                  | 4.00                         | ...               | ...                       | 4.00              |
| Civil Supplies                                                               | 10.96                        | ...               | ...                       | 10.96             |
| General Financial and Trading Institutions                                   | ...                          | 2,37.72           | 33.00                     | 2,70.72           |
| Other General Economic Services                                              | 13,89.31                     | 8.95              | ...                       | 13,98.26          |
| <b>TOTAL C.9</b>                                                             | <b>16,72.49</b>              | <b>3,52.65</b>    | <b>33.00</b>              | <b>20,58.14</b>   |
| <b>TOTAL C. Economic Services</b>                                            | <b>1,48,92.44</b>            | <b>1,02,73.01</b> | <b>2,46.91</b>            | <b>2,54,12.36</b> |
| <b>D. Grants-in-Aid and Contributions</b>                                    |                              |                   |                           |                   |
| Compensation and Assignments to Local Bodies and Panchayati Raj Institutions | 29,78.49                     | ...               | ...                       | 29,78.49          |
| <b>TOTAL D. Grants-in-Aid and Contributions</b>                              | <b>29,78.49</b>              | <b>...</b>        | <b>...</b>                | <b>29,78.49</b>   |
| <b>F Loans to Government Servants etc.</b>                                   |                              |                   |                           |                   |
| Loans to Government Servants etc.                                            | ...                          | ...               | 1.51                      | 1.51              |
| <b>TOTAL F Loans to Government Servants etc.</b>                             | <b>...</b>                   | <b>...</b>        | <b>1.51</b>               | <b>1.51</b>       |
| <b>E Public Debt</b>                                                         |                              |                   |                           |                   |
| Internal Debt of the State Government                                        | ...                          | 19,16.17          | ...                       | 19,16.17          |
| Loans and Advances from Central Government                                   | ...                          | 8,90.96           | ...                       | 8,90.96           |
| <b>TOTAL E Public Debt</b>                                                   | <b>...</b>                   | <b>28,07.13</b>   | <b>...</b>                | <b>28,07.13</b>   |
| <b>Total Expenditure in Consolidated Fund <sup>1</sup> (A+B+C+D+E+F)</b>     | <b>5,40,33.84</b>            | <b>1,61,62.30</b> | <b>17,37.93</b>           | <b>7,19,34.07</b> |

(1) Details are given in Statements No. 12, 13, 15 and 16 in Volume 2.

**STATEMENT NO. 4 - STATEMENT OF EXPENDITURE: CONSOLIDATED FUND - contd.**

**B. EXPENDITURE BY NATURE – contd.**

| Object of Expenditure                 | 2010-11               |          |          | 2009-10      |          |          | 2008-09     |          |          |
|---------------------------------------|-----------------------|----------|----------|--------------|----------|----------|-------------|----------|----------|
|                                       | Revenue               | Capital  | Total    | Revenue      | Capital  | Total    | Revenue     | Capital  | Total    |
|                                       | (In crores of rupees) |          |          |              |          |          |             |          |          |
| (1)                                   | (2)                   | (3)      | (4)      | (5)          | (6)      | (7)      | (8)         | (9)      | (10)     |
| Debt Servicing                        | 57,48.52              | 36,83.22 | 94,31.75 | 52,70.78     | 33,47.28 | 86,18.06 | 45,29.54    | 25,97.76 | 71,27.30 |
| Subsidies                             | 63,03.27              | ...      | 63,03.27 | 41,18.14     | ...      | 41,18.14 | 33,99.15    | ...      | 33,99.15 |
| Pension and Other Retirement Benefits | 50,21.79              | ...      | 50,21.79 | 43,30.08     | ...      | 43,30.08 | 49,73.96    | ...      | 49,73.96 |
| Other Expenses                        | 38,39.02              | 4,60.61  | 42,99.63 | 37,21.77     | 5,96.73  | 43,18.50 | 50,22.36    | 2,20.90  | 52,43.26 |
| Financial Assistance / Relief         | 39,57.73              | 0.78     | 39,58.51 | 49,35.26     | 0.94     | 49,36.20 | 32,05.88    | 23.47    | 32,29.35 |
| Capital Expenses                      | 31.66                 | 36,30.96 | 36,62.62 | 16.10        | 29,67.55 | 29,83.65 | 20.32       | 36,98.95 | 37,19.27 |
| Grants-In-Aid                         | 31,47.00              | ...      | 31,47.00 | 22,35.08     | ...      | 22,35.08 | 18,67.30    | ...      | 18,67.30 |
| Pay-Staff @                           | 25,05.61              | 9.15     | 25,14.76 | 24,97.28     | 9.41     | 25,06.69 | 25,41.25    | 12.22    | 25,53.47 |
| Investment                            | ...                   | 23,97.09 | 23,97.09 | ...          | 26,23.69 | 26,23.69 | ...         | 16,70.04 | 16,70.04 |
| Special Component Plan                | 15,32.62              | 5,96.52  | 21,29.14 | 9,86.52      | 4,23.36  | 14,09.88 | 3,77.88     | 1,55.30  | 5,33.18  |
| Roads                                 | 4,47.42               | 16,22.85 | 20,70.27 | 2,30.10      | 11,55.24 | 13,85.34 | 4,03.13     | 11,12.84 | 15,15.97 |
| Major Works                           | 2,70.29               | 15,06.65 | 17,76.94 | 2,81.94      | 12,50.77 | 15,32.71 | 2,99.72     | 8,17.85  | 11,17.57 |
| Dearness Allowance @                  | 16,21.91              | 5.58     | 16,27.49 | 11,14.87     | 3.90     | 11,18.77 | 7,55.33     | 3.21     | 7,58.54  |
| Special Development Plan #            | 3,42.98               | 10,38.74 | 13,81.72 | 2,33.92      | 11,61.04 | 13,94.96 | ...         | 2,85.30  | 2,85.30  |
| Belgaum *                             | 10,01.53              | ...      | 10,01.53 | 9,00.61      | ...      | 9,00.61  | 8,50.81     | ...      | 8,50.81  |
| Tribal Sub-Plan                       | 6,98.27               | 2,58.45  | 9,56.72  | 3,53.59      | 1,44.65  | 4,98.24  | 1,66.09     | 63.19    | 2,29.28  |
| Loans                                 | ...                   | 9,42.85  | 9,42.85  | ...          | 3,49.24  | 3,49.24  | ...         | 6,28.40  | 6,28.40  |
| Construction                          | 4.75                  | 8,14.54  | 8,19.29  | 2.00         | 7,89.07  | 7,91.07  | 5.35        | 7,92.56  | 7,97.91  |
| Contributions                         | 8,10.94               | ...      | 8,10.94  | 1,61.91      | ...      | 1,61.91  | 15.19       | ...      | 15.19    |
| Loans to PSU's and Local Bodies       | ...                   | 7,75.53  | 7,75.53  | ...          | 5,33.23  | 5,33.23  | ...         | 84.78    | 84.78    |
| Special Grants                        | 7,57.16               | ...      | 7,57.16  | ...          | ...      | ...      | ...         | ...      | ...      |
| NABARD Works                          | 23.52                 | 7,19.91  | 7,43.43  | ...          | 5,66.67  | 5,66.67  | ...         | 6,47.13  | 6,47.13  |
| Maintenance                           | 7,12.99               | 5.83     | 7,18.82  | 6,19.31      | 6.34     | 6,25.65  | 6,26.42     | 6.89     | 6,33.31  |
| Gulbarga *                            | 7,17.64               | ...      | 7,17.64  | 8,54.19      | ...      | 8,54.19  | 8,15.28     | ...      | 8,15.28  |
| Tumkur *                              | 6,88.96               | ...      | 6,88.96  | 6,03.65      | ...      | 6,03.65  | 5,82.26     | ...      | 5,82.26  |
| Pay-Officers @                        | 6,14.32               | 1.42     | 6,15.74  | 4,08.86      | 1.23     | 4,10.09  | 3,67.76     | 1.38     | 3,69.14  |
| Bangalore(Urban)*                     | 5,51.01               | ...      | 5,51.01  | 4,82.84      | ...      | 4,82.84  | 4,91.22     | ...      | 4,91.22  |
| Inter Account Transfers               | 10,74.06 (-)          | 5,34.93  | 5,39.13  | 28,08.61 (-) | 5,38.14  | 22,70.47 | 5,44.71 (-) | 4,52.73  | 91.98    |
| Mysore *                              | 5,04.35               | ...      | 5,04.35  | 4,56.47      | ...      | 4,56.47  | 4,34.35     | ...      | 4,34.35  |
| Hassan *                              | 4,95.53               | ...      | 4,95.53  | 4,51.80      | ...      | 4,51.80  | 4,21.00     | ...      | 4,21.00  |
| Bijapur *                             | 4,66.52               | ...      | 4,66.52  | 4,15.01      | ...      | 4,15.01  | 3,62.24     | ...      | 3,62.24  |
| Bidar *                               | 4,43.86               | ...      | 4,43.86  | 3,86.29      | ...      | 3,86.29  | 3,64.08     | ...      | 3,64.08  |
| Other Allowance @                     | 4,40.88               | 0.95     | 4,41.83  | 3,61.52      | 0.87     | 3,62.39  | 4,08.97     | 1.12     | 4,10.09  |
| Shimoga *                             | 4,39.97               | ...      | 4,39.97  | 3,98.93      | ...      | 3,98.93  | 3,62.75     | ...      | 3,62.75  |
| Uttara Kannada *                      | 4,34.33               | ...      | 4,34.33  | 4,41.65      | ...      | 4,41.65  | 3,83.30     | ...      | 3,83.30  |
| Davangere *                           | 4,33.98               | ...      | 4,33.98  | 3,80.34      | ...      | 3,80.34  | 3,71.13     | ...      | 3,71.13  |
| Mandya *                              | 4,26.30               | ...      | 4,26.30  | 3,77.69      | ...      | 3,77.69  | 3,59.65     | ...      | 3,59.65  |
| Chitradurga *                         | 4,20.80               | ...      | 4,20.80  | 3,75.19      | ...      | 3,75.19  | 3,78.32     | ...      | 3,78.32  |

(@) Components of Salaries. See Appendix 2 in Volume 2 of Finance Accounts.

