

सत्यमेव जयते

FINANCE ACCOUNTS VOLUME – I 2012 - 13



GOVERNMENT OF KARNATAKA

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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 March 2013 presents the financial position along with accounts of the receipts and disbursements of the Government for the year. These accounts are presented in two volumes, Volume 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.

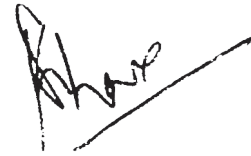
The Finance Accounts have been prepared under my supervision in accordance with the requirements of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 and have been compiled from the initial and subsidiary accounts rendered by the treasuries, offices, and departments 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 (9 and 10) 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 (General & Social Sector 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 2012-13.

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 March 2013.



**(SHASHI KANT SHARMA)**  
**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:

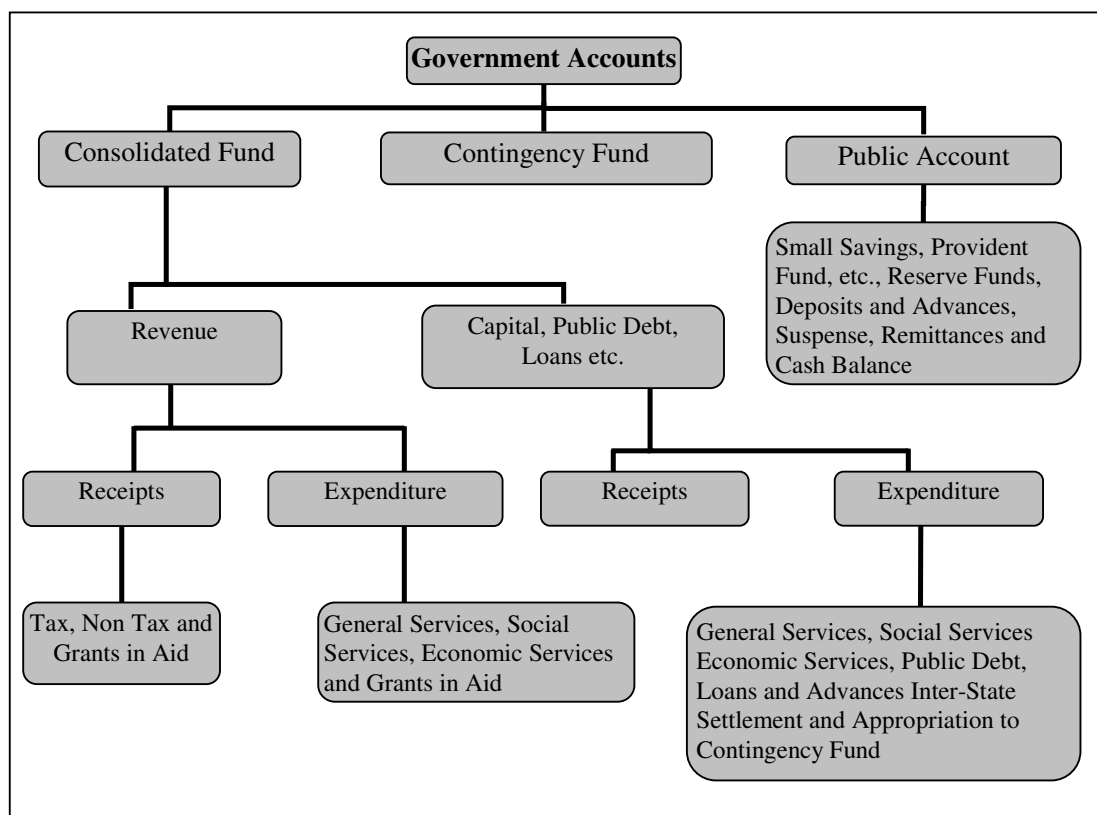
#### 1. The Accounts of the Government are kept in three parts:

**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 sub sectors/major heads of account. Major heads correspond to functions and are further divided into sub major heads (sub functions) and minor heads (programmes) which are depicted in volume II 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 I present the financial statements of the Government in the form of commonly understood summarised form, while the details are presented in Volume II.

**Volume I** 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.

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

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, Appendix 1 giving details of Cash Balances and Investments of Cash Balances.

**Volume II** comprises three parts.

**Part-I of Volume II:** 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 No.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 and Advances made by the Government: The loans and advances given and outstanding are depicted in Statement No. 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 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.

## GUIDE TO FINANCE ACCOUNTS - contd.

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

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 during the year and to the end of the Year: 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.
15. Detailed Statement on 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 no. 6 in Part 1 Volume II.
16. Detailed Statement on Loans and Advances made 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 No. 7 in Part 1 Volume II.
17. Detailed Statement on Sources and Application of funds for expenditure other than on Revenue account: The Capital and other expenditure (other than on revenue account) and the sources of fund for the expenditure are depicted in this Statement.
18. Detailed Statement on Contingency Fund and Public Account Transactions: The statement shows changes in Contingency Fund during the year, the appropriations to the fund, expenditure, amount recouped etc. It also depicts the transactions in Public Account in detail.
19. Detailed Statement on Investments of Earmarked Funds: This statement shows the details of investment out of Reserve Funds in public account.

## GUIDE TO FINANCE ACCOUNTS - conclud.

**Part-III of Volume II:** 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 I or II. The Statements read with the Appendices give a comprehensive picture of the State 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 I) | Detailed Statements<br>(Volume II) | Appendices                |
|--------------------------------------------------------------|----------------------------------|------------------------------------|---------------------------|
| Revenue Receipts (Including Grants received)                 | 2, 3                             | 11                                 | ...                       |
| Revenue Expenditure                                          | 2, 4                             | 12                                 | 2 (Salary)<br>3 (Subsidy) |
| Grants-In-Aid given by the Government                        | 2                                | 8                                  | 4                         |
| 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                             | ...                                | 1, 8                      |
| Balances in Public Account and investments there of          | 1, 2                             | 18, 19                             | ...                       |
| Guarantees                                                   | ...                              | 9                                  | ...                       |
| Schemes                                                      | ...                              | ...                                | 5 (EAP), 6, 7             |

### **C. Periodical Adjustments and Book Adjustments:**

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

- (i) 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 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-State Provident Fund'.

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STATEMENTS

STATEMENT NO.1 - STATEMENT OF FINANCIAL POSITION

<i>ASSETS</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/ Appendix</i>	<i>2013</i>	<i>2012</i>
(1)	(2)	(3)	<i>(In crores of rupees)</i>	
(1)	(2)	(3)	(4)	(5)
Cash		Appendix 1	1,05,11.24	96,09.49
(i) Cash in Treasuries and Local Remittances		Appendix 1	0.01	0.01
(ii) Departmental Balances		18, Appendix 1	2.11	2.26
(iii) Permanent Cash Imprest		18, Appendix 1	1.65	1.63
(iv) Cash Balance Investments account		18, Appendix 1	68,72.36	76,40.61
(v) Deposits with Reserve Bank	Note 2 (vi)	Appendix 1	67.94	3.00
(vi) Investment from Earmarked Funds		19, Appendix 1	35,67.17	19,61.98
Capital Expenditure	Note 1 (v)	5, 13	11,95,13.23	(*) 10,40,34.77
(i) Investments in shares of Companies, Corporations etc.		14	4,94,63.80	(&) 4,42,94.86
(ii) Other Capital expenditure		13	7,00,49.43	(*) 5,97,39.91
F. Loans and Advances	Note 3 (2)	7,16	1,21,42.90	@ 1,11,98.14
Contingency Fund (un recouped)		18	...	0.51
K. (c) Advances		18	7.60	7.81
L. Suspense and Miscellaneous Balances			...	...
M. Remittances		18	4,76.44	4,44.92
Cumulative excess of expenditure over receipts ⁽²⁾		
Total			14,26,51.41	12,52,95.64

(1) The figures of Assets and Liabilities are cumulative figures. Please also see Note 1 (ii) in the '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.

(*) Reduced proforma being Government investment (₹1.20 lakh) in 'Sri Valliappa Textile Mills Limited' due to disposal of shares during 1992.

(&) Includes an amount of ₹1,59.57 lakh increased proforma under 'Investment in Shares of Companies, Corporation etc.,' from 'Other Capital Expenditure'.

@ This includes an amount of ₹15.20 lakh being loan to 'Karnataka State Forest Industries Corporation Limited' which was misclassified as Revenue Expenditure during 2011-12.

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>2013</i>	<i>2012</i>
(1)	(2)	(3)	<i>(In crores of rupees)</i>	
(1)	(2)	(3)	(4)	(5)
Borrowings (Public Debt)		6, 15	7,50,52.48	6,53,14.87
(i) Internal Debt of the State Government		6, 15	6,34,18.40	5,43,33.25
(ii) Loans and Advances from the Central Government		6, 15	1,16,34.08	1,09,81.62
Pre 1984-85 Loans		6, 15	0.07	0.07
Non-Plan Loans		6, 15	74.00	80.16
Loans for State Plan Schemes		6, 15	1,15,86.14	1,09,33.57
Loans for Central Plan Schemes		6, 15	(-) 1.26	(-) 7.31
Loans for Centrally Sponsored Plan Schemes		6, 15	(-) 24.87	(-) 24.87
Other Loans		6, 15	...	...
Contingency Fund		18	80.00	80.00
Liabilities in Public Account	Note 3 (i)		5,21,03.09	4,64,00.93
(i) I. Small Savings, Provident Funds, etc.		15, 18	1,59,13.80	1,41,81.71
(ii) J. Reserve Funds ⁽⁴⁾	Note 3 (iv)	18	1,57,50.87	1,43,89.21
(iii) K. Deposits ⁽⁵⁾		18	1,36,16.75	1,11,06.37
(iv) L. Suspense and Miscellaneous Balances ⁽⁶⁾	Note 3 (v)	18	68,21.67	67,23.64
(v) M. Remittances			...	...
Cumulative excess of receipts over expenditure ⁽⁷⁾			1,54,15.84	1,34,99.84
Total			14,26,51.41	12,52,95.64

(1) The figures of Assets and Liabilities are cumulative figures. Please also see Note 1 (ii) in the section 'Notes to Accounts'.

(4) Gross balances 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'.

(5) 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'.

(6) 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 (Assets side), 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.

(7) The Cumulative excess of receipts over expenditure is arrived as under:

Cumulative excess of expenditure over receipts in Government account as in Appendix 8	10,40,97.39
Less: Cumulative expenditure on Capital Outlay as indicated under Assets above	11,95,13.23

(&) Minus Sign indicates that the receipts are in excess of expenditure. **(-) 1,54,15.84** (&)

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

| <i>Receipts</i>                                               |                   |                                | <i>Disbursements</i>                                         |                   |                              |
|---------------------------------------------------------------|-------------------|--------------------------------|--------------------------------------------------------------|-------------------|------------------------------|
|                                                               | <i>2012-13</i>    | <i>2011-12</i>                 |                                                              | <i>2012-13</i>    | <i>2011-12</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>7,81,76.22</b> | <b>6,98,06.27<sup>\$</sup></b> | <b>Revenue</b>                                               |                   |                              |
|                                                               |                   | <b>1,70.14<sup>\$</sup></b>    | <b>Expenditure</b>                                           | <b>7,62,93.26</b> | <b>6,51,15.07</b>            |
| <i>Tax Revenue (raised by the State)</i>                      | <i>5,37,53.55</i> | <i>4,64,75.96</i>              | Salaries <sup>1</sup>                                        | 71,82.84          | 60,67.69                     |
| <i>Non-Tax Revenue</i>                                        | <i>39,66.11</i>   | <i>40,86.86</i>                | Subsidies                                                    | 1,07,08.61        | 73,89.72                     |
| Interest receipts                                             | 7,78.55           | 4,34.23                        | Grants-in-aid <sup>2</sup>                                   | 2,32,65.46        | 1,96,86.40                   |
| Others <sup>3</sup>                                           | 31,87.56          | 36,52.63                       | <b>General services</b>                                      | <b>1,58,30.90</b> | <b>1,27,53.44</b>            |
| <i>States Share of Union Taxes/Duties</i>                     | <i>1,26,47.14</i> | <i>1,10,75.04</i>              | Interest Payment and service of debt <sup>@</sup>            | 68,33.43          | 60,61.85                     |
|                                                               |                   |                                | Pension                                                      | 72,27.44          | 54,36.20                     |
|                                                               |                   |                                | Others                                                       | 17,70.03          | 12,55.39                     |
|                                                               |                   |                                | <b>Social services</b>                                       | <b>94,43.07</b>   | <b>80,06.85</b>              |
|                                                               |                   |                                | <b>Economic services</b>                                     | <b>58,53.25</b>   | <b>69,63.07</b>              |
| <i>Grant-in-aid and contributions from Central Government</i> | <i>78,09.42</i>   | <i>81,68.41</i>                | <b>Compensation and assignment to Local Bodies and PRIs*</b> | <b>40,09.13</b>   | <b>42,47.90</b>              |
| <b>Revenue Deficit</b>                                        | ...               | ...                            | <b>Revenue Surplus</b>                                       | <b>18,82.96</b>   | <b>45,21.06<sup>\$</sup></b> |
|                                                               |                   |                                |                                                              |                   | <b>1,70.14<sup>\$</sup></b>  |
| <b>Section-B: Capital</b>                                     |                   |                                |                                                              |                   |                              |
| <b>Capital Receipts</b>                                       | <b>33.04</b>      | <b>89.19</b>                   | <b>Capital Expenditure</b>                                   | <b>1,54,78.47</b> | <b>1,55,05.65</b>            |
| Miscellaneous Capital Receipts                                | 33.04             | 89.19                          | Salaries <sup>4</sup>                                        | ...               | ...                          |
|                                                               |                   |                                | General Services                                             | 5,89.47           | 6,25.49                      |
|                                                               |                   |                                | Social Services                                              | 29,15.99          | 26,95.19                     |
|                                                               |                   |                                | Economic Services <sup>4</sup>                               | 1,19,73.01        | 1,21,84.97                   |
| <b>Recoveries of Loans and Advances</b>                       | <b>1,57.61</b>    | <b>2,40.40</b>                 | <b>Loans and Advances disbursed</b>                          | <b>11,02.37</b>   | <b>18,15.55</b>              |
| General Services                                              | ...               | ...                            | General Services                                             | ...               | ...                          |
| Social Services                                               | 22.55             | 15.41                          | Social Services                                              | 8,15.28           | 15,46.22                     |
| Economic Services                                             | 89.95             | 2,20.15                        | Economic Services                                            | 2,69.27           | 1,77.67                      |
| Loans to Government Servants                                  | 3.76              | 3.86                           | Loans to Government Servants                                 | 1.91              | 3.12                         |
| Miscellaneous loans                                           | 41.35             | 0.98                           | Miscellaneous loans                                          | 15.91             | 88.54                        |
| <b>Fiscal Deficit</b>                                         | <b>1,45,07.23</b> | <b>1,23,00.41<sup>\$</sup></b> | <b>Fiscal Surplus</b>                                        | ...               | ...                          |
|                                                               |                   | <b>1,70.14<sup>\$</sup></b>    |                                                              |                   |                              |
| <b>Public debt receipts</b>                                   | <b>1,34,64.66</b> | <b>93,57.94</b>                | <b>Repayment of Public Debt</b>                              | <b>37,27.06</b>   | <b>33,19.88</b>              |
| Internal Debt (Market loans etc.) <sup>5</sup>                | 1,21,15.68        | 80,90.88                       | Internal Debt (Market loans etc.) <sup>5</sup>               | 30,30.53          | 25,19.68                     |
| Loans from GOI                                                | 13,48.98          | 12,67.06                       | Loans from GOI                                               | 6,96.53           | 8,00.20                      |
| <b>Net of Inter – State-Settlement</b>                        | ...               | ...                            | <b>Net of Inter – State -Settlement</b>                      | ...               | ...                          |
| <b>Total Receipts Consolidated Fund</b>                       | <b>9,18,31.53</b> | <b>7,94,93.80</b>              | <b>Total Expenditure Consolidated Fund</b>                   | <b>9,66,01.16</b> | <b>8,57,56.15</b>            |
| <b>Deficit in Consolidated Fund</b>                           | <b>47,69.63</b>   | <b>62,62.35</b>                | <b>Surplus in Consolidated Fund</b>                          | ...               | ...                          |

For footnotes please see page 5.

