

सत्यमेव जयते

# FINANCE ACCOUNTS VOLUME – I

## 2014 - 15



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 2015 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 Section 3, 9, 17 – Annexure B to D, 19 and 20) and Appendices (VII, VIII, IX, XI, XII and XIII) 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) Karnataka. The audit of these accounts is independently conducted through the office of the Principal Accountant General

(General & Social Sector Audit) Karnataka 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 2014-15.

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 2015.



**(SHASHI KANT SHARMA)**  
**Comptroller and Auditor General of India**

**Date:**  
**Place: New Delhi**





**GUIDE TO THE FINANCE  
ACCOUNTS**

**A. Broad overview of the structure of Government accounts**

1. The Finance Accounts of the State of Karnataka present the accounts of receipts and outgoings of the Government for the year, together with the financial results disclosed by the Revenue and Capital accounts, the accounts of the Public Debt and the liabilities and assets of the State Government as worked out from the balances recorded in the accounts.

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

**Part I: The Consolidated Fund:** This Fund comprises all revenues received by the State Government, all loans raised by the State Government (market loans, bonds, loans from the Central Government, loans from Financial Institutions, Special Securities issued to National Small Savings Fund, etc.), Ways and Means advances extended by the Reserve Bank of India and all moneys received by the State Government in repayment of loans. No moneys can be appropriated from this Fund except in accordance with law and for the purposes and in the manner provided by the Constitution of India. Certain categories of expenditure (e.g., salaries of Constitutional authorities, loan repayments etc.), constitute a charge on the Consolidated Fund of the State (*Charged* expenditure) and are not subject to vote by the Legislature. All other expenditure (*Voted* expenditure) is voted by the Legislature.

The Consolidated Fund comprises two sections: Revenue and Capital (including Public Debt, Loans & Advances). These are further categorised under 'Receipts' and 'Expenditure'. The Revenue Receipts section is divided into three sectors, viz., 'Tax Revenue', 'Non Tax Revenue' and 'Grants-in-Aid and Contributions'. These three sectors are further divided into sub-sectors like 'Taxes on Income and Expenditure', 'Fiscal Services', etc. The Capital Receipts section does not contain any sectors or sub-sectors. The Revenue Expenditure section is divided into four sectors, viz., 'General Services', 'Social Services', 'Economic Services' and 'Grants-in-Aid and Contributions'. These sectors in the Revenue Expenditure section are further divided into sub-sectors like, 'Organs of State', 'Education, Sports, Art and Culture' etc. The Capital Expenditure section is sub-divided into seven sectors, viz., 'General Services', 'Social Services', 'Economic Services', 'Public Debt', 'Loans and Advances', 'Inter-State Settlement' and 'Transfer to Contingency Fund'.

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**Guide to the Finance Accounts - contd.**

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**Part II: The Contingency Fund:** This Fund is in the nature of an imprest which is established by the State Legislature by law, and 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 relating to the Consolidated Fund of the State. The Contingency Fund of the Government of Karnataka for 2014-15 is ₹80.00 crore.

**Part III: The Public Account:** All other public moneys received by or on behalf of the Government, where the Government acts as a banker or trustee, are credited to the Public Account. The Public Account includes repayables like Small Savings and Provident Funds, Deposits (bearing interest and not bearing interest), Advances, Reserve Funds (bearing interest and not bearing interest), Remittances and Suspense heads (both of which are transitory heads, pending final booking). The net cash balance available with the Government is also included under the Public Account. The Public Account comprises six sectors, viz., 'Small Savings, Provident Funds etc.', 'Reserve Funds', 'Deposit and Advances', 'Suspense and Miscellaneous', 'Remittances', and 'Cash Balance'. These sectors are further sub-divided into sub-sectors. The Public Account is not subject to the vote of the Legislature.

3. Government accounts are presented under a six tier classification, viz., Major Heads (four digits), Sub-Major Heads (two digits), Minor Heads (three digits), Sub-Heads (one digit), Detailed Heads (two digits), and Object Heads (three digits). Major Heads represent functions of Government, Sub- Major Heads represent sub-functions, Minor Heads represent programmes/ activities, Sub-Heads represent schemes, Detailed Heads represent sub-schemes, and Object Heads represent purpose/ object of expenditure.

4. The main unit of classification in accounts is the Major Head which contains the following coding pattern (according to the List of Major and Minor Heads corrected upto 31 March 2015)

0020 to 1606	Revenue Receipts
2011 to 3606	Revenue Expenditure
4000	Capital Receipts
4046 to 7810	Capital Expenditure (including Public Debt, Loans & Advances)
7999	Appropriation to the Contingency Fund
8000	Contingency Fund
8001 to 8999	Public Account

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**Guide to the Finance Accounts - contd.**

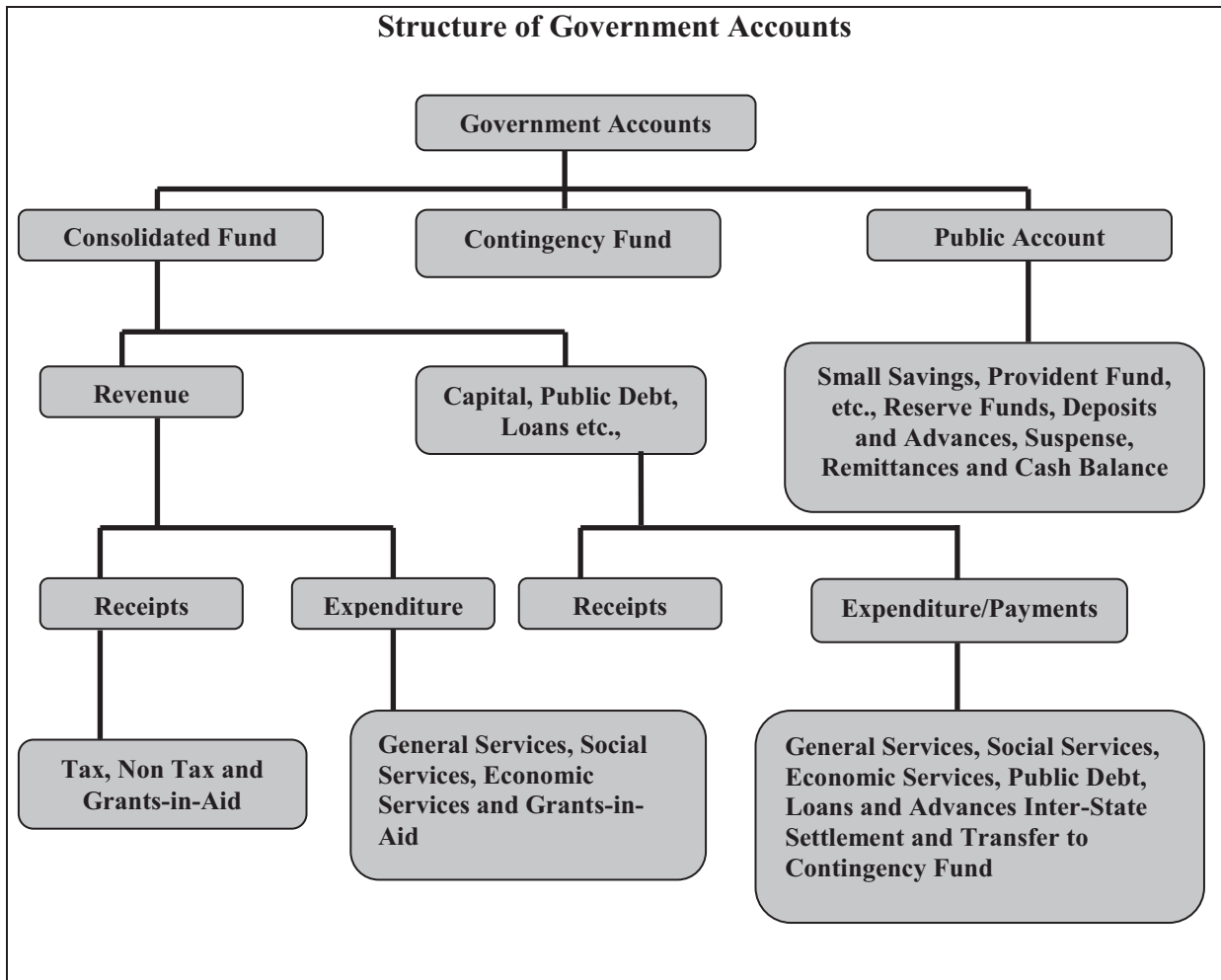
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5. The Finance Accounts, generally (with some exceptions), depict transactions upto the Minor Head. The figures in the Finance Accounts are depicted at net level, i.e., after accounting for recoveries as reduction of expenditure. This treatment is different from the depiction in the Demands for Grants presented to the Legislature and in the Appropriation Accounts, where, expenditure is depicted at the gross level.

6. A pictorial representation of the structure of accounts is given below:



**B. What the Finance Accounts contain**

The Finance Accounts are presented in two volumes.

**Volume I** contains the Certificate of the Comptroller and Auditor General of India, the Guide to the Finance Accounts, 13 statements which give summarised information on the financial position and transactions of the State Government for the current financial year,

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## Guide to the Finance Accounts - contd.

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Notes to Accounts and annexure to the Notes to accounts. Details of the 13 statements in **Volume I** are given below:

1. **Statement of Financial Position:** This statement depicts the cumulative figures of assets and liabilities of the State Government, as they stand at the end of the year, and as compared to the position at the end of the previous year.
2. **Statement of Receipts and Disbursements:** This statement depicts all receipts and disbursements of the State Government during the year in all the three parts in which Government accounts are kept, viz., the Consolidated Fund, Contingency Fund and Public Account. In addition, it contains an annexure, showing alternative depiction of Cash Balances (including investments) of the Government. The Annexure also depicts the Ways and Means position of the Government in detail.
3. **Statement of Receipts (Consolidated Fund):** This statement comprises revenue and capital receipts and borrowings and repayments of the loans given by the State Government. This statement corresponds to detailed statements 14, 17 and 18 in Part I Volume II of the Finance Accounts.
4. **Statement of Expenditure (Consolidated Fund):** In departure from the general depiction of the Finance Accounts up to the Minor Head level, this statement gives details of expenditure by nature of activity (objects of expenditure) also. This statement corresponds to detailed statements 15, 16, 17 and 18 in Part I Volume II.
5. **Statement of Progressive Capital Expenditure:** This statement corresponds to the detailed statement 16 in Part I Volume II.
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. 'Other Liabilities' comprise 'Small Savings, Provident Funds etc.', 'Reserve Funds' and 'Deposits'. The statement also contains a note on service of debt, and corresponds to the detailed Statement 17 in Part I Volume II.
7. **Statement of Loans and Advances given by the Government:** This statement depicts all loans and advances given by the State Government to various categories of loanees like Statutory Corporations, Government Companies, Autonomous and Other Bodies/ Authorities and recipient individuals (including Government servants). This statement corresponds to the detailed statement 18 in Part I Volume II.

- 8. Detailed Statement of Investments of the Government:** This statement depicts investments of the State Government in the equity capital of Statutory Corporations, Government Companies, other Joint Stock Companies, Cooperative institutions and Local Bodies. This statement corresponds to the detailed statement 19 in Part I Volume II.
- 9. Statement of Guarantees given by the Government:** This statement summarises the guarantees given by the State Government on repayment of principal and interest on loans raised by Statutory Corporations, Government Companies, Local Bodies and Other institutions. This statement corresponds to the detailed statement 20 in Part I Volume II.
- 10. Statement of Grants-in-Aid given by the Government:** This statement depicts all Grants-in-Aid given by the State Government to various categories of grantees like Statutory Corporations, Government Companies, Autonomous and Other Bodies/ Authorities and individuals. Appendix III provides details of the recipient institutions.
- 11. Statement of Voted and *Charged* Expenditure:** This statement assists in the agreement of the net figures appearing in the Finance Accounts with the gross figures appearing in the Appropriation Accounts.
- 12. Statement on Sources and Application of Funds for Expenditure other than on Revenue Account:** This statement is based on the principle that revenue expenditure is expected to be defrayed from revenue receipts, while capital expenditure of the year is met from revenue surplus, net credit balances in the public account, cash balance at the beginning of the year, and borrowings.
- 13. Summary of balances under Consolidated Fund, Contingency Fund and Public Account:** This statement assists in proving the accuracy of the accounts. The statement corresponds to the detailed statement 14, 15, 16, 17, 18 and 21 in Part I Volume II.

**Volume II of the Finance Accounts contains two parts – 9 detailed statement in Part I and 13 Appendices in Part II.**

**Part I of Volume II**

- 14. Detailed Statement of Revenue and Capital Receipts by Minor Heads:** This statement corresponds to the summary statement 3 in Volume I of the Finance Accounts.
- 15. Detailed Statement of Revenue Expenditure by Minor Heads:** This statement, which corresponds to the summary statement 4 in Volume I, depicts the revenue expenditure of the State Government under Plan (State Plan, Central Assistance to State Plan, Centrally Sponsored Schemes and Central Plan Schemes) and Non Plan. *Charged* and *Voted* expenditure are exhibited distinctly.
- 16. Detailed Statement of Capital Expenditure by Minor Heads and Subheads:** This statement, which corresponds to the summary statement 5 in Volume I, depicts the capital expenditure (during the year and cumulatively) of the State Government under Plan (State Plan, Central Assistance to State Plan, Centrally Sponsored Schemes and Central Plan Schemes) and Non Plan. *Charged* and *Voted* expenditure are exhibited distinctly. In addition to representing details of capital expenditure at Minor Head level, in respect of significant schemes, this statement depicts details at Subhead levels also.
- 17. Detailed Statement of Borrowings and Other Liabilities:** This statement, which corresponds to the summary statement 6 in Volume I, contains details of all loans raised by the State Government (market loans, bonds, loans from the Central Government, loans from Financial Institutions, Special Securities issued to National Small Savings Fund, etc.), and Ways and Means advances extended by the Reserve Bank of India. This statement presents the information on loans under 4 categories: (a) details of individual loans; (b) maturity profile, i.e., amounts payable in respect of each category of loans in different years; (c) interest rate profile of outstanding loans and annexure depicting Market Loans and (d) Off-Budget Borrowings of the State as an additional disclosure.

- 18. Detailed Statement on Loans and Advances given by the Government:** This statement corresponds to the summary statement 7 in Volume I.
- 19. Detailed Statement of Investments of the Government:** This statement depicts details of investments entity wise and Major and Minor Head wise details of discrepancies, if any, between Statements 16 and 19. This statement corresponds to Statement 8 in Volume I.
- 20. Detailed Statement of Guarantees given by the Government:** This statement depicts entity wise details of government guarantees. This statement corresponds to Statement 9 in Volume I.
- 21. Detailed Statement on Contingency Fund and Other Public Account transactions:** This statement depicts at Minor Head level the details of un-recouped amounts under Contingency Fund, consolidated position of Public Accounts transactions during the year, and outstanding balances at the end of the year.
- 22. Detailed Statement on Investment of Earmarked Balances:** This statement depicts details of investments from the Reserve Funds and Deposits (Public Account).

## **Part II of Volume II**

**Part II contains 13 appendices** on various items including salaries, subsidies, grants-in-aid, 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 generally depicted in the Finance accounts. A detailed list of appendices appears at the 'Table of Contents' in Volume I or II. The statements read with the appendices give a complete picture of the state of finances of the State Government.

### **C. Ready Reckoner**

The section below links the summary statements appearing in Volume I with the detailed statements and appendices in Volume II.



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**Guide to the Finance Accounts - contd.**

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(Appendices which do not have a direct link with the Summary Statements are not shown below).