(\*) The amounts shown against these represent the grants released to the Panchayati Raj Institutions (Zilla Panchayat, Taluk Panchayat and Gram Panchayat) in those districts. See Statement 8 in Volume 2 of Finance Accounts.

(#) The details in the previous year was shown against the Object Head with description 'Capital works'.

**STATEMENT NO. 4 - STATEMENT OF EXPENDITURE: CONSOLIDATED FUND - conclud.**

**B. EXPENDITURE BY NATURE – conclud.**

| Object of Expenditure               | 2010-11               |                   |                   | 2009-10           |                   |                   | 2008-09           |                   |                   |
|-------------------------------------|-----------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
|                                     | Revenue               | Capital           | Total             | Revenue           | Capital           | Total             | Revenue           | Capital           | Total             |
|                                     | (In crores of rupees) |                   |                   |                   |                   |                   |                   |                   |                   |
| (1)                                 | (2)                   | (3)               | (4)               | (5)               | (6)               | (7)               | (8)               | (9)               | (10)              |
| Bellary *                           | 4,20.98               | ...               | 4,20.98           | 3,52.51           | ...               | 3,52.51           | 3,66.94           | ...               | 3,66.94           |
| Lumpsum - Zilla Parishads           | 3,78.63               | ...               | 3,78.63           | 5,43.45           | ...               | 5,43.45           | 5,53.15           | ...               | 5,53.15           |
| Bagalkot *                          | 3,77.16               | ...               | 3,77.16           | 3,65.75           | ...               | 3,65.75           | 3,06.69           | ...               | 3,06.69           |
| Haveri *                            | 3,65.95               | ...               | 3,65.95           | 3,21.15           | ...               | 3,21.15           | 3,03.73           | ...               | 3,03.73           |
| Raichur *                           | 3,60.82               | ...               | 3,60.82           | 3,24.83           | ...               | 3,24.83           | 2,97.12           | ...               | 2,97.12           |
| Dakshina Kannada *                  | 3,45.75               | ...               | 3,45.75           | 3,13.44           | ...               | 3,13.44           | 3,02.34           | ...               | 3,02.34           |
| General Expenses                    | 3,45.28               | 1.32              | 3,46.60           | 2,77.08           | 1.74              | 2,78.82           | 2,64.24           | 1.19              | 2,65.43           |
| Kolar *                             | 3,40.85               | ...               | 3,40.85           | 2,97.59           | ...               | 2,97.59           | 3,08.36           | ...               | 3,08.36           |
| Dharwar *                           | 3,33.73               | ...               | 3,33.73           | 2,97.62           | ...               | 2,97.62           | 2,89.38           | ...               | 2,89.38           |
| Chickkamagalore *                   | 3,31.99               | ...               | 3,31.99           | 3,04.01           | ...               | 3,04.01           | 2,93.46           | ...               | 2,93.46           |
| Chikkaballapur *                    | 2,95.42               | ...               | 2,95.42           | 2,86.58           | ...               | 2,86.58           | 2,39.18           | ...               | 2,39.18           |
| Yadgiri *                           | 2,88.61               | ...               | 2,88.61           | ...               | ...               | ...               | ...               | ...               | ...               |
| Koppal *                            | 2,87.81               | ...               | 2,87.81           | 2,41.01           | ...               | 2,41.01           | 2,19.90           | ...               | 2,19.90           |
| Ramanagara *                        | 2,44.41               | ...               | 2,44.41           | 2,39.06           | ...               | 2,39.06           | 2,18.59           | ...               | 2,18.59           |
| Udupi *                             | 2,44.23               | ...               | 2,44.23           | 1,97.83           | ...               | 1,97.83           | 1,98.23           | ...               | 1,98.23           |
| Gadag *                             | 2,42.32               | ...               | 2,42.32           | 2,21.75           | ...               | 2,21.75           | 2,05.84           | ...               | 2,05.84           |
| Chamaraja nagar *                   | 2,29.84               | ...               | 2,29.84           | 2,03.55           | ...               | 2,03.55           | 1,90.15           | ...               | 1,90.15           |
| Bangalore (Rural) *                 | 2,17.75               | ...               | 2,17.75           | 2,09.15           | ...               | 2,09.15           | 2,05.62           | ...               | 2,05.62           |
| Subsidiary Expenses                 | 2,17.57               | ...               | 2,17.57           | 2,78.63           | ...               | 2,78.63           | 1,94.18           | ...               | 1,94.18           |
| Transport Expenses                  | 1,54.79               | ...               | 1,54.79           | 1,37.37           | ...               | 1,37.37           | 1,47.79           | ...               | 1,47.79           |
| Kodagu *                            | 1,40.23               | ...               | 1,40.23           | 1,30.26           | ...               | 1,30.26           | 1,24.86           | ...               | 1,24.86           |
| Modernisation                       | 1,32.26               | 4.97              | 1,37.23           | 1,62.59           | ...               | 1,62.59           | 1,15.50           | ...               | 1,15.50           |
| Travel Expenses                     | 1,21.83               | 0.25              | 1,22.08           | 1,12.10           | 0.22              | 1,12.32           | 93.38             | 0.26              | 93.64             |
| Scholarships and Incentives         | 1,20.17               | ...               | 1,20.17           | 66.30             | ...               | 66.30             | 41.95             | ...               | 41.95             |
| Materials and Supplies              | 1,17.85               | 0.04              | 1,17.89           | 87.02             | 0.22              | 87.24             | 1,34.76           | 0.11              | 1,34.87           |
| Drugs and Chemicals                 | 1,16.72               | ...               | 1,16.72           | 1,35.96           | ...               | 1,35.96           | 1,39.86           | ...               | 1,39.86           |
| Building Expenses                   | 1,04.39               | 0.03              | 1,04.42           | 95.61             | 0.03              | 95.64             | 93.08             | 5.44              | 98.52             |
| Reimbursement of Medical Expenses @ | 80.31                 | 0.08              | 80.39             | 61.06             | 0.13              | 61.19             | ...               | ...               | ...               |
| Machinery and Equipment             | 41.88                 | 19.96             | 61.84             | 21.17             | 3.32              | 24.49             | 28.11             | 3.53              | 31.64             |
| Diet Expenses                       | 30.23                 | ...               | 30.23             | 16.95             | ...               | 16.95             | 14.34             | ...               | 14.34             |
| Loans to Co-operative Societies     | ...                   | 24.83             | 24.83             | ...               | ...               | ...               | ...               | ...               | ...               |
| Land and Buildings                  | 21.36                 | 2.13              | 23.49             | 21.76             | 3.01              | 24.77             | 18.33             | 2.18              | 20.51             |
| Medical Allowance @                 | 18.17                 | 0.06              | 18.23             | 12.20             | 0.03              | 12.23             | ...               | ...               | ...               |
| Consolidated Salaries               | 15.46                 | ...               | 15.46             | 17.21             | ...               | 17.21             | 8.06              | ...               | 8.06              |
| Others                              | 17.60                 | 8.55              | 26.15             | 33.58             | 26.55             | 59.13             | 40.17             | 35.72             | 76.89             |
| Recoveries                          | ...                   | (-) 98.69         | (-) 98.69         | (-) 61.51         | (-) 1.73          | (-) 63.24         | (-) 4.70          | (-) 40.46         | (-) 45.16         |
| <b>Total</b>                        | <b>5,40,33.84</b>     | <b>1,79,00.23</b> | <b>7,19,34.07</b> | <b>4,75,36.92</b> | <b>1,54,26.59</b> | <b>6,29,63.51</b> | <b>4,16,59.29</b> | <b>1,23,79.53</b> | <b>5,40,38.82</b> |

(\*) The amounts shown against these represent the grants released to the Panchayati Raj Institutions (Zilla Panchayat, Taluk Panchayat and Gram Panchayat) in those districts. See Statement 8 in Volume 2 of Finance Accounts.

(@) Components of Salaries. See Appendix 2 in Volume 2 of Finance Accounts.

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NOTES TO ACCOUNTS

NOTES TO ACCOUNTS

(1) Summary of significant accounting policies:

(i) **Entity and Accounting Period:** These accounts present the transactions of the Government of Karnataka for the period 1st April 2010 to 31st March 2011.

(ii) **Basis of Accounting:** With the exception of some book adjustments (note below), the accounts represent the actual cash receipts and disbursements during the account period. Assets are valued at historical cost and Government investment etc. is shown at historical cost. Physical Assets are not depreciated or amortized. The losses of Physical Assets at the end of its life is also not expensed or recognized.

The pension liability of the Government, i.e. the liability towards payment of retirement benefits for the past and the present service of its employees is not included in the accounts. However, the retirement benefits disbursed during the accounts period have been reflected in the accounts.

The expenditure on "Pension and Other Retirement Benefits" to State Government employees during the year was ₹40,69.94 crore (7.53 *per cent* of total revenue expenditure). However, the staff recruited by the State Government w.e.f. 01-04-2006 is covered by Defined Contribution Pension Scheme. Recoveries are being accounted.

However the investment portion has not been finalized.

(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 supposed 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. Expenditure on Grants-in-Aid is recorded as Revenue Expenditure in the books of the Grantor. In the books of the Recipient it is taken as Revenue Receipt.