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

| <i>Receipts</i>                             |                    |                    | <i>Disbursements</i>                      |                    |                    |
|---------------------------------------------|--------------------|--------------------|-------------------------------------------|--------------------|--------------------|
| <i>2012-13</i>                              |                    | <i>2011-12</i>     | <i>2012-13</i>                            |                    | <i>2011-12</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 II Contingency Fund</b>             |                    |                    |                                           |                    |                    |
| <b>Contingency Fund <sup>6</sup></b>        | <b>0.51</b>        | <b>12.53</b>       | <b>Contingency Fund <sup>6</sup></b>      | <b>...</b>         | <b>0.51</b>        |
| <b>Part III Public Account <sup>7</sup></b> |                    |                    |                                           |                    |                    |
| Small savings, Provident Fund, etc.         | 38,94.49           | 33,60.72           | Small savings, Provident Fund, etc.       | 21,62.40           | 19,63.12           |
| Reserve Funds                               | 36,59.16           | 32,98.49           | Reserve Funds                             | 39,02.67           | 10,55.09           |
| Deposits                                    | 3,11,40.65         | 2,70,60.25         | Deposits                                  | 2,86,30.26         | 2,56,52.07         |
| Advances                                    | 0.21               | 2.14               | Advances                                  | ...                | ...                |
| Suspense and Miscellaneous                  | 20,05,69.78        | 18,08,45.62        | Suspense and Miscellaneous <sup>8</sup>   | 19,97,03.37        | 17,89,75.45        |
| Remittances                                 | 37.66              | 4,12.07            | Remittances                               | 69.19              | 4,23.08            |
| <b>Total Receipts Public Account</b>        | <b>23,93,01.95</b> | <b>21,49,79.29</b> | <b>Total Disbursements Public Account</b> | <b>23,44,67.89</b> | <b>20,80,68.81</b> |
| <b>Deficit in Public Account</b>            | <b>...</b>         | <b>...</b>         | <b>Surplus in Public Account</b>          | <b>48,34.06</b>    | <b>69,10.48</b>    |
| <b>Opening Cash Balance</b>                 | <b>3.01</b>        | <b>(-) 6.57.13</b> | <b>Closing Cash Balance <sup>9</sup></b>  | <b>67.95</b>       | <b>3.01</b>        |
| <b>Increase in cash balance</b>             | <b>64.94</b>       | <b>6,60.14</b>     | <b>Decrease in cash balance</b>           | <b>...</b>         | <b>...</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' 'Economic Services' and 'Grants-in-Aid' does not include expenditure on salaries, subsidies and grants-in-aid (explained in footnote 2).

Salaries include expenditure booked in the accounts under the object heads 'Pay-Officers, Pay-Staff, Interim Relief, Dearness Allowances, Other Allowance, Medical Allowance and Reimbursement of Medical Expenses' only.

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 Institutes'.

3 Includes Dividends and Profits of ₹56.29 crore (Major Head 0050) during the year 2012-13 and details of Non-Tax Revenue are given in Statement 3.

4 The expenditure on Salaries is included under Economic Services ₹19.29 crore for 2012-13 and ₹18.17 crore for 2011-2012)

5 Includes loan from National Small Savings Fund ₹4,56.29 crore and repayment of ₹9,73.78 crore during 2012-13.

|                                                                                                        |             |
|--------------------------------------------------------------------------------------------------------|-------------|
| 6 Expenditure debited to Contingency Fund during the current year and not recouped                     | Nil         |
| Expenditure debited to Contingency Fund during the previous year and recouped during the current year: | ₹0.51 crore |

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

8 Suspense and Miscellaneous includes 'Other Accounts' such as Cash Balance Investment Account (Major Head 8673) etc. The figures may appear huge on account of these other accounts. Details of which are given in Statement No.18 in Volume II.

9 The closing cash balance comprises Deposits with the Reserve Bank ₹67.94 crore and Remittances in Transit – Local ₹0.01 crore.

\$ ₹1,70.14 crore is on account of excluding the transaction due to adjustment of loans for Central Plan Schemes and Centrally Sponsored Schemes outstanding as on 31-03-2010 written-off as per recommendations of 13<sup>th</sup> Finance Commission and according to the instructions of Government of India. The said amount has not been reckoned for arriving at Revenue Surplus and Fiscal Deficit.

\* Does not include Subsidy release of ₹7.76 crore and Salary of ₹1.53 crore released below Major Head 3604 - Compensation and assignment to Local Bodies and PRIs. These amounts are shown under 'Subsidies' and 'Salaries' respectively.

@ ₹6,20.93 crore towards payment of interest on 'Off - Budget Borrowings' is not included under 'Interest Payment and Service of Debt'.

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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>2012-13</i>	<i>2011-12</i>
		<i>(In crores of rupees)</i>	
	(1)	(2)	(3)
A.	Tax Revenue		
A.1	Own Tax Revenue	5,37,53.55	4,64,75.96
	Taxes on Agricultural Income	22.26	15.04
	Other Taxes on Income and Expenditure	6,92.89	6,00.20
	Land Revenue	2,04.92	2,14.93
	Stamps and Registration Fees	52,25.02	46,23.20
	State Excise	1,10,69.73	97,75.44
	Taxes on Sales, Trade etc.	2,84,14.44	2,50,20.01
	Taxes on Vehicles	38,29.52	29,56.72
	Taxes on Goods and Passengers	21,80.71	16,90.17
	Taxes and Duties on Electricity	9,28.80	6,54.24
	Other Taxes and Duties on Commodities and Services	11,85.26	9,26.01
A.2	Share of net proceeds of Union Taxes and Duties	1,26,47.14	1,10,75.04
	Corporation Tax	45,42.84	43,59.17
	Taxes on Income other than Corporation Tax	27,19.73	22,14.26
	Other Taxes on Income and Expenditure	...	...
	Taxes on Wealth	7.66	16.83
	Customs	21,01.59	19,20.18
	Union Excise Duties	14,28.25	12,42.54
	Service Tax	18,47.07	13,22.06
	Other Taxes and Duties on Commodities and Services	...	...
	Total A	6,64,00.69	5,75,51.00
B.	Non-Tax Revenue		
	Non-Ferrous Mining and Metallurgical Industries	14,96.49	13,26.84
	Interest Receipts	7,78.55	4,34.23
	Forestry and Wild Life	1,71.54	1,68.32
	Education, Sports, Art and Culture	1,48.73	1,30.58
	Miscellaneous General Services	1,45.89	2,68.57
	Other Administrative Services	1,23.37	1,17.79
	Roads and Bridges	1,19.49	95.60
	Police	1,10.84	1,18.26
	Medical and Public Health	1,00.70	87.82
	Power	90.65	5.31
	Village and Small Industries	80.46	68.66
	Other General Economic Services	77.02	7,09.70
	Co-operation	76.33	1,00.42
	Contributions and Recoveries towards Pension and		
	Other Retirement Benefits	62.46	70.48
	Dividends and Profits	56.29	60.56

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

I TAX AND NON-TAX REVENUE - conclud.

<i>Description</i>	<i>Actuals</i>	
	<i>2012-13</i>	<i>2011-12</i>
	<i>(In crores of rupees)</i>	
(1)	(2)	(3)
B. Non-Tax Revenue - conclud.		
Minor Irrigation	53.95	11.30
Housing	42.91	24.12
Labour and Employment	41.56	38.86
Social Security and Welfare	41.33	62.09
Public Works	37.56	20.53
Medium Irrigation	21.06	21.56
Food Storage and Warehousing	17.54	8.12
Crop Husbandry	17.12	22.56
Stationery and Printing	13.25	16.56
Other Rural Development Programmes	9.80	1.55
Public Service Commission	9.26	21.30
Industries	8.15	4.20
Fisheries	6.40	6.57
Shipping	5.78	2.89
Other Social Services	4.66	8.42
Animal Husbandry	4.22	5.11
Ports and Light Houses	3.13	5.69
Major Irrigation	2.72	9.04
Urban Development	1.69	28.68
Jails	1.35	0.97
Information and Publicity	1.22	0.90
Tourism	0.89	0.36
Inland Water Transport	0.46	0.52
Civil Supplies	0.35	0.25
Other Agricultural Programmes	0.24	0.09
Water supply and Sanitation	0.23	0.41
Family Welfare	0.16	0.04
Land Reforms	0.15	0.18
Hill Areas	...	0.61
Road Transport	...	0.02
Others	...	0.01
Civil Aviation	(-) 19.84 ^(&)	0.21
Total B	39,66.11	40,86.86

(&) Include ₹20.00 crore due to reversal of lease rent received from Bangalore International Air Port Limited (BIAL) by Karnataka State Industrial Infrastructure Development Corporation Limited (KSIIDC) converted as Equity in KSIIDC during 2011-12

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>2012-13</i>	<i>2011-12</i>
	<i>(In crores of rupees)</i>	
(1)	(2)	(3)
C. Grants-In-Aid and Contributions		
Grants-In-Aid from Central Government		
Non-Plan Grants	24,55.43	21,29.42
Grants under the proviso to Article 275 (1) of the Constitution ^(b)	16,18.49	15,18.49
Grants towards contribution to State Disaster Response Fund	1,37.10	1,30.76
Grants from National Disaster Response Fund	6,79.54	70.23
Other Grants	20.30	4,09.94
Grants for State/Union Territory Plan Schemes	29,08.74	36,26.00
Block Grants	15,59.89	20,36.54
Externally Aided Projects out of Block Grants	1,40.81	2,63.11
Grants under the proviso to Article 275 (1) of the Constitution ^(c)	3,90.89	64.33
Grant from Central Road Fund	1,38.29	1,31.28
Other Grants	6,78.86	11,30.74
Grants for Central Plan Schemes	1,24.59	76.14
Grants for Centrally Sponsored Plan Schemes	23,20.66	23,36.85
Grants for Special Plan Schemes	...	...
Total C	78,09.42	81,68.41
Total Revenue Receipts (A+B+C)	7,81,76.22	6,98,06.27

- (b) The total Grant released under the proviso to Article 275 (1) of the Constitution is ₹21,46.48 crore which includes Non-plan Grant of ₹17,55.59 crore and Plan Grant of ₹3,90.89 crore (classified as Grants for Plan Schemes as per the decision of the Government of India). The Non-Plan grants included ₹1,33.10 crore being grant towards State Disaster Response Fund, ₹4.00 crore released towards Capacity Building as per the recommendations of the XIII Finance Commission.
- (c) The grants 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>2012-13</i>	<i>2011-12</i>
	<i>(In crores of rupees)</i>	
(1)	(2)	(3)
D. Miscellaneous Capital Receipts		
Disinvestments proceeds	...	...
Others	33.04	89.19
Total D	33.04	89.19
E. Public Debt receipts		
Internal Debt	1,21,15.68	80,90.88
Market Loans	1,07,60.06	75,00.00
Ways and Means Advances from the RBI	...	...
Bonds	...	...
Loans from Financial Institutions	8,99.33	5,90.88
Special Securities issued to National Small Savings Fund	4,56.29	...
Other Loans	...	...
Loans and Advances from Central Government	13,48.98	12,67.06
Non-Plan Loans	0.04	...
Loans for State Plan Schemes	13,48.94	12,67.06
Loans for Central Plan Schemes	...	...
Loans for Centrally Sponsored Plan Schemes	...	...
Other Loans	...	...
Total E	1,34,64.66	93,57.94
F. Loans and Advances by State Government (Recoveries)	1,57.61	2,40.40
Total Receipts in Consolidated Fund (A+B+C+D+E+F)	9,18,31.53	7,94,93.80