Parameter	Summary Statements (Volume I)	Detailed Statements (Volume II)	Appendices
<b>Revenue Receipts (including Grants received), Capital Receipts</b>	2, 3	14	...
<b>Revenue Expenditure</b>	2, 4	15	I (Salary), II (Subsidy)
<b>Grants-in-Aid given by the Government</b>	2, 10	...	III (Grants-in-Aid)
<b>Capital expenditure</b>	1, 2, 4, 5, 12	16	I (Salary)
<b>Loans and Advances given by the Government</b>	1, 2, 7	18	...
<b>Debt Position/Borrowings</b>	1, 2, 6	17	...
<b>Investments of the Government in Companies, Corporations etc</b>	8	19	...
<b>Cash</b>	1, 2, 12, 13	...	...
<b>Balances in Public Account and Investments thereof</b>	1, 2, 12, 13	21, 22	...
<b>Guarantees</b>	9	20	...
<b>Schemes</b>			IV (Externally Aided Projects), V (Plan Scheme Expenditure)

#### **D. Periodical adjustments and Book Adjustments**

Certain transactions that appear in the accounts do not involve actual movement of cash at the time of booking. Some of these transactions take place at the level of the account rendering units (e.g. treasuries, divisions etc.) themselves. For instance, transactions involving adjustment of all deductions (GPF, recoveries of advances given etc.) from salaries are recorded by debiting functional major heads (pertaining to the concerned department) by book adjustment to revenue receipts/ loans/ public account. Similarly 'nil' bills where moneys transferred between the Consolidated Fund and Public Account represent non-cash transactions occurring at the level of the accounts rendering units.

In addition of the above the Principal Accountant General/Accountant General (A&E) carries out periodical adjustments and book adjustments of the following nature in the

accounts of the State Government, details of which appear in Annexure to Notes to Accounts (Volume I) and footnotes to the relevant statements.

Examples of periodical adjustments and book adjustments are given below:

(1) Creation of funds/ adjustment of contribution to Funds in Public Account by debit to Consolidated Fund e.g., State Disaster Response Fund, Central Road Fund, Reserve Funds, Sinking Fund, etc.

(2) Crediting of deposit heads of accounts in Public Account by debit to Consolidated Fund.

(3) Annual adjustment of interest on General Provident Fund (GPF) and State Government Group Insurance Scheme where interest is adjusted by debiting Major Head 2049-Interest and crediting Major Head 8009-State Provident Fund and Major Head 8011-Insurance and Pension Fund.

(4) Adjustment of Debt waiver under the scheme of Government of India based on the recommendations of the Central Finance Commissions. These adjustments (where Central loans are written off by crediting Major Head 0075-Misc. General Services by contra entry in the Major Head 6004-Loans and Advances from the Central Government) impact both Revenue Receipts and Public Debt heads.

**E. Rounding:**

Difference of ₹0.01 lakh/crore wherever occurring, is due to rounding.



# STATEMENTS

## STATEMENT NO.1 - STATEMENT OF FINANCIAL POSITION

<i>ASSETS</i> <sup>1</sup>	<i>Reference (Sl. No.)</i>		<i>As at 31<sup>st</sup> March</i>	<i>As at 31<sup>st</sup> March</i>
	<i>Notes to</i>	<i>Statement/</i>	<i>2015</i>	<i>2014</i>
(1)	(2)	(3)	<i>(In crores of rupees)</i>	
(1)	(2)	(3)	(4)	(5)
<b>Cash</b>		Annexure to Stt. 2	<b>2,39,00.90</b>	<b>1,57,59.73</b>
(i) Cash in Treasuries and Local Remittances		Annexure to Stt. 2	0.01	0.01
(ii) Departmental Balances		21, Annexure to Stt. 2	2.09	2.09
(iii) Permanent Cash Imprest		21, Annexure to Stt. 2	1.69	1.66
(iv) Cash Balance Investments account		21, Annexure to Stt. 2	1,79,62.31	1,09,73.07
(v) Deposits with Reserve Bank	Para 2 (vi)	Annexure to Stt. 2	4.84	86.21
(vi) Investment from Earmarked Funds		22, Annexure to Stt. 2	59,29.96	46,96.69 (d)
<b>Capital Expenditure</b>		5, 16	<b>15,60,41.85</b>	<b>13,64,22.34</b>
(i) Investments in shares of Companies, Corporations etc.		19	6,17,26.92 (b)	5,50,51.19 (a)
(ii) Other Capital expenditure		16	9,43,14.93	8,13,71.15
<b>F. Loans and Advances</b>	Para 3 (iii)	7, 18	<b>1,32,16.23</b>	<b>1,27,23.90 (c)</b>
<b>Contingency Fund (un recouped)</b>		21	...	...
<b>K. (c) Advances</b>		21	<b>7.36</b>	<b>7.36</b>
<b>L. Suspense and Miscellaneous Balances</b>	Para 3 (viii)		...	...
<b>M. Remittances</b>	Para 3 (viii)	21	<b>5,20.42</b>	<b>4,88.30</b>
<b>Cumulative excess of expenditure over receipts</b> <sup>(2)</sup>			...	...
<b>Total</b>			<b>19,36,86.76</b>	<b>16,54,01.63</b>

1. The figures of assets and liabilities are cumulative figures. Please also see note 1 (ii) of '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.
  - (a) Balance to the end of 2013-14 increased 'Proforma' by ₹3.19 crore due to reasons stated at Explanatory Note 4 (i) on page No.29 below 'Statement No. 5 Statement of Progressive Capital Expenditure'.
  - (b) Balance to the end of 2014-15 decreased by ₹2.79 crore due to reasons stated at Explanatory Note 4 (ii) on page No.30 below 'Statement No. 5 Statement of Progressive Capital Expenditure'.
  - (c) Balance to the end of 2013-14 decreased 'Proforma' by ₹5.15 crore due to reasons stated at Explanatory Note 4 (i) (a) and (d) on page No.29-30 below 'Statement No. 5 Statement of Progressive Capital Expenditure'.
  - (d) Includes an amount of ₹11,29.52 crore shown as investment out of 'Reserve Funds' pertaining to the year 2013-14. Please see footnote (4) below Statement No.21, on page No. 331, in Part I Volume II.

**STATEMENT NO.1 - STATEMENT OF FINANCIAL POSITION - conclud.**

<i>LIABILITIES</i> <sup>1</sup>	<i>Reference (Sl. No.)</i>		<i>As at 31<sup>st</sup> March</i>	<i>As at 31<sup>st</sup> March</i>
	<i>Notes to Accounts</i>	<i>Statement/Appendix</i>	<i>2015</i>	<i>2014</i>
(1)	(2)	(3)	(4)	(5)
<b>Borrowings (Public Debt)</b>		6, 17	<b>10,55,84.84</b>	<b>8,85,22.45</b>
(i) Internal Debt of the State Government		6, 17	9,29,04.12	7,64,28.08
(ii) Loans and Advances from the Central Government		6, 17	1,26,80.72	1,20,94.37
Pre 1984-85 Loans		6, 17	0.07	0.07
Non-Plan Loans		6, 17	61.98	67.95
Loans for State Plan Schemes		6, 17	1,26,42.33	1,20,50.01
Loans for Central Plan Schemes <sup>(2)</sup>		6, 17	(-) 5.41	(-) 5.41
Loans for Centrally Sponsored Plan Schemes		6, 17	(-) 18.25	(-) 18.25
Other Loans		6, 17	...	...
<b>Contingency Fund</b>		21	<b>80.00</b>	<b>80.00</b>
<b>Liabilities in Public Account</b>			<b>7,16,72.87</b>	<b>6,09,85.34</b>
(i) I. Small Savings, Provident Funds, etc.		17, 21	2,01,76.47	1,80,20.87
(ii) J. Reserve Funds <sup>(2)</sup>	Para 3 (v) (vi)	21	1,85,62.31	1,70,14.82 <sup>(S)</sup>
(iii) K. Deposits <sup>(3)</sup>		21	2,01,59.27	1,64,56.87
(iv) L. Suspense and Miscellaneous Balances <sup>(4)</sup>	Para 3 (viii)	21	1,27,74.82	94,92.78
(v) M. Remittances	Para 3 (viii)		...	...
<b>Cumulative excess of receipts over expenditure<sup>(5)</sup></b>			<b>1,63,49.05</b>	<b>1,58,13.84<sup>(#)</sup></b>
<b>Total</b>			<b>19,36,86.76</b>	<b>16,54,01.63</b>

1 The Figures of assets and liabilities are cumulative figures. Figures of Liabilities do not include the amount of off budget borrowings (₹50,55.92 crore) reported by the Government of Karnataka. Please refer Paragraph 3 (xiv) of 'Notes to Accounts.'

2 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'.

3 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'.

4 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.

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

Cumulative excess of expenditure over receipts in Government account as in Statement 13.	13,96,92.80
<b>Less:</b> Cumulative expenditure on Capital Outlay as indicated under Assets above	<u>15,60,41.85</u>
	<b>(-) 1,63,49.05<sup>(*)</sup></b>

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

(S) Gross Balance of 2013-14 increased by ₹11,29.52 crore due to reasons stated at footnote (4) on page No.331 below Statement No.21 in Part I Volume II.

(#) Differs from previous year by ₹1.96 crore due to the net effect of proforma correction cited at Explanatory Note 4 (i) (b) and (c) at page No. 29-30 of Statement No. 5.



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

<i>Receipts</i>			<i>Disbursements</i>		
	<i>2014-15</i>	<i>2013-14</i>		<i>2014-15</i>	<i>2013-14</i>
	<i>(In crores of rupees)</i>			<i>(In crores of rupees)</i>	
<b>(1)</b>	<b>(2)</b>	<b>(3)</b>	<b>(4)</b>	<b>(5)</b>	<b>(6)</b>
<b>Part-I Consolidated Fund</b>					
<b>Section-A: Revenue</b>					
<b>Revenue Receipts</b>	<b>10,41,42.15</b>	<b>8,95,42.53</b>	<b>Revenue Expenditure</b>	<b>10,36,14.30</b>	<b>8,91,89.57</b>
<i>Tax Revenue (raised by the State)</i>	<b>7,01,80.21</b>	<b>6,26,03.53</b>	Salaries <sup>1</sup>	89,01.44	80,64.70
<i>Non-Tax Revenue</i>	<b>46,88.24</b>	<b>40,31.90</b>	Subsidies	1,11,53.25	1,33,22.59
Interest receipts	8,74.74	6,93.17	Grants-in-aid <sup>2</sup>	3,27,37.02	2,75,92.08
Others <sup>3</sup>	38,13.50	33,38.73	<b>General services</b>	<b>2,16,74.67</b>	<b>1,90,88.45</b>
<i>States Share of Union Taxes/Duties</i>	<b>1,46,54.25</b>	<b>1,38,08.28</b>	Interest Payment and service of debt <sup>4</sup>	94,03.98	78,37.32
			Pension and other retirement benefits	1,01,18.23	91,51.82
			Others	21,52.46	20,99.31
			<b>Social services</b>	<b>1,32,77.28</b>	<b>92,04.64</b>
			<b>Economic services</b>	<b>98,60.71</b>	<b>68,98.11</b>
<i>Grant-in-aid and contributions from Central Government<sup>5</sup></i>	<b>1,46,19.45</b>	<b>90,98.82</b>	<b>Compensation and assignment to Local Bodies and PRIs <sup>5</sup></b>	<b>60,09.93</b>	<b>50,19.00</b>
<b>Revenue Deficit</b>	<b>...</b>	<b>...</b>	<b>Revenue Surplus</b>	<b>5,27.85</b>	<b>3,52.96</b>
<b>Section-B: Capital</b>					
<b>Capital Receipts</b>	<b>10.14</b>	<b>87.94</b>	<b>Capital Expenditure</b>	<b>1,96,22.30</b>	<b>1,69,46.86</b>
Miscellaneous Capital Receipts	10.14	87.94	Salaries <sup>6</sup>	...	...
			General Services	6,18.46	5,00.74
			Social Services	41,80.89	30,52.68
			Economic Services <sup>6</sup>	1,48,22.95	1,33,93.44
<b>Recoveries of Loans and Advances</b>	<b>83.82</b>	<b>1,09.28</b>	<b>Loans and Advances disbursed</b>	<b>5,76.14</b>	<b>6,95.43</b>
General Services	...	...	General Services	...	...
Social Services	27.83	4.09	Social Services	3,69.73	4,28.19
Economic Services	35.09	44.78	Economic Services	1,93.59	2,39.42
Loans to Government Servants	6.85	4.05	Loans to Government Servants	5.44	18.00
Miscellaneous loans	14.05	56.36	Miscellaneous loans	7.38	9.82
<b>Fiscal Deficit</b>	<b>1,95,76.63</b>	<b>1,70,92.11</b>	<b>Fiscal Surplus</b>	<b>...</b>	<b>...</b>
<b>Public debt receipts</b>	<b>2,18,74.63</b>	<b>1,72,86.81</b>	<b>Repayment of Public Debt</b>	<b>48,12.23</b>	<b>38,16.84</b>
Internal Debt (Market loans etc.) <sup>7</sup>	2,05,09.43	1,61,32.25	Internal Debt (Market loans etc.) <sup>7</sup>	40,33.38	31,22.57
Loans from GOI	13,65.20	11,54.56	Loans from GOI	7,78.85	6,94.27
<b>Net of Inter –State-Settlement</b>	<b>...</b>	<b>...</b>	<b>Net of Inter –State-Settlement</b>	<b>...</b>	<b>...</b>
<b>Total Receipts Consolidated Fund</b>	<b>12,61,10.74</b>	<b>10,70,26.56</b>	<b>Total Expenditure Consolidated Fund</b>	<b>12,86,24.97</b>	<b>11,06,48.70</b>
<b>Deficit in Consolidated Fund</b>	<b>25,14.23</b>	<b>36,22.14</b>	<b>Surplus in Consolidated Fund</b>	<b>...</b>	<b>...</b>

For footnotes please see page 5.

**STATEMENT NO. 2 - STATEMENT OF RECEIPTS AND DISBURSEMENTS-concl'd.**

<i>Receipts</i>			<i>Disbursements</i>		
	<i>2014-15</i>	<i>2013-14</i>		<i>2014-15</i>	<i>2013-14</i>
	<i>(In crores of rupees)</i>			<i>(In crores of rupees)</i>	
<b>(1)</b>	<b>(2)</b>	<b>(3)</b>	<b>(4)</b>	<b>(5)</b>	<b>(6)</b>
<b>Part II Contingency Fund</b>					
<b>Contingency Fund <sup>8</sup></b>	...	...	<b>Contingency Fund <sup>8</sup></b>	...	...
<b>Part III Public Account <sup>9</sup></b>					
Small savings, Provident Fund, etc.	50,48.86	45,08.12	Small savings, Provident Fund, etc.	28,93.26	24,01.06
Reserve Funds	27,34.28	20,32.39	Reserve Funds	24,20.07	18,97.96
Deposits	4,16,97.10	3,43,02.74	Deposits	3,79,94.70	3,14,62.62
Advances	...	0.24	Advances	...	...
Suspense and Miscellaneous	27,74,78.87	21,71,95.02	Suspense and Miscellaneous <sup>10</sup>	28,11,86.10	21,86,24.60
Remittances	25.85	27.16	Remittances	57.97	39.02
<b>Total Receipts Public Account</b>	<b>32,69,84.96</b>	<b>25,80,65.67</b>	<b>Total Disbursements Public Account</b>	<b>32,45,52.10</b>	<b>25,44,25.26</b>
<b>Deficit in Public Account</b>	...	...	<b>Surplus in Public Account</b>	<b>24,32.86</b>	<b>36,40.41</b>
<b>Opening Cash Balance</b>	<b>86.22</b>	<b>67.95</b>	<b>Closing Cash Balance <sup>11</sup></b>	<b>4.85</b>	<b>86.22</b>
<b>Increase in Cash Balance</b>	...	<b>18.27</b>	<b>Decrease in Cash Balance</b>	<b>81.37</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 'General', 'Social', '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 ₹74.84 crore (Major Head 0050) during the year 2014-15. The details of Non-Tax Revenue are given in Statement No. 3.

4 Payment of interest on 'Off - Budget borrowings' is not included under 'Interest Payment and service of debt', but stood included under the Major Heads 2055, 2215, 2216, 2217, 2225, 2701, 3054 and 3465.

5 Does not include Salary of ₹1.52 crore released below Major Head 3604 - Compensation and assignment to Local Bodies and PRIs. This is included under 'Salaries' (₹2,42.70 crore) see page No. 48.