(2) **Statements/information recommended by Twelfth Finance Commission:** To bring out *greater transparency and to enable informed decision making in Government Accounts, the Twelfth Finance Commission (TFC)* had recommended for inclusion of the following eight additional statements/ information in Finance Accounts. (i) Statement of Subsidies given, both Explicit and Implicit, (ii) Statement containing Expenditure on Salaries by various departments/units, (iii) Detailed Expenditure on pensioners and Expenditure on government pensions, (iv) Data on committed liabilities in the future, (v) Statement containing information on debt and other liabilities as well as repayment schedule, (vi) Accretion to or erosion in financial assets held by the Government including those arising out of changes in the manner of spending by the Government, (vii) Implications of major policy decisions taken by the Government during the year or new schemes proposed in the budget for future cash flows and (viii) Statement on maintenance expenditure with segregation of salary and non-salary portions. The statements/information relating to salaries (Appendix II), pensions (footnote in Statement no. 12) and explicit subsidies (Appendix III) have already been introduced in State Finance Accounts since 2005-06. The statements/ information relating to debt and other liabilities as well as repayment schedule (Annexure to Statement No.15) and financial assets (Statement No.1 and Appendix I) have been introduced in State Finance Accounts since 2007-08. Statement on maintenance expenditure (Appendix XII) has also been introduced in State Finance Accounts since 2008-09.

The information for the remaining two-statements/ information viz. 'committed liabilities in the future' and 'major policy decisions taken by the Government during the year or new schemes proposed in the budget for future cash flows' has not been furnished. The format for these two statements is under revision.

NOTES TO ACCOUNTS - contd.

However in addition to the above, from 2009-10 Finance Accounts onwards several new statements/information have been incorporated which includes detailed analysis of Book and Periodical Adjustments in the Notes to Accounts, Grants-in-aid given by the Government (Statement No.8 and scheme wise details in Appendix IV), loans received and repayments made in respect of Externally Aided Projects (Appendix V), Plan Scheme Expenditure – A. Central Schemes (Centrally Sponsored Schemes and Central Plan Schemes) (Appendix VI A) and B. State Plan Schemes (Appendix VI B), direct transfer of Central Scheme Funds to implementing agencies in the State (Appendix VII) and information pertaining to amount pending settlement after states reorganisation (Appendix XI).

(3) Booking under ‘Other Receipts’ and ‘Other Expenditure’ under Minor Head 800: ₹97,67.88 crore under 82 Revenue, Capital and Loan Major Heads of accounts on expenditure side (representing functions of the Government) was classified under the Minor Head ‘800 - Other Expenditure’ in the accounts constituting about 14.13 *per cent* of the total expenditure (Revenue, Capital and Loan) recorded under the respective Major Heads. A list containing 37 Major Heads with substantial expenditure (25 *per cent* and above of the total expenditure under Major Head concerned is under Minor Head 800) is given in ‘Annexure – A’ to the Notes to Accounts. Several Schemes /Programmes /Activities such as Equities and Investment in Companies, Rural Roads and Road Works, Sewerage and Sanitation Scheme – ‘Suvarna Grama’, Rashtriya Krishi Vikas Yojana, Accelerated Irrigation Benefit Programme, etc. have huge booking under minor head ‘800’. These Schemes/Projects are not depicted distinctly in the Finance Accounts, though the details of this expenditure are depicted at the sub-head (scheme) level or below in the Detailed Demands for Grants and corresponding headwise Appropriation Accounts forming part of the State Government Accounts.

Similarly, ₹34,79.87 crore under 58 Revenue, Capital and Loans Major Heads of accounts on receipts side was classified under the Minor Head ‘800 Other Receipts’ in the accounts constituting about 5.95 *per cent* of the total receipts (Revenue, Capital and Loan) recorded under the respective Major Heads. A list containing 32 Major Heads with substantial receipts (25 *per cent* and above of the total receipts under Major Head concerned are under Minor Head 800) is given in ‘Annexure – A’ to the Notes to Accounts. Several Receipts such as Special Problem Grants (compensation for loss suffered by the State on account of phasing out of the Central Sales Tax and on account of introduction of VAT), have huge receipts booked under minor head ‘800’. These receipts are not depicted distinctly in the Finance Accounts, though the details of these receipts are depicted at the sub-head (scheme) level or below.

Finance Department of Government of Karnataka while giving compliance to Public Accounts Committee on the Comptroller and Auditor Generals’ Report on State Finances for the year ending 31st March 2010, have intimated that a committee has been constituted comprising of representatives of State Government, Audit Office and Accounts Office to scrutinise the existing classification in accordance with the List of Major and Minor Heads of Accounts.

(4) Unadjusted Abstract Contingent Bills (AC Bills): Under Rule 36 of the Government of Karnataka Manual of Contingent Expenditure 1958, the Controlling and Disbursing Officers are authorized to draw sums of money by preparing AC Bills by debiting Service Heads and they are required to present Detailed Contingent Bill (vouchers in support of final expenditure) to the Principal Accountant General (A&E) through treasuries.

The status of outstanding AC Bills is as detailed below:

(Amount ₹ in crore)

Year	Abstract Contingent Bills drawn		Detailed Contingent Bills rendered		Outstanding Abstract Contingent Bills	
	No. of bills	Amount	No. of bills	Amount	No. of bills	Amount
Up to March 2008	11,931	61.62	4,851	25.24	7,080	36.38
2008-09	7,262	69.25	5,497	50.26	1,765	18.99
2009-10	9,348	93.51	6,894	68.36	2,454	25.15
2010-11	9,918	1,03.42	2,732	12.81	7,186	90.61
TOTAL					18,485	1,71.13

NOTES TO ACCOUNTS - contd.

(5) Personal Deposit Accounts:

- a) There were 51 PD accounts at the beginning of the year involving an amount of ₹4,13.39 crore.
- b) During the year ten PD Accounts were opened.
- c) Number of PD accounts closed at the end of the year: NIL.
- d) PD accounts existing at the close of the year: 61.
- e) PD accounts which the Departmental Officers had verified/ reconciled the balances: NIL.
- f) **Transfer of Funds to Personal Deposit Accounts:** Transfer to Personal Deposit Account is booked as expenditure in the Consolidated Fund (service Major Heads) of the State. During 2010-11 an amount of ₹5,31.56 crore was transferred to Personal Deposit Accounts. While Government is authorized to open Personal Deposit Accounts in order to deposit money for specific purposes, the Administrators are required to close such accounts on the last working day of the year and credit the unspent balances to the Government Account (Consolidated Fund). The aggregate amount of the unspent balances in the accounts of the Administrators is as detailed below:

(Amount ₹ in crore)

<i>Particulars</i>	<i>Personal Deposit Accounts</i>			
	<i>Credit</i>		<i>Debit</i>	
	<i>No. of Accounts</i>	<i>Amount</i>	<i>No. of Accounts</i>	<i>Amount</i>
Operative PD Accounts	24	14,41.92	5	4.86
Inoperative PD Accounts	21	70.63	11	11.21

(6) Reconciliation of Receipts and Expenditure: As per the provisions of Financial Code, the authority administering a Grant is responsible for watching the progress of expenditure on Public Services and its control and for keeping the expenditure within the Grant. The Financial Code also prescribes reconciliation of departmental figures of Revenue with those of actual credits into the Treasuries and accounted in the books of Accountant General [A&E]. As per Government Orders, all Drawing and Disbursing Officers shall reconcile figures of expenditure with those booked in the Treasuries and forward reconciled figures to their Controlling Officers. The Accountant General [A&E] forwards the Monthly Statement of Receipt and Expenditure to the Chief Controlling Officer (CCO) soon after rendering Monthly Civil Accounts to the State Government. The Chief Controlling Officer shall reconcile the Receipts and Expenditure figures as furnished by Accountant General [A&E] with those compiled by him/her on the basis of the figures furnished by Drawing and Disbursing Officers and Controlling Officers. The Chief Controlling Officer is responsible for final reconciliation and forwarding certificates of reconciliation.

Out of 79 CCOs for Receipt Heads, 67 CCOs have reconciled fully, 1 CCO has reconciled partially and 11 CCOs have not reconciled at all. Out of 194 CCOs for Expenditure Heads, 165 CCOs have reconciled fully, 3 CCOs have reconciled partially and 26 CCOs have not reconciled at all. Thus, reconciliation has been completed in respect of 86.45 *per cent* of CCOs.

The quantum of expenditure reconciled was for a value of ₹4,52,01.77 crore as against the total expenditure (Revenue and Capital) of ₹6,73,89.01 crore, which works out to 67.08 *per cent*. The major amounts that were not reconciled fall under Major Heads '2202 General Education', '2071 Pensions and Other Retirement Benefits', '3604 Compensation and Adjustments to Local Bodies and Panchayat Raj Institutions', '2225 Welfare of Scheduled Castes Scheduled Tribes and Other Backward Classes', '2515 Other Rural Development Programmes', '5054 Capital Outlay on Roads and Bridges' '2210 Medical and Public Health', '2236 Nutrition', '2217 Urban Development', '4215 Capital Outlay on Water Supply and Sanitation' '2235 Social Security and Welfare'.

On the receipt side, the amount reconciled was for a value of ₹5,72,29.97 crore as against the total Receipts (Revenue and Capital) of ₹5,82,78.04 crore which works out to 98.20 *per cent*.

In respect of Loans and Advances, the reconciliation was not carried out by any of the CCOs concerned.

(7) Submission of Accounts by Treasuries: There are 33 District Treasuries in the State. During the year 2010-11, Treasury accounts received and accounted were 396. Delay noticed in rendering of monthly accounts by the treasuries, upto 15 days on 258 occasions, over 15 days and less than one month on 19 occasions and over one month and less than two months on 3 occasions. Some of the treasuries, which are

NOTES TO ACCOUNTS - contd.

regularly rendering the accounts with delay of more than 15 days, are State Huzur Treasury, Bangalore Urban, Bangalore Rural and Raichur. Delay in rendering of accounts by the treasuries leads to delay in submission of monthly accounts by the Accountant General to the State Government.