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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.</b> | <b>General Services</b>                                               |                              |                |                           |                   |
| A. 1      | <b>Organs of State</b>                                                |                              |                |                           |                   |
|           | Parliament/State/Union Territory Legislatures                         | 1,25.71                      | ...            | ...                       | 1,25.71           |
|           | President, Vice-President/Governor/Administrator of Union Territories | 6.74                         | ...            | ...                       | 6.74              |
|           | Council of Ministers                                                  | 12.76                        | ...            | ...                       | 12.76             |
|           | Administration of Justice                                             | 5,53.29                      | ...            | ...                       | 5,53.29           |
|           | Elections                                                             | 80.60                        | ...            | ...                       | 80.60             |
|           | <b>TOTAL A.1</b>                                                      | <b>7,79.10</b>               | <b>...</b>     | <b>...</b>                | <b>7,79.10</b>    |
| A. 2      | <b>Fiscal Services</b>                                                |                              |                |                           |                   |
|           | Collection of Taxes on Income and Expenditure                         | 5.29                         | ...            | ...                       | 5.29              |
|           | Land Revenue                                                          | 2,31.90                      | ...            | ...                       | 2,31.90           |
|           | Stamps and Registration                                               | 94.08                        | ...            | ...                       | 94.08             |
|           | State Excise                                                          | 1,06.29                      | ...            | ...                       | 1,06.29           |
|           | Taxes on Sales, Trade etc.                                            | 2,48.14                      | ...            | ...                       | 2,48.14           |
|           | Taxes on Vehicles                                                     | 1,11.10                      | ...            | ...                       | 1,11.10           |
|           | Other Taxes and Duties on Commodities and Services                    | 16.41                        | ...            | ...                       | 16.41             |
|           | Other Fiscal Services                                                 | 7.56                         | ...            | ...                       | 7.56              |
|           | Interest Payments                                                     | 68,33.43                     | ...            | ...                       | 68,33.43          |
|           | <b>TOTAL A.2</b>                                                      | <b>76,54.20</b>              | <b>...</b>     | <b>...</b>                | <b>76,54.20</b>   |
| A. 3      | <b>Administrative Services</b>                                        |                              |                |                           |                   |
|           | Public Service Commission                                             | 18.75                        | ...            | ...                       | 18.75             |
|           | Secretariat - General Services                                        | 1,23.28                      | ...            | ...                       | 1,23.28           |
|           | District Administration                                               | 3,85.92                      | ...            | ...                       | 3,85.92           |
|           | Treasury and Accounts Administration                                  | 96.04                        | ...            | ...                       | 96.04             |
|           | Police                                                                | 25,69.76                     | 87.06          | ...                       | 26,56.82          |
|           | Jails                                                                 | 93.20                        | ...            | ...                       | 93.20             |
|           | Stationery and Printing                                               | 1,47.15                      | ...            | ...                       | 1,47.15           |
|           | Public Works                                                          | 7,63.18                      | 4,99.37        | ...                       | 12,62.55          |
|           | Other Administrative Services                                         | 2,58.65                      | 3.04           | ...                       | 2,61.69           |
|           | <b>TOTAL A.3</b>                                                      | <b>44,55.93</b>              | <b>5,89.47</b> | <b>...</b>                | <b>50,45.40</b>   |
| A. 4      | <b>Pensions and Miscellaneous General Services</b>                    |                              |                |                           |                   |
|           | Pensions and Other Retirement Benefits                                | 72,27.44                     | ...            | ...                       | 72,27.44          |
|           | Miscellaneous General Services                                        | 64.18                        | ...            | ...                       | 64.18             |
|           | <b>TOTAL A.4</b>                                                      | <b>72,91.62</b>              | <b>...</b>     | <b>...</b>                | <b>72,91.62</b>   |
|           | <b>TOTAL A. General Services</b>                                      | <b>2,01,80.85</b>            | <b>5,89.47</b> | <b>...</b>                | <b>2,07,70.32</b> |



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

**A. EXPENDITURE BY FUNCTION**

| Description                  |                                                                                             | Revenue           | Capital         | Loans and Advances | Total             |
|------------------------------|---------------------------------------------------------------------------------------------|-------------------|-----------------|--------------------|-------------------|
| <i>(In crores of rupees)</i> |                                                                                             |                   |                 |                    |                   |
| (1)                          |                                                                                             | (2)               | (3)             | (4)                | (5)               |
| <b>B.</b>                    | <b>Social Services</b>                                                                      |                   |                 |                    |                   |
| B. 1                         | <b>Education, Sports, Art and Culture</b>                                                   |                   |                 |                    |                   |
|                              | General Education <sup>(*)</sup>                                                            | 1,37,07.07        | 3,61.43         | ...                | 1,40,68.50        |
|                              | Technical Education                                                                         | 4,83.77           | ...             | ...                | 4,83.77           |
|                              | Sports and Youth Services                                                                   | 1,26.41           | ...             | ...                | 1,26.41           |
|                              | Art and Culture                                                                             | 3,07.01           | ...             | ...                | 3,07.01           |
|                              | <b>TOTAL B.1</b>                                                                            | <b>1,46,24.26</b> | <b>3,61.43</b>  | <b>...</b>         | <b>1,49,85.69</b> |
| B. 2                         | <b>Health and Family Welfare</b>                                                            |                   |                 |                    |                   |
|                              | Medical and Public Health                                                                   | 31,39.48          | 3,61.30         | ...                | 35,00.78          |
|                              | Family Welfare                                                                              | 4,28.32           | ...             | ...                | 4,28.32           |
|                              | <b>TOTAL B.2</b>                                                                            | <b>35,67.80</b>   | <b>3,61.30</b>  | <b>...</b>         | <b>39,29.10</b>   |
| B. 3                         | <b>Water Supply, Sanitation, Housing and Urban Development</b>                              |                   |                 |                    |                   |
|                              | Water Supply and Sanitation                                                                 | 2,81.71           | 14,38.41        | 8,12.28            | 25,32.40          |
|                              | Housing                                                                                     | 15,53.14          | 1,37.07         | ...                | 16,90.21          |
|                              | Urban Development                                                                           | 5,25.01           | 1,88.86         | ...                | 7,13.87           |
|                              | <b>TOTAL B.3</b>                                                                            | <b>23,59.86</b>   | <b>17,64.34</b> | <b>8,12.28</b>     | <b>49,36.48</b>   |
| B. 4                         | <b>Information and Broadcasting</b>                                                         |                   |                 |                    |                   |
|                              | Information and Publicity                                                                   | 71.30             | 5.68            | ...                | 76.98             |
|                              | <b>TOTAL B.4</b>                                                                            | <b>71.30</b>      | <b>5.68</b>     | <b>...</b>         | <b>76.98</b>      |
| B. 5                         | <b>Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities</b> |                   |                 |                    |                   |
|                              | Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities        | 35,81.25          | 3,71.85         | ...                | 39,53.10          |
|                              | <b>TOTAL B.5</b>                                                                            | <b>35,81.25</b>   | <b>3,71.85</b>  | <b>...</b>         | <b>39,53.10</b>   |
| B. 6                         | <b>Labour and Labour Welfare</b>                                                            |                   |                 |                    |                   |
|                              | Labour and Employment                                                                       | 2,94.10           | ...             | ...                | 2,94.10           |
|                              | <b>TOTAL B.6</b>                                                                            | <b>2,94.10</b>    | <b>...</b>      | <b>...</b>         | <b>2,94.10</b>    |
| B. 7                         | <b>Social Welfare and Nutrition</b>                                                         |                   |                 |                    |                   |
|                              | Social Security and Welfare                                                                 | 38,13.49          | 33.73           | 3.00               | 38,50.22          |
|                              | Nutrition                                                                                   | 7,61.23           | ...             | ...                | 7,61.23           |
|                              | Relief on Account of Natural Calamities                                                     | 9,67.55           | ...             | ...                | 9,67.55           |
|                              | <b>TOTAL B.7</b>                                                                            | <b>55,42.27</b>   | <b>33.73</b>    | <b>3.00</b>        | <b>55,79.00</b>   |
| B. 8                         | <b>Others</b>                                                                               |                   |                 |                    |                   |
|                              | Other Social Services                                                                       | 3,53.78           | 17.66           | ...                | 3,71.44           |
|                              | Secretariat-Social Services                                                                 | 25.18             | ...             | ...                | 25.18             |
|                              | <b>TOTAL B.8</b>                                                                            | <b>3,78.96</b>    | <b>17.66</b>    | <b>...</b>         | <b>3,96.62</b>    |
|                              | <b>TOTAL B. Social Services</b>                                                             | <b>3,04,19.80</b> | <b>29,15.99</b> | <b>8,15.28</b>     | <b>3,41,51.07</b> |

(\*) The amount shown under Capital Section includes Capital Outlay on General Education ₹2,54.55 crore, Technical Education ₹56.43 crore, Sports and Youth Services ₹42.10 crore and Art and Culture ₹8.35 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                                  | 17,81.60                     | 86.10           | ...                       | 18,67.70        |
| Soil and Water Conservation                     | 2,25.73                      | ...             | ...                       | 2,25.73         |
| Animal Husbandry                                | 5,11.62                      | 77.88           | ...                       | 5,89.50         |
| Dairy Development                               | 3,39.87                      | 1.00            | ...                       | 3,40.87         |
| Fisheries                                       | 87.65                        | 40.05           | ...                       | 1,27.70         |
| Forestry and Wild Life                          | 15,85.67                     | 15.60           | ...                       | 16,01.27        |
| Food, Storage and Warehousing                   | 10,44.67                     | ...             | 40.00                     | 10,84.67        |
| Agricultural Research and Education             | 3,42.10                      | ...             | ...                       | 3,42.10         |
| Agricultural Financial Institutions             | ...                          | ...             | 4.00                      | 4.00            |
| Co-operation                                    | 14,98.56                     | (-) 10.62       | 45.56                     | 15,33.50        |
| <b>TOTAL C.1</b>                                | <b>74,17.47</b>              | <b>2,10.01</b>  | <b>89.56</b>              | <b>77,17.04</b> |
| <b>C. 2 Rural Development</b>                   |                              |                 |                           |                 |
| Special Programmes for Rural Development        | 32.02                        | ...             | ...                       | 32.02           |
| Rural Employment                                | 2,08.32                      | ...             | ...                       | 2,08.32         |
| Land Reforms                                    | 29.66                        | ...             | ...                       | 29.66           |
| Other Rural Development Programmes              | 21,07.75                     | 2,15.75         | ...                       | 23,23.50        |
| <b>TOTAL C.2</b>                                | <b>23,77.75</b>              | <b>2,15.75</b>  | <b>...</b>                | <b>25,93.50</b> |
| <b>C. 3 Special Areas Programmes</b>            |                              |                 |                           |                 |
| Hill Areas                                      | 32.53                        | ...             | ...                       | 32.53           |
| Other Special Area Programmes                   | 70.20                        | 2,81.66         | ...                       | 3,51.86         |
| <b>TOTAL C.3</b>                                | <b>1,02.73</b>               | <b>2,81.66</b>  | <b>...</b>                | <b>3,84.39</b>  |
| <b>C. 4 Irrigation and Flood Control</b>        |                              |                 |                           |                 |
| Major Irrigation                                | 69.64                        | 30.89           | ...                       | 1,00.53         |
| Medium Irrigation                               | 2,68.13                      | 39,41.27        | ...                       | 42,09.40        |
| Minor Irrigation                                | 1,78.02                      | 10,45.12        | ...                       | 12,23.14        |
| Command Area Development                        | 2,31.68                      | 30.63           | ...                       | 2,62.31         |
| Flood Control and Drainage                      | 0.50                         | 67.21           | ...                       | 67.71           |
| <b>TOTAL C.4</b>                                | <b>7,47.97</b>               | <b>51,15.12</b> | <b>...</b>                | <b>58,63.09</b> |
| <b>C. 5 Energy</b>                              |                              |                 |                           |                 |
| Power                                           | 70,54.24                     | 11,60.90        | 94.02                     | 83,09.16        |
| New and Renewable Energy                        | 16.13                        | ...             | ...                       | 16.13           |
| <b>TOTAL C.5</b>                                | <b>70,70.37</b>              | <b>11,60.90</b> | <b>94.02</b>              | <b>83,25.29</b> |
| <b>C. 6 Industry and Minerals</b>               |                              |                 |                           |                 |
| Village and Small Industries                    | 5,42.08                      | 14.54           | 0.81                      | 5,57.43         |
| Industries <sup>(^)</sup>                       | 1,58.75                      | ...             | ...                       | 1,58.75         |
| Iron and Steel Industries                       | ...                          | (-) 31.76       | 18.60                     | (-) 13.16       |
| Non-Ferrous Mining and Metallurgical Industries | 22.12                        | ...             | ...                       | 22.12           |

(^) The amount shown under Revenue Section includes Revenue Expenditure on Engineering Industries ₹0.19 crore and Consumer Industries ₹61.64 crore.

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

**A. EXPENDITURE BY FUNCTION – conclud.**

| <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>                                 |                              |                   |                           |                   |
| Engineering Industries                                                       | ...                          | 12.33             | 13.26                     | 25.59             |
| Consumer Industries                                                          | ...                          | 66.87             | 48.02                     | 1,14.89           |
| Other Outlays on Industries and Minerals                                     | ...                          | 53.66             | ...                       | 53.66             |
| <b>TOTAL C.6</b>                                                             | <b>7,22.95</b>               | <b>1,15.64</b>    | <b>80.69</b>              | <b>9,19.28</b>    |
| <b>C. 7 Transport</b>                                                        |                              |                   |                           |                   |
| Ports and Light Houses                                                       | 13.56                        | 15.07             | ...                       | 28.63             |
| Civil Aviation                                                               | 1.89                         | ...               | ...                       | 1.89              |
| Roads and Bridges                                                            | 16,19.98                     | 45,53.87          | ...                       | 61,73.85          |
| Road Transport                                                               | 3,85.42                      | 1,14.43           | ...                       | 4,99.85           |
| Inland Water Transport                                                       | 3.02                         | ...               | ...                       | 3.02              |
| <b>TOTAL C.7</b>                                                             | <b>20,23.87</b>              | <b>46,83.37</b>   | <b>...</b>                | <b>67,07.24</b>   |
| <b>C. 8 Science, Technology and Environment</b>                              |                              |                   |                           |                   |
| Other Scientific Research                                                    | 51.02                        | ...               | ...                       | 51.02             |
| Ecology and Environment                                                      | 9.07                         | ...               | ...                       | 9.07              |
| <b>TOTAL C.8</b>                                                             | <b>60.09</b>                 | <b>...</b>        | <b>...</b>                | <b>60.09</b>      |
| <b>C. 9 General Economic Services</b>                                        |                              |                   |                           |                   |
| Secretariat-Economic Services                                                | 1,84.58                      | ...               | ...                       | 1,84.58           |
| Tourism                                                                      | 89.63                        | 1,30.72           | ...                       | 2,20.35           |
| Census, Surveys and Statistics                                               | 34.46                        | ...               | ...                       | 34.46             |
| Meteorology                                                                  | 8.00                         | ...               | ...                       | 8.00              |
| Civil Supplies                                                               | 9.52                         | ...               | ...                       | 9.52              |
| General Financial and Trading Institutions                                   | ...                          | 44.85             | 5.00                      | 49.85             |
| Other General Economic Services                                              | 8,24.80                      | 14.99             | ...                       | 8,39.79           |
| <b>TOTAL C.9</b>                                                             | <b>11,50.99</b>              | <b>1,90.56</b>    | <b>5.00</b>               | <b>13,46.55</b>   |
| <b>TOTAL C. Economic Services</b>                                            | <b>2,16,74.19</b>            | <b>1,19,73.01</b> | <b>2,69.27</b>            | <b>3,39,16.47</b> |
| <b>D. Grants-in-Aid and Contributions</b>                                    |                              |                   |                           |                   |
| Compensation and Assignments to Local Bodies and Panchayati Raj Institutions | 40,18.42                     | ...               | ...                       | 40,18.42          |
| <b>TOTAL D. Grants-in-Aid and Contributions</b>                              | <b>40,18.42</b>              | <b>...</b>        | <b>...</b>                | <b>40,18.42</b>   |
| <b>F Loans and Advances</b>                                                  |                              |                   |                           |                   |
| Loans to Government Servants etc.                                            | ...                          | ...               | 1.91                      | 1.91              |
| Miscellaneous Loans                                                          | ...                          | ...               | 15.91                     | 15.91             |
| <b>TOTAL F. Loans and Advances</b>                                           | <b>...</b>                   | <b>...</b>        | <b>17.82</b>              | <b>17.82</b>      |
| <b>E Public Debt</b>                                                         |                              |                   |                           |                   |
| Internal Debt of the State Government                                        | ...                          | 30,30.53          | ...                       | 30,30.53          |
| Loans and Advances from Central Government                                   | ...                          | 6,96.53           | ...                       | 6,96.53           |
| <b>TOTAL E. Public Debt</b>                                                  | <b>...</b>                   | <b>37,27.06</b>   | <b>...</b>                | <b>37,27.06</b>   |
| <b>Total Expenditure in Consolidated Fund<sup>1</sup> (A+B+C+D+E+F)</b>      | <b>7,62,93.26</b>            | <b>1,92,05.53</b> | <b>11,02.37</b>           | <b>9,66,01.16</b> |
|                                                                              |                              | <b>(&amp;)</b>    |                           |                   |

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

(&) Inclusive of expenditure (₹1,54,78.47 crore) on Capital Outlay.