6 The expenditure on Salaries is included under Economic Services (₹13.51 crore for 2014-15 and ₹20.40 crore for 2013-14)

7 Includes loan from National Small Savings Fund ₹14,35.98 crore and repayment of ₹9,98.88 crore during 2014-15.

8 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:	Nil

9 For details please refer to Statement No.21 in Part I Volume II.

10 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.21 in Volume II.

11 The closing cash balance comprises Deposits with the Reserve Bank ₹4.84 crore and Remittances in Transit - Local ₹0.01 crore. For details please see Annexure at page 6.

8 (i) The progressive total for the year 2014-15 under '1601-02-101-0-02-Externally Aided Projects, includes an amount of ₹1.61 crore which pertains to the year 2013-14, cleared during 2014-15.

(ii) An amount of ₹4,82.90 crore under '1601-01-800-0-03-releases as Non plan grants towards CST Compensation, pertaining to 2014-15 has been received through cheque by Finance Department and accounted as Treasury Receipts during May 2015.



## ANNEXURE A. CASH BALANCES AND INVESTMENTS OF CASH BALANCES

Particulars		As on 31 <sup>st</sup> March 2015	As on 31 <sup>st</sup> March 2014
		<i>(In crores of rupees)</i>	
<b>(a)</b>	<b>General Cash Balance:</b>		
	1. Cash in Treasuries	...	...
	2. Deposits with the Reserve Bank <sup>(1)</sup>	4.84 <sup>(4)</sup>	86.21
	3. Remittances in Transit - Local	0.01	0.01
	Total (1 to 3)	<b>4.85</b>	<b>86.22</b>
	4. Investments held in the Cash Balance Investment Account <sup>(2)</sup>	1,79,62.31	1,09,73.07
	<b>Total (a)</b>	<b>1,79,67.16</b>	<b>1,10,59.29</b>
<b>(b)</b>	<b>Other Cash Balances and Investments:</b>		
	1. Cash with Departmental Officers	2.09	2.09
	2. Permanent Advances for Contingent expenditure with Departmental Officers	1.69	1.66
	3. Investments of Earmarked Funds <sup>(3)</sup>	59,29.96	46,96.69 <sup>(5)</sup>
	<b>Total (b)</b>	<b>59,33.74</b>	<b>47,00.44</b>
	<b>Total (a) and (b)</b>	<b>2,39,00.90</b>	<b>1,57,59.73</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'.

(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 2014-15 advised to the Reserve Bank upto 16 April 2015.

(2) For details see page 8.

(3) Fund-wise break-up of the investment from out of the earmarked balances is given in Statement No.22 in Part I Volume II.

(4) There was a difference of ₹1.91 crore (Dr) between the figures reflected in the accounts {₹4.84 crore (Dr.)} and that intimated by the Reserve Bank of India {₹6.75 crore (Cr.)}. The difference to the extent of ₹0.36 crore (Cr.) has since been reconciled and adjusted. The remaining difference of ₹2.27 crore (Dr.) is under reconciliation (June 2015).

(5) Please see footnote (4) on page No. 331 below Statement No.21 in Part I Volume II.



**ANNEXURE A. CASH BALANCES AND INVESTMENTS OF CASH BALANCES  
- contd.**

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

For arriving at the daily cash balance for the purpose of grant of Ways and Means advances/ Overdraft, the RBI evaluates the holdings of the 14 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 2014-15, 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 upto 10.11.2013. From 11.11.2013 the limit for Normal ways and means advances has been raised to ₹9,37.50 crore. 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.

**ANNEXURE A. CASH BALANCES AND INVESTMENTS OF CASH BALANCES  
- contd.**

The extent to which the Government maintained the minimum cash balance with the Reserve Bank during 2014-15 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, if 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 realised during the year was ₹7,47.24 crore.

		<i>(₹ in crore)</i>
(i)	Government of India Treasury Bills	1,79,61.98
(ii)	Government of India Securities	0.32
(iii)	Other Investments	0.01
<b>Total</b>		<b>1,79,62.31</b>

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 2014-15 is given below:

<i>Limits of Normal Ways and Means Advances</i>		<i>Limits of Special Ways and Means Advances</i>	
<i>Effective date</i>	<i>₹ in crore</i>	<i>Effective date</i>	<i>₹ in crore</i>
01-04-2014	9,37.50	01-04-2014	13.54
31-03-2015	9,37.50	25-04-2014	11,75.39
...	...	03-05-2014	23,37.24
...	...	05-06-2014	3,73.26

**ANNEXURE A. CASH BALANCES AND INVESTMENTS OF CASH BALANCES  
- conclud.**

<i>Limits of Normal Ways and Means Advances</i>		<i>Limits of Special Ways and Means Advances</i>	
<i>Effective date</i>	<i>₹ in crore</i>	<i>Effective date</i>	<i>₹ in crore</i>
...	...	10-06-2014	37,32.84
...	...	11-06-2014	37,32.81
...	...	26-06-2014	46,63.05
...	...	01-07-2014	46,62.78
...	...	09-07-2014	46.63
...	...	16-07-2014	46,62.89
...	...	25-07-2014	35,01.04
...	...	31-07-2014	58,26.16
...	...	01-08-2014	46,64.31
...	...	07-08-2014	6,98.92
...	...	16-08-2014	69,89.38
...	...	04-09-2014	55,94.02
...	...	18-09-2014	69,89.09
...	...	22-09-2014	69,91.01
...	...	24-09-2014	69,92.03
...	...	25-09-2014	60,61.79
...	...	01-10-2014	61,55.25
...	...	30-10-2014	56,91.17
...	...	05-11-2014	33,66.29
...	...	07-11-2014	56,93.07
...	...	13-11-2014	68,56.47
...	...	14-11-2014	68,56.48
...	...	25-11-2014	68,56.57
...	...	27-11-2014	91,83.59
...	...	04-12-2014	1,15,10.85
...	...	10-12-2014	1,15,10.98
...	...	11-12-2014	1,15,10.99
...	...	18-12-2014	1,01,15.92
...	...	01-01-2015	1,01,60.15
...	...	02-01-2015	1,01,55.98
...	...	09-01-2015	1,01,56.32
...	...	16-01-2015	1,01,56.19
...	...	29-01-2015	82,95.14
...	...	06-02-2015	59,68.35
...	...	12-02-2015	48,04.95
...	...	16-02-2015	48,05.29
...	...	26-02-2015	24,78.27
...	...	05-03-2015	1.51
...	...	21-03-2015	15.06
...	...	23-03-2015	1,53.16



**STATEMENT NO. 3 - STATEMENT OF RECEIPTS (CONSOLIDATED FUND):**

**I TAX AND NON-TAX REVENUE**

	<i>Description</i>	<i>Actuals</i>	
		<i>2014-15</i>	<i>2013-14</i>
		<i>(In crores of rupees)</i>	
	<b>(1)</b>	<b>(2)</b>	<b>(3)</b>
<b>A.</b>	<b>Tax Revenue</b>		
A.1.	<b>Own Tax Revenue</b>	<b>7,01,80.21</b>	<b>6,26,03.53</b>
	Taxes on Agricultural Income	19.72	21.32
	Other Taxes on Income and Expenditure	8,68.51	7,92.98
	Land Revenue	1,85.67	1,99.49
	Stamps and Registration Fees	70,25.85	61,88.76
	State Excise	1,38,01.08	1,28,28.36
	Taxes on Sales, Trade etc.	3,82,86.03	3,37,19.35
	Taxes on Vehicles	45,41.57	39,11.50
	Taxes on Goods and Passengers	30,37.98	26,25.66
	Taxes and Duties on Electricity	10,40.96	8,96.58
	Other Taxes and Duties on Commodities and Services	13,72.84	14,19.53
A.2.	<b>Share of net proceeds of Union Taxes and Duties</b>	<b>1,46,54.25</b>	<b>1,38,08.28</b>
	Corporation Tax	51,17.21	46,43.76
	Taxes on Income other than Corporation Tax	36,54.18	30,57.77
	Other Taxes on Income and Expenditure	0.12	...
	Taxes on Wealth	13.81	12.75
	Customs	23,69.95	22,52.90
	Union Excise Duties	13,38.24	15,91.16
	Service Tax	21,60.75	22,49.93
	Other Taxes and Duties on Commodities and Services	(-) 0.01	0.01
	<b>Total A</b>	<b>8,48,34.46</b>	<b>7,64,11.81</b>
<b>B.</b>	<b>Non-Tax Revenue</b>		
	Non-Ferrous Mining and Metallurgical Industries	19,31.10	14,74.49
	Interest Receipts	8,74.74	6,93.17
	Medical and Public Health	2,24.00	2,07.54
	Other Administrative Services	1,79.23	1,81.66
	Forestry and Wild Life	1,78.21	1,61.14
	Miscellaneous General Services	1,60.86	1,50.01
	Education, Sports, Art and Culture	1,54.96	1,20.09
	Police	1,52.07	1,50.71
	Roads and Bridges	1,18.38	1,20.14
	Other General Economic Services	88.08	84.72
	Dividends and Profits	74.84	55.49
	Contributions and Recoveries towards Pension and Other Retirement Benefits	73.96	85.31
	Power	62.53	39.54
	Housing	54.05	54.91
	Village and Small Industries	48.26	95.08

**STATEMENT NO. 3 - STATEMENT OF RECEIPTS: (CONSOLIDATED FUND) -  
contd.**

**I TAX AND NON-TAX REVENUE - conclud.**

<i>Description</i>	<i>Actuals</i>	
	<i>2014-15</i>	<i>2013-14</i>
	<i>(In crores of rupees)</i>	
<b>(1)</b>	<b>(2)</b>	<b>(3)</b>
<b>B.</b> Labour and Employment	39.90	42.99
Other Social Services	32.74	8.23
Medium Irrigation	30.74	36.64
Social Security and Welfare	23.34	54.75
Co-operation	23.07	50.45
Crop Husbandry	21.35	53.41
Public Works	21.31	20.43
Minor Irrigation	20.93	5.62
Stationery and Printing	18.94	19.24
Food Storage and Warehousing	18.45	14.43
Fisheries	13.37	6.70
Public Service Commission	9.48	1.76
Animal Husbandry	7.73	11.86
Shipping	7.45	4.78
Industries	6.47	8.49
Ports and Light Houses	3.05	2.98
Jails	2.85	2.54
Urban Development	2.58	1.39
Other Rural Development Programmes	2.35	5.30
Civil Aviation	1.91	1.68
Information and Publicity	1.33	1.20
Tourism	1.12	0.44
Major Irrigation	0.76	1.02
Inland Water Transport	0.58	0.53
Civil Supplies	0.46	0.40
Family Welfare	0.24	0.11
Water supply and Sanitation	0.23	0.28
Land Reforms	0.22	0.19
Other Agricultural Programmes	0.02	0.05
Hill Areas	...	0.01
<b>Total B</b>	<b>46,88.24</b>	<b>40,31.90</b>

**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>2014-15</i>	<i>2013-14</i>
	<i>(In crores of rupees)</i>	
<b>(1)</b>	<b>(2)</b>	<b>(3)</b>
<b>C. Grants-In-Aid and Contributions<sup>(S)</sup></b>		
<b>Grants-In-Aid from Central Government</b>		
<b>Non-Plan Grants</b>	<b>36,34.58</b>	<b>31,39.79</b>
Grants under the proviso to Article 275 (1) of the Constitution	...	39.09
Grants towards contribution to State Disaster Response Fund	1,50.74 <sup>(a)</sup>	1,43.75
Grants from National Disaster Response Fund	2,71.38	2,45.68
Other Grants	32,12.46 <sup>(b)</sup>	27,11.27
<b>Grants for State/Union Territory Plan Schemes</b>	<b>90,96.87 <sup>(c)</sup></b>	<b>33,41.15</b>
Block Grants	11,47.67	21,74.97
Externally Aided Projects out of Block Grants	1.14	23.65
Grants under the proviso to Article 275 (1) of the Constitution	98.14	72.71
Grant from Central Road Fund	1,70.51	1,38.06
Other Grants	76,79.41	9,31.76
<b>Grants for Central Plan Schemes</b>	<b>1,58.52</b>	<b>1,91.70</b>
<b>Grants for Centrally Sponsored Plan Schemes</b>	<b>17,29.48</b>	<b>24,26.18</b>
<b>Grants for Special Plan Schemes</b>	...	...
<b>Total C</b>	<b>1,46,19.45</b>	<b>90,98.82</b>
<b>Total Revenue Receipts (A+B+C)</b>	<b>10,41,42.15</b>	<b>8,95,42.53</b>

(S) The details below the Major Head have been grouped by Minor Heads as appearing in the Receipt Estimates of the State in respect Minor Heads not defined in List of Major and Minor Heads below the Major Head 1601.

(a) Includes Central Share to State Disaster Relief Fund (₹1,46.74 crore) and XIII Finance Commission grants of (₹4.00 crore) towards Capacity building.

(b) Includes grants released under the proviso to Article 275(1) of the Constitution of India as per the recommendations of the Thirteenth Finance Commission towards/ for - Incentive for reduction in Infant Mortality Rate (IMR) (₹95.62 crore), Improvement of Justice Delivery (₹43.10 crore), Performance grant to PRIs (₹2,23.44 crore), Basic grant for PRIs (₹7,53.04 crore), Performance grant to ULBs (₹1,48.63 crore), Basic grant for ULBs (₹4,11.10 crore), Governance – Improvement of Statistical System (₹5.8 crore), Maintenance of Roads and Bridges (₹4,49.00 crore), Employee and Pensioners data (₹7.50 crore), Elementary Education (₹1,57.00 crore), Incentive for Grid Connected Renewable Energy (₹4,36.69 crore).

(c) Includes (₹2,57.50 crore) for State Specific Needs (SSN) – Drinking Water (₹45.00 crore), Restoration of Tanks (₹87.50 crore), Heritage Conservation (₹25.00 crore) and Upgradation of Solid Waste Management (₹1,00.00 crore).

Includes an amount of ₹1.61 crore released towards EAP during 2013-14 remaining under Suspense cleared during 2014-15.

An amount of ₹4,82.90 crore under Head of Account 1601-01-800-0-03- release as Non plan grants towards CST Compensation, pertaining to 2014-15 has been received through cheque by Finance Department on 05-05-2015 and accounted Treasury Receipts during May 2015.