(8) Utilization Certificates (UCs) for Grants-in-Aid: Government while sanctioning grants to various bodies may stipulate that the UCs for the grants released have to be forwarded to Accountant General. For these sanctions Accountant General keeps a watch over utilization. To the end of 2010-11 UCs amounting to ₹16,46.48 crore are yet to be received. The status of UCs yet to be received is as detailed below:

Year	<i>Pending Grants-in-aid bills for want of Utilization Certificates</i>	
	No. of UCs	Amount (In crores of rupees)
Up to March 2008	2,569	10,29.84
2008-09	30	20.19
2009-10	33	99.53
2010-11	186	4,96.92
TOTAL	2,818	16,46.48

(9) 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 in this 'Notes to Accounts' as 'Annexure – B' and as footnotes in the relevant statements.

(i) Creation of Funds/Adjustment of contribution to Funds in Public Account by debit to Consolidated Fund. (Eg. State Disaster Response Fund, Reserve Funds, Sinking Fund etc.)

(ii) Crediting of Deposits Heads of Account in Public Account by debit to Consolidated Fund.

(iii) Annual Adjustment of interest on General Provident Fund and State Government Group Insurance Scheme where interest on General Provident Fund of State Government is adjusted by debiting '2049-Interest Payments' and crediting '8009-General Provident Fund'.

(10) Cash balance (Deposits with RBI): In the accounts Cash balance (Deposits with RBI) reflected is ₹6,57.14 crore (Credit). The cash balance reported by RBI as on 31st of March 2011 is ₹6,88.43 crore (Debit). At the end of March 2011 accounts there was a net difference of ₹31.29 crore (Credit). The difference is mainly due to discrepancy in figures indicated by the agency banks in Verified Date wise Monthly Statements (VDMS) and those reported to Reserve Bank of India by Agency Banks. At the end of June 2011 accounts, net discrepancy to the extent of ₹11.19 crore (Credit) has been reconciled and adjusted. The remaining net difference of ₹20.10 crore (Credit) is under reconciliation.

(11) Guarantees: Guarantees reported in Statement No. 9 are on the basis of the information received from the State Government, which is the authority for issuing such Guarantees. The outstanding amount of Guarantees as on first April 2011 is ₹64,48.40 crore (Principal) and ₹1,69.30 crore (Interest) and is within the limits prescribed in the Act. The limit as prescribed in the Karnataka Ceiling on Government Guarantees Act, 1999 is that the total outstanding Government guarantees as on the first of April of any year shall not exceed 80 *per cent* of the State's Revenue Receipts of the second preceding year as in the books of the Accountant General of Karnataka.

In consideration of the Guarantees given by the Government, the Institutions are required to pay Guarantee Commission to the Government at a minimum of one *percent* on the amount of Guarantee outstanding. To end of 2010-11, against Guarantee Commission of ₹4,60.49 crore receivable, amount received was ₹1,42.80 crore.

NOTES TO ACCOUNTS - contd.

(12) In respect of Loans and Investments, for which detailed accounts are kept by the State Government Departments, constant efforts are being made to obtain complete information. This year the information in respect of 32 institutions was obtained and incorporated in Statement No. 7 (ii) b.

(13) 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 balances separately under various heads. The position of gross figures under some of major Suspense and Remittance heads to the end of last three years is as detailed below;

a) Suspense Head (8658 – Suspense Accounts):

(Amount ₹ in crore)

Name of Minor Head	2008-09		2009-10		2010-11	
	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.
101 - Pay and Accounts Office Suspense	65.18	18.32	75.84	18.27	60.49	0.05
Net	Dr. 46.86		Dr.57.57		Dr. 60.44	
102 - Suspense Account (Civil)	28.98	12.78	29.21	11.23	25.24	6.86
Net	Dr. 16.20		Dr. 17.98		Dr.18.38	
109 - R B Suspense – Head Quarters	0.05	0.49	...	0.47	...	0.47
Net	Cr. 0.44		Cr. 0.47		Cr. 0.47	
110 - R B Suspense – Central Accounts Office	39.13	88.08	33.17	1,07.34	59.24	99.82
Net	Cr. 48.95		Cr. 74.17		Cr. 40.58	
112 - Tax Deducted at Source Suspense	1,92.41	1,68.11	2,04.40	2,06.10	2,10.61	2,23.81
Net	Dr. 24.30		Cr. 1.70		Cr.13.20	

The clearances in the previous three years are as detailed below:

(Amount ₹ in crore)

Name of Minor Head	2008-09		2009-10		2010-11	
	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.
101 - Pay and Accounts office Suspense	15.12	...	17.49	0.50	...	37.56
102 - Suspense Account (Civil)	2.21	0.07	7.32	3.89	7.04	5.25
109 - R B Suspense - Head Quarters	0.03	...	2.15	20.38	4.01	34.90
110 - R B Suspense - Central Accounts Office	20,92.84	14,78.62	23,98.42	20,86.73	40,20.90	45,52.77
112 - Tax Deducted at Source Suspense	1,68.11	1,92.41	...	2,04.35	...	2,10.61

NOTES TO ACCOUNTS - contd.

b) Remittance Heads (8782 and 8793):

(Amount ₹ in crore)

Name of Minor Head	2008-09		2009-10		2010-11	
	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.
Major Head: 8782 - Cash Remittances and adjustments between officers rendering accounts to the same Accounts Officer						
101 – Cash Remittances between Treasuries and Currency Chests	...	0.40	...	0.41	...	0.41
Net	Cr. 0.40		Cr. 0.41		Cr. 0.41	
102 – Public Works Remittances	3,59.73	30.62	3,83.59	22.09	4,01.77	24.99
Net	Dr. 3,29.11		Dr. 3,61.50		Dr. 3,76.78	
103 – Forest Remittances	16.39	5.76	11.96	0.18	14.18	0.02
Net	Dr. 10.63		Dr. 11.78		Dr. 14.16	
104 – Remittances of Government Commercial Undertakings	16.27	5.21	16.27	5.21	11.51	0.45
Net	Dr. 11.06		Dr. 11.06		Dr. 11.06	
105 – Reserve Bank of India Remittances	2.41	...	2.41	...	2.41	...
Net	Dr. 2.41		Dr. 2.41		Dr. 2.41	
108 – Other Departmental Remittances	0.01	...	0.01	...	0.02	...
Net	Dr. 0.01		Dr. 0.01		Dr. 0.02	
110 – Miscellaneous Remittances	0.40	...	0.40	...	0.40	...
Net	Dr. 0.40		Dr. 0.40		Dr. 0.40	
Major Head: 8793 – Interstate Suspense Account						
Interstate Suspense Account	9.34	...	12.28	...	29.49	...
Net	Dr. 9.34		Dr. 12.28		Dr. 29.49	

The clearances in the previous three years are as detailed below:

(Amount ₹ in crore)

Name of Minor Head	2008-09		2009-10		2010-11	
	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.
Major Head: 8782 - Cash Remittances and adjustments between officers rendering accounts to the same Accounts Officer						
101 – Cash Remittances between Treasuries and Currency Chests	...	...	...	...	...	...
102 – Public Works Remittances	2,44.79	7,83.09	98.92	7,49.71	34.25	7,75.75
103 – Forest Remittances	...	1,53.20	...	4,16.20	...	6,82.62
104 – Remittances of Government Commercial Undertakings	...	...	...	...	...	...
105 – Reserve Bank of India Remittances	...	...	...	...	...	...
110 – Miscellaneous Remittances	...	...	...	...	...	...
Major Head: 8793 – Interstate Suspense Account						
Interstate Suspense Account	1,77.71	4.64	1,47.59	4.36	1,60.57	6.97

Constant efforts are underway to clear the balances under these heads. However, clearance of Suspense and Remittance items depends on the details furnished by the Government Departments/ Works and Forest Divisions/ Central Ministries/ Pay and Accounts Offices/ Reserve Bank of India etc. An analysis of old items is detailed in Annexure to Statement No.18.

c) Un-encashed Cheques – 8670: Balances under ‘8670 – Un-encashed Cheques’ to the end of 31st March 2011 is ₹41,94.50 crore.

NOTES TO ACCOUNTS - contd.

(14) **Reserve Funds:** Twelfth Finance Commission has recommended that States should set up Sinking Funds for amortization of all loans including loans from banks, liabilities on account of National Small Savings Fund etc. and should not be used for any other purpose, except for redemption of Loans and Guarantee Redemption Fund for discharge of the States' obligations on guarantees.

i) **Sinking Fund:** There exists a Sinking Fund for amortization of Market Loans. However from the year 1999-2000, funds were not provided under the Major Head '2048 - Appropriation for reduction or avoidance of Debt' for contribution to the existing Sinking Fund. The existing fund has not been revived as per the recommendations of the Twelfth Finance Commission.

ii) **Guarantee Redemption Fund:** Guarantee Redemption Fund as recommended by the Finance Commission has not been set up. However, in the year 1999-2000 State Government had set up a Guarantee Reserve Fund in the Public Account with a corpus of ₹1.00 crore. There has been no transaction under this fund. The State Government has stated that the setting up of Guarantee Redemption Fund and transfer of Guarantee Commission receipts to the Fund and expenditure if any, as met out of the Fund will be considered at the appropriate time. However, Government issued orders to transfer the expenditure of ₹24.84 crore being the loan released to Sugar Companies by Government in discharging its guarantee obligation, to the Fiscal Management Fund.

iii) **Other Funds:** In addition to the above there are 31 other Funds, out of which 11 Funds are active. The total accumulated balance as at the end of 31st March 2011 in these Funds was ₹1,01,13.60 crore (₹1,00,72.11 crore in Active Funds and ₹41.49 crore in Dormant Funds). During the year an amount of ₹22,39.89 crore was transferred as contribution to the Funds. This expenditure was covered by Receipts to the extent of ₹13,99.64 crore (Tax and Non-tax receipts – ₹11,23.77 crore, Grants-in-Aid from Government of India - ₹2,31.69 crore and Public Contribution of ₹44.18 crore) and the remaining amount of ₹8,40.25 crore (₹1,50.00 crore - Contribution for Fiscal Management Fund, ₹40.24 crore being States share for State Disaster Relief Fund and ₹6,50.00 crore being the augmentation of Bangalore Metro Rail Corporation Limited Fund) was met from the State Budgetary support. The total expenditure shown as met out of these Funds was ₹11,68.88 crore. This includes ₹1,44.62 crore transferred to the BMRCL Fund as against the total funds released to Bangalore Metro Rail Corporation Limited during the year which was ₹11,76.04 crore (loan of ₹7,00.00 crore and investment of ₹4,76.04 crore).