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

**B. EXPENDITURE BY NATURE**

| Object of Expenditure                                | 2012-13    |          |            | 2011-12  |          |            | 2010-11  |          |          |
|------------------------------------------------------|------------|----------|------------|----------|----------|------------|----------|----------|----------|
|                                                      | 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 <sup>(A)</sup>                        | 84,90.96   | 41,07.46 | 1,25,98.42 | 66,01.12 | 39,22.77 | 1,05,23.89 | 57,48.52 | 36,83.22 | 94,31.75 |
| Subsidies <sup>(A) (S)</sup>                         | 1,07,08.61 | ...      | 1,07,08.61 | 73,89.72 | ...      | 73,89.72   | 63,02.83 | ...      | 63,02.83 |
| Pension and Other Retirement Benefits <sup>(A)</sup> | 81,81.33   | ...      | 81,81.33   | 65,26.20 | ...      | 65,26.20   | 50,21.79 | ...      | 50,21.79 |
| Other Expenses <sup>(A)</sup>                        | 47,21.69   | 8,54.38  | 55,76.07   | 51,93.31 | 6,79.07  | 58,72.38   | 38,39.02 | 4,60.61  | 42,99.63 |
| Pay-Staff <sup>@</sup>                               | 43,37.87   | 13.38    | 43,51.25   | 24,33.67 | 8.74     | 24,42.41   | 25,05.61 | 9.15     | 25,14.76 |
| Grants-In-Aid                                        | 42,97.34   | ...      | 42,97.34   | 41,31.52 | ...      | 41,31.52   | 31,47.00 | ...      | 31,47.00 |
| Capital Expenses                                     | 35.23      | 41,22.01 | 41,57.24   | 35.49    | 49,83.87 | 50,19.36   | 31.66    | 36,30.96 | 36,62.62 |
| Lumpsum - Zilla Parishads                            | 31,19.79   | ...      | 31,19.79   | 19,26.69 | ...      | 19,26.69   | 3,78.63  | ...      | 3,78.63  |
| Special Component Plan                               | 10,82.10   | 12,92.72 | 23,74.82   | 18,44.73 | 11,52.20 | 29,96.93   | 15,32.62 | 5,96.52  | 21,29.14 |
| Financial Assistance / Relief                        | 22,61.75   | 1.08     | 22,62.83   | 11,77.36 | 0.60     | 11,77.96   | 39,57.73 | 0.78     | 39,58.51 |
| Special Development Plan                             | 5,54.62    | 16,10.01 | 21,64.63   | 5,26.69  | 15,90.43 | 21,17.12   | 3,42.98  | 10,43.24 | 13,86.22 |
| Major Works                                          | 4,53.66    | 14,81.98 | 19,35.64   | 3,45.39  | 16,12.42 | 19,57.81   | 2,70.29  | 15,06.65 | 17,76.94 |
| Improvements                                         | ...        | 18,44.88 | 18,44.88   | ...      | ...      | ...        | ...      | ...      | ...      |
| Maintenance Expenditure                              | 18,31.45   | 3.80     | 18,35.25   | 12,32.78 | 4.02     | 12,36.80   | 7,12.99  | 5.83     | 7,18.82  |
| Grants for creation of Capital Asset <sup>(A)</sup>  | 17,79.20   | ...      | 17,79.20   | 24,97.86 | ...      | 24,97.86   | ...      | ...      | ...      |
| Belgaum *                                            | 14,08.92   | ...      | 14,08.92   | 11,63.63 | ...      | 11,63.63   | 10,01.53 | ...      | 10,01.53 |
| Investment                                           | ...        | 13,92.23 | 13,92.23   | ...      | 16,00.50 | 16,00.50   | ...      | 23,97.09 | 23,97.09 |
| Construction                                         | 3.22       | 10,68.92 | 10,72.14   | 3.41     | 9,21.44  | 9,24.85    | 4.75     | 8,14.54  | 8,19.29  |
| Pay-Officers <sup>@</sup>                            | 10,25.31   | 2.03     | 10,27.34   | 7,98.09  | 1.19     | 7,99.28    | 6,14.32  | 1.42     | 6,15.74  |
| Roads                                                | 3,32.16    | 6,65.25  | 9,97.41    | 1,66.90  | 17,51.66 | 19,18.56   | 4,47.42  | 16,22.85 | 20,70.27 |
| Tribal Sub-Plan                                      | 4,70.73    | 4,94.01  | 9,64.74    | 7,54.08  | 4,79.95  | 12,34.03   | 6,98.27  | 2,58.45  | 9,56.72  |
| Deduct- SCP Pooled Upfront                           | 9,25.00    | ...      | 9,25.00    | ...      | ...      | ...        | ...      | ...      | ...      |
| Consolidated Salaries <sup>(A)</sup>                 | 9,07.02    | ...      | 9,07.02    | 6,46.75  | ...      | 6,46.75    | 15.46    | ...      | 15.46    |
| Dearness Allowance <sup>@</sup>                      | 8,49.81    | 1.98     | 8,51.79    | 21,10.45 | 6.69     | 21,17.14   | 16,21.91 | 5.58     | 16,27.49 |
| Tumkur *                                             | 8,51.60    | ...      | 8,51.60    | 7,29.89  | ...      | 7,29.89    | 6,88.96  | ...      | 6,88.96  |
| Loans to PSU's and Local Bodies                      | ...        | 8,25.73  | 8,25.73    | ...      | 7,74.29  | 7,74.29    | ...      | 7,75.53  | 7,75.53  |
| Gulbarga *                                           | 8,03.97    | ...      | 8,03.97    | 7,59.58  | ...      | 7,59.58    | 7,17.64  | ...      | 7,17.64  |
| Other Allowance <sup>@</sup>                         | 7,77.83    | 1.44     | 7,79.27    | 4,99.20  | 0.97     | 5,00.17    | 4,40.88  | 0.95     | 4,41.83  |
| Renewals                                             | ...        | 7,54.90  | 7,54.90    | ...      | ...      | ...        | ...      | ...      | ...      |
| Bangalore(Urban) *                                   | 7,03.26    | ...      | 7,03.26    | 6,94.15  | ...      | 6,94.15    | 5,51.01  | ...      | 5,51.01  |
| Mysore *                                             | 6,70.35    | ...      | 6,70.35    | 5,69.93  | ...      | 5,69.93    | 5,04.35  | ...      | 5,04.35  |

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

**B. EXPENDITURE BY NATURE – contd.**

| Object of Expenditure            | 2012-13               |         |         | 2011-12 |          |          | 2010-11 |         |         |
|----------------------------------|-----------------------|---------|---------|---------|----------|----------|---------|---------|---------|
|                                  | Revenue               | Capital | Total   | Revenue | Capital  | Total    | Revenue | Capital | Total   |
|                                  | (In crores of rupees) |         |         |         |          |          |         |         |         |
| (1)                              | (2)                   | (3)     | (4)     | (5)     | (6)      | (7)      | (8)     | (9)     | (10)    |
| Bijapur *                        | 6,31.13               | ...     | 6,31.13 | 5,12.75 | ...      | 5,12.75  | 4,66.52 | ...     | 4,66.52 |
| General Expenses <sup>(A)</sup>  | 5,91.60               | 0.43    | 5,92.03 | 4,02.82 | 1.41     | 4,04.23  | 3,45.28 | 1.32    | 3,46.60 |
| Davangere *                      | 5,81.18               | ...     | 5,81.18 | 4,84.32 | ...      | 4,84.32  | 4,33.98 | ...     | 4,33.98 |
| Uttara Kannada *                 | 5,65.97               | ...     | 5,65.97 | 5,12.57 | ...      | 5,12.57  | 4,34.33 | ...     | 4,34.33 |
| Shimoga *                        | 5,65.64               | ...     | 5,65.64 | 4,58.59 | ...      | 4,58.59  | 4,39.97 | ...     | 4,39.97 |
| Bellary *                        | 5,61.96               | ...     | 5,61.96 | 4,58.05 | ...      | 4,58.05  | 4,20.98 | ...     | 4,20.98 |
| Hassan *                         | 5,61.87               | ...     | 5,61.87 | 5,22.22 | ...      | 5,22.22  | 4,95.53 | ...     | 4,95.53 |
| Chitradurga *                    | 5,48.91               | ...     | 5,48.91 | 4,56.63 | ...      | 4,56.63  | 4,20.80 | ...     | 4,20.80 |
| Bidar *                          | 5,20.05               | ...     | 5,20.05 | 4,68.39 | ...      | 4,68.39  | 4,43.86 | ...     | 4,43.86 |
| Mandya *                         | 5,11.93               | ...     | 5,11.93 | 4,50.49 | ...      | 4,50.49  | 4,26.30 | ...     | 4,26.30 |
| Bagalkot *                       | 4,91.02               | ...     | 4,91.02 | 4,16.00 | ...      | 4,16.00  | 3,77.16 | ...     | 3,77.16 |
| Raichur *                        | 4,84.09               | ...     | 4,84.09 | 4,11.25 | ...      | 4,11.25  | 3,60.82 | ...     | 3,60.82 |
| Haveri *                         | 4,74.75               | ...     | 4,74.75 | 3,99.58 | ...      | 3,99.58  | 3,65.95 | ...     | 3,65.95 |
| Dakshina Kannada *               | 4,61.55               | ...     | 4,61.55 | 3,70.29 | ...      | 3,70.29  | 3,45.75 | ...     | 3,45.75 |
| Kolar *                          | 4,48.93               | ...     | 4,48.93 | 3,72.97 | ...      | 3,72.97  | 3,40.85 | ...     | 3,40.85 |
| Dharwad *                        | 4,35.33               | ...     | 4,35.33 | 3,57.93 | ...      | 3,57.93  | 3,33.73 | ...     | 3,33.73 |
| Loans                            | ...                   | 4,26.86 | 4,26.86 | ...     | 10,81.27 | 10,81.27 | ...     | 9,42.85 | 9,42.85 |
| Chickkamagalore *                | 4,25.86               | ...     | 4,25.86 | 3,70.42 | ...      | 3,70.42  | 3,31.99 | ...     | 3,31.99 |
| Granta-In-Aid for Asset Creation | 3,91.47               | ...     | 3,91.47 | 27.17   | ...      | 27.17    | 7,57.16 | ...     | 7,57.16 |
| Deduct- TSP Pooled Upfront       | 3,75.00               | ...     | 3,75.00 | ...     | ...      | ...      | ...     | ...     | ...     |
| Koppal *                         | 3,62.70               | ...     | 3,62.70 | 3,03.68 | ...      | 3,03.68  | 2,87.81 | ...     | 2,87.81 |
| NABARD Works                     | 37.39                 | 3,24.68 | 3,62.07 | 47.20   | 7,00.65  | 7,47.85  | 23.52   | 7,19.91 | 7,43.43 |
| Chikkaballapur *                 | 3,56.40               | ...     | 3,56.40 | 3,19.03 | ...      | 3,19.03  | 2,95.42 | ...     | 2,95.42 |
| Gadag *                          | 3,17.66               | ...     | 3,17.66 | 2,70.33 | ...      | 2,70.33  | 2,42.32 | ...     | 2,42.32 |
| Yadgir *                         | 3,13.53               | ...     | 3,13.53 | 2,87.66 | ...      | 2,87.66  | 2,88.61 | ...     | 2,88.61 |
| Udupi *                          | 3,03.44               | ...     | 3,03.44 | 2,71.03 | ...      | 2,71.03  | 2,44.23 | ...     | 2,44.23 |
| Ramanagara *                     | 2,99.16               | ...     | 2,99.16 | 2,61.97 | ...      | 2,61.97  | 2,44.41 | ...     | 2,44.41 |
| Bangalore (Rural) *              | 2,84.35               | ...     | 2,84.35 | 2,36.56 | ...      | 2,36.56  | 2,17.75 | ...     | 2,17.75 |
| Chamaraja nagar *                | 2,82.99               | ...     | 2,82.99 | 2,30.91 | ...      | 2,30.91  | 2,29.84 | ...     | 2,29.84 |
| Subsidiary Expenses              | 2,42.35               | ...     | 2,42.35 | 1,99.17 | ...      | 1,99.17  | 2,17.57 | ...     | 2,17.57 |
| Modernisation                    | 2,25.09               | 9.99    | 2,35.08 | 1,56.41 | 7.94     | 1,64.35  | 1,32.26 | 4.97    | 1,37.23 |
| Transport Expenses               | 2,07.71               | ...     | 2,07.71 | 1,74.82 | ...      | 1,74.82  | 1,54.79 | ...     | 1,54.79 |
| Kodagu                           | 1,82.92               | ...     | 1,82.92 | 1,61.09 | ...      | 1,61.09  | 1,40.23 | ...     | 1,40.23 |
| Drugs and Chemicals              | 1,80.07               | ...     | 1,80.07 | 1,29.40 | ...      | 1,29.40  | 1,16.72 | ...     | 1,16.72 |