**STATEMENT NO. 3 - STATEMENT OF RECEIPTS (CONSOLIDATED FUND) -  
concl.**

**III CAPITAL, PUBLIC DEBT AND OTHER RECEIPTS**

<i>Description</i>	<i>Actuals</i>	
	<i>2014-15</i>	<i>2013-14</i>
	<i>(In crores of rupees)</i>	
<b>(1)</b>	<b>(2)</b>	<b>(3)</b>
<b>D. Miscellaneous Capital Receipts</b>		
Disinvestments proceeds	...	...
Others	10.14	87.94
<b>Total D</b>	<b>10.14</b>	<b>87.94</b>
<b>E. Public Debt receipts</b>		
<b>Internal Debt</b>	<b>2,05,09.43</b>	<b>1,61,32.25</b>
Market Loans	1,85,00.00	1,49,97.30
Ways and Means Advances from the RBI	...	...
Bonds	...	...
Loans from Financial Institutions	5,73.45	4,85.88
Special Securities issued to National Small Savings Fund	14,35.98	6,49.07
<b>Loans and Advances from Central Government</b>	<b>13,65.20</b>	<b>11,54.56</b>
Non-Plan Loans		
Loans for State Plan Schemes	13,65.20	11,58.70
Loans for Central Plan Schemes	...	(-) 4.14
Loans for Centrally Sponsored Plan Schemes	...	...
Other Loans	...	...
<b>Total E</b>	<b>2,18,74.63</b>	<b>1,72,86.81</b>
<b>F. Loans and Advances by State Government (Recoveries)</b>	<b>83.82</b>	<b>1,09.28</b>
<b>Total Receipts in Consolidated Fund (A+B+C+D+E+F)</b>	<b>12,61,10.74</b>	<b>10,70,26.56</b>

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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>      |
|---------------------------------------------------------------------------|-------------------|----------------|---------------------------|-------------------|
| (1)                                                                       | (2)               | (3)            | (4)                       | (5)               |
| <b>A. General Services</b>                                                |                   |                |                           |                   |
| <b>A. 1 Organs of State</b>                                               |                   |                |                           |                   |
| Parliament/State/Union Territory Legislatures                             | 1,40.25           | ...            | ...                       | 1,40.25           |
| President, Vice-President/Governor/<br>Administrator of Union Territories | 6.78              | ...            | ...                       | 6.78              |
| Council of Ministers                                                      | 15.50             | ...            | ...                       | 15.50             |
| Administration of Justice                                                 | 6,91.42           | ...            | ...                       | 6,91.42           |
| Elections                                                                 | 2,30.87           | ...            | ...                       | 2,30.87           |
| <b>TOTAL A.1</b>                                                          | <b>10,84.82</b>   | <b>...</b>     | <b>...</b>                | <b>10,84.82</b>   |
| <b>A. 2 Fiscal Services</b>                                               |                   |                |                           |                   |
| Collection of Taxes on Income and Expenditure                             | 5.95              | ...            | ...                       | 5.95              |
| Land Revenue                                                              | 3,34.55           | ...            | ...                       | 3,34.55           |
| Stamps and Registration                                                   | 68.28             | ...            | ...                       | 68.28             |
| State Excise                                                              | 1,30.11           | ...            | ...                       | 1,30.11           |
| Taxes on Sales, Trade etc.                                                | 14,64.42          | ...            | ...                       | 14,64.42          |
| Taxes on Vehicles                                                         | 96.41             | ...            | ...                       | 96.41             |
| Other Taxes and Duties on Commodities and Services                        | 20.76             | ...            | ...                       | 20.76             |
| Other Fiscal Services                                                     | 6.33              | ...            | ...                       | 6.33              |
| Interest Payments                                                         | 94,03.98          | ...            | ...                       | 94,03.98          |
| <b>TOTAL A.2</b>                                                          | <b>1,15,30.79</b> | <b>...</b>     | <b>...</b>                | <b>1,15,30.79</b> |
| <b>A. 3 Administrative Services</b>                                       |                   |                |                           |                   |
| Public Service Commission                                                 | 20.41             | ...            | ...                       | 20.41             |
| Secretariat - General Services                                            | 1,36.76           | ...            | ...                       | 1,36.76           |
| District Administration                                                   | 4,39.77           | ...            | ...                       | 4,39.77           |
| Treasury and Accounts Administration                                      | 1,41.06           | ...            | ...                       | 1,41.06           |
| Police                                                                    | 33,61.50          | 1,92.83        | ...                       | 35,54.33          |
| Jails                                                                     | 1,18.22           | ...            | ...                       | 1,18.22           |
| Stationery and Printing                                                   | 2,06.77           | ...            | ...                       | 2,06.77           |
| Public Works                                                              | 7,73.98           | 4,21.70        | ...                       | 11,95.68          |
| Other Administrative Services                                             | 3,07.12           | 3.93           | ...                       | 3,11.05           |
| <b>TOTAL A.3</b>                                                          | <b>55,05.59</b>   | <b>6,18.46</b> | <b>...</b>                | <b>61,24.05</b>   |
| <b>A. 4 Pensions and Miscellaneous General Services</b>                   |                   |                |                           |                   |
| Pensions and Other Retirement Benefits                                    | 1,01,18.23        | ...            | ...                       | 1,01,18.23        |
| Miscellaneous General Services                                            | 25.84             | ...            | ...                       | 25.84             |
| <b>TOTAL A.4</b>                                                          | <b>1,01,44.07</b> | <b>...</b>     | <b>...</b>                | <b>1,01,44.07</b> |
| <b>TOTAL A. General Services</b>                                          | <b>2,82,65.27</b> | <b>6,18.46</b> | <b>...</b>                | <b>2,88,83.73</b> |



**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>B. Social Services</b>                                                                        |                              |                 |                           |                   |
| <b>B. 1 Education, Sports, Art and Culture</b>                                                   |                              |                 |                           |                   |
| General Education (*)                                                                            | 1,69,10.95                   | 3,17.21         | ...                       | 1,72,28.16        |
| Technical Education                                                                              | 6,85.78                      | ...             | ...                       | 6,85.78           |
| Sports and Youth Services                                                                        | 1,48.50                      | ...             | ...                       | 1,48.50           |
| Art and Culture                                                                                  | 3,17.58                      | ...             | ...                       | 3,17.58           |
| <b>TOTAL B.1</b>                                                                                 | <b>1,80,62.81</b>            | <b>3,17.21</b>  | <b>...</b>                | <b>1,83,80.02</b> |
| <b>B. 2 Health and Family Welfare</b>                                                            |                              |                 |                           |                   |
| Medical and Public Health                                                                        | 44,33.10                     | 7,90.43         | ...                       | 52,23.53          |
| Family Welfare                                                                                   | 6,25.00                      | ...             | ...                       | 6,25.00           |
| <b>TOTAL B.2</b>                                                                                 | <b>50,58.10</b>              | <b>7,90.43</b>  | <b>...</b>                | <b>58,48.53</b>   |
| <b>B. 3 Water Supply, Sanitation, Housing and Urban Development</b>                              |                              |                 |                           |                   |
| Water Supply and Sanitation                                                                      | 14,03.36                     | 12,19.89        | 2,74.90                   | 28,98.15          |
| Housing                                                                                          | 18,98.98                     | 2,19.98         | ...                       | 21,18.96          |
| Urban Development                                                                                | 6,41.68                      | 2,26.61         | 91.53                     | 9,59.82           |
| <b>TOTAL B.3</b>                                                                                 | <b>39,44.02</b>              | <b>16,66.48</b> | <b>3,66.43</b>            | <b>59,76.93</b>   |
| <b>B. 4 Information and Broadcasting</b>                                                         |                              |                 |                           |                   |
| Information and Publicity                                                                        | 78.72                        | 4.47            | ...                       | 83.19             |
| <b>TOTAL B.4</b>                                                                                 | <b>78.72</b>                 | <b>4.47</b>     | <b>...</b>                | <b>83.19</b>      |
| <b>B. 5 Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities</b> |                              |                 |                           |                   |
| Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities             | 50,37.65                     | 13,26.27        | ...                       | 63,63.92          |
| <b>TOTAL B.5</b>                                                                                 | <b>50,37.65</b>              | <b>13,26.27</b> | <b>...</b>                | <b>63,63.92</b>   |
| <b>B. 6 Labour and Labour Welfare</b>                                                            |                              |                 |                           |                   |
| Labour and Employment                                                                            | 3,80.54                      | ...             | ...                       | 3,80.54           |
| <b>TOTAL B.6</b>                                                                                 | <b>3,80.54</b>               | <b>...</b>      | <b>...</b>                | <b>3,80.54</b>    |
| <b>B. 7 Social Welfare and Nutrition</b>                                                         |                              |                 |                           |                   |
| Social Security and Welfare                                                                      | 47,76.73                     | 67.36           | 3.30                      | 48,47.39          |
| Nutrition                                                                                        | 10,79.77                     | ...             | ...                       | 10,79.77          |
| Relief on Account of Natural Calamities                                                          | 7,40.52                      | ...             | ...                       | 7,40.52           |
| <b>TOTAL B.7</b>                                                                                 | <b>65,97.02</b>              | <b>67.36</b>    | <b>3.30</b>               | <b>66,67.68</b>   |
| <b>B. 8 Others</b>                                                                               |                              |                 |                           |                   |
| Other Social Services                                                                            | 1,76.52                      | 8.67            | ...                       | 1,85.19           |
| Secretariat-Social Services                                                                      | 30.87                        | ...             | ...                       | 30.87             |
| <b>TOTAL B.8</b>                                                                                 | <b>2,07.39</b>               | <b>8.67</b>     | <b>...</b>                | <b>2,16.06</b>    |
| <b>TOTAL B. Social Services</b>                                                                  | <b>3,93,66.25</b>            | <b>41,80.89</b> | <b>3,69.73</b>            | <b>4,39,16.87</b> |

(\*) The amount shown under capital section includes Capital Outlay on General Education ₹2,03.35 crore, Technical Education ₹76.60 crore, Sports and Youth Services ₹33.20 crore and Art and Culture ₹4.06 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>      |
|-------------------------------------------------|-------------------|-----------------|---------------------------|-------------------|
|                                                 |                   |                 |                           |                   |
| <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                                  | 32,79.30          | 68.98           | ...                       | 33,48.28          |
| Soil and Water Conservation                     | 2,76.65           | ...             | ...                       | 2,76.65           |
| Animal Husbandry                                | 7,32.85           | 1,11.64         | ...                       | 8,44.49           |
| Dairy Development                               | 8,17.62           | 4.00            | ...                       | 8,21.62           |
| Fisheries                                       | 90.90             | 72.02           | ...                       | 1,62.92           |
| Forestry and Wild Life                          | 14,23.23          | 7.84            | ...                       | 14,31.07          |
| Food, Storage and Warehousing                   | 25,89.37          | ...             | ...                       | 25,89.37          |
| Agricultural Research and Education             | 5,32.65           | ...             | ...                       | 5,32.65           |
| Agricultural Financial Institutions             | ...               | ...             | 4.00                      | 4.00              |
| Co-operation                                    | 8,20.20           | 1.92            | ...                       | 8,22.12           |
| <b>TOTAL C.1</b>                                | <b>1,05,62.77</b> | <b>2,66.40</b>  | <b>4.00</b>               | <b>1,08,33.17</b> |
| <b>C. 2 Rural Development</b>                   |                   |                 |                           |                   |
| Special Programmes for Rural Development        | 26.20             | ...             | ...                       | 26.20             |
| Rural Employment                                | 17,10.93          | ...             | ...                       | 17,10.93          |
| Land Reforms                                    | 6.10              | ...             | ...                       | 6.10              |
| Other Rural Development Programmes              | 32,44.90          | 14.00           | ...                       | 32,58.90          |
| <b>TOTAL C.2</b>                                | <b>49,88.13</b>   | <b>14.00</b>    | <b>...</b>                | <b>50,02.13</b>   |
| <b>C. 3 Special Areas Programmes</b>            |                   |                 |                           |                   |
| Hill Areas                                      | 24.87             | ...             | ...                       | 24.87             |
| Other Special Area Programmes                   | 1,22.93           | 8,01.45         | ...                       | 9,24.38           |
| <b>TOTAL C.3</b>                                | <b>1,47.80</b>    | <b>8,01.45</b>  | <b>...</b>                | <b>9,49.25</b>    |
| <b>C. 4 Irrigation and Flood Control</b>        |                   |                 |                           |                   |
| Major Irrigation                                | 1,53.21           | 10.31           | ...                       | 1,63.52           |
| Medium Irrigation                               | 3,67.67           | 66,48.76        | ...                       | 70,16.43          |
| Minor Irrigation                                | 2,24.58           | 10,09.85        | ...                       | 12,34.43          |
| Command Area Development                        | 1,87.34           | 57.63           | ...                       | 2,44.97           |
| Flood Control and Drainage                      | 0.55              | 52.67           | ...                       | 53.22             |
| <b>TOTAL C.4</b>                                | <b>9,33.35</b>    | <b>77,79.22</b> | <b>...</b>                | <b>87,12.57</b>   |
| <b>C. 5 Energy</b>                              |                   |                 |                           |                   |
| Power                                           | 67,23.01          | 2,52.09         | 57.59                     | 70,32.69          |
| New and Renewable Energy                        | 23.47             | ...             | ...                       | 23.47             |
| <b>TOTAL C.5</b>                                | <b>67,46.48</b>   | <b>2,52.09</b>  | <b>57.59</b>              | <b>70,56.16</b>   |
| <b>C. 6 Industry and Minerals</b>               |                   |                 |                           |                   |
| Village and Small Industries                    | 7,71.89           | 55.54           | 3.73                      | 8,31.16           |
| Industries <sup>(^)</sup>                       | 1,86.39           | 50.19           | 44.99                     | 2,81.57           |
| Iron and Steel Industries                       | ...               | ...             | ...                       | ...               |
| Non-Ferrous Mining and Metallurgical Industries | 62.13             | ...             | ...                       | 62.13             |
| Fertilizer industries                           | ...               | ...             | (-) 4.65 <sup>(a)</sup>   | (-) 4.65          |

(^) The amount shown under Revenue Section includes Revenue Expenditure on Engineering Industries ₹0.18 crore and Consumer Industries ₹68.29 crore.

(a) Minus due to reconciliation and correction of balance at detailed heads.

**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                                                       | ...                          | 22.92                 | 5.06                      | 27.98              |
| Consumer Industries                                                          | ...                          | 36.33                 | 80.87                     | 1,17.20            |
| Other Outlays on Industries and Minerals                                     | ...                          | 75.00                 | ...                       | 75.00              |
| <b>TOTAL C.6</b>                                                             | <b>10,20.41</b>              | <b>2,39.98</b>        | <b>1,30.00</b>            | <b>13,90.39</b>    |
| <b>C. 7 Transport</b>                                                        |                              |                       |                           |                    |
| Ports and Light Houses                                                       | 16.38                        | 55.79                 | ...                       | 72.17              |
| Civil Aviation                                                               | 1.97                         | ...                   | ...                       | 1.97               |
| Roads and Bridges                                                            | 25,58.84                     | 50,45.69              | ...                       | 76,04.53           |
| Road Transport                                                               | 6,51.23                      | 45.29                 | ...                       | 6,96.52            |
| Inland Water Transport                                                       | 3.29                         | ...                   | ...                       | 3.29               |
| <b>TOTAL C.7</b>                                                             | <b>32,31.71</b>              | <b>51,46.77</b>       | <b>...</b>                | <b>83,78.48</b>    |
| <b>C. 8 Science, Technology and Environment</b>                              |                              |                       |                           |                    |
| Other Scientific Research                                                    | 69.18                        | ...                   | ...                       | 69.18              |
| Ecology and Environment                                                      | 13.37                        | ...                   | ...                       | 13.37              |
| <b>TOTAL C.8</b>                                                             | <b>82.55</b>                 | <b>...</b>            | <b>...</b>                | <b>82.55</b>       |
| <b>C. 9 General Economic Services</b>                                        |                              |                       |                           |                    |
| Secretariat-Economic Services                                                | 2,70.47                      | ...                   | ...                       | 2,70.47            |
| Tourism                                                                      | 1,20.73                      | 1,93.90               | ...                       | 3,14.63            |
| Census, Surveys and Statistics                                               | 52.34                        | ...                   | ...                       | 52.34              |
| Meteorology                                                                  | 8.00                         | ...                   | ...                       | 8.00               |
| Civil Supplies                                                               | 12.11                        | ...                   | ...                       | 12.11              |
| General Financial and Trading Institutions                                   | 0.68                         | 1,10.39               | 2.00                      | 1,13.07            |
| Other General Economic Services                                              | 17,93.79                     | 18.75                 | ...                       | 18,12.54           |
| <b>TOTAL C.9</b>                                                             | <b>22,58.12</b>              | <b>3,23.04</b>        | <b>2.00</b>               | <b>25,83.16</b>    |
| <b>TOTAL C. Economic Services</b>                                            | <b>2,99,71.32</b>            | <b>1,48,22.95</b>     | <b>1,93.59</b>            | <b>4,49,87.86</b>  |
| <b>D. Grants-in-Aid and Contributions</b>                                    |                              |                       |                           |                    |
| Compensation and Assignments to Local Bodies and Panchayati Raj Institutions | 60,11.46                     | ...                   | ...                       | 60,11.46           |
| <b>TOTAL D. Grants-in-Aid and Contributions</b>                              | <b>60,11.46</b>              | <b>...</b>            | <b>...</b>                | <b>60,11.46</b>    |
| <b>F Loans and Advances</b>                                                  |                              |                       |                           |                    |
| Loans to Government Servants etc.                                            | ...                          | ...                   | 5.44                      | 5.44               |
| Miscellaneous Loans                                                          | ...                          | ...                   | 7.38                      | 7.38               |
| <b>TOTAL F. Loans and Advances</b>                                           | <b>...</b>                   | <b>...</b>            | <b>12.82</b>              | <b>12.82</b>       |
| <b>E Public Debt</b>                                                         |                              |                       |                           |                    |
| Internal Debt of the State Government                                        | ...                          | 40,33.38              | ...                       | 40,33.38           |
| Loans and Advances from Central Government                                   | ...                          | 7,78.85               | ...                       | 7,78.85            |
| <b>TOTAL E. Public Debt</b>                                                  | <b>...</b>                   | <b>48,12.23</b>       | <b>...</b>                | <b>48,12.23</b>    |
| <b>Total Expenditure in Consolidated Fund <sup>1</sup> (A+B+C+D+E+F)</b>     | <b>10,36,14.30</b>           | <b>2,44,34.53</b> (&) | <b>5,76.14</b>            | <b>12,86,24.97</b> |

(1) Details are given in Statements No.15, 16,17 and 18 in Part I Volume II.