An expenditure of ₹1.48 crore relating to Consumer Welfare Fund was not transferred from Consolidated Fund to Public Account.

A detailed review of Reserve Funds indicated 20 dormant reserve funds for over 30 years, 2 reserve funds requiring further analysis, and 17 reserve funds which could be considered for winding up etc., which were brought to notice of Government of Karnataka. Balances are being reconciled.

(15) The State Government provides funds to State /District level autonomous bodies and authorities, societies, non-governmental organizations, etc. for implementation of Centrally Sponsored Schemes (State Share) and State Schemes. From the current year the Finance Accounts detailed information on plan schemes is furnished in Appendix VI and VII. 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. The Government expenditure as reflected in the Accounts to that extent is, therefore, not final.

(16) The Karnataka Fiscal Responsibility Act, 2002 is to ensure fiscal stability and sustainability by achieving sufficient revenue surplus, reducing fiscal deficit and removing impediments to the effective conduct of fiscal policy and prudent debt management. As per Section 3 of the Act, Medium Term Fiscal Plan is to be laid before Legislature by the State Government along with Annual Budget and the same has been complied with.

NOTES TO ACCOUNTS - conclud.

Section 4 of the Act enunciates Fiscal Management Principles for guidance of State Government. Sub section (3) under Section 4 provides for reducing revenue deficit to nil within a period of four financial years beginning on 1st of April 2002 and reducing fiscal deficit as a percentage Gross State Domestic Product (GSDP), reducing fiscal deficit below the prescribed percentage of GSDP, not to give guarantee for any amount exceeding the limit stipulated under the Karnataka Ceiling to Government Guarantees Act,1999 and ensure within a period of thirteen financial years, beginning 1st April 2002 that the total liabilities do not exceed twenty five per cent of the estimated GSDP for that year. The State Government has adhered to Section 4 of the Act as enunciated in Fiscal Management Principles.

Section 5 envisages that the State Government shall disclose at the time of presentation of the annual budget - the significant changes in the accounting standards, policies and practices affecting or likely to affect the computation of prescribed fiscal indicators; as far as practicable, and consistent with protection of public interest, the actual liabilities arising out of borrowings by Public Sector Undertakings and Special Purpose Vehicles and other equivalent instruments where liability for repayment is on the State Government; all claims and commitments made by the State Government having potential budgetary implications, including revenue demands raised but not realized; tax expenditure, losses incurred in providing public goods and services through public utilities and undertakings, liability in respect of major works and contracts; and subsidy payments and the impact of the same on the fiscal position of the State including in relation to the targets referred to in sub-section (3) of Section 4.

However, information regarding Devolution to Urban Local Bodies and Panchayat Raj Institutions, Explicit Subsidy extended by the State Government, Off Budget Borrowings and Consolidated Deficits, Tax Arrears and Guarantees given by Government has been disclosed in the 'Overview of Budget'.

(17) i) The Appendix XII on Maintenance does not depict salary component, as this is not captured in accounts.

ii) The item salaries in Statement 2 / Appendix II represents salaries of State sector only, the salaries of employees of PRI Institutions is not captured in accounts separately, however it forms a part of the grants released to PRI Institutions.

iii) Only details of explicit subsidy are given in Appendix III. The implicit subsidy released to Karnataka Bhagya Jala Nigam ₹93.00 crore and Karnataka Neeravari Nigam Limited ₹4.00 crore is not reflected in accounts.

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**ANNEXURE - A TO NOTES TO ACCOUNTS - BOOKING UNDER MINOR HEAD 800**

**‘800 – Other Expenditure’:**

(Amount ₹ in crore)

| <i>Sl. No.</i> | <i>Major Head</i> | <i>Expenditure under 800</i> | <i>Total Expenditure under Major Head concerned</i> | <i>Percentage</i> |
|----------------|-------------------|------------------------------|-----------------------------------------------------|-------------------|
| 1              | 2013              | 4.35                         | 10.11                                               | 43.02             |
| 2              | 2216              | 3,24.72                      | 8,54.83                                             | 37.99             |
| 3              | 2217              | 4,89.73                      | 9,86.29                                             | 49.65             |
| 4              | 2245              | 62.67                        | 1,66.17                                             | 37.72             |
| 5              | 2250              | 1,94.81                      | 2,52.59                                             | 77.12             |
| 6              | 2401              | 4,38.84                      | 10,35.70                                            | 42.37             |
| 7              | 2402              | 72.10                        | 1,61.83                                             | 44.55             |
| 8              | 2405              | 25.63                        | 67.95                                               | 37.72             |
| 9              | 2515              | 4,23.38                      | 11,47.93                                            | 36.88             |
| 10             | 2575              | 1,08.17                      | 1,08.17                                             | 100.00            |
| 11             | 2700              | 9.28                         | 35.35                                               | 26.25             |
| 12             | 2701              | 1,04.46                      | 1,40.20                                             | 74.51             |
| 13             | 2852              | 86.49                        | 1,82.96                                             | 47.27             |
| 14             | 3055              | 3,15.90                      | 3,15.90                                             | 100.00            |
| 15             | 3056              | 0.63                         | 2.52                                                | 25.00             |
| 16             | 3435              | 3.91                         | 10.99                                               | 35.58             |
| 17             | 3452              | 29.00                        | 1,03.12                                             | 28.12             |
| 18             | 3456              | 9.32                         | 10.96                                               | 85.03             |
| 19             | 3475              | 6,50.00                      | 13.89.31                                            | 46.79             |
| 20             | 4070              | 0.09                         | 0.09                                                | 100.00            |
| 21             | 4215              | 4,02.24                      | 10,13.28                                            | 39.70             |
| 22             | 4217 (#)          | 4,92.60                      | 3,47.98                                             | 141.56            |
| 23             | 4401              | 22.20                        | 35.15                                               | 63.16             |
| 24             | 4515              | 45.95                        | 1,25.24                                             | 36.69             |
| 25             | 4575              | 3,77.39                      | 3,77.39                                             | 100.00            |
| 26             | 4700              | 15.83                        | 39.73                                               | 39.84             |
| 27             | 4701              | 11,54.45                     | 39,95.62                                            | 28.89             |
| 28             | 4852              | 4.79                         | 4.79                                                | 100.00            |
| 29             | 5054              | 9,69.85                      | 29,01.78                                            | 33.42             |
| 30             | 5055              | 65.76                        | 1,66.76                                             | 39.43             |
| 31             | 5452              | 1,05.98                      | 1,05.98                                             | 100.00            |
| 32             | 6211              | 0.40                         | 0.40                                                | 100.00            |
| 33             | 6217              | 7,00.00                      | 7,00.00                                             | 100.00            |
| 34             | 6235              | 2.00                         | 2.00                                                | 100.00            |
| 35             | 6425              | 2.00                         | 5.34                                                | 37.45             |
| 36             | 6852              | 17.98                        | 17.98                                               | 100.00            |
| 37             | 7465              | 33.00                        | 33.00                                               | 100.00            |

(#) Includes accounting recoveries to the extent of ₹1,44.92 crore (which includes amount transferred to fund – ₹1,44.62 crore and recoveries – ₹0.30 crore) and hence the percentage is more than 100.



**ANNEXURE - B TO NOTES TO ACCOUNTS - PERIODICAL AND BOOK ADJUSTMENTS**

**A - Periodical Adjustments:**

(Amount ₹ in crore)

| <i>Sl. No</i> | <i>Adjustment</i>                                                                                  | <i>Heads of Account affected</i>                                                               |                                                                                                 | <i>Amount</i> | <i>Remarks</i>                                                                                                                                                                                                                    |
|---------------|----------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|---------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1             | Adjustment of Grants-in-aid from Central Road Fund                                                 | 3054-80-797-0-02-261<br>(Transfer of Grants from Central Road Fund)                            | 8449-00-103-0-00-000<br>(Subvention from Central Road Fund)                                     | 1,10.97       | Adjustment relating to Central Road Fund                                                                                                                                                                                          |
|               |                                                                                                    | 5054-80-902-0-01<br>(Capital Outlay on Roads and Bridges – amount met from Central Road Fund)  | 8449-00-103-0-00-000<br>(Subvention from Central Road Fund)                                     | 70.97         | Expenditure under 5054 in respect of CRF transferred to 8449                                                                                                                                                                      |
| 2             | Adjustment relating to Karnataka Power Corporation / Karnataka Power Transmission Corporation Ltd. | 2801-80-101-1-04-106<br>(Subsidy to Karnataka Power Transmission Corporation Limited)          | 6801-00-190-1-01-394<br>(Karnataka Power Transmission Corporation Limited)                      | 13.06         | Tariff Subsidy to Electricity Supply Companies for financial year 2010 - 11 and other cash support to Karnataka Power Transmission Corporation Limited. - Adjustment of dues from KPTCL, ESCOMS & KPCL to Government of Karnataka |
|               |                                                                                                    |                                                                                                | 6801-00-190-1-02-394<br>(Prime Minister Gramodaya Yojane - Rural Electrification)               | 1.02          |                                                                                                                                                                                                                                   |
|               |                                                                                                    |                                                                                                | 6801-00-190-2-01-394<br>(Energisation of Irrigation works)                                      | 1.18          |                                                                                                                                                                                                                                   |
|               |                                                                                                    |                                                                                                | 6801-00-190-2-02-394<br>(Power sector automation)                                               | 0.96          |                                                                                                                                                                                                                                   |
|               |                                                                                                    |                                                                                                | 0043-00-101-0-01-000<br>(Taxes on Consumption and sale of electricity- Tax Collections)         | 1,98.04       |                                                                                                                                                                                                                                   |
|               |                                                                                                    |                                                                                                | 0049-04-190-0-01-000<br>(Interest on loans to Karnataka Power Transmission Corporation Limited) | 14.81         |                                                                                                                                                                                                                                   |
|               |                                                                                                    |                                                                                                | 0801-01-201-0-01-000<br>(Royalty etc. recovered from Karnataka Power Corporation Limited)       | 39.83         |                                                                                                                                                                                                                                   |
|               |                                                                                                    |                                                                                                | 0075-00-108-0-01-000<br>(Guarantee Fees)                                                        | 2.46          |                                                                                                                                                                                                                                   |
| 3             | Capitalization of Chief Engineer's Establishment Charges                                           | 2700-03-001-0-01-261<br>(Tungabhadra Project Left Bank Canal)                                  | 4700-04-001-0-02-261<br>(C.O. on Tungabhadra Project LBC)                                       | 8.92          | Proportionate expenditure on establishment Charges initially booked under 2700 in respect of projects transferred to 4700                                                                                                         |
| 4             | Police Force lent to Forest Department.                                                            | 2055-00-109-1-01-261<br>(Police Establishment in existing Districts - Inter account transfers) | 2406-01-001-2-01-261<br>(Forest and Wild Life – Executive and General Establishment)            | 0.15          | Expenditure initially incurred under Police transferred to Forest Department Head                                                                                                                                                 |