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

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

| Object of Expenditure                            | 2012-13           |                   |                   | 2011-12           |                   |                   | 2010-11           |                   |                   |
|--------------------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
|                                                  | Revenue           | Capital           | Total             | Revenue           | Capital           | Total             | Revenue           | Capital           | Total             |
| (In crores of rupees)                            |                   |                   |                   |                   |                   |                   |                   |                   |                   |
| (1)                                              | (2)               | (3)               | (4)               | (5)               | (6)               | (7)               | (8)               | (9)               | (10)              |
| Travel Expenses                                  | 1,70.52           | 0.12              | 1,70.64           | 1,33.84           | 0.15              | 1,33.99           | 1,21.83           | 0.25              | 1,22.08           |
| Scholarships and Incentives                      | 1,63.82           | ...               | 1,63.82           | 1,18.41           | ...               | 1,18.41           | 1,20.17           | ...               | 1,20.17           |
| Building Expenses                                | 1,45.53           | 0.02              | 1,45.55           | 1,18.89           | 0.02              | 1,18.91           | 1,04.39           | 0.03              | 1,04.42           |
| Contributions                                    | 1,22.44           | ...               | 1,22.44           | 21,62.37          | ...               | 21,62.37          | ...               | ...               | ...               |
| Materials and Supplies                           | 90.41             | 0.10              | 90.51             | 82.90             | 0.03              | 82.93             | 1,17.85           | 0.04              | 1,17.89           |
| Reimbursement of Medical Expenses <sup>(*)</sup> | 90.14             | 0.13              | 90.27             | 86.94             | 0.11              | 87.05             | 80.31             | 0.08              | 80.39             |
| Interim Relief                                   | 79.16             | 0.27              | 79.43             | 1,24.56           | 0.43              | 1,24.99           | ...               | ...               | ...               |
| Grants -in-Aid- General                          | 69.23             | ...               | 69.23             | ...               | ...               | ...               | ...               | ...               | ...               |
| Machinery and Equipment                          | 44.40             | 13.94             | 58.34             | 32.92             | 8.83              | 41.75             | 41.88             | 19.96             | 61.84             |
| Diet Expenses                                    | 35.87             | ...               | 35.87             | 28.86             | ...               | 28.86             | 30.23             | ...               | 30.23             |
| Land and Buildings                               | 23.12             | 0.65              | 23.77             | 30.13             | 2.50              | 32.63             | 21.36             | 2.13              | 23.49             |
| Medical Allowance <sup>(*)</sup>                 | 22.72             | 0.06              | 22.78             | 14.79             | 0.04              | 14.83             | 18.17             | 0.06              | 18.23             |
| Inter Account Transfers                          | 4,33.84           | (-) 7,72.35       | (-) 3,38.51       | 8,90.01           | (-) 6,59.65       | 2,30.36           | 10,74.06          | (-) 5,34.93       | 5,39.13           |
| Loans to Co-operative Societies                  | ...               | ...               | ...               | ...               | ...               | ...               | ...               | 24.83             | 24.83             |
| Others                                           | (-) 6.72          | 17.29             | 10.57             | 29.86             | 15.27             | 45.13             | 17.60             | 8.55              | 26.15             |
| Recoveries                                       | ...               | (-) 2,52.48       | (-) 2,52.48       | ...               | (-) 8.73          | (-) 8.73          | ...               | (-) 98.69         | (-) 98.69         |
| <b>Total</b>                                     | <b>7,62,93.26</b> | <b>2,03,07.90</b> | <b>9,66,01.16</b> | <b>6,51,15.07</b> | <b>2,06,41.08</b> | <b>8,57,56.15</b> | <b>5,40,33.84</b> | <b>1,79,00.23</b> | <b>7,19,34.07</b> |

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

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

(A) Includes amounts released to Urban Local Bodies under 001-Salary (₹8,85.57 crore), 132-Grants for creation of Capital Asset (₹17,79.20 crore), 200-Maintenance (₹4,64.17 crore), 240-Debt Servicing (₹3,67.15 crore) and 106-Subsidy (₹7.76 crore) 101-Grant-in-Aid (₹2,88.43crore), 251-Pension and Other Retirement Benefits (₹24.83crore), 059-Other Expenses (₹30.34 crore), 051-General Expenses (₹7.33 crore).

(#) Inclusive of Capital expenditure (₹1,54,78.47 crore), Repayment of Public Debt (₹37,27.06 crore) and Disbursement of Loans and Advances (₹11,02.37 crore).

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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 1 April 2012 to 31 March 2013. The accounts of receipts and expenditure of the Government of Karnataka have been compiled based on the initial accounts rendered by the District Treasuries, Public Works and Forest Divisions and advices of the Reserve Bank of India. Despite delay in rendition of monthly civil accounts by treasuries on various occasions leading to exclusions of their accounts in the concerned months, it was ensured that no account is excluded in preparation of the Finance Accounts of the Government of Karnataka for the year 2012-13.

(ii) Basis of Accounting: With the exception of some periodical adjustments and book adjustments (Annexure-A), the accounts represent the actual cash receipt and disbursements during the account period. Assets, Government investments etc., are shown at historical cost. Physical assets are not depreciated or amortized.

Retirement benefits disbursed during the account period have been reflected in the accounts. The State Government has not made any Actuarial assessment of the liabilities towards future payments of retirement benefits.

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

(iv) Form of Accounts: Under Article 150 of the Constitution of India, 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 of India, 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 intended to be met from revenue receipts. Capital Expenditure is defined

NOTES TO ACCOUNTS – contd.

as expenditure incurred with the object of increasing concrete assets of a material and permanent character or of reducing permanent liabilities. Expenditure on Grants-in-Aid is recorded as Revenue Expenditure in the books of the grantor and as Revenue Receipt in the books of the recipient. Further, as per the Indian Government Accounting Standards (IGAS) 2, expenditure relating to Grants-in-Aid is to be classified as Revenue expenditure regardless of end utilisation.

2. Quality of Accounts:

(i) Booking under Minor Head 800- Other Receipts and Other Expenditure:

Minor Heads 800-Other Expenditure / Other Receipts are to be operated either due to non-availability of the specific head of account or due to incorrect identification of expenditure under the available heads of account at the budget stage. Routine operation of minor head 800 is to be discouraged, since it renders the accounts opaque. An amount of ₹2,20,64.20 crore, constituting 28.16 *per cent* of the total receipts (₹7,83,66.87 crore) recorded under 55 Major Heads, has been classified under Minor Head '800-Other Receipts' below the respective Major Heads. Similarly, an amount of ₹2,83,35.98 crore, constituting 30.51 *per cent* of the total expenditure (₹9,28,74.10 crore), under 38 Revenue, Capital and Loan expenditure Major Heads was classified under the Minor Head '800-Other Expenditure' under the respective Major Heads. Instances where a substantial proportion (50 *per cent* or more) of the receipts and expenditure are classified under the Minor Head '800-Other receipts / expenditure' are listed in Annexure-B.

The Finance Department of Government of Karnataka has constituted a Committee comprising representatives of the State Government, Office of the Principal Accountant General (G&SSA), Karnataka and Principal Accountant General (A&E), Karnataka to scrutinise the existing classification in accordance with the List of Major and Minor Heads (LMMH). The Committee had identified and shifted the provision under the minor head 800-Other Expenditure in 48 cases under 25 Major Heads (20 Revenue Major Heads, 4 Capital Major Heads and 1 Loan Major Head) to the appropriate minor heads in budget for 2012-13.

NOTES TO ACCOUNTS – contd.

(ii) Reconciliation of Receipts and Expenditure:

To exercise effective budgetary control over expenditure and to ensure accuracy in accounts, all Controlling Officers are required to reconcile every month, the Receipts and Expenditure recorded in their books with the figures accounted for by the Principal Accountant General (A&E). Reconciliation of receipts has been completed for a value of ₹7,37,22.41 crore (94.26 *per cent* of total receipts of ₹7,82,09.26 crore). Reconciliation of expenditure has been completed for a value of ₹5,33,28.59 crore (58.11 *per cent* of total expenditure of ₹9,17,71.73 crore). Non-reconciliation of accounts has an impact on the assurance on the completeness and correctness of the receipts and expenditure figures depicted in the accounts.

(iii) Unadjusted Abstract Contingency (AC) Bills:

Under Rule 36 of the Government of Karnataka Manual of Contingent Expenditure 1958, Controlling and Disbursing Officers are authorized to draw sums in the nature of temporary advances, on AC Bills, by debiting Service Heads. These AC bills are required to be finally settled with the submission of Non-Detailed Contingent Bill (NDC) directly to the Principal Accountant General (A&E). Non-submission of NDC bills render the expenditure under AC bills opaque. Details of AC bills outstanding as on 31 March 2013 are given below:

(₹ in crore)

Year	Abstract Contingent Bills drawn		Non-Detailed Contingent Bills rendered		Outstanding Abstract Contingent Bills	
	No. of bills	Amount	No. of bills	Amount	No. of bills	Amount
Upto 2010-11	38,459	3,27.80	34,026	2,88.84	4,433	38.96
2011-12	8,019	97.44	6,094	69.45	1,925	27.99
2012-13	6,356	76.98	2,925	21.89	3,431	55.09
TOTAL	52,834	5,02.22	43,045	3,80.18	9,789	1,22.04

Out of ₹76.98 crore drawn against AC Bills in 2012-13, AC bills amounting to ₹44.90 crore were drawn in March 2013 alone, out of which ₹2.71 crore was drawn on the last day of the financial year.

NOTES TO ACCOUNTS - contd.

(iv) Transfer of Funds to Personal Deposit (PD) accounts:

The purpose of PD accounts is to enable Drawing and Disbursing Officers (DDOs) to incur expenditure pertaining to a scheme, for which funds are placed at their disposal, by transfer from the Consolidated Fund of the State. Administrators are required to close these accounts on the last working day of the year by crediting the unspent balances to the Consolidated Fund. During 2012-13, an amount of ₹8,71.16 crore was transferred to PD accounts. Under the rules, the Administrators of PD accounts are required to reconcile the balances of these accounts with the treasury officers (where the detailed accounts are maintained by the treasuries) and with the Principal Accountant General (A&E) (where the detailed accounts are maintained by the Principal Accountant General). Information on reconciliation of figures by the Administrators with the treasuries is not available, but none of the Administrators of the 55 PD accounts have reconciled their accounts with the Principal Accountant General. Details of PD accounts are given below:

PD accounts existing at the start of the year		PD accounts opened during the year		PD accounts closed at the end of the year		PD accounts existing at the close of the year	
Number	Amount (₹ in crore)	Number	Amount (₹ in crore)	Number	Amount (₹ in crore)	Number	Amount (₹ in crore)
53	14,78.25	2	1.41	...	...	55	20,86.18

Under the rules, the State Government is required to close all PD accounts remaining inoperative for more than three years. As on 31 March 2013, 25 PD Accounts with an outstanding balance of ₹70.55 crore were inoperative for more than three years. Details are given below:

(₹ in crore)

Particulars	Personal Deposit Accounts			
	Credit		Debit *	
	No. of Accounts	Amount	No. of Accounts	Amount
Operative PD Accounts	13	20,63.14	17	47.51
Inoperative PD Accounts	20	72.02	5	1.47

* Adverse balances (i.e., Debit Balances) at the detailed head level amounting to ₹48.98 crore in 22 PD accounts distort the net balance against PD accounts depicted at Minor Head level in the Finance Accounts. Such adverse balances are to be reconciled by the departmental officers.

NOTES TO ACCOUNTS – contd.

(v) Utilization Certificates (UCs) for Grants-in-Aid:

The State Government, while sanctioning grants to various bodies, may stipulate that the UCs for the grants released are to be forwarded to Principal Accountant General (A&E), who will watch utilization of these grants. UCs outstanding beyond a specified period indicates absence of assurance on utilisation of grants for intended purposes. The status of outstanding UCs is mentioned below:

(₹ in crore)

Year3	Number of Utilization Certificates awaited	Amount
Upto 2010-11	59	35.93
2011-12	56	1,28.16
2012-13 [@]	92	4,51.39
Total	207	6,15.48

[@] UCs in respect of grants disbursed during 2012-13 become due only during 2013-14 and onwards.

(vi) Cash Balance with the Reserve Bank of India (RBI):

There is a net difference of ₹24.01 crore (Cr) as on 31st March 2013 between the cash balance with the RBI as worked out by the Principal Accountant General (A&E), and as reported by the RBI. The net difference is mainly due to non reconciliation of figures reported by the Agency Banks. Following subsequent reconciliation, the net difference as on June 2013 was ₹24.19 crore (Cr).

(vii) Operation of unauthorized heads :

Under the powers relating to the form of accounts vested with the President of India under Article 150 of the Constitution, the Controller General of Accounts (CGA) issues correction slips to the List of Major and Minor Heads (LMMH) from time to time. The State Government, however, has not incorporated the correction slips issued by the CGA in respect of fifteen Minor Heads below six Sub Major Heads, as a result of which, the expenditure relating to these Minor Heads under six Revenue Major Heads and six Minor Heads below one Sub Major Head under one Capital Major Head during 2012-13 remained undefined.

NOTES TO ACCOUNTS – contd.

Further, the State Government has not incorporated the correction slip ('Minor Head 117-Defined Contribution Pension Scheme for Government Employees' under Major Head '8342-Other Deposits') prescribed by the CGA for all contributions and interest thereon under the New Pension Scheme, as a result of which, all such amounts continue to be wrongly accounted for under 'Minor Head 120-Miscellaneous Deposits'.

(3) Other Items:

(i) Liabilities on Retirement Benefits:

The expenditure on 'Pension and Other Retirement Benefits' during the year to State Government employees who were recruited on or before 31 March 2006 was ₹72,27.44 crore (9.47 per cent of total revenue expenditure). State Government employees recruited on or after 1 April 2006 are covered under the New Pension Scheme (NPS), a defined contributory pension scheme, which commenced from October 2010. Under the Scheme, the employee contributes 10 per cent of his basic pay and dearness allowance, which is matched by the State Government, and the entire amount, is transferred to the designated fund manager through the National Securities Depository Limited (NSDL)/ Trustee Bank.

Recoveries towards current contribution and backlog contribution under New Pension Scheme are not effected in respect of employees who are not covered under the treasury payment system (e.g., those on deputations to Public Sector Undertakings, Local Bodies etc.). During the year 2012-13, against the employees' contribution of ₹3,19.63 crore, the State Government contributed ₹1,13.81 crore, resulting in a shortfall of ₹2,05.82 crore, whereby, the State Government's Revenue Expenditure was understated, and the Revenue Surplus overstated to this extent.

Out of the total contribution of ₹8,96.84 crore as on 31 March 2013, the State Government transferred ₹8,95.17 crore to the NSDL, a shortfall of ₹1.67 crore. The shortfall for the year 2012-13 was ₹0.43 crore.

NOTES TO ACCOUNTS – contd.