(&) Includes expenditure on Capital Outlay (₹1,96,22.30 crore)

**STATEMENT NO. 4 - STATEMENT OF EXPENDITURE (CONSOLIDATED FUND)**  
- contd.

**B. EXPENDITURE BY NATURE**

| Object of Expenditure                                    | 2014-15    |          |            | 2013-14    |          |            | 2012-13    |          |            |
|----------------------------------------------------------|------------|----------|------------|------------|----------|------------|------------|----------|------------|
|                                                          | Revenue    | Capital  | Total      | Revenue    | Capital  | Total      | Revenue    | Capital  | Total      |
| (In crores of rupees)                                    |            |          |            |            |          |            |            |          |            |
| (1)                                                      | (2)        | (3)      | (4)        | (5)        | (6)      | (7)        | (8)        | (9)      | (10)       |
| Subsidies <sup>(A)</sup>                                 | 1,18,27.23 | ...      | 1,18,27.23 | 1,41,00.21 | ...      | 1,41,00.21 | 1,07,08.61 | ...      | 1,07,08.61 |
| Debt Servicing <sup>(A)</sup>                            | 1,01,48.07 | 51,00.37 | 1,52,48.44 | 83,92.89   | 41,68.96 | 1,25,61.85 | 84,90.96   | 41,07.46 | 1,25,98.42 |
| Pension and Other Retirement Benefits <sup>(A) (^)</sup> | 1,12,03.64 | ...      | 1,12,03.64 | 1,02,26.10 | ...      | 1,02,26.10 | 81,81.33   | ...      | 81,81.33   |
| Other Expenses <sup>(A)</sup>                            | 1,05,60.73 | 12,07.15 | 1,17,67.88 | 65,96.61   | 10,32.28 | 76,28.89   | 47,21.69   | 8,54.38  | 55,76.07   |
| Capital Expenses                                         | 7,20.83    | 46,54.05 | 53,74.88   | 58.08      | 48,53.59 | 49,11.67   | 35.23      | 41,22.01 | 41,57.24   |
| Grants-In-Aid Salaries <sup>(A)</sup>                    | 56,23.32   | ...      | 56,23.32   | 45,80.70   | ...      | 45,80.70   | 42,97.34   | ...      | 42,97.34   |
| Pay-Staff <sup>@</sup>                                   | 45,14.41   | 7.85     | 45,22.26   | 44,92.16   | 13.91    | 45,06.07   | 43,37.87   | 13.38    | 43,51.25   |
| Lump sum - Zilla Parishads                               | 49,81.02   | ...      | 49,81.02   | 30,43.83   | ...      | 30,43.83   | 31,19.79   | ...      | 31,19.79   |
| Special Component Plan <sup>(A)</sup>                    | 14.47      | 83.19    | 97.66      | 16,93.16   | 12,72.74 | 29,65.90   | 10,82.10   | 12,92.72 | 23,74.82   |
| Grants for creation of Capital Asset <sup>(A)</sup>      | 25,68.12   | ...      | 25,68.12   | 26,98.93   | ...      | 26,98.93   | 17,79.20   | ...      | 17,79.20   |
| Special Development Plan <sup>(A)</sup>                  | 3,54.01    | 5,52.04  | 9,06.05    | 9,67.17    | 14,37.69 | 24,04.86   | 5,54.62    | 16,10.01 | 21,64.63   |
| Improvements                                             | ...        | 23,70.19 | 23,70.19   | ...        | 23,49.84 | 23,49.84   | ...        | 18,44.88 | 18,44.88   |
| Maintenance Expenditure <sup>(A)</sup>                   | 27,38.79   | 14.19    | 27,52.98   | 21,91.52   | 7.13     | 21,98.65   | 18,31.45   | 3.80     | 18,35.25   |
| Major Works                                              | 6,07.48    | 22,19.37 | 28,26.85   | 5,16.45    | 14,74.14 | 19,90.59   | 4,53.66    | 14,81.98 | 19,35.64   |
| Belagavi*                                                | 18,29.06   | ...      | 18,29.06   | 16,36.95   | ...      | 16,36.95   | 14,08.92   | ...      | 14,08.92   |
| Pay-Officers <sup>@</sup>                                | 14,71.07   | 1.97     | 14,73.04   | 14,17.87   | 2.29     | 14,20.16   | 10,25.31   | 2.03     | 10,27.34   |
| Financial Assistance / Relief                            | 19,91.58   | 0.95     | 19,92.53   | 13,91.60   | 0.40     | 13,92.00   | 22,61.75   | 1.08     | 22,62.83   |
| Tribal Sub-Plan                                          | 10,13.26   | 9,88.35  | 20,01.61   | 7,33.60    | 4,92.96  | 12,26.56   | 4,70.73    | 4,94.01  | 9,64.74    |
| Grants -in-Aid-General <sup>(A)</sup>                    | 13,50.74   | ...      | 13,50.74   | 12,10.37   | ...      | 12,10.37   | 69.23      | ...      | 69.23      |
| Investment                                               | ...        | 13,03.79 | 13,03.79   | ...        | 12,09.08 | 12,09.08   | ...        | 13,92.23 | 13,92.23   |
| Dearness Allowance <sup>@</sup>                          | 17,44.66   | 2.42     | 17,47.08   | 10,86.29   | 2.32     | 10,88.61   | 8,49.81    | 1.98     | 8,51.79    |
| Deduct- SCP Pooled Upfront                               | ...        | ...      | ...        | 5,75.15    | 4,74.85  | 10,50.00   | 9,25.00    | ...      | 9,25.00    |
| Construction                                             | 4.14       | 17,04.39 | 17,08.53   | 4.11       | 10,03.38 | 10,07.49   | 3.22       | 10,68.92 | 10,72.14   |
| Roads                                                    | 288.29     | 9,77.17  | 12,65.46   | 2,14.71    | 7,78.38  | 9,93.09    | 3,32.16    | 6,65.25  | 9,97.41    |

**STATEMENT NO. 4 - STATEMENT OF EXPENDITURE (CONSOLIDATED FUND)**

- contd.

**B. EXPENDITURE BY NATURE – contd.**

| <i>Object of Expenditure</i>                    | <i>2014-15</i> |                |              | <i>2013-14</i> |                |              | <i>2012-13</i> |                |              |
|-------------------------------------------------|----------------|----------------|--------------|----------------|----------------|--------------|----------------|----------------|--------------|
|                                                 | <i>Revenue</i> | <i>Capital</i> | <i>Total</i> | <i>Revenue</i> | <i>Capital</i> | <i>Total</i> | <i>Revenue</i> | <i>Capital</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>(6)</b>     | <b>(7)</b>   | <b>(8)</b>     | <b>(9)</b>     | <b>(10)</b>  |
| Tumakuru *                                      | 10,88.78       | ...            | 10,88.78     | 9,66.68        | ...            | 9,66.68      | 8,51.60        | ...            | 8,51.60      |
| Other Allowance @                               | 10,38.32       | 1.18           | 10,39.50     | 9,35.01        | 1.66           | 9,36.67      | 7,77.83        | 1.44           | 7,79.27      |
| NABARD Works                                    | 88.58          | 6,91.22        | 7,79.80      | 64.56          | 8,36.67        | 9,01.23      | 37.39          | 3,24.68        | 3,62.07      |
| Bengaluru(Urban)*                               | 9,91.21        | ...            | 9,91.21      | 8,27.58        | ...            | 8,27.58      | 7,03.26        | ...            | 7,03.26      |
| Kalaburgi *                                     | 9,55.09        | ...            | 9,55.09      | 8,08.11        | ...            | 8,08.11      | 8,03.97        | ...            | 8,03.97      |
| Mysuru *                                        | 8,77.45        | ...            | 8,77.45      | 7,58.99        | ...            | 7,58.99      | 6,70.35        | ...            | 6,70.35      |
| Vijayapura *                                    | 8,59.77        | ...            | 8,59.77      | 7,25.07        | ...            | 7,25.07      | 6,31.13        | ...            | 6,31.13      |
| General Expenses                                | 7,47.64        | 1.83           | 7,49.47      | 6,95.38        | 0.67           | 6,96.05      | 5,91.60        | 0.43           | 5,92.03      |
| Davangere *                                     | 7,55.41        | ...            | 7,55.41      | 6,73.74        | ...            | 6,73.74      | 5,81.18        | ...            | 5,81.18      |
| Hassan *                                        | 7,42.20        | ...            | 7,42.20      | 6,70.80        | ...            | 6,70.80      | 5,61.87        | ...            | 5,61.87      |
| Uttara Kannada *                                | 7,21.63        | ...            | 7,21.63      | 6,70.79        | ...            | 6,70.79      | 5,65.97        | ...            | 5,65.97      |
| Ballari *                                       | 7,11.88        | ...            | 7,11.88      | 6,55.28        | ...            | 6,55.28      | 5,61.96        | ...            | 5,61.96      |
| Chitradurga *                                   | 7,82.24        | ...            | 7,82.24      | 6,46.47        | ...            | 6,46.47      | 5,48.91        | ...            | 5,48.91      |
| Shivamogga *                                    | 7,05.30        | ...            | 7,05.30      | 6,38.43        | ...            | 6,38.43      | 5,65.64        | ...            | 5,65.64      |
| Consolidated Salaries <sup>(A)</sup>            | 6,44.09        | ...            | 6,44.09      | 6,29.46        | ...            | 6,29.46      | 9,07.02        | ...            | 9,07.02      |
| Loans                                           | ...            | 4,51.52        | 4,51.52      | ...            | 6,17.50        | 6,17.50      | ...            | 4,26.86        | 4,26.86      |
| Bidar *                                         | 7,06.25        | ...            | 7,06.25      | 5,90.12        | ...            | 5,90.12      | 5,20.05        | ...            | 5,20.05      |
| Mandya *                                        | 6,52.47        | ...            | 6,52.47      | 5,84.24        | ...            | 5,84.24      | 5,11.93        | ...            | 5,11.93      |
| Bagalkot *                                      | 6,82.32        | ...            | 6,82.32      | 5,80.22        | ...            | 5,80.22      | 4,91.02        | ...            | 4,91.02      |
| Raichur *                                       | 6,37.27        | ...            | 6,37.27      | 5,50.12        | ...            | 5,50.12      | 4,84.09        | ...            | 4,84.09      |
| Haveri *                                        | 5,95.55        | ...            | 5,95.55      | 5,20.98        | ...            | 5,20.98      | 4,74.75        | ...            | 4,74.75      |
| Dakshina Kannada*                               | 5,63.89        | ...            | 5,63.89      | 4,97.05        | ...            | 4,97.05      | 4,61.55        | ...            | 4,61.55      |
| Chikkamagaluru *                                | 5,59.37        | ...            | 5,59.37      | 4,81.48        | ...            | 4,81.48      | 4,25.86        | ...            | 4,25.86      |
| Dharwad *                                       | 5,76.31        | ...            | 5,76.31      | 4,72.97        | ...            | 4,72.97      | 4,35.33        | ...            | 4,35.33      |
| Kolar *                                         | 5,57.29        | ...            | 5,57.29      | 4,59.78        | ...            | 4,59.78      | 4,48.93        | ...            | 4,48.93      |
| Deduct- TSP Pooled Upfront                      | ...            | ...            | ...          | 3,37.47        | 1,11.75        | 4,49.22      | 3,75.00        | ...            | 3,75.00      |
| Chikkaballapura *                               | 4,68.63        | ...            | 4,68.63      | 4,13.56        | ...            | 4,13.56      | 3,56.40        | ...            | 3,56.40      |
| Grants-In-Aid for Asset Creation <sup>(A)</sup> | 1,97.33        | ...            | 1,97.33      | 4,06.35        | ...            | 4,06.35      | 3,91.47        | ...            | 3,91.47      |
| Renewals                                        | ...            | 2,65.04        | 2,65.04      | ...            | 4,00.21        | 4,00.21      | ...            | 7,54.90        | 7,54.90      |

**STATEMENT NO. 4 - STATEMENT OF EXPENDITURE (CONSOLIDATED FUND)**  
- contd.

**B. EXPENDITURE BY NATURE – contd.**

| <i>Object of Expenditure</i>                   | <i>2014-15</i> |                |              | <i>2013-14</i> |                |              | <i>2012-13</i> |                |              |
|------------------------------------------------|----------------|----------------|--------------|----------------|----------------|--------------|----------------|----------------|--------------|
|                                                | <i>Revenue</i> | <i>Capital</i> | <i>Total</i> | <i>Revenue</i> | <i>Capital</i> | <i>Total</i> | <i>Revenue</i> | <i>Capital</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>(6)</b>     | <b>(7)</b>   | <b>(8)</b>     | <b>(9)</b>     | <b>(10)</b>  |
| Koppal *                                       | 4,72.54        | ...            | 4,72.54      | 3,80.42        | ...            | 3,80.42      | 3,62.70        | ...            | 3,62.70      |
| Gadag *                                        | 4,07.57        | ...            | 4,07.57      | 3,58.71        | ...            | 3,58.71      | 3,17.66        | ...            | 3,17.66      |
| Udupi *                                        | 3,73.50        | ...            | 3,73.50      | 3,58.06        | ...            | 3,58.06      | 3,03.44        | ...            | 3,03.44      |
| Yadgir *                                       | 3,89.27        | ...            | 3,89.27      | 3,44.82        | ...            | 3,44.82      | 3,13.53        | ...            | 3,13.53      |
| Ramanagara *                                   | 3,89.67        | ...            | 3,89.67      | 3,43.89        | ...            | 3,43.89      | 2,99.16        | ...            | 2,99.16      |
| Chamarajanagar *                               | 3,56.23        | ...            | 3,56.23      | 3,24.13        | ...            | 3,24.13      | 2,82.99        | ...            | 2,82.99      |
| Bengaluru (Rural) *                            | 3,66.42        | ...            | 3,66.42      | 3,15.65        | ...            | 3,15.65      | 2,84.35        | ...            | 2,84.35      |
| Subsidiary Expenses                            | 3,42.87        | ...            | 3,42.87      | 2,78.11        | ...            | 2,78.11      | 2,42.35        | ...            | 2,42.35      |
| Modernisation                                  | 2,94.35        | 17.50          | 3,11.85      | 2,29.99        | 9.92           | 2,39.91      | 2,25.09        | 9.99           | 2,35.08      |
| Transport Expenses                             | 2,76.45        | 0.03           | 2,76.48      | 2,35.48        | ...            | 2,35.48      | 2,07.71        | ...            | 2,07.71      |
| Loans to PSU's and Local Bodies                | ...            | 2,77.94        | 2,77.94      | ...            | 2,28.78        | 2,28.78      | ...            | 8,25.73        | 8,25.73      |
| Scholarships and Incentives                    | 3,16.96        | ...            | 3,16.96      | 2,15.57        | ...            | 2,15.57      | 1,63.82        | ...            | 1,63.82      |
| Kodagu                                         | 2,32.27        | ...            | 2,32.27      | 2,11.28        | ...            | 2,11.28      | 1,82.92        | ...            | 1,82.92      |
| Drugs and Chemicals                            | 2,27.81        | ...            | 2,27.81      | 1,85.80        | ...            | 1,85.80      | 1,80.07        | ...            | 1,80.07      |
| Travel Expenses                                | 1,83.49        | 0.10           | 1,83.59      | 1,82.81        | 0.16           | 1,82.97      | 1,70.52        | 0.12           | 1,70.64      |
| Building Expenses                              | 1,57.80        | 0.03           | 1,57.83      | 1,56.83        | 0.02           | 1,56.85      | 1,45.53        | 0.02           | 1,45.55      |
| Materials and Supplies                         | 1,68.90        | 0.08           | 1,68.98      | 1,22.41        | 0.07           | 1,22.48      | 90.41          | 0.10           | 90.51        |
| Reimbursement of Medical Expenses <sup>@</sup> | 1,09.36        | 0.06           | 1,09.42      | 1,09.52        | 0.16           | 1,09.68      | 90.14          | 0.13           | 90.27        |
| Inter Account Transfers                        | 11,39.53 (-)   | 14,58.77 (-)   | 3,19.24      | 14,69.49 (-)   | 13,72.66       | 96.83        | 4,33.84 (-)    | 7,72.35 (-)    | 3,38.51      |
| Machinery and Equipment                        | 48.63          | 28.30          | 76.93        | 53.07          | 4.34           | 57.41        | 44.40          | 13.94          | 58.34        |
| Diet Expenses                                  | 42.93          | ...            | 42.93        | 39.25          | ...            | 39.25        | 35.87          | ...            | 35.87        |
| Land and Buildings                             | 26.29          | 2.86           | 29.15        | 24.16          | 1.15           | 25.31        | 23.12          | 0.65           | 23.77        |
| Medical Allowance <sup>@</sup>                 | 23.62          | 0.03           | 23.65        | 23.85          | 0.06           | 23.91        | 22.72          | 0.06           | 22.78        |