**ANNEXURE - B TO NOTES TO ACCOUNTS - PERIODICAL AND BOOK ADJUSTMENTS - contd.**

**A – Periodical Adjustments - contd.**

(Amount ₹ in crore)

| <i>Sl. No</i> | <i>Adjustment</i>            | <i>Heads of Account affected</i>                                                                                                                           |                                                                                                                  | <i>Amount</i> | <i>Remarks</i>                                                                                                                                                               |
|---------------|------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------|---------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 5             | Forest Department            | 2406-01-797-0-01-261<br>(Transfer of Forest Dev. Tax to Karnataka Forest Development Fund)                                                                 | 8229-00-200-0-04-000<br>(Karnataka Forest Development Fund)                                                      | 5,57.28       | Transfer of Forest Development Tax collected and initially accounted under Major Head 0045 to Major Head '8229 - Karnataka Forest Development Fund'                          |
|               |                              | 2406-02-797-0-01-261<br>(Transfer of Receipts from Sanctuaries to Protected Area Management Fund)                                                          | 8229-00-200-0-29-000<br>(Protected Area Management Fund)                                                         | 7.61          | Transfer of Receipts from Sanctuaries Major Head 0406 to Protected Area Management Fund                                                                                      |
|               |                              | 2406-01-902-0-00-261<br>(Amount met from Karnataka Forest Development Fund)                                                                                | 8229-00-200-0-04-000<br>(Karnataka Forest Development Fund)                                                      | 48.97         | Expenditure initially incurred under Major Head 2406 has been transferred to Major Head '8229 – Karnataka Forest Development Fund'                                           |
|               |                              | 2406-02-902-0-00-261<br>(Amount met from Protected Area Management)                                                                                        | 8229-00-200-0-29-000<br>(Protected Area Management Fund)                                                         | 3.11          | Expenditure initially incurred under Major Head 2406 has been transferred to Major Head '8229 – Protected Area Management Fund'                                              |
| 6             | Village and Small Industries | 2851-00-797-0-01-261<br>(Transfer of Market Fees & License Fees to Karnataka Silk Worm Seed Cocoon and Silk Yarn Development and Price Stabilization Fund) | 8229-00-200-0-09-000<br>(Karnataka Silk Worm Seed Cocoon and Silk Yarn Development and Price Stabilization Fund) | 24.61         | Transfer of Market Fees and License Fees initially accounted under Major Head 0851 to Karnataka Silk Worm Seed Cocoon and Silk Yarn Development And Price stabilization Fund |
| 7             | Village and Small Industries | 2851-00-902-0-00-261<br>(Transfer of Expenditure met from Karnataka Silkworm Seed Cocoon and Silk Yarn Development and Price Stabilization Fund)           | 8229-00-200-0-09-000<br>(Karnataka Silk Worm Seed Cocoon and Silk Yarn Development and Price Stabilization Fund) | 4.72          | Expenditure initially incurred under Major Head 2851 has been transferred to '8229 – Karnataka Silkworm Seed Cocoon and Silk Yarn Development Stabilization Fund'            |

**ANNEXURE - B TO NOTES TO ACCOUNTS - PERIODICAL AND BOOK ADJUSTMENTS - contd.**

**A – Periodical Adjustments - contd.**

(Amount ₹ in crore)

| <i>Sl. No</i> | <i>Adjustment</i>      | <i>Heads of Account affected</i>                                             |                                                                                     | <i>Amount</i> | <i>Remarks</i>                                                                                                                                                                                                                                                                                                                                                                                  |
|---------------|------------------------|------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|---------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 8             | Other General Services | 3475-00-797-0-01-261<br>(Transfer of cess to Infrastructure Initiative Fund) | 8229-00-200-0-19-000<br>(Infrastructure Initiative Fund)                            | 2,94.40       | Transfer of Infrastructure cess collections initially accounted under Major Head '0039 – State Excise', '0041 – Taxes on Vehicles' and '0030 – Stamps and Registration' to '1475 – Other General Economic Services'. The same has been transferred from Major Head '3475 – Other General Economic Services' to Major Head '8229 – Infrastructure Initiative Fund', CM's RRD Fund and BMRCL Fund |
|               |                        |                                                                              | 8229-00-200-0-31-000<br>(Chief Minister's Rural Road Development Fund)              | 77.47         |                                                                                                                                                                                                                                                                                                                                                                                                 |
|               |                        |                                                                              | 8229-00-200-0-32-000<br>(Bangalore Metro Rail Corporation Ltd. Fund)                | 1,44.62       |                                                                                                                                                                                                                                                                                                                                                                                                 |
|               |                        | 5465-01-902-0-00<br>(Amount met from Infrastructure Initiative Fund)         | 8229-00-200-0-62<br>Development and Welfare funds<br>Infrastructure Initiative Fund | 2,94.40       |                                                                                                                                                                                                                                                                                                                                                                                                 |
|               |                        | 4217-60-902-0-00<br>(Amount met from BMRCL Fund)                             | 8229-00-200-0-61<br>BMRCL Fund                                                      | 1,44.62       |                                                                                                                                                                                                                                                                                                                                                                                                 |
|               |                        | 3054-80-902-0-00<br>(Expenditure met from CM RRD Fund)                       | 8229-00-200-0-31<br>CM's RRD Fund                                                   | 77.47         |                                                                                                                                                                                                                                                                                                                                                                                                 |
|               |                        | 3475-00-797-0-08-104<br>(Fiscal Management Fund – Contributions)             | 8235-00-200-0-05<br>(Fiscal Management Fund)                                        | 1,50.00       |                                                                                                                                                                                                                                                                                                                                                                                                 |
|               |                        | 3475-00-800-0-07<br>(Augmenting Infrastructure Initiative Fund)              | 8229-00-200<br>Other Development and Welfare fund                                   | 6,50.00       |                                                                                                                                                                                                                                                                                                                                                                                                 |

**ANNEXURE - B TO NOTES TO ACCOUNTS - PERIODICAL AND BOOK ADJUSTMENTS - contd.**

**A – Periodical Adjustments - contd.**

(Amount ₹ in crore)

| <i>Sl. No</i> | <i>Adjustment</i>                                                                         | <i>Heads of Account affected</i>                                                                                  |                                                                                    | <i>Amount</i> | <i>Remarks</i>                                                                                                                                                                                          |
|---------------|-------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|---------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 9             | State Disaster Response Fund                                                              | 2245-05-101-0-03-261<br>(Relief on account of Natural Calamities – Central share to State Disaster Response Fund) | 8121-00-122-1-00-<br>(State Disaster Response Fund of Karnataka)                   | 1,20.72       | Central share of SDRF (₹120.72 crore) and State share of SDRF (₹40.24 crore) has been transferred to '8121- State Disaster Response Fund of Karnataka' by debiting '2245- State Disaster Response Fund' |
|               |                                                                                           | 2245-05-101-0-04-261<br>(State Share to State Disaster Response Fund)                                             | 8121-00-122-1-00-<br>(State Disaster Response Fund)                                | 40.24         |                                                                                                                                                                                                         |
|               |                                                                                           | 2245-05-901-0-01-261<br>(Amount met from State Disaster Response Fund – Inter Account Transfers)                  | 8121-00-122-1-00<br>(State Disaster Response Fund of Karnataka)                    | 1,51.16       |                                                                                                                                                                                                         |
| 10            | Travel concession                                                                         | 2011-02-800-0-03-041<br>(Travel concession to Ex Members of Legislative Assembly)                                 | 0041-00-102<br>(Taxes on Vehicles and Service Tax)                                 | 0.17          | Motor Vehicles Tax due to Government by State Transport Corporations adjusted towards free bus passes provided to Ex-MLAs                                                                               |
| 11            | Adjustment of Interest on Fund Balance                                                    | 2049<br>(Interest Payments)                                                                                       | 8011<br>(Insurance and Pension Funds)                                              | 2.09          | Adjustment of amount of interest accumulated on Group Insurance and Savings Schemes                                                                                                                     |
|               |                                                                                           | Group Insurance Savings Scheme                                                                                    |                                                                                    | 98.01         |                                                                                                                                                                                                         |
| 12            | Industries – Departmentally managed Government Commercial Undertakings - Capital invested | 2852-08-202-1-01-243<br>(Consumer Industries Textiles - Government Silk Filature, Kollegal)                       | 0049-04-103-0-02-000<br>(Government Silk Filature, Kollegal)                       | 0.18          | Interest on Capital invested in Government Commercial Undertakings by Government                                                                                                                        |
|               |                                                                                           | 2852-08-202-2-01-243<br>(Government Silk Filature, Santemarahalli)                                                | 0049-04-103-0-04-000<br>(Government Silk Filature, Santemarahalli)                 | 0.07          |                                                                                                                                                                                                         |
|               |                                                                                           | 2852-08-202-3-01-243<br>(Government Silk Filature, Chamarajanagar)                                                | 0049-04-103-0-03-000<br>(Government Silk Filature, Chamarajanagar)                 | 0.26          |                                                                                                                                                                                                         |
|               |                                                                                           | 2852-08-202-4-01-243<br>(Government Silk Filature, Mamballi)                                                      | 0049-04-103-0-05-000<br>(Government Silk Filature, Mamballi)                       | 0.18          |                                                                                                                                                                                                         |
|               |                                                                                           | 2852-08-202-5-01-243<br>(Government Silk Twisting and Weaving Factory, Mudigundam)                                | 0049-04-103-0-06-000<br>(Government Silk Twisting and Weaving Factory, Mudigundam) | 0.06          |                                                                                                                                                                                                         |