(ii) Loans and Advances:

Information in respect of 'Overdue Principal and Interest' contained in Statement 7 is incomplete, since only 22 out of 842 institutions in respect of whom the detailed accounts are maintained by the Heads of the Departments/Chief Controlling Officers, have furnished the required information (details are given in the second part of Section 3 under Statement 7).

Under the Indian Government Accounting Standards (IGAS) 3, the loans and advances of the State are required to be serviced by payment of interest, and all the loans are to be sanctioned with specific terms and conditions governing such loans. Out of the 58 loans for ₹12,69.73 crore sanctioned by the State Government in 2012-13, loans valued at ₹5,50.80 crore were sanctioned without specifying any terms and conditions. Details are available as additional disclosures under Statement 16.

The Principal Accountant General (A&E) has informed the State Government that 319 loans carry adverse balances amounting to ₹11,86.07 crore due to misclassification of repayments and poor reconciliation by the concerned Chief Controlling Officers.

(iii) Guarantees:

Guarantees reported in the Statement 9 are based on information furnished by the State Government and as per the format prescribed in Indian Government Accounting Standards (IGAS) 1. Under the Karnataka Ceiling on Government Guarantees Act, 1999, the total outstanding Government guarantees as on the 1 April of any year shall not exceed 80 *per cent* of the State's Revenue Receipts of the second preceding year. As on 1 April 2012, the total outstanding guarantees amounted to ₹65,15.20 crore (Principal: ₹63,92.80 crore and Interest: ₹1,22.40 crore), which constituted 11.19 *per cent* of the total revenues (₹5,82,06.23 crore) for 2010-11, which was within the limits prescribed in the Act.

The Act also stipulates receipt of Guarantee Commission at a minimum of one *per cent* on the amount of guarantees outstanding in the preceding year. At the beginning of 2012-13, the Guarantee Commission receivable was ₹3,60.35 crore against which,

NOTES TO ACCOUNTS – contd.

₹1,48.93 crore was received, leading to a shortfall of ₹2,11.42 crore. The Karnataka Ceiling on Government Guarantee Act, 1999 does not provide for waiver of Guarantee Commission. Instead, during 2012-13, the State Government adjusted Guarantee Commission of ₹1,27.16 crore as subsidy to Electricity Supply Companies (₹3.11 crore) and Krishna Bhagya Jala Nigam (₹1,01.50 crore); and as investment in equity in various Public Sector Undertakings (₹22.55 crore).

(iv) Reserve Funds:

Details of book adjustments carried out by the Principal Accountant General (A&E) in relation to the contribution of the State Government to various Reserve / Deposit Funds and their utilization, are indicated in Annexure-A. Detailed information on reserve funds and investments from earmarked funds are available in statement 18 and 19 respectively. Out of 44 Reserve Funds, 9 funds are active and 33 have been dormant for over 30 years. In addition, the Principal Accountant General (A&E) has requested the State Government to review the necessity to continue two reserve funds, viz., (i) The State Renewal Fund which has not recorded any transaction under it since 1999-2000, and (ii) The Guarantee Reserve Fund which needs to be replaced by Guarantee Redemption Fund in the light of the recommendation of the Twelfth Finance Commission.

Out of total outstanding balance of ₹1,57,50.88 crore lying in various reserve funds as on 31 March 2013, the State Government invested ₹35,67.16 crore (22.65 per cent). The status of the major Reserve Funds is given below:

(a) Consolidated Sinking Fund:

In terms of the recommendations of the Twelfth Finance Commission, the State Government constituted a Consolidated Sinking Fund (CSF) in 2012-13 for the amortization of all loans, and transferred ₹10,00.00 crore towards its corpus. The Fund is administered by the Reserve Bank of India which has invested the corpus in Government of India Securities.

NOTES TO ACCOUNTS – contd.

(b) Guarantee Reserve Fund:

During 1999-2000, the State Government 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 not constituted a Guarantee Redemption Fund (GRF) in terms of the recommendations of the Twelfth Finance Commission.

(c) State Disaster Response Fund (SDRF):

Government of India replaced the existing Calamity Relief Fund in 2010-11 with the State Disaster Response Fund (SDRF). In terms of the guidelines of the Fund, the Central and State Governments are required to contribute to the Fund in the proportion of 75:25. As of 1 April 2012, there was ₹73.47 crore lying in the Fund. Following Government of India's release of ₹1,37.10 crore in 2012-13, the State Government contributed ₹40.36 crore as its share and released the entire ₹1,77.46 crore to the Fund during 2012-13. In addition, an amount of ₹6,79.54 crore towards NDRF received from the Government of India was also transferred to the Fund. An amount of ₹9,27.23 crore from the Fund balance was set off against expenditure initially incurred under Major Head 2245-Relief on account of Natural Calamities, leaving a balance ₹3.24 crore in the Fund as of 31 March 2013.

(d) State Urban Transport Fund:

In 2010, the Government of Karnataka set up a 'State Urban Transport Fund' (SUTF) under the category of 'deposit funds bearing interest', to fund urban transport. The corpus of the Fund comprised of ₹10.00 crore from State Finance Commission Grants and ₹10.00 crore from 'Cess on Motor Vehicle Tax'. As on 31 March 2013, the balance in the Fund was ₹17.36 crore. In 2012, the State Government set up another 'State Urban Transport Fund' under the category, 'Reserve Funds-not bearing interest', with funding from three sources i.e., Budgetary Grant, Cess on Motor Vehicle Taxes (*One per cent*) and Cess on Property Tax. During the current financial year, the Fund was credited with ₹44.94 crore from Cess on Motor Vehicle Tax and an expenditure of ₹29.99 crore was met out of this Reserve Fund leaving a balance of ₹27.45 crore as on 31 March 2013.

NOTES TO ACCOUNTS – contd.

(e) Other Funds:

During 2012-13, due to non-availability of budget provisions, contributions/ transfer from the Consolidated Fund to the respective Reserve Funds under Public Account remained un-adjusted in case of two reserve funds, viz., (i) Financial Assistance of ₹2.63 crore received from the Government of India towards corpus fund for setting up of the Consumer Welfare Fund, (ii) ₹26.63 crore towards Market Fees and License Fee realized towards the Karnataka Silk Worm Cocoon and Silk Yarn Development and Price Stabilization Fund and (iii) The expenditure of ₹7.40 crore incurred on Sericulture Development schemes. The non-utilisation of Central assistance towards the Consumer Welfare Fund has resulted in overstatement of Revenue Surplus by ₹2.63 crore.

(v) Suspense Heads:

The Finance Accounts reflect the net balances under Suspense 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 the significant suspense heads (under Major Head 8658) to the end of last three years is indicated below:

(₹ in crore)

Name of Minor Head	2010-11		2011-12		2012-13	
	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.
101 - Pay and Accounts Office Suspense	60.49	0.05	71.14	2.45	68.91	1.41
Net	Dr. 60.44		Dr.68.69		Dr.67.50	
102 - Suspense Account (Civil)	25.24	6.86	24.51	6.71	23.76	8.93
Net	Dr.18.38		Dr.17.80		Dr.14.83	
110 - R B Suspense – Central Accounts Office	59.24	99.82	1,40.20	1,82.48	20.30	60.22
Net	Cr. 40.58		Cr.42.28		Cr.39.92	

(vi) Direct release of States share of Centrally Sponsored Schemes and State Plan Schemes to the State Implementing Agencies: The State Government provides funds to State / District level autonomous bodies and authorities, societies, non-governmental organizations, etc., for implementation of Centrally Sponsored Schemes (State share) and

NOTES TO ACCOUNTS – contd.

State Schemes. Detailed information on Plan schemes is furnished in Appendix 6 and 7. 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. Since the amounts released to some implementing agencies were kept in nationalised / private banks outside the Government accounts, the aggregate amount of the unspent balances and the interest, if any, accrued on the balances of these accounts is not readily ascertainable.

(vii) Contingency Fund: The corpus of the Fund is ₹ 80 crore. There was no unrecouped amount against the Fund at the end of the financial year.

(viii) Unencashed Cheques: As on 31 March 2013, cheques amounting to ₹68,19.56 crore issued by the State Government remained unencashed.

(ix) Adverse Balances appearing in Finance Accounts:

Statement 6 depicts details of State Government borrowings from various Financial Institutions. As on 31 March 2013, the accounts show adverse balances amounting to ₹1,44.88 crore, of which ₹26.14 crore pertains to non-reconciliation of amount of Central Government loans written off in terms of the recommendations of the Thirteenth Finance Commission and ₹1,18.74 crore pertains to the direct release of NCDC loans to entities without routing through the Consolidated Fund while the repayments of the Principal amounts were from Government account. Details of adverse balances arising upto Minor Head level are given in Annexure-C.

(x) Incorporation of additional statements/ information recommended by the Twelfth Finance Commission:

All the information required by the Twelfth Finance Commission has been included in the form of Appendices to the Finance Accounts of 2012-13, except for the statement on maintenance expenditure segregating the salary and wage component (Appendix 13) for which, the State Government has not prescribed the required object heads.

NOTES TO ACCOUNTS – contd.

(xi) Compliance with the Karnataka Fiscal Responsibility Act (KFRA), 2002:

The Fiscal Responsibility Act, 2002, was amended in 2011 to incorporate the recommendations of the Thirteenth Finance Commission to fix a new set of ceilings relating to Fiscal Deficit and Outstanding Debt as a percentage of Gross State Domestic Product (GSDP). In terms of the amended Act, the State Government has made additional disclosures which are reflected as separate statements annexed to the Medium Term Fiscal Plan 2013-17.

Details of targets fixed by the State Government, and achievements as per the accounts are given below:

Sl. No.	Targets	Achievements during 2012-13
1.	Reduce Revenue Deficit by an amount equivalent to at least NIL percentage point of GSDP in each financial year, beginning from the 31 st day of March 2006.	The State Government achieved Revenue Surplus from the year 2004-05 onwards. The Revenue Surplus as per the accounts of 2012-13 stood at ₹18,82.96 crore.
2.	Reduce Fiscal Deficit by an amount equivalent to at least 3.44 percentage point of Gross State Domestic Product in each financial year beginning from 2011-12, so as to bring it down to not more than three <i>per cent</i> during 2012-13: subject to the Fiscal Deficit limits fixed by the Government of India from time to time.	In terms of the accounts, the State's Fiscal Deficit of ₹1,45,07.23 crore is 2.76 <i>per cent</i> of GSDP.
3.	For the year 2012-13, Outstanding Liabilities not to exceed 25.7 <i>per cent</i> of GSDP, as prescribed by the Government of India in pursuance of the recommendations of Thirteenth Finance Commission .	Outstanding Liability as per the accounts is 22.22 <i>per cent</i> of GSDP.
4.	Limit the amount of annual incremental risk weighted Guarantees to 80 <i>per cent</i> of the Total Revenue Receipts (TRR) of the second preceding year.	Outstanding Guarantees stood at ₹65,64.95 crore at the end of 2012-13 constituting 11.28 <i>per cent</i> of the revenue receipts of the previous year.

Note: (1) GSDP figure at current prices: ₹52,54,44 crore as per the figures communicated by Ministry of Finance, Government of India and accepted by the State Government (2) Total Revenue Receipts (TRR) : ₹5,82,06.23 crore (2010-11)

NOTES TO ACCOUNTS – contd.

(xii) Impact of incorrect booking on revenue surplus:

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

Paragraph no.	Item	Impact on revenue surplus	
		Overstatement	Understatement
3 (i)	Short Contribution by Government towards NPS	₹205.82 crore	...
3(iv) (e)	Non-transfer of Central assistance to Reserve Funds	₹2.63 crore	...

NOTES TO ACCOUNTS – contd.

ANNEXURE – A

(Note 1 (ii) of Notes to Accounts)

PERIODICAL ADJUSTMENTS AND BOOK ADJUSTMENTS

A – Periodical Adjustments:

(Amount ₹ in crore)

Sl. No	Adjustment	Heads of Account affected		Amount	Remarks
1	Adjustment of Grants-in-Aid from Central Road Fund	3054-80-797-0-02-261[Transfer of Grants from Central Road Fund]	8449-00-103-0-00-000 [Subvention from Central Road Fund]	1,38.29	Adjustment relating to Central Road Fund
		5054-80-902-0-01 [Capital Outlay on Roads and Bridges – amount met from Central Road Fund]	8449-00-103-0-00-000 [Subvention from Central Road Fund]	1,38.29	Expenditure under 5054 to the extent of Grant-in-Aid from CRF transferred to 8449
2	Adjustment of Govt. dues against the amount of Rural Energy Subsidy etc. dues to Karnataka Power Corporation / Karnataka Power Transmission Corporation Ltd.	2801-80-101-1-04-106 [Subsidy due to Karnataka Power Transmission Corporation Limited]	6801-00-190-1-01-394 [Karnataka Power Transmission Corporation Limited]	13.14	Tariff Subsidy to Electricity Supply Companies for financial year 2012 -13 and other cash support to Karnataka Power Transmission Corporation Limited. - Adjustment of dues from KPTCL, Electric Supply Companies & KPCL to Government of Karnataka
			6801-00-190-1-02-394 [Prime Minister Gramodaya Yojane - Rural Electrification]	1.10	
			6801-00-190-2-01-394 [Energisation of Irrigation works]	1.19	
			0801-01-201-0-01-394 [Royalty etc. recovered from KPCL]	85.24	
			6801-00-205-1-02 (Loans for Other Schemes Distribution & Automation)	0.50	
			0043-00-101-0-01-000 [Taxes on Consumption and sale of electricity-Tax Collections]	7,21.63	

NOTES TO ACCOUNTS – contd.

ANNEXURE – A

(Note 1 (ii) of Notes to Accounts)

PERIODICAL ADJUSTMENTS AND BOOK ADJUSTMENTS

A – Periodical Adjustments (contd.):

(Amount ₹ in crore)

Sl. No	Adjustment	Heads of Account affected		Amount	Remarks
2	Adjustment of Govt. dues against the amount of Rural Energy Subsidy etc. dues to Karnataka Power Corporation / Karnataka Power Transmission Corporation Ltd.		0049-04-190-0-01-000 [Interest on loans to Karnataka Power Transmission Corporation Limited]	18.08	
			0075-00-108-0-01-000 [Guarantee Fees]	3.11	
3	Urban Transport	2217-80-797 [Transfer to Reserve Fund and Deposit Account]	8229-00-200-0-33 [State Urban Transport Fund]	44.94	Transfer of cess amount collected on Motor Vehicle Tax and contribution from General Revenues to SUTF and expenditure met there from
		4217-60-902-0-03 [Amount met from SUTF]		29.99	
4	Police Force lent to Forest Department.	2055-00-109-1-01-261 [Police Establishment in existing Districts - Inter account transfers]	2406-01-001-2-01-261 [Forest and Wild Life – Executive and General Establishment]	0.18	Expenditure initially incurred under Police Department transferred to Forest Department Head
5	Karnataka Forest Development Fund	2406-01-797-0-01-261 [Transfer of Forest Dev. Tax to Karnataka Forest Development Fund]	8229-00-200-0-04-000 [Karnataka Forest Development Fund]	8,94.03	Transfer of Forest Development Tax collected and initially accounted under Major Head 0045 to Major Head '8229 - Karnataka Forest Development Fund'

NOTES TO ACCOUNTS – contd.