**STATEMENT NO. 4 - STATEMENT OF EXPENDITURE (CONSOLIDATED FUND)**  
- conclud.

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

| Object of Expenditure | 2014-15            |                   |                    | 2013-14           |                   |                    | 2012-13           |                   |                   |
|-----------------------|--------------------|-------------------|--------------------|-------------------|-------------------|--------------------|-------------------|-------------------|-------------------|
|                       | Revenue            | Capital           | Total              | Revenue           | Capital           | Total              | Revenue           | Capital           | Total             |
| (In crores of rupees) |                    |                   |                    |                   |                   |                    |                   |                   |                   |
| (1)                   | (2)                | (3)               | (4)                | (5)               | (6)               | (7)                | (8)               | (9)               | (10)              |
| Advances              | ...                | 5.44              | 5.44               | ...               | 18.00             | 18.00              | ...               | ...               | ...               |
| Telephone Charges     | 15.03              | ...               | 15.03              | 14.30             | ...               | 14.30              | ...               | ...               | ...               |
| Contributions         | 8,12.77            | ...               | 8,12.77            | 12.94             | ...               | 12.94              | 1,22.44           | ...               | 1,22.44           |
| Interim Relief        | ...                | ...               | ...                | ...               | ...               | ...                | 79.16             | 0.27              | 79.43             |
| Recoveries            | (-) 81.93          | (-) 27.83         | (-) 1,09.76        | (-) 9,39.55       | (-) 16.01         | (-) 9,55.56        | ...               | (-) 2,52.48       | (-) 2,52.48       |
| Others                | 30,60.78           | 35,66.67          | 66,27.45           | 49.43             | 42.74             | 92.17              | (-) 6.72          | 17.29             | 10.57             |
| <b>Total</b>          | <b>10,36,14.30</b> | <b>2,50,10.67</b> | <b>12,86,24.97</b> | <b>8,91,89.57</b> | <b>2,14,59.13</b> | <b>11,06,48.70</b> | <b>7,62,93.26</b> | <b>2,03,07.90</b> | <b>9,66,01.16</b> |

(#)

(A) Includes amounts released to Urban Local Bodies under Consolidated Salaries (₹4,06.36 crore), Grants for creation of Capital Asset (₹18,47.97 crore), Maintenance (₹7,27.44 crore), Debt Servicing (₹3,51.04 crore) and Subsidy (₹6,68.60 crore) Grant-in-Aid General (₹0.63 crore), Pension and Other Retirement Benefits (₹12.47 crore), Other Expenses (₹3,69.89 crore) and Grant-in-Aid for salaries (₹5,87.92 crore), special development plan (₹1,35.27 crore), HKRDP (₹60.00 crore), Schedule caste sub plan (₹4,02.83 crore), Tribal sub plan (₹1,63.10 crore), Grant-in-Aid Asset creation (₹88.35 crore), Grant-in-Aid for Zilla panchayats (₹0.24 crore).

(^) Comprises expenditure incurred below the Major Heads Pension and Other Retirement Benefits (₹1,01,19.20 crore), Miscellaneous general services (₹0.01 crore), Compensation and Assignments to Local Bodies and Panchayati Raj Institutions (₹36.98 crore) and Art and Culture (₹12.46 Crore), Social security and welfare (₹10,34.99 crore).

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

(\*) The amounts shown against these represent the grants released to the Panchayati Raj Institutions (Zilla Panchayat, Taluk Panchayat and Gram Panchayat) in those districts. See Statement 10 in Volume I of Finance Accounts.

(#) Includes of Capital Expenditure (₹1,96,22.30 crore), Repayment of Public Debt (₹48,12.23 crore) and Disbursement of Loans and Advances (₹5,76.14 crore).

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**STATEMENT NO.5 - STATEMENT OF PROGRESSIVE CAPITAL EXPENDITURE**

Description	Expenditure during 2013-14	Progressive Expenditure upto 2013-14	Expenditure during 2014-15	Progressive Expenditure upto 2014-15	Increase (+) / Decrease (-) (Per cent)
	(2)	(3)	(4)	(5)	
	<i>(In crores of rupees)</i>				
<b>(1)</b>	<b>(2)</b>	<b>(3)</b>	<b>(4)</b>	<b>(5)</b>	<b>(6)</b>
<b>EXPENDITURE HEADS (CAPITAL ACCOUNT)</b>					
<b>A Capital Account of General Services</b>					
4047 Capital Outlay on other Fiscal Services	0.08	0.08	...	0.08	(-) 1,00.00
4055 Capital Outlay on Police	93.67	12,56.97	1,92.83	14,49.80	(+) 1,05.86
4059 Capital Outlay on Public Works	4,04.29	37,14.06	4,21.70	41,35.76	(+) 4.31
4070 Capital Outlay on Other Administrative Services	2.70	11.75	3.93	15.68	(+) 45.56
<b>Total A- Capital Account of General Services</b>	<b>5,00.74</b>	<b>49,82.86</b>	<b>6,18.46</b>	<b>56,01.32</b>	<b>(+) 23.51</b>
<b>B Capital Account of Social Services</b>					
<b>(a) Capital Account of Education, Sports, Art and Culture</b>					
4202 Capital Outlay on Education, Sports, Art and Culture	3,88.10	23,69.50	3,17.21	26,86.71	(-) 18.27
<b>Total (a)</b>	<b>3,88.10</b>	<b>23,69.50</b>	<b>3,17.21</b>	<b>26,86.71</b>	<b>(-) 18.27</b>
<b>(b) Capital Account of Health and Family Welfare</b>					
4210 Capital Outlay on Medical and Public Health	4,40.41	32,95.48	7,90.43	40,85.91	(+) 79.48
4211 Capital Outlay on Family Welfare	...	1,76.92	...	1,76.92	...
<b>Total (b)</b>	<b>4,40.41</b>	<b>34,72.40</b>	<b>7,90.43</b>	<b>42,62.83</b>	<b>(+) 79.48</b>
<b>(c) Capital Account of Water Supply, Sanitation, Housing and Urban Development</b>					
4215 Capital Outlay on Water Supply and Sanitation	9,44.32	1,03,21.64	12,19.89	1,15,41.53	(+) 29.18
4216 Capital Outlay on Housing	81.40	19,37.01	2,19.98	21,56.99	(+) 1,70.25
4217 Capital Outlay on Urban Development	1,61.85	21,83.98	2,26.61	24,10.59	(+) 40.01
<b>Total (c)</b>	<b>11,87.57</b>	<b>1,44,42.63</b>	<b>16,66.48</b>	<b>1,61,09.11</b>	<b>(+) 40.33</b>



	(1)	(2)	(3)	(4)	(5)	(6)
<b>(d) Capital Account of Information and Broadcasting</b>						
4220	Capital Outlay on Information and Publicity	4.00	43.89	4.47	48.36	11.75
	<b>Total (d)</b>	<b>4.00</b>	<b>43.89</b>	<b>4.47</b>	<b>48.36</b>	<b>11.75</b>
<b>(e) Capital Account of Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities</b>						
4225	Capital Outlay on Welfare of Scheduled Castes, Scheduled Tribes and other Backward Classes and Minorities	8,96.45	32,28.08	13,26.27	45,54.35	47.95
	<b>Total (e)</b>	<b>8,96.45</b>	<b>32,28.08</b>	<b>13,26.27</b>	<b>45,54.35</b>	<b>47.95</b>
<b>(g) Capital Account of Social Welfare and Nutrition</b>						
4235	Capital Outlay on Social Security and Welfare	1,10.05	4,98.54	67.36	5,65.90	38.79
4236	Capital Outlay on Nutrition	...	2.24	...	2.24	...
	<b>Total (g)</b>	<b>1,10.05</b>	<b>5,00.78</b>	<b>67.36</b>	<b>5,68.14</b>	<b>38.79</b>
<b>(h) Capital Account of Other Social Services</b>						
4250	Capital Outlay on Other Social Services	26.10	1,37.75	8.67	1,46.42	66.78
	<b>Total (h)</b>	<b>26.10</b>	<b>1,37.75</b>	<b>8.67</b>	<b>1,46.42</b>	<b>66.78</b>
	<b>Total B Capital Account of Social Services</b>	<b>30,52.68</b>	<b>2,41,95.03</b>	<b>41,80.89</b>	<b>2,83,75.92</b>	<b>36.96</b>
<b>C Capital Account of Economic Services</b>						
<b>(a) Capital Account of Agriculture and Allied Activities</b>						
4401	Capital Outlay on Crop Husbandry	72.25	3,20.37	68.98	3,89.50	4.53
			0.15 <sup>(a)</sup>			
4402	Capital Outlay on Soil and Water Conservation	...	27.82	...	27.82	...
4403	Capital Outlay on Animal Husbandry	94.88	3,92.56	1,11.64	5,04.20	17.66
4404	Capital Outlay on Dairy Development	4.00	24.16	4.00	28.16	...
4405	Capital Outlay on Fisheries	77.13	2,88.89	72.02	3,60.91 <sup>(b)</sup>	6.63
4406	Capital Outlay on Forestry and Wild Life	12.19	1,29.36	7.84	1,37.20	35.68
4408	Capital Outlay on Food, Storage and Warehousing	...	19.80	...	19.80	...

(a) Please refer Explanatory Note 4 (i) (a) on page No.29

(b) Please refer Explanatory Note 4 (ii) (a) on page No.30

**STATEMENT NO.5 - STATEMENT OF PROGRESSIVE CAPITAL EXPENDITURE - contd.**

Description	(2)	(3)	(4)	(5)	(6)
<i>(In crores of rupees)</i>					
<b>EXPENDITURE HEADS (CAPITAL ACCOUNT) - contd.</b>					
<b>C Capital Account of Economic Services</b>					
<b>(a) Capital Account of Agriculture and Allied Activities</b>					
4415 Capital Outlay on Agricultural Research and Education	...	0.55	...	0.55	...
4416 Investments in Agricultural Financial Institutions	...	21.25	...	21.25	...
4425 Capital Outlay on Co-operation	0.90	1,36.77	1.92	1,35.90 <sup>(e)</sup>	(+) 113.33
<b>Total (a)</b>	<b>2,61.35</b>	<b>13,61.53</b>	<b>2,66.40</b>	<b>16,25.29</b>	<b>(+) 1.93</b>
<b>(b) Capital Account of Rural Development</b>					
4515 Capital Outlay on other Rural Development Programmes	58.32	11,14.93	14.00	11,28.93	(-) 75.99
<b>Total (b)</b>	<b>58.32</b>	<b>11,14.93</b>	<b>14.00</b>	<b>11,28.93</b>	<b>(-) 75.99</b>
<b>(c) Capital Outlay of Special Area Programmes</b>					
4575 Capital Outlay on Other Special Area Programmes	6,13.44	15,71.13	8,01.45	23,72.58	(+) 30.65
<b>Total (c)</b>	<b>6,13.44</b>	<b>15,71.13</b>	<b>8,01.45</b>	<b>23,72.58</b>	<b>(+) 30.65</b>
<b>(d) Capital Account of Irrigation and Flood Control</b>					
4700 Capital Outlay on Major Irrigation	24.18	80,10.43	10.31	80,20.74	(-) 57.36
4701 Capital Outlay on Medium Irrigation	52,47.21	4,33,31.08	66,48.76	4,99,79.84	(+) 26.71
4702 Capital Outlay on Minor Irrigation	9,83.52	72,01.74	10,09.85	82,11.59	(+) 2.68
4705 Capital Outlay on Command Area Development	76.23	1,71.48	57.63	2,29.11	(-) 24.40
4711 Capital Outlay on Flood Control Projects	52.68	4,02.45	52.67	4,55.12	(-) 0.02
<b>Total (d)</b>	<b>63,83.82</b>	<b>5,91,17.18</b>	<b>77,79.22</b>	<b>6,68,96.40</b>	<b>(+) 21.86</b>

	(1)	(2)	(3)	(4)	(5)	(6)
<b>(e) Capital Account of Energy</b>						
4801 Capital Outlay on Power Projects		3,04.88	86,59.39	2,52.09	89,11.48	(-) 17.32
<b>Total (e)</b>		<b>3,04.88</b>	<b>86,59.39</b>	<b>2,52.09</b>	<b>89,11.48</b>	<b>(-) 17.32</b>
<b>(f) Capital Account of Industry and Minerals</b>						
4851 Capital Outlay on Village and Small Industries <sup>(8)</sup>		50.55	4,47.94	55.54	5,03.48	(+) 9.87
4852 Capital Outlay on Iron and Steel Industries		38.65	3,25.98	50.19	3,76.17	(+) 29.82
4853 Capital Outlay on Non-Ferrous Mining and Metallurgical Industries		...	3.20	...	3.20	...
4854 Capital Outlay on Cement and Non-metallic Mineral Industries		...	0.42	...	0.42	...
4855 Capital Outlay on Fertilizer Industries		...	0.01	...	0.01	...
4856 Capital Outlay on Petro-chemical Industries		...	3.61	...	3.61	...
4858 Capital Outlay on Engineering Industries		...	40.94	22.92	63.86	...
4859 Capital Outlay on Telecommunication and Electronic Industries		...	21.20	...	20.18	...
			(-) 1.02 <sup>(d)</sup>			
4860 Capital Outlay on Consumer Industries		36.16	5,64.26	36.33	5,99.65	(+) 0.47
			(-) 0.94 <sup>(e)</sup>			
4875 Capital Outlay on Other Industries		...	35.52	...	35.52	...
4885 Other Capital Outlay on Industries and Minerals		51.93	7,92.98	75.00	8,67.98	(+) 44.43
<b>Total (f)</b>		<b>1,77.29</b>	<b>22,36.06</b>	<b>2,39.98</b>	<b>24,74.08</b>	<b>(+) 35.35</b>
			(-) 1.96			
<b>(g) Capital Account of Transport</b>						
5051 Capital Outlay on Ports and Light Houses		20.21	1,62.74	55.79	2,18.53	(+) 1,76.05
5052 Capital Outlay on Shipping		...	3.07	...	3.07	...

(c) Please refer Explanatory Note 4 (ii) (b) on page No.30

(d) Please refer Explanatory Note 4 (i) (b) on page No.29

(e) Please refer Explanatory Note 4 (i) (c) on page No.30

(8) The expenditure under these heads include outlay on departmentally managed commercial undertakings, the financial results of the working of the undertakings are given in the explanatory notes.