**ANNEXURE - B TO NOTES TO ACCOUNTS - PERIODICAL AND BOOK ADJUSTMENTS - contd.**

**A – Periodical Adjustments - contd.**

(Amount ₹ in crore)

| <i>Sl. No</i> | <i>Adjustment</i>                                                                                                       | <i>Heads of Account affected</i>                                                              |                                                                                                          | <i>Amount</i> | <i>Remarks</i>                                                                                          |
|---------------|-------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------|---------------|---------------------------------------------------------------------------------------------------------|
| 13            | Industries –<br>Departmentally<br>managed<br>Government<br>Commercial<br>Undertakings –<br>Depreciation<br>Reserve Fund | 2049-05-101-1-01-240<br>(Interest on Reserve<br>Funds. Government Silk<br>Filature, Kollegal) | 0852-08-202-1-02-000<br>(Textiles – Government<br>Silk Filature, Kollegal)                               | 0.01          | Interest on<br>Depreciation Reserve<br>Fund                                                             |
|               |                                                                                                                         | 2049-05-101-1-03-240<br>(Government Silk<br>Filature,<br>Chamarajanagar)                      | 0852-08-202-3-02-000<br>(Government Silk<br>Filature,<br>Chamarajanagar)                                 | 0.02          |                                                                                                         |
|               |                                                                                                                         | 2049-05-101-1-04-240<br>(Government Silk<br>Filature, Santemarahalli)                         | 0852-08-202-2-02-000<br>(Government Silk<br>Filature, Santemarahalli)                                    | 0.02          |                                                                                                         |
|               |                                                                                                                         | 2049-05-101-1-05-240<br>(Government Silk<br>Filature, Mamballi)                               | 0852-08-202-4-02-000<br>(Government Silk<br>Filature, Mamballi)                                          | 0.03          |                                                                                                         |
|               |                                                                                                                         | 2049-05-101-1-06-240<br>(Government Silk<br>Twisting and Weaving<br>Factory, Mudigundam)      | 0852-08-202-5-02-000<br>(Government Silk<br>Twisting and Weaving<br>Factory, Mudigundam)                 | 0.01          |                                                                                                         |
| 14            | Industries –<br>Consumer Industries<br>– Textiles                                                                       | 2852-08-202-2-01-271<br>(Government Silk<br>Filature, Santemarahalli)                         | 8115-00-103-0-15-000<br>(Government Silk<br>Filature, Santemarahalli)                                    | 0.01          | Amount transferred to<br>Depreciation/<br>Renewal Reserve<br>Funds                                      |
|               |                                                                                                                         | 2852-08-202-4-01-271<br>(Government Silk<br>Filature, Mamballi)                               | 8115-00-103-0-16-000<br>(Government Silk<br>Filature, Mamballi)                                          | 0.01          |                                                                                                         |
| 15            | Adjustment of<br>interest on<br>K.S.L.I (O.B)                                                                           | 2049-03-108-1-01<br>(State Government<br>Insurance Fund)                                      | 8011-00-105-1-01-000<br>(Subscriptions to<br>Karnataka State Life<br>Insurance Fund -Official<br>Branch) | 3,52.65       | Adjustment of amount<br>of interest<br>accumulated on KSLI<br>(OB), Motor<br>Insurance, HSLI and<br>FBF |
|               | Motor Insurance                                                                                                         | 2049-03-108-1-02<br>(Motor Insurance Fund)                                                    | 8011-00-105-2-00<br>(Motor Insurance Fund)                                                               | 10.45         |                                                                                                         |
|               | H.S.L.I                                                                                                                 | 2049-03-108-1-03<br>(Hyderabad State Life<br>Insurance Fund)                                  | 8011-00-105-3-00<br>(Andhra Pradesh Life<br>Insurance Fund)                                              | 0.41          |                                                                                                         |
|               | F.B.F                                                                                                                   | 2049-03-108-2-00<br>(Government Employees<br>Family Benefit Fund)                             | 8011-00-102-0-<br>(Karnataka Government<br>Employees Family<br>Benefit Fund)                             | 7.98          |                                                                                                         |
| 16            | Adjustment of<br>interest on G.P.F                                                                                      | 2049-03-104-1<br>(Adjustment of interest<br>on G.P.F (State))                                 | 8009-01-101-0-01<br>General Provident Fund<br>Karnataka                                                  | 4,86.00       | Adjustment of interest<br>on G.P.F (State) and<br>A.I.S. P.F                                            |
|               |                                                                                                                         | 2049-03-104-3<br>(Interest on A.I.S. P.F)                                                     | 8009-01-104-0-01<br>All India Services<br>Provident Fund<br>Karnataka                                    | 4.23          |                                                                                                         |

**ANNEXURE - B TO NOTES TO ACCOUNTS - PERIODICAL AND BOOK ADJUSTMENTS - contd.**

**A – Periodical Adjustments - concld.**

(Amount ₹ in crore)

| <i>Sl. No</i> | <i>Adjustment</i>                                               | <i>Heads of Account affected</i>                                                                                                       |                                                                                   | <i>Amount</i> | <i>Remarks</i>                                                                                                                            |
|---------------|-----------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|---------------|-------------------------------------------------------------------------------------------------------------------------------------------|
| 17            | Adjustment of interest on Investments                           | 0049-04-110-0-01<br>(Interest from Investments in Normal treasury bills and other investments)                                         | 8222-01-101-1-<br>(Sinking Fund for Amortization of Loan)                         | 0.02          | Adjustment of interest realized and credited to Government on various investments out of cash balance investment account and Sinking Fund |
| 18            | Expenditure met from Karnataka Government Insurance Fund        | 2235-60-902-0-00-261<br>(Social Security and Welfare – amount met from Karnataka State Government Insurance Fund)                      | 8011-00-105-1-01<br>(Karnataka State Life Insurance Fund)                         | 18.32         | The recurring cost of the management of the Fund is initially debited under 2235 and eventually transferred to 8011                       |
| 19            | Contribution to Provident Fund - Commercial concerns            | 2852<br>(Industries)                                                                                                                   | 0071-01-101-0-02-000<br>(Contribution towards Provident Fund)                     | 0.50          | Pension contribution in respect of Government officials deputed to commercial concerns and projects                                       |
|               | Staff Employed in Irrigation Works                              | 2700 Major Irrigation<br>2701 Medium Irrigation<br>4700 Capital Outlay on Major Irrigation<br>4701 Capital Outlay on Medium Irrigation | 0071-01-101-0-04-000<br>(Staff employed in Irrigation Works - Pensionary Charges) | 0.93          |                                                                                                                                           |
| 20            | Ports & Light Houses<br>Transfer of expenditure to Fund Account | 3051-02-797-0-01-<br>Transfer of Receipts under Ports and Light Houses to Port Development Fund                                        | 8229-00-112-0-00-000<br>Port Development Fund                                     | 17.78         | Transfer of Receipts under Ports and Light Houses initially accounted under 1051/1052 to Port Development Fund                            |
|               |                                                                 | 3051-02-902-0-00-261<br>Amount met from Port Development Fund                                                                          | 8229-00-112-0-00-000<br>Port Development Fund                                     | 1.32          | Transfer of expenditure initially accounted under 3051 to Port Development Fund                                                           |
|               |                                                                 | 5051-80-902-0-00-261<br>Amount met from Port Development Fund                                                                          | 8229-00-112-0-00-000<br>Port Development Fund                                     | 9.23          | Expenditure incurred initially under 5051 transferred to Port Development Fund                                                            |

**B – Other Adjustments**

|   |                                            |                                                                          |                                                                             |         |                                                                                                       |
|---|--------------------------------------------|--------------------------------------------------------------------------|-----------------------------------------------------------------------------|---------|-------------------------------------------------------------------------------------------------------|
| 1 | Karnataka State Road Transport Corporation | 7055-00-190-0-01<br>(Loans to Public Sector and other Undertakings)      | 0041-00-102-0-05<br>(Taxes on Vehicles – KSRTC)                             | 29.04   | Motor Vehicles Tax due from KSRTC treated as Interest Free Loan                                       |
| 2 | Sugar Factories                            | 6860-04-190-1-16<br>(Conversion of Purchase Tax into interest free loan) | 0040-00-102-0-01<br>(Taxes on sales, Trade etc. - Receipts under Sales Tax) | 1,00.99 | Conversion of purchase tax on sugarcane into interest free loan in respect of various sugar factories |