ANNEXURE – A

(Note 1 (ii) of Notes to Accounts)

PERIODICAL ADJUSTMENTS AND BOOK ADJUSTMENTS

A – Periodical Adjustments (contd):

(Amount ₹ in crore)

Sl. No	Adjustment	Heads of Account affected		Amount	Remarks
		2406-01-902-0-00-261 [Amount met from Karnataka Forest Development Fund]	8229-00-200-0-04-000 [Karnataka Forest Development Fund]	1,84.20	Expenditure initially incurred under Major Head 2406 has been transferred to Major Head '8229 – Karnataka Forest Development Fund'
6	Forest Department Protected Area Management Fund	2406-02-797-0-01-261 [Transfer of Receipts from Sanctuaries to Protected Area Management Fund]	8229-00-200-0-29-000 [Protected Area Management Fund]	3.35	Transfer of Receipts from Sanctuaries Major Head 0406 to Protected Area Management Fund
		2406-02-902-0-00-261 [Amount met from Protected Area Management]	8229-00-200-0-29-000 [Protected Area Management Fund]	3.62	Expenditure initially incurred under Major Head 2406 has been transferred to Major Head '8229 – Protected Area Management Fund'
7	Forestry and Wild Life	2406-01-797-0-04-261	8229-00-200-0-34-000	22.17	Transfer of Afforestation receipts to Afforestation Fund
		2406-01-902-0-03-261	8229-00-200-0-34-000	3.30	Expenditure met from Afforestation Fund for compensating environmental losses
8	Other General Services Infrastructure Initiative Fund (IIF)	3475-00-797-0-01-261 [Transfer of cess to Infrastructure Initiative Fund]	8229-00-200-0-19-000 [Infrastructure Initiative Fund]	4,09.46	Adjustment of Infrastructure cess to Fund Head and the expenditure met there-from

NOTES TO ACCOUNTS – contd.

ANNEXURE – A

(Note 1 (ii) of Notes to Accounts)

PERIODICAL ADJUSTMENTS AND BOOK ADJUSTMENTS

A – Periodical Adjustments (contd):

(Amount ₹ in crore)

Sl. No	Adjustment	Heads of Account affected		Amount	Remarks
8	Other General Services Infrastructure Initiative Fund (IIF)	5465-01-902-0-00 [Deduct-Amount met from Infrastructure Initiative Fund]	8229-00-200-0-62 Development and Welfare funds Infrastructure Initiative Fund	4,09.46	
9	Bangalore Metro Rail Corporation Ltd., Fund (BMRCL)	3475-00-797-0-01-261 [Transfer of cess to Infrastructure Initiative Fund]	8229-00-200-0-32-000 [Bangalore Metro Rail Corporation Ltd. Fund]	2,01.14	Adjustment of Infrastructure cess to BMRCL Fund Head and the expenditure met there-from
		6217-60-902-0-00 [Amount met from BMRCL Fund]	8229-00-200-0-61 BMRCL Fund	1,95.72	
10	Chief Minister's Rural Road Development Fund (CMRRD)	3475-00-797-0-01-261 [Transfer of cess to Infrastructure Initiative Fund]	8229-00-200-0-31-000 [Chief Minister's Rural Road Development Fund]	1,07.76	Adjustment of Infrastructure cess to CMRRD Fund Head and the expenditure met there-from
		3054-80-902-0-00 [Expenditure met from CM RRD Fund]	8229-00-200-0-31 CM's RRD Fund	1,07.76	
11	Sinking Fund	8222-01-101-0-02 [Consolidated Sinking Fund - Investment Account]	2048-00-101-4-01 [Contribution to Consolidated Sinking Fund]	10,00.00	As per recommendation of 12 th Finance Commission, Consolidated Sinking Fund Corpus created to invest in dated Govt. of India Securities
		8235-00-200-0-05 [Fiscal Management Fund]	2048-00-902-0-01 [Expenditure met from Fiscal Management Fund]	10,00.00	
12	Civil Supplies	3456-00-797-0-04 [Transfer of Fee and penalties to Consumer Welfare fund]	8229-00-123-0-00 [Consumer Welfare Fund]	1.09	Receipts collected as Fee/Penalties transferred to Fund Expenditure on Consumer Welfare Awareness Programme met from Fund Account
		3456-00-902-0-01 [Expenditure met from Consumer Welfare fund]	8229-00-123-0-00 [Consumer Welfare Fund]	0.49	

NOTES TO ACCOUNTS – contd.

ANNEXURE – A

(Note 1 (ii) of Notes to Accounts)

PERIODICAL ADJUSTMENTS AND BOOK ADJUSTMENTS

A – Periodical Adjustments (contd):

(Amount ₹ in crore)

Sl. No	Adjustment	Heads of Account affected		Amount	Remarks
13	State Disaster Response Fund	2245-05-101-0-03-261 [Relief on account of Natural Calamities – Central share to State Disaster Response Fund]	8121-00-122-1-00- [State Disaster Response Fund of Karnataka]	1,33.10	Central share of SDRF (₹133.10 crore) and State share of SDRF (₹44.36 crore) and NDRF (₹679.54 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 [State Share to State Disaster Response Fund]	8121-00-122-1-00- [State Disaster Response Fund]	44.36	
		2245-05-101-0-05-261 [National Disaster Response Fund]	8121-00-122-1-00- [State Disaster Response Fund]	6,79.54	
		2245-05-901-0-03-261 [Amount met from State Disaster Response Fund – Inter Account Transfers]	8121-00-122-1-00 [State Disaster Response Fund of Karnataka]	1,77.46	
14	Adjustment of Travel concession against MVT dues	2011-02-800-0-03-041 [Travel concession to Ex Members of Legislative Assembly]	0041-00-102 [Taxes on Vehicles and Service Tax]	0.11	Motor Vehicles Tax due to Govt. by State Transport Corporations adjusted towards free bus passes provided to Ex-MLAs & Ex – MLCs
		2011-02-800-0-04-041 [Travel Concession to Ex Members of Legislative Council]		0.04	
15	Adjustment of Interest on Fund Balance – Karnataka Govt. Insurance Department	2049 [Interest Payments] Group Insurance Savings Scheme	8011 [Insurance and Pension Funds]	3.03 1,23.39	Adjustment of amount of interest on Group Insurance and Savings Schemes
16	Adjustment of interest on K.S.L.I (O.B)	2049-03-108-1-01 [State Govt. Insurance Fund]	8011-00-105-1-01-000 [Subscriptions to Karnataka State Life Insurance Fund (Official Branch)]	4,65.28	Adjustment of amount of interest accumulated on K.S.L.I (O.B, Motor Insurance, H.S.L.I and F.B.F)

NOTES TO ACCOUNTS – contd.

ANNEXURE – A

(Note 1 (ii) of Notes to Accounts)

PERIODICAL ADJUSTMENTS AND BOOK ADJUSTMENTS

A – Periodical Adjustments (contd):

(Amount ₹ in crore)

Sl. No	Adjustment	Heads of Account affected		Amount	Remarks
16	Motor Insurance	2049-03-108-1-02 [Motor Insurance Fund]	8011-00-105-2-00 [Motor Insurance Fund]	14.13	
	H.S.L.I	2049-03-108-1-03 [Hyderabad State Life Insurance Fund]	8011-00-105-3-00 [Andhra Pradesh Life Insurance Fund]	0.52	
	F.B.F	2049-03-108-2-00 [Govt. Employees Family Benefit Fund]	8011-00-102-0-02 [Karnataka Govt. Employees Family Benefit Fund]	9.00	
17	Expenditure met from Karnataka Government Insurance Fund	2235-60-902-0-00-261 [Social Security and Welfare – amount met from Karnataka State Government Insurance Fund]	8011-00-105-1-01 [Karnataka State Life Insurance Fund]	23.24	The recurring cost of the management of the Fund is initially debited under 2235 and eventually transferred to 8011
18	Industries – Departmentally managed Govt. Commercial Undertakings - Capital invested	2852-08-202-1-01-243 [Consumer Industries Textiles - Govt. Silk Filature - Kollegal]	0049-04-103-0-02-000 [Govt. Silk Filature - Kollegal]	0.08	Adjustment of Interest on Capital invested in Govt. Commercial Undertakings by Government
		2852-08-202-2-01-243 [Govt. Silk Filature - Santemarahalli]	0049-04-103-0-04-000 [Govt. Silk Filature - Santemarahalli]	0.04	
		2852-08-202-3-01-243 [Govt. Silk Filature - Chamarajanagar.]	0049-04-103-0-03-000 [Govt. Silk Filature - Chamarajanagar]	0.12	
		2852-08-202-4-01-243 [Govt. Silk Filature - Mamballi]	0049-04-103-0-05-000 [Govt. Silk Filature - Mamballi]	0.16	

NOTES TO ACCOUNTS – contd.

ANNEXURE – A

(Note 1 (ii) of Notes to Accounts)

PERIODICAL ADJUSTMENTS AND BOOK ADJUSTMENTS – contd.

A – Periodical Adjustments – contd.

(Amount ₹ in crore)

Sl. No	Adjustment	Heads of Account affected		Amount	Remarks
18	Industries – Departmentally managed Govt. Commercial Undertakings – Capital invested	2852-08-202-5-01-243 [Govt. Silk Twisting and Weaving Factory - Mudigundam]	0049-04-103-0-06-000 [Govt. Silk Twisting and Weaving Factory - Mudigundam]	0.03	
		2852-08-202-6-01-243 [Govt. Mini Silk Filature unit - Tolahunse]	0049-04-103-0-07-000 [Govt. Mini Silk Filature unit - Tolahunse]	0.03	
19	Industries – Departmentally managed Govt. Commercial Undertakings – Depreciation Reserve Fund	2049-05-101-1-01-240 [Interest on Reserve Funds. Govt. Silk Filature, Kollegal]	0852-08-202-1-02-000 [Textiles – Government Silk Filature, Kollegal]	0.01	Interest on Depreciation Reserve Fund
		2049-05-101-1-03-240 [Govt. Silk Filature - Chamarajanagar]	0852-08-202-3-02-000 [Govt. Silk Filature - Chamarajnagar]	0.02	
		2049-05-101-1-04-240 [Govt. Silk Filature - Santemarahalli]	0852-08-202-2-02-000 [Govt. Silk Filature - Santemarahalli]	0.01	
		2049-05-101-1-05-240 [Govt. Silk Filature - Mamballi]	0852-08-202-4-02-000 [Govt. Silk Filature - Mamballi]	0.03	
		2049-05-101-1-06-240 [Govt. Silk Twisting and Weaving Factory - Mudigundam]	0852-08-202-5-02-000 [Govt. Silk Twisting and Weaving Factory - Mudigundam]	0.01	

NOTES TO ACCOUNTS – contd.

ANNEXURE – A

(Note 1 (ii) of Notes to Accounts)

PERIODICAL ADJUSTMENTS AND BOOK ADJUSTMENTS – contd.

A – Periodical Adjustments – conclud.

(Amount ₹ in crore)

Sl. No	Adjustment	Heads of Account affected		Amount	Remarks
20	Industries – Consumer Industries – Textiles	2852-08-202-2-01-271 [Govt. Silk Filature Santhemarahalli]	8115-00-103-0-15-000 [Govt. Silk Filature Santhemarahalli]	0.01	Amount transferred to Depreciation/ Renewal Reserve Funds
21	Adjustment of interest on G.P.F	2049-03-104-1 [Adjustment of interest on G.P.F (State)]	8009-01-101-0-01 [General Provident Fund Karnataka]	6,55.91	Adjustment of interest on G.P.F (State) and A.I.S. P.F
		2049-03-104-3 [Interest on A.I.S. P.F]	8009-01-104-0-01 [All India Services Provident Fund Karnataka]	5.64	
22	Contribution to Provident Fund- Commercial concerns Staff Employed in Irrigation Works	2852 [Industries]	0071-01-101-0-02-000 [Contribution towards Provident Fund]	0.15	Pension contribution in respect of Govt. officials deputed to commercial concerns and projects
		2700 Major Irrigation 2701 Medium Irrigation 4700 Capital Outlay on Major Irrigation 4701 Capital Outlay on Medium Irrigation	0071-01-101-0-04-000 [Staff employed in Irrigation Works - Pensionary Charges]	1.73	
23	Ports & Light Houses Transfer of expenditure to Fund Account	3051-02-797-0-01- [Transfer of Receipts under Ports and Light Houses to Port Development Fund]	8229-00-112-0-00-000 [Port Development Fund]	8.91	Transfer of Receipts under Ports and Light Houses initially accounted under 1051/1052 to Port Development Fund
		3051-02-902-0-00-261 [Amount met from Port Development Fund] 5051-80-902-0-00-261	8229-00-112-0-00-000 [Port Development Fund]	8.04 0.87	Transfer of expenditure initially accounted under 3051/5051 to Port Development Fund

NOTES TO ACCOUNTS – contd.

ANNEXURE – A

(Note 1 (ii) of Notes to Accounts)

PERIODICAL ADJUSTMENTS AND BOOK ADJUSTMENTS – contd.

B – Other Adjustments

(Amount ₹ in crore)

Sl. No	Adjustment	Heads of Account affected		Amount	Remarks
1	Guarantee Commission	5465-01-190-1-04-240 [Investments in General Finance and Trading Institutions]	0075-00-108-0-01 [Miscellaneous General Services – Guarantee Fees]	0.19	Service charges by KSIIDC for HUDCO loan – Debt servicing
		2701-80-800-7-05-059 Krishna Bhagya Jala Nigam-Other Expenses	0075-00-108-0-01 [Miscellaneous General Services – Guarantee Fees]	1,01.50	Guarantee Commission payable by KBJNL
		4860-04-190-1-00 [Capital Outlay on Consumer Industries – MYSUGAR]	0075-00-108-0-01 [Miscellaneous General Services – Guarantee Fees]	5.88	Guarantee Commission payable by MYSUGAR
		4860-05-190-0-01 [Capital Outlay on Consumer Industries – MPM]	0075-00-108-0-01 [Miscellaneous General Services – Guarantee Fees]	2.18	Guarantee Commission payable by Mysore Paper Mills Ltd. (MPM)
		2853-02-001-0-01-071 [KSIIDC -]	0075-00-108-0-01 [Miscellaneous General Services – Guarantee Fees]	0.30	Guarantee Commission payable by Karnataka State Industrial and Infrastructure Development Corporation Ltd. (KSIIDC)
		2851-00-107-1-46-100 [Karnataka Silk Marketing Board – Financial Assistance]	0075-00-108-0-01 [Miscellaneous General Services – Guarantee Fees]	0.25	Guarantee Commission payable by Karnataka Silk Marketing Board.
		2225-01-190-2-01-100 [Self Employment Scheme – Financial Assistance]	0075-00-108-0-01 [Miscellaneous General Services – Guarantee Fees]	8.31	Guarantee Commission payable by Dr. B.R. Ambedkar Development Corporation Ltd,
		3451-00-090-2-01-059 [IT promotion and development – Other Expenses]	0075-00-108-0-01 [Miscellaneous General Services – Guarantee Fees]	1.17	Guarantee Commission payable by K-BITS to Govt.

NOTES TO ACCOUNTS – contd.

ANNEXURE – A

(Note 1 (ii) of Notes to Accounts)

PERIODICAL ADJUSTMENTS AND BOOK ADJUSTMENTS – contd.

B – Other Adjustments – contd.

(Amount ₹ in crore)

Sl. No	Adjustment	Heads of Account affected		Amount	Remarks
		3054-80-800-0-10-059 [KRDCL – Other Expenses]	0075-00-108-0-01 [Miscellaneous General Services – Guarantee Fees]	4.27	Guarantee Commission payable by Karnataka Road Development Corporation Limited. to Govt.
2	Taxes on Sales, Trade, etc.,	2040-00-101-0-01-100 -Financial Assistance	0040-00-101-0-04 [Taxes on Sales, Trade etc., Other Receipts]	1.46	Adjustment of Waiver of Tax and interest dues on cashew nut dealers
		2040-00-101-0-02-100 - Financial Assistance	0040-00-101-0-04 [Taxes on Sales, Trade etc., Other Receipts]	12.68	Payment towards Waiver of Tax and interest dues on areca nut dealers
		2040-00-101-0-03-100 -Financial Assistance	0040-00-101-0-04 [Taxes on Sales, Trade etc., Other Receipts]	0.55	Waiver of VAT and Penalty due by dealers in Utensils
3	Road Transport Corporation	3055 [Road Transport]	0041 [Taxes on Vehicles]	2,35.64	Adjustment of concessional value of bus passes issued to Freedom Fighters & their widows, Students, Physically Handicapped, Blind etc., as subsidy to state owned transport companies against Motor Vehicle Tax dues.
4	Capital Outlay on Information and Publicity	4220-01-190-1-00-211 [Shree Kanteerava Studio – Investment]	6220-01-190-2-00 [Loans for Information and Publicity]	0.18	Conversion of secured and unsecured loan into equity in Shree Kanteerava Studios Ltd.
5	Co-operation	2425-00-107-1-02-100 [Financial Assistance to Gulbarga DCC Bank]	4425-00-107-0-90 [Capital Outlay on Co-operation]	5.76	Conversion of excess equity of in DCC Bank and PACs into grant
		2425-00-107-1-03-100 [Assistance to Credit Cooperative Societies]	4425-00-107-0-90	3.33	

NOTES TO ACCOUNTS – contd.

ANNEXURE – A – conclud.

(Note 1 (ii) of Notes to Accounts)

PERIODICAL ADJUSTMENTS AND BOOK ADJUSTMENTS – contd.

B – Other Adjustments – conclud.

(Amount ₹ in crore)

Sl. No	Adjustment	Heads of Account affected		Amount	Remarks
6	Commerce and Industries	4860-05-190-0-01-211 [Mysore Paper Mills Ltd. Bhadravathi - Investment]	6860-05-190-1-00 [Loans for Consumer Industries]	0.60	Conversion of interest free loan into equity
7	Commerce and Industries	2852-07-792-0-01-261 [Write off loans to REMCO]	6859-02-800-0-01 [Loans for Telecommunication and Electric Industries]	2.00	Write off of loans outstanding against REMCO before its takeover by BHEL
8	Miscellaneous General Services	2075-00-800-4-08-261 [Write off of losses]	4852-02-190-0-90-364 [Capital Outlay on Iron and Steel Industries]	32.76	Transfer of equity share holding of Govt. of Karnataka in VISL to SAIL
9	Civil Aviation	1053-00-900-0-90 [Civil Aviation – Deduct Refunds]	5465-01-190-2-01-211 [Investment in General and Financial Institutions]	20.00	Reversal of conversion of lease rental received earlier from BIAL but retained with KSIIDC as equity.
10	Social Security and Welfare	2235-02-103-0-65-059 [Pilot Project for providing food grains to pregnant and lactating women]	6235-02-103-0-01-500 Loans for Social Security and welfare – Women Welfare	2.91	Conversion of loan into grant under Prime Minister's Pilot Project
11	Youth Services and Sports	2204-00-104-0-29-102 [Grants-in-Aid for Asset Creation]	6202-03-800 [Loans for National Games]	2.00	Conversion of loan into Grant released to National Games
12	Engineering Industries	4858-02-190-0-07-211 [Investment in Public Sector and Other Undertaking – Mysore Lamp Works Ltd]	6858-01-190-0-06 [Loans to PSUs]	10.44	Conversion of loan (along with Interest) into Equity

NOTES TO ACCOUNTS – contd.

ANNEXURE – B

(Note 2 (i) of Notes to Accounts)

Booking under Minor Head 800- Other Receipts and Other Expenditure:

(Amount ₹ in crore)

Sl. No.	Major Head		Amount of Receipt/ Expenditure under 800	Amount of Total Receipt/ Expenditure under Major Head	Percentage
Receipts - 800-Other receipts					
1	4000	(c)	41.63	33.04	126.00
2	0217		1.69	1.69	100.00
3	0506		0.15	0.15	100.00
4	1054		1,19.49	1,19.49	100.00
5	1456		0.35	0.35	100.00
6	6211		0.02	0.02	100.00
7	6705		0.01	0.01	100.00
8	6885		0.67	0.67	100.00
9	7075		0.98	0.98	100.00
10	6216		6.76	6.84	98.83
11	0211		0.15	0.16	93.75
13	0235		40.18	41.33	97.22
12	0515		9.45	9.80	96.43
14	0220		1.14	1.22	93.44
15	0059		34.91	37.56	92.94
16	6202		11.59	12.59	92.06
17	1452		0.82	0.89	92.13
18	0401		13.04	17.12	76.16
19	1475		44.77	77.02	58.13
20	0701		11.39	21.06	54.08
Expenditure - 800-Other Expenditure					
1	4217	(a)	2,18.85	1,88.86	115.88
2	5475	(b)	15.20	14.99	101.40
3	4575		2,81.66	2,81.66	100.00
4	4705		30.63	30.63	100.00
5	6235		3.00	3.00	100.00
6	6852		18.60	18.60	100.00
7	5452		1,30.72	1,30.72	100.00
8	4070		3.04	3.04	100.00
9	4401		60.00	86.10	69.69
10	2075		33.10	64.18	51.57

(a) The percentage is more than 100 due to adjustment of ₹29.99 crore to BMRCL Fund head.

(b) The percentage is more than 100 due to 'Deduct Receipts and Recoveries on Capital Accounts' (-) ₹0.21 crore.

(c) The percentage is more than 100 due to 'Deduct Refunds' (-) ₹10.58 crore.

NOTES TO ACCOUNTS – conclud.

ANNEXURE-C

(Note 3 (ix) of Notes to Accounts)

Adverse Balances appearing in the Finance Accounts

Adverse Balances appearing in the Finance Accounts (representing borrowings of the State Government under Major Heads 6003 and 6004, and amounts lent by the State Government under Loans and Advances). Since the Finance Accounts are depicted only upto Minor Head level, adverse balances below Minor Head levels are not shown here:

Head of Account	Description	Amount (₹ in crore)	Reason for adverse balance
6003-108	Internal Debt of the State Government – Loans from National Co-operative Development Corporation	1,18.74 (Debit)	The adverse balance appearing in Finance Accounts from 2006-2007 onwards is due to the fact that while repayments (Debits) are being accounted for, the corresponding credits are not being accounted under the head. The issue is under correspondence with the Finance Department (GOK) and was discussed in Public Accounts Committee during July 2011. Government has stated that reconciliation will be done to remove the adverse balance.
6004-03 & 04	Loans and Advances from Central Government	26.14 (Debit)	The adverse balance is due to write-off of central loans as per recommendations of 13 th Finance Commission under Central Plan Scheme and Centrally Sponsored Scheme as on 31 st March 2010. Repayments made during the year 2010-11 and 2011-12 resulted in adverse balance. During 2012-13 an amount of ₹6.04 crore (out of ₹32.18 crore) has been adjusted, leaving a balance of ₹26.14 crore.
6401-7475 & 7615	Loans and Advances	2.15 (Credit)	Adverse Balance is due to misclassification which is under reconciliation with the Department / Treasuries
7610	Loans to Government Servants	19.52 (Credit)	

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# **APPENDIX I**



## APPENDIX 1 - CASH BALANCES AND INVESTMENTS OF CASH BALANCES

| Particulars |                                                                             | As on 31 March<br>2013 | As on 31 March<br>2012 |
|-------------|-----------------------------------------------------------------------------|------------------------|------------------------|
|             |                                                                             | (In crores of rupees)  |                        |
| (a)         | <b>General Cash Balance:</b>                                                |                        |                        |
|             | 1. Cash in Treasuries                                                       | ...                    | ...                    |
|             | 2. Deposits with the Reserve Bank <sup>(1)</sup>                            | 67.94 (A)              | 3.00                   |
|             | 3. Remittances in Transit - Local                                           | 0.01                   | 0.01                   |
|             | <b>Total (1 to 3)</b>                                                       | <b>67.95</b>           | <b>3.01</b>            |
|             | 4. Investments held in the Cash Balance Investment Account <sup>(2)</sup>   | 68,72.36               | 76,40.61               |
|             | <b>Total (a)</b>                                                            | <b>69,40.31</b>        | <b>76,43.62</b>        |
| (b)         | <b>Other Cash Balances and Investments:</b>                                 |                        |                        |
|             | 1. Cash with Departmental Officers                                          | 2.11                   | 2.26                   |
|             | 2. Permanent Advances for Contingent expenditure with Departmental Officers | 1.65                   | 1.63                   |
|             | 3. Investments of Earmarked Funds <sup>(3)</sup>                            | 35,67.17               | 19,61.98               |
|             | <b>Total (b)</b>                                                            | <b>35,70.93</b>        | <b>19,65.87</b>        |
|             | <b>Total (a) and (b)</b>                                                    | <b>1,05,11.24</b>      | <b>96,09.49</b>        |

### Explanatory Notes

**a) Cash and Cash Equivalents:** Cash and cash equivalents consist of cash in treasuries and deposits 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 Reserve Bank of India'.

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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 2012-13 advised to the Reserve Bank upto 16 April 2013.
- (2) For details see page 49.
- (3) Fund-wise break-up of the investment from out of the earmarked funds is given in Statement No.19
- (A) There was a difference of ₹24.01 crore (Cr) between the figures reflected in the accounts {₹67.94 crore (Dr.)} and that intimated by the Reserve Bank of India {₹43.93 crore (Cr.)}. The difference to the extent of ₹0.18 crore, (Dr.) has since been reconciled and adjusted. The remaining difference of ₹24.19 crore (Cr.) is under reconciliation (June 2013).

**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.

**APPENDIX 1 - CASH BALANCES AND INVESTMENTS OF CASH BALANCES -  
contd.**

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 days and 91 days Treasury Bills along with the transactions reported (at RBI counters, Inter-Government transactions and Treasury transactions reported by the agency banks) for the day. To the cash balance so arrived, the maturity of 14 days Treasury Bills if any, is added and excess balance, if any, after maintaining the minimum cash balance is reinvested in Treasury Bills. **If the net cash balance arrived at results in less than the minimum cash balance** or a credit balance and if there are no 14 day treasury bills maturing on that day, RBI rediscounts the holdings of the 14 days Treasury Bills and makes good the shortfall. If there is no holding of 14 days Treasury Bills on that day Special Ways and Means Advances/Over Draft are granted to the State Government.

During 2012-13, Government of Karnataka have not availed any Ways and Means advances and Overdrafts with the Reserve Bank of India.

(c) **Ways and Means Advances:** The limit for Normal 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 2012-13 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,

**APPENDIX 1 - CASH BALANCES AND INVESTMENTS OF CASH BALANCES -  
concl.**

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.

The details of investments held in Cash Balance Investment Account are given below. Interest on Cash Balance Investments realised during the year was ₹5,31.57 crore.

|       |                                    | <i>(₹ in crore)</i> |
|-------|------------------------------------|---------------------|
| (i)   | Government of India Treasury Bills | 68,72.03            |
| (ii)  | Government of India Securities     | 0.32                |
| (iii) | Other Investments                  | 0.01                |
|       | <b>Total</b>                       | <b>68,72.36</b>     |

The operative limits of 'Normal Ways and Means Advances' for 2012-13 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 2012-13 the Government of Karnataka had invested in 14 days Treasury Bills and 91 days Treasury Bills.

The operative limits of 'Normal and Special Ways and Means Advances' for 2012-13 is given below:

| DATE       | ₹ in Crore |
|------------|------------|
| 01-04-2012 | ...        |
| 13-04-2012 | 13,94.65   |
| 27-04-2012 | 23,25.27   |
| 25-05-2012 | 32,55.79   |
| 01-06-2012 | 36,28.00   |
| 13-07-2012 | 36,29.86   |
| 27-07-2012 | 26,99.24   |
| 03-08-2012 | 36,30.24   |
| 24-08-2012 | 26,99.71   |
| 31-08-2012 | 41,89.31   |
| 12-10-2012 | 27,92.81   |
| 19-10-2012 | 41,89.60   |
| 02-11-2012 | 46,55.24   |
| 09-11-2012 | 60,51.88   |
| 29-11-2012 | 79,14.07   |
| 01-12-2012 | 60,52.26   |
| 13-12-2012 | 69,83.36   |
| 18-01-2013 | 55,86.57   |
| 01-02-2013 | 41,89.93   |
| 08-02-2013 | 27,93.29   |
| 28-02-2013 | 9,31.10    |
| 14-03-2013 | ...        |
| 22-03-2013 | 6,25.00    |