**STATEMENT NO.5 - STATEMENT OF PROGRESSIVE CAPITAL EXPENDITURE - contd.**

Description	(In crores of rupees)					Increase (+) / Decrease (-) (Per cent)
	(1)	(2)	(3)	(4)	(5)	
<b>EXPENDITURE HEADS (CAPITAL ACCOUNT) - conold.</b>						
<b>C Economic Services -conold.</b>						
<b>(g) Capital Account of Transport</b>						
5053 Capital Outlay on Civil Aviation	...	12.73	...	...	12.73	...
5054 Capital Outlay on Roads and Bridges	52,13.38	2,85,16.80	50,45.69	3,35,62.49	3,35,62.49	(-) 3.22
5055 Capital Outlay on Road Transport	64.88	14,97.90	45.29	15,43.19	15,43.19	(-) 30.19
5056 Capital Outlay on Inland Water Transport	...	0.19	...	0.19	0.19	...
5075 Capital Outlay on Other Transport Services	...	1,20.97	...	1,20.97	1,20.97	...
<b>Total (g)</b>	<b>52,98.47</b>	<b>3,03,14.40</b>	<b>51,46.77</b>	<b>3,54,61.17</b>	<b>3,54,61.17</b>	<b>(-) 2.86</b>
<b>(f) Capital Account of General Economic Services</b>						
5452 Capital Outlay on Tourism	1,94.22	8,20.28	1,93.91	10,14.19	10,14.19	(-) 0.16
5465 Investments in General Financial and Trading Institutions	85.51	19,38.53	1,10.39	20,53.92	20,53.92	(+) 29.10
		5.00 <sup>(f)</sup>				
5475 Capital Outlay on other General Economic Services	16.14	1,07.83	18.74	1,26.57	1,26.57	(+) 16.11
<b>Total (f)</b>	<b>2,95.87</b>	<b>28,66.64</b>	<b>3,23.04</b>	<b>31,94.68</b>	<b>31,94.68</b>	<b>(+) 9.18</b>
<b>Total C- Capital Account of Economic Services</b>	<b>1,33,93.45</b>	<b>10,72,41.26</b>	<b>1,48,22.95</b>	<b>12,20,64.61</b>	<b>12,20,64.61</b>	<b>(+) 10.67</b>
		3.19				
<b>GRAND TOTAL</b>	<b>1,69,46.87</b>	<b>13,64,19.15</b>	<b>1,96,22.30</b>	<b>15,60,41.85</b> <sup>(g)</sup>	<b>15,60,41.85</b>	<b>(+) 15.79</b>
		3.19				

(f) Please refer Explanatory Note 4 (i) (d) on page No.30

(g) Please refer Explanatory Note 4 (ii) on Page 30.

## Explanatory Notes

A summary of the financial results of the working of the departmentally managed Government Undertakings as disclosed by the latest available proforma accounts is given below:

Sl. No.	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	<i>Name of the Undertaking</i>	<i>Major Head under which working expenses are accounted for</i>	<i>Year of account</i>	<i>Mean Capital as at the close of the year</i>	<i>Total Profit (+) or loss (-) after adding back interest charged</i>	<i>Percentage of profit in relation to mean capital</i>	
				<i>(In crores of rupees)</i>			
1	Karnataka Government Insurance Department Bengaluru	2235. Social Security and Welfare					There is no capital account. The excess of recoveries over expenditure is credited to Insurance Fund, which closes to balance. The balance in the Fund is shown on the Liability side of the balance sheet.
2	Government Saw Mills, Joida	2406. Forestry and Wild Life					Proforma accounts prepared to end of 1968-69 were defective. Accounts for 1969-70, 1970-71 and 1971-72 are in arrears. Undertaking closed with effect from 27 April 1971. Decisions of Government for waiving the preparation of proforma accounts, which are in arrears, are awaited (August 2012).
3	Dasara Exhibition committee, Mysuru	2852. Industries					Proforma accounts for the years from 1981-82 to 1995-96 are in arrears.
4	Bangalore Dairy, Bengaluru	2404. Dairy Development					Proforma accounts for the period from 1.4.75 to 30.11.75 were furnished. In the absence of certified accounts for the period upto 31.3.75 audit could not be taken up. The undertaking was transferred to Karnataka Dairy Development Corporation, a Government Company with effect from 1December 1975. The assets and liabilities of this Company were transferred to Karnataka Milk Producers Co-operative Federation Limited in November 1984.
5	Government Milk Supply Scheme, Hubbli Dharwar	2404. Dairy Development					Proforma accounts for the year 1981-82 to 1984-85 (upto 31.1.1985) are in arrears.
6	Government Milk Supply Scheme, Mysuru	2404. Dairy Development					Proforma accounts prepared to end of 1968-69 were defective. Accounts from 1969-70 to 30 November 1975 are in arrears. The undertaking was transferred to Karnataka Dairy Development Corporation, a Government Company with effect from 1December 1975.
7	Government Milk Supply Scheme, Belagavi	2404. Dairy Development					Proforma accounts for 1975-76 and 1976-77 were defective and therefore, have not been certified. Proforma accounts for 1977-78 to 1984-85 (upto 31.1.85) are in arrears.
8	Government Milk Supply Scheme, Kalaburagi	2404. Dairy Development					Proforma accounts for the year 1983-84 and 1984-85 (upto 31.1.85) are in arrears.
9	Government Milk Supply Scheme, Bhadravathi	2404. Dairy Development					Proforma accounts for 1980-81 were found to be defective. Proforma accounts for 1983-84 and 1984-85 (upto 14.2.85) are in arrears.

**STATEMENT NO.5 - STATEMENT OF PROGRESSIVE CAPITAL EXPENDITURE - contd.**

**Explanatory Notes – contd.**

<b>(1)</b>	<b>(2)</b>	<b>(3)</b>	<b>(4)</b>	<b>(5)</b>	<b>(6)</b>	<b>(7)</b>
<i>Sl. No.</i>	<i>Name of the Undertaking</i>	<i>Major Head under which working expenses are accounted for</i>	<i>Year of account</i>	<i>Mean Capital as at the close of the year</i>	<i>Total Profit (+) or loss (-) after adding back interest charged</i>	<i>Percentage of profit in relation to mean capital</i>
			<b>(4)</b>	<b>(5)</b>	<b>(6)</b>	<b>(7)</b>
10	Government Milk Supply Scheme, Mangaluru	2404. Dairy Development	Proforma accounts for 1983-84 and 1984-85 (upto 14.2.85) are in arrears.			
11	Vaccine Institute, Belagavi	2210. Medical and Public Health	Proforma Accounts from 1993-94 are in arrears.			
12	Government Milk Supply Scheme, Kudige	2404. Dairy Development	Proforma Accounts from 1967-68 to 1972-73 have been prepared. These could not be certified as replies to audit observations are awaited from the Department. Proforma Accounts for 1973-74 and 1974-75 (upto 30.11.1975) are in arrears. The undertaking was transferred to Karnataka Dairy Development Corporation, a Government Company, with effect from 1December 1975.			
13	Government Silk Filature, Kollegal	2852. Industries	2012-13	2.08	(-) 1.63	
14	Government Silk Filature, Chamarajanagar	2852. Industries	Proforma Accounts from 2013-14 is in arrears (July 2015)			
			2013-14	2.17	(-) 1.27	
15	Government Silk Filature, Santhemarahally	2852. Industries	2013-14	1.93	(-) 1.45	
16	Government Silk Filature, Mambally	2852. Industries	2013-14	2.59	(-) 1.71	
17	Government Silk Twisting and Weaving Factory, Mudigundam	2852. Industries	2012-13	1.63	(-) 0.74	
			Proforma Accounts from 2013-14 is in arrears (July 2015).			
18	Government Central Workshop, Madikeri	2852. Industries	2008-09	0.07	(-) 0.14	
			Workshop was closed vide G.O No. CI 02 IPD 2007 Bengaluru dated 28-09-2011. Proforma Accounts up to the date of closure is in arrears (July 2015).			
19	Chamarajendra Technical Institute, Mysuru	2852. Industries	Proforma Accounts from 1985-86 are in arrears.			

2. During 2014-15, Government invested ₹66,75.73 crore, (₹1,19.43 crore in Statutory Corporations, ₹65,55.65 crore in Government Companies, and ₹0.65 crore in Co-operative Institutions).
3. The total investment of Government in the share capital of different concerns at the end of 2013-14 and 2014-15 was ₹5,50,51.19 crore (See Note 4 (i) below) and ₹6,17,26.92 crore respectively (See Note 4 (ii) below). The dividend/ interest received there from was ₹55.49 crore (0.10 per cent) and ₹74.84 crore (0.12 per cent) respectively. Further details are given in Statement No.8.
4. (i) Total of Government Investments in share capital was increased through 'Proforma', by ₹3.19 crore without affecting the receipt and disbursement transactions for the year 2014-15 in respect of the following institutions:-
- (a) Investments in 'Karnataka State Seeds Corporation Limited' increased 'Proforma', by ₹0.15 crore due to conversion of Loan into Equity as per G.O No. FD 591 Exp-4 2014 dated 23-10-2014.
- (b) Investments in 'Mahaboob Shahi Kalburgi Mills Limited' a unit of 'National Textiles Limited' decreased 'Proforma', by ₹0.94 crore as it was declared as 'specific loss' by the government in G.O No. FD 1056 Exp-1 2014 dated 31-03-2015 and was adjusted per contra reduction of balance under 'Government Account'.

**STATEMENT NO.5 - STATEMENT OF PROGRESSIVE CAPITAL EXPENDITURE - cocld.**

**Explanatory Notes – cocld.**

- (c) Investments in 'REMCO' *decreased* 'Proforma', by ₹1.02 crore in lieu of adjustment of purchase consideration received from BHEL during 1977-78 to 1984-85, as per G.O No. CI 86 CMI 2013 dated 22-12-2014 was adjusted per contra reduction of balance under 'Government Account'.
- (d) Investments in 'Mysore Sales International Limited' *increased* 'Proforma', by ₹5.00 crore due to conversion of Loan into Equity as per G.O No. FD 60 SAYULA 2006 dated 23-12-2014.
- (ii) Total of Government Investments in share capital of the co-operative institutions to the end of 2014-15 *reduced*, by ₹2.79 crore due to retirement/refund of share capital by the co-operative institutions, proceeds of which stands accounted under the Major Head '4000-Miscellaneous Capital Receipts' during the year 2014-15, under the following heads:-
- (a) Progressive capital expenditure under '4405-Capital Outlay on Fisheries' *decreased*, by (₹0.39 lakh) – less than ₹0.01 crore, due to retirement of government investments in share capital of co-operative institutions, proceeds of which stands accounted under 'Miscellaneous Capital Receipts' in 2014-15.
- (b) Progressive capital expenditure under '4425-Capital Outlay on Co-operation', *decreased*, by ₹2.79 crore, due to retirement of government investments in share capital of co-operative institutions, proceeds of which stands accounted under 'Miscellaneous Capital Receipts' in 2014-15.



5. Expenditure under the head '4801 Capital Outlay on Power Projects' includes outlay on Ghataprabha Valley Power Development Project and Cauvery Valley Power Development Project, executed by State Government. An expenditure of ₹20.50 crore incurred on certain projects transferred to Karnataka Electricity Board (presently known as Karnataka Power Transmission Corporation Limited) (₹17.94 crore) and Karnataka Power Corporation Limited (₹2.56 crore) remains accounted for under this head as at the end of 2014-15. Orders of Government regarding its adjustments as loan to these bodies are awaited (July 2015). Further details are given in Appendix No.VIII.



**STATEMENT NO. 6 - STATEMENT OF BORROWINGS AND OTHER LIABILITIES**

**(i) Statement of Public Debt and Other Liabilities <sup>1</sup>**

Nature of Borrowings	(1)	(2)	(3)	(4)	(5)	Net Increase (+)/ Decrease (-)	As a per cent of total liabilities
<b>A. Public Debt</b>							
<b>6003 Internal Debt of the State Government</b>							
Market Loans	5,33,26.91	1,85,00.00	24,07.42	6,94,19.49	(+)	1,60,92.58	43.78
Ways and Means Advances from Reserve Bank of India	...	...	...	...		...	...
Special Securities issued to National Small Savings Fund of the Central Government	1,97,29.74 (#)	14,35.98	9,98.88	2,01,66.84	(+)	4,37.10	12.72
Loans from Financial Institutions	33,71.39	5,73.45	6,27.08	33,17.76	(-)	53.63	2.09
Loans from other Institutions	0.03	...	...	0.03		...	...
<b>Total 6003</b>	<b>7,64,28.07 (#)</b>	<b>2,05,09.43</b>	<b>40,33.38</b>	<b>9,29,04.12</b>	<b>(+)</b>	<b>1,64,76.05</b>	<b>58.59</b>
<b>6004 Loans and Advances from the Central Government</b>							
Non-Plan Loans	67.95	...	5.97	61.98	(-)	5.97	0.04
Loans for State/Union Territory Plan Schemes	1,20,50.01	13,65.20	7,72.88	1,26,42.33	(+)	5,92.32	7.97
Loans for Central Plan Schemes	(-) 5.41	...	...	(-) 5.41 (*)		...	...
Loans for Centrally Sponsored Plan Schemes	(-) 18.25	...	...	(-) 18.25 (*)		...	...
Pre-1984-85 Loans	0.07	...	...	0.07		...	...
<b>Total 6004</b>	<b>1,20,94.37</b>	<b>13,65.20</b>	<b>7,78.85</b>	<b>1,26,80.72</b>	<b>(+)</b>	<b>5,86.35</b>	<b>8.01</b>
<b>Total A. Public Debt (6003 and 6004)</b>	<b>8,85,22.44 (#)</b>	<b>2,18,74.63</b>	<b>48,12.23</b>	<b>10,55,84.84</b>	<b>(+)</b>	<b>1,70,62.40</b>	<b>66.60</b>

(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>B. Other Liabilities</b>						
<b>Small Savings and Other Liabilities</b>						
Small Savings, Provident Fund etc.	1,80,20.87	50,48.86	28,93.26	2,01,76.47	(+)	21,55.60
Reserve Funds bearing Interest	1,05.58	4,56.03	5,61.70	(-) 0.09	(-)	1,05.67
Reserve Funds not bearing Interest	1,22,12.56	22,78.25	18,58.36	1,26,32.45	(+)	4,19.89
Deposits bearing Interest	3,08.56	7,36.16	7,63.45	2,81.27	(-)	27.29
Deposits not bearing Interest	1,61,48.31 (#)	4,09,60.94	3,72,31.25	1,98,78.00	(+)	37,29.69
<b>Total B. Other Liabilities</b>	<b>4,67,95.88</b>	<b>4,94,80.24</b>	<b>4,33,08.02</b>	<b>5,29,68.10</b>	<b>(+)</b>	<b>61,72.22</b>
<b>Total Public Debt and Other Liabilities</b>	<b>13,53,18.32</b>	<b>7,13,54.87</b>	<b>4,81,20.25</b>	<b>15,85,52.94</b>	<b>(+)</b>	<b>2,32,34.62</b>

(1) Detailed Account is given in Statement No.17 and Statement No.21 in Part I Volume II. Figures of 'Borrowings and Liabilities' do not include the progressive balance of off budget borrowings (₹50,55.92 crore) as on 31 March 2015 reported by the Government of Karnataka. Please refer Paragraph 3 (xiv) of 'Notes to Accounts' – Entity wise details of Off Budget Borrowings furnished in Annexure D to Statement No.17 in Part I Volume II.

(\*) As per the recommendations of 13th Finance Commission, balances of Loans as on 31-03-2010 under "Loans for Central Plan Schemes" and "Loans for Centrally Sponsored Plan Schemes" were written off during 2011-2012 by which time, the repayment of Principal and payment of Interest for 2010-11 and 2011-12 had already been made resulting in the adverse balance. The excess repayment is being adjusted after reconciliation by Union Government.

(#) Differs from previous year by ₹0.01 crore due to rounding.

## STATEMENT NO. 6 - STATEMENT OF BORROWINGS AND OTHER LIABILITIES - contd.

Subject to the provisions of Article 293(1) of the Constitution of India, the executive power of the State extends to borrowing within the territory of India upon the security of the Consolidated Fund of the State. No law under Article 293(1) of the Constitution of India has been passed by the State Legislature laying down the limits within which the Government may borrow upon the security of the Consolidated Fund of the State. However, as provided in the 'Karnataka Fiscal Responsibility Act, 2002' (KFRA) (which came into being from 1 April, 2003) the Government had committed to reduce the fiscal deficit to not more than 3 per cent of the estimated Gross State Domestic Product (GSDP) within a period of four financial years commencing from 1 April, 2002. Through amendments to KFRA, the limits for the years 2008-09, 2009-10 and 2010-11 was revised to 3.5 per cent, 4 per cent and 3.44 per cent respectively.

The percentage of Fiscal Deficit to GSDP to the end of 2010-11 worked out to 3.44 per cent, to the end of 2011-12 to 3.00 per cent, to the end of 2012-13 to 2.76 per cent, to the end of 2013-14 works out to 2.84 per cent and to the end of 2014-15 works out to 2.86 per cent (According to MTFP, the projected GSDP is ₹68,52,07 crore for the financial year 2014-15 at the current price as conveyed by the Ministry of Finance, Government of India).

Based on the Thirteenth Finance Commission recommendations the State Government received a new set of ceiling related to Outstanding Debt as percentage of GSDP for the years 2010 - 2015. The Karnataka Fiscal Responsibility (Amendment) Act, 2011 has amended Section 4 of KFRA to incorporate ceiling for Outstanding Debt as follows:

Year	2010-11	2011-12	2012-13	2013-14	2014-15
Outstanding Debt as per cent of GSDP - Ceiling as provided under KFRA	26.20	26.00	25.70	25.40	25.20

Government of Karnataka has enacted the Karnataka Fiscal Responsibility (Amendment) Act, 2014 dated 28 February 2014 to enlarge the scope of "Total Liabilities" to include borrowings by the Public Sector Undertakings and Special Purpose Vehicles and other equivalent instruments where the principal and/ or interest are to be serviced out of the budget of the Government of Karnataka.

The indebtedness of the Government increased by ₹2,82,90.54 crore during the year, which is inclusive of off budget borrowings of ₹50,55.92 crore. The ratio of the outstanding Public Debt and Other Liabilities at the end of the year was 23.88 *per cent* of the GSDP which is well within the limits of the ceiling provided under KFRA.

**(i) Statement of Public Debt and Other Liabilities - Explanatory Notes**

**(1) Market Loans:** These were long-term loans raised in the open market to finance development schemes etc. In recent years, the borrowing profile of the State has shown an increasing trend towards more reliance on Open Market Borrowings. The outstanding Market Borrowings at the end of the year works out to 43.78 *per cent* of the Gross Public Debt. During the year, the Government has raised Market Loans amounting to ₹1,85,00.00 crore. The entire loan was subscribed fully in cash. Details of loans raised by Government and outstanding as on 31 March, 2015 is given in the Annexure to statement No.17.

Pending determination of the proportionate capital expenditure under Section 82 of the States Re-organisation Act, 1956, the liability on account of the open market loans was shared provisionally by the successor States according to the population ratio. The provisional liability of the State Government in respect of the loans raised by the former Madras and Bombay States amounting to ₹1.79 crore and ₹4.88 crore respectively, had been discharged fully (the last repayment relating to Madras State Loans was made in 1968-69 and that relating to Bombay State Loans in 1972-73).

The liability of the State Government in respect of the ex-Hyderabad State, which was outstanding on 31 October 1956, has been estimated by the Andhra Pradesh Government at ₹26.65 crore on the basis of Capital Outlay incurred territory-wise under the provision of the States Re-organisation Act, 1956. Although, on the basis of the reallocation of liability, the State Government has to pay ₹14.81 crore to Maharashtra, the final allocation is under correspondence between Karnataka and Maharashtra. However, so far, ₹13.00 crore has been paid to Maharashtra on this account.

**STATEMENT NO. 6 - STATEMENT OF BORROWINGS AND OTHER LIABILITIES - contd.**

**(i) Statement of Public Debt and Other Liabilities - Explanatory Notes – concld.**

**Consolidated Sinking Fund (CSF):** The Reserve Bank maintains a consolidated sinking fund, on behalf of the State Governments, to provide a cushion for amortisation of market borrowing/liabilities. The Working Group on Investment Avenues for the Consolidated Sinking Fund, which submitted its report in October 2012, recommended the building of a minimum CSF corpus of 3-5 *per cent* of State Government liabilities within the next five years and thereafter maintaining it on a rolling basis. During 2012-13, the State Government set up a consolidated sinking fund in the Public Account through an executive order and contributed a sum of ₹10,00.00 crore to the CSF managed by the Reserve Bank of India. There has been no contribution during the years 2013-14 and 2014-15. The details of the balance in the Fund as furnished by the Reserve Bank of India (₹11,36.13 crore) is given in Annexure to Statement No.22.

**(2) Ways and Means Advances from the Reserve Bank of India:** These are borrowings of a purely temporary nature. These advances are obtained to make good the deficiency in the minimum cash balance with the Reserve Bank of India. If even after the maximum advance is given, the balance is below the minimum, the deficit is left uncovered. Overdrafts are given by the Bank if the State has minus balance after availing of the maximum advance. Ways and Means advances have not been availed during the year 2014-15.

**(3) Loans from National Small Savings Fund:** A separate fund viz., 'National Small Savings Fund' was created in 1999-2000 for the purpose of release of Loans out of Small Savings collections. Based on the recommendations of Thirteenth Finance Commission, a committee was formed by Government of India, to review the NSSF during July 2010. The recommendations of the Committee were on the rationalization of Schemes, Interest rates and Investment from NSSF. Some of the decisions on Investment from NSSF are (a) Reduction in minimum share of States for Investment in State securities from 80 *per cent* to 50 *per cent*, (b) Yearly repayment of NSSF loans to be reinvested in Central/ State Government securities in the ratio 50:50, (c) Period of repayment of NSSF loans to be reduced to 10 years with no moratorium, (d) Interest rate on Investment from NSSF to be re-set at 9 *per cent* from 2008-09 to 2011-12. In view of the higher cost of borrowing from NSSF loans, State Government has opted for 50 *per cent* share of net collections during 2014-15.

Hence, the share of NSSF loans in borrowing is expected to come down in the medium term. At the beginning of the year the outstanding loans amounted to ₹1,97,29.74 crore. During the year an amount of ₹14,35.98 crore was availed as fresh loan and ₹9,98.88 crore was repaid, leaving a balance of ₹2,01,66.84 crore at the close of the year.

**(4) Loans from Financial Institutions and Other Institutions:** - At the beginning of the year an amount of ₹33,71.39 crore was outstanding as loans, obtained from Life Insurance Corporation of India, General Insurance Corporation of India, National Bank for Agricultural and Rural Development, Canara Bank and Other Autonomous Bodies. ₹5,73.45 crore was obtained by Government as fresh loans from these institutions. After making repayment of ₹6,27.08 crore, ₹33,17.76 crore remained outstanding at the close of the year.

**(5) Loans and Advances from the Government of India:** During the year no Ways and Means Advances were obtained from the Government of India. However, other loans obtained from the Government of India during 2014-15 amounted to ₹13,65.20 crore, out of which ₹50.49 crore represents EAP, ₹13,14.71 crore represents back to back external loans (details are given in Annexure to Statement No.17 in this volume). The repayments made during the year is ₹7,78.85 crore .

**(6) Other Obligations:** In addition to the above, the balances at the credit of earmarked and other Funds and certain deposits to the extent to which they have not been invested but are merged with the general cash balance of Government also constitute the liability of Government. Such liability at the end of March 2015 was ₹3,27,91.61 crore. More details are given in Statements 21 and 22 in Part I Volume II.

**STATEMENT NO. 6 - STATEMENT OF BORROWINGS AND OTHER LIABILITIES - conclud.**

**(ii) Service of Debt**

**Interest on Debt and Other Obligations:** The outstanding gross debt and other obligation and the total net amount of interest charges met from revenue during 2013-14 and 2014-15 are as shown below:

	2014-15	2013-14	Net Increase (+) / Decrease (-) during the year
	(₹ in crore)		
(1)	(2)	(3)	(4)
<b>Gross debt and other obligations outstanding at the end of the year <sup>(₹)</sup></b>	<b>15,85,52.92</b> <sup>(#)</sup>	<b>13,53,18.31</b>	<b>(+)</b> <b>2,32,34.61</b>
(a) Public Debt and Small Savings, Provident Funds etc.	12,57,61.31	10,65,43.31	<b>(+)</b> 1,92,18.00
(b) Other obligations	3,27,91.61	2,87,75.00	<b>(+)</b> 40,16.61
<b>(i) Interest paid by Government</b>			
(a) On Public Debt (including expenditure on Management), Small Savings, Provident Funds etc., and Miscellaneous debts.	94,03.83	78,37.24	<b>(+)</b> 15,66.59
(b) Off Budget Borrowings	3,99.53	...	<b>(+)</b> 3,99.53
(c) Other obligations	0.15	0.08	<b>(+)</b> 0.07
<b>Total (i)</b>	<b>98,03.51</b>	<b>78,37.32</b>	<b>(+)</b> <b>19,66.19</b>
<b>(ii) Deduct</b>			
(a) Interest received on loans and advances given by Government	48.04 <sup>(*)</sup>	2,34.67	<b>(-)</b> 1,86.63
(b) Interest charged to major heads (outside the Revenue Account)	...	...	...
(c) Interest realised on investment of cash balance	7,47.24	4,58.63	<b>(+)</b> 2,88.61
<b>(iii) Net interest charges (i) – (ii)</b>	<b>90,08.23</b>	<b>71,44.02</b>	<b>(+)</b> <b>18,64.21</b>
Percentage of gross interest (item i) to total Revenue Receipts	9.41	8.75	<b>(+)</b> 0.66
Percentage of net interest (item iii) to total Revenue Receipts	8.65	7.98	<b>(+)</b> 0.67

<sup>(\*)</sup> Excludes 0049-04-800-5-04 (₹0.11 crore), 0049-04-800-5-05 (₹0.05 crore), 0049-04-800-5-06 (₹22.08 crore), 0049-04-800-5-08 (₹56.43 crore)

<sup>(₹)</sup> The Gross Debt and other Obligations outstanding at the end of the year does not include Off Budget Borrowings of ₹50,55.92 crore.

<sup>(#)</sup> Please refer footnote (1) on page No. 33.



In addition, there were certain other receipts and adjustments such as interest received from Commercial Department etc, totaling to ₹0.81 crore and Deduct Refunds amounting to (-) ₹0.02 crore. If these are also deducted net burden of interest on the revenue was ₹90,06.35 crore working out to 8.65 per cent of the total Revenue Receipts (₹10,41,42.15 crore). During the year, Government also received ₹74.84 crore as dividend on investment in various Commercial and Other Undertakings etc.



**STATEMENT NO. 7 - STATEMENT OF LOANS AND ADVANCES GIVEN BY THE GOVERNMENT <sup>(1)</sup>**

**Section: 1 Summary of Loans and Advances – Loanee Group Wise**

Loanee Groups	Balance on	Disbursements	Repayments	Write-off of	Balance on	Net Increase (+)/	Interest
	April 1, 2014	during the	during the	irrecoverable	March 31,	decrease (-)	Payment in
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
		year	year	Loans and	(2+3)-(4+5)	during the year	arrears <sup>(a)</sup>
				advances	(3-4)		
(In crores of rupees)							
<b>I SOCIAL SERVICES</b>							
1 Universities/Academic Institutions	2.61	...	...	0.55 <sup>(b)</sup>	2.06	(-) 0.55	...
2 Municipalities/Municipal Councils/Municipal Corporations	1,56.88	...	...	...	1,56.88	...	...
3 Urban Development Authorities	1,40.24	...	...	...	1,40.24	...	...
4 Housing Boards	2,00.56	...	26.53	...	1,74.03	(-) 26.53	...
5 Statutory Corporations	49,77.50	3,66.43	...	...	53,43.93	(+) 3,66.43	...
6 Government Companies	5,86.12	...	...	...	5,86.12	...	...
7 Co-operative Societies/ Co-operative Corporations/ Banks	0.70	...	...	...	0.70	...	...
8 Others	27,65.26	3.30	0.74	...	27,67.82	(+) 2.56	...
<b>Total- Social Services</b>	<b>88,29.87</b>	<b>3,69.73</b>	<b>27.27</b>	<b>0.55</b>	<b>91,71.78</b>	<b>(+) 3,41.91</b>	
<b>II ECONOMIC SERVICES</b>							
1 Panchayat Raj Institutions	2.72	...	...	...	2.72	...	...
2 Statutory Corporations	46.67	...	1.00	...	45.67	(-) 1.00	...
3 Government Companies	23,98.28	49.14 <sup>(c)</sup>	(-) 4.07 <sup>(e)</sup>	...	24,51.49	(+) 53.21	...
	(-) 5.15 <sup>(f)</sup>						
4 Co-operative Societies/ Co-operative Corporations/ Banks	8,35.05 <sup>(g)</sup>	1,44.45	37.00	...	9,42.50	(+) 1,07.45	...
5 Others	5,89.59	...	1.17	...	5,88.42	(-) 1.17	...
<b>Total- Economic Services</b>	<b>38,72.31 <sup>(f)</sup></b>	<b>1,93.59</b>	<b>35.10</b>	<b>...</b>	<b>40,25.65</b>	<b>(+) 1,58.51</b>	
	<b>(-) 5.15</b>						
III Loans to Government Servants etc.	(-) 2.96	5.44	6.85	...	(-) 4.37	(-) 1.41	...
IV Miscellaneous Loans	29.84	7.38	14.05	...	23.17	(-) 6.67	...
<b>TOTAL – LOAN AND ADVANCES</b>	<b>1,27,29.06 <sup>(f)</sup></b>	<b>5,76.14</b>	<b>83.27</b>	<b>0.55</b>	<b>1,32,16.23</b>	<b>(+) 4,92.34</b>	
	<b>(-) 5.15</b>						

**Section: 2 Summary of Loans and Advances – Sector Wise**

Sector	Balance on April 1, 2014	Disbursements during the year	Repayments during the year	Write-off of irrecoverable Loans and advances	Balance on March 31, 2015	Net Increase (+)/ decrease (-) during the year	Interest Payment in arrears <sup>(a)</sup>
(In crores of rupees)							
<b>B Loans for Social Services</b>							
(a) Education, Sports, Art and Culture	3.00	...	...	0.55 <sup>(b)</sup>	2.45	(-)	0.55
(b) Health and Family Welfare	16.85	...	0.73	...	16.12	(-)	0.73
(c) Water Supply, Sanitation, Housing and Urban Development	87,80.43	3,66.43	26.53	...	91,20.33	(+)	3,39.90
(d) Information and Broadcasting	0.47	...	...	...	0.47	...	...
(e) Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities	15.08	...	...	...	15.08	...	...
(g) Social welfare and Nutrition	13.57	3.30	...	...	16.87	(+)	3.30
(h) Other Social Services	0.47	...	0.01	...	0.46	(-)	0.01
<b>Total B. Loans for Social Services</b>	<b>88,29.87</b>	<b>3,69.73</b>	<b>27.27</b>	<b>0.55</b>	<b>91,71.78</b>	<b>(+)</b>	<b>3,41.91</b>
<b>C Loans for Economic Services</b>							
(a) Loans for Agriculture and Allied Activities	5,28.73 (-) 0.15 <sup>(d)</sup>	4.00	13.47	...	5,19.11	(-)	9.47
(b) Loans for Rural Development	6.71	...	...	...	6.71	...	...
(c) Loans for Special Areas Programmes	0.13	...	...	...	0.13	...	...
(d) Loans for Irrigation and Flood Control	9.63	...	0.02	...	9.61	(-)	0.02
(e) Loans