**ANNEXURE - B TO NOTES TO ACCOUNTS - PERIODICAL AND BOOK ADJUSTMENTS - contd.**

**B – Other Adjustments - contd.**

(Amount ₹ in crore)

| <i>Sl. No</i> | <i>Adjustment</i>                               | <i>Heads of Account affected</i>                                                         |                                                                           | <i>Amount</i> | <i>Remarks</i>                                                                                                                                                                                                     |
|---------------|-------------------------------------------------|------------------------------------------------------------------------------------------|---------------------------------------------------------------------------|---------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 3             | Urban Development                               | 2217-04-191-2-01-101<br>(Urban Development)                                              | 0075-00-108-0-01-000<br>(Miscellaneous General Services - Guarantee Fees) | 5.68          | Guarantee Commission due to Government on the loans borrowed by Karnataka Slum Clearance Board from HUDCO                                                                                                          |
| 4             | Investment in Equity                            | 4217-60-800-5-00-211<br>(Equity in BMRCL)                                                | 0049-04-190-0-09-000<br>(Interest on Loans to Other Undertakings)         | 1,26.04       | Interest realized on releases made to BMRCL converted to equity                                                                                                                                                    |
| 5             | State Disaster Response Fund                    | 8235-00-111<br>(Calamity Relief Fund)                                                    | 8121-00-122<br>(State Disaster Response Fund)                             | 1,58.80       | Balance amount alongwith current year's public contribution transferred to 8235-00-200. Matter is under correspondence with State Government                                                                       |
| 6             | Guarantee Commission                            | 2701-80-800-7-05-059<br>(Financial Assistance to Nigams – Krishna Bhagya Jala Nigam Ltd) | 0075-00-108-0-01-000<br>(Miscellaneous General Services - Guarantee Fees) | 94.00         | Guarantee Commission due to Government of Karnataka by KBJNL                                                                                                                                                       |
| 7             | Non Ferrous Mining and Metallurgical Industries | 2853-02-001-0-01-071<br>(Non Ferrous and Metallurgical Industries)                       | 0075-00-108-0-01<br>(Miscellaneous General Services - Guarantee Fee)      | 0.39          | Amount adjusted against Guarantee Commission due from Karnataka State Industrial Investment and Development Corporation Limited towards common area maintenance fee payable by the Department of Mines and Geology |
| 8             | Capital Outlay on Power projects                | 4801-01-800-0-90-364<br>(C.O. on Power Projects – Other Expenditure)                     | 4801-01-190-0-01-211<br>(Karnataka Power Corporation -Investment)         | 38.71         | Investment in power utilities                                                                                                                                                                                      |
| 9             | Co-operation                                    | 2425-00-108-0-64-106<br>Karnataka State Co-operative Marketing Federation                | 0075-00-108-0-01<br>(Guarantee Fees)                                      | 2.09          | Guarantee Commission payable to Government                                                                                                                                                                         |
| 10            | Co-operation                                    | 8235-00-200-0-05-000<br>Fiscal Management Fund                                           | 6425-00-902-0-00-261<br>Amount met from Fiscal Management Fund            | 12.28         | Loans paid to Apex Bank on behalf of Karnataka Co-operative Sugar Factory met out of Fiscal Management Fund                                                                                                        |

**ANNEXURE - B TO NOTES TO ACCOUNTS - PERIODICAL AND BOOK ADJUSTMENTS - conclud.**

**B – Other Adjustments - conclud.**

(Amount ₹ in crore)

| <i>Sl. No</i> | <i>Adjustment</i>                                       | <i>Heads of Account affected</i>                                                              |                                                                                   | <i>Amount</i>  | <i>Remarks</i>                                                                                                                                                                                                                   |
|---------------|---------------------------------------------------------|-----------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|----------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 11            | Consumer Industries                                     | 8235-00-200-0-05-000<br>Fiscal Management Fund                                                | 6860-04-902-0-00-261<br>Amount met from Fiscal Management Fund                    | 12.56          | Loans paid to Apex Bank on behalf of Sugar Factories is met out of Fiscal Management Fund                                                                                                                                        |
| 12            | Road Transport Corporation                              | 3055<br>(Road Transport)                                                                      | 0041<br>(Taxes on Vehicles)                                                       | 2,17.82        | Adjustment of subsidy amount released to KSRTC, BMTc, NwKRTC in connection with concession passes allowed to Freedom Fighters, widows of Freedom fighters, Students, Physically Handicapped, Blind etc towards Motor Vehicle Tax |
| 13            | Guarantee Commission                                    | 3054-80-800-0-10-059<br>(Roads and Bridges – Other Expenditure)                               | 0075-00-108-0-01<br>(Misc. General Services - Guarantee fees)                     | 6.23           | Adjustment of Guarantee Commission payable by Karnataka Road Development Corporation Ltd. to Government                                                                                                                          |
| 14            | Investments in General Financial & Trading Institutions | 5465-01-190-2-01-211<br>(Investments in Bangalore International Airport Ltd., through KSIIDC) | 1053-00-800-0-00-000<br>(Civil Aviation – Other Receipts)<br>5465-01-190-2-90-364 | 20.00<br>25.00 | Conversion of Government Deposits held by Karnataka State Industrial and Infrastructure Development Corporation into equity                                                                                                      |
| 15            | Loans for General Financial & Trading Institutions      | 7465-00-800-0-01-394<br>(Loans to iDeck)                                                      | 5465-01-190-1-90<br>Investment in Infrastructure (iDeck)                          | 33.00          | Capital investment in iDeck to long term interest free loan                                                                                                                                                                      |
| 16            | Village and Small Industries                            | 4851-00-190-0-00-211<br>Investments in Public Sector and other Undertakings                   | 4851-00-108-0-90<br>Power loom Industries                                         | 1.00           | Conversion of ₹1 crore released to Karnataka State Textile Infrastructure Development Corporation into Equity.                                                                                                                   |

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APPENDIX I

APPENDIX I - CASH BALANCES AND INVESTMENTS OF CASH BALANCES

<i>Particulars</i>		<i>As on 31st March 2011</i>	<i>As on 31st March 2010</i>
		<i>(In crores of rupees)</i>	
(a)	General Cash Balance:		
	1. Cash in Treasuries	...	...
	2. Deposits with the Reserve Bank ¹	(-) 6,57.14 (A)	(-) 1,07.69
	3. Remittances in Transit - Local	0.01	0.01
	Total (1 to 3)	(-) 6,57.13	(-) 1,07.68
	4. Investments held in the Cash Balance Investment Account ²	68,71.51	88,89.99
	Total (a)	62,14.38	87,82.31
(b)	Other Cash Balances and Investments:		
	1. Cash with Departmental Officers	7.07	9.15
	2. Permanent Advances for Contingent expenditure with Departmental Officers	1.62	1.62
	3. Investments of Earmarked Funds ³	14,44.24	9,80.44
	Total (b)	14,52.93	9,91.21
	Total (a) and (b)	76,67.31	97,73.52

Explanatory Notes

a) **Cash and Cash Equivalents:** Cash and cash equivalents consist of cash in treasuries and deposit with Reserve Bank of India and Remittances in Transit as detailed above. The balance under the head 'Deposits with Reserve Bank' 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/Earmarked funds etc are added to the balance in 'Deposits with RBI'.

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- (1) The balance under the head 'Deposits with the Reserve Bank' is arrived at after taking into account the Inter Government Monetary settlements pertaining to transactions of the financial year 2010-11 advised to the Reserve Bank upto 16th April 2011.
- (2) For details see page 51.
- (3) Fund-wise break-up of the investment from out of the earmarked balances is given in Statement No.19
- (A) There was a difference of ₹31.29 crore (Cr) between the figures reflected in the accounts {₹6,57.14 crore. (Cr.)} and that intimated by the Reserve Bank of India {₹6,88.43 crore. (Dr.)}. The difference to the extent of ₹11.16 crore, (Cr) has since been reconciled and adjusted. The remaining difference of ₹20.13 crore (Cr.) is under reconciliation (June 2011).

APPENDIX I - CASH BALANCES AND INVESTMENTS OF CASH BALANCES - contd.

b) **Daily Cash and Cash Equivalents:** Under an agreement with the Reserve Bank of India, the State Government has to maintain a minimum cash balance of ₹2.63 crore with the Bank. If the balance falls below the agreed minimum on any day, the deficiency is made good by taking special and ordinary ways and means advances/overdrafts from time to time.

For arriving at the daily cash balance for the purpose of grant of Ways and Means advances/ Overdraft, the RBI evaluates the holdings of the 14 day 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 day 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 day treasury bills maturing on that day, RBI rediscounts the holdings of the 14 day Treasury Bills and makes good the shortfall. If there is no holding of 14 day Treasury Bills on that day Special Ways and Means Advances/Over Draft are granted to the State Government.

(c) **Ways and Means Advances:** The limit for ordinary ways and means advances to the State Government was ₹6,25.00 crore with effect from 01.04.2006. 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 are revised by the Bank from time to time.

The extent to which the Government maintained the minimum cash balance with the Reserve Bank during 2010-11 is given below:-

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

Ways and Means Advances (Ordinary and Special) are granted by the Bank upto a limit, mutually agreed upon between the Bank and the Government. The operative limit for normal Ways and Means Advance and limits of Special Ways and Means Advances are fixed by the Reserve Bank of India from time to time. If, even after the maximum advance is given, the balance is below the minimum, the deficit is left uncovered. Overdrafts are given by the Bank if the State has a minus balance after availing of the maximum advance.

APPENDIX I - CASH BALANCES AND INVESTMENTS OF CASH BALANCES - conclud.

The details of investments held in Cash Balance Investment Account is given below. Interest realised during the year was ₹4,00.28 crore.

(In crores of rupees)

(i)	Government of India Treasury Bills	68,71.18
(ii)	Government of India Securities	0.32
(iii)	Other Investments	0.01
	Total	68,71.51

The operative limits of Normal ways and means advances for 2010-11 was ₹6,25.00 Crore. The operative limits for Special Ways and Means Advances is determined based on the States' holdings in the 91 days and more than 91 days treasury bills. During 2010-11 Government of Karnataka had invested only in 14 days treasury bills and therefore operative limits for Special Ways and Means Advances were not determined.

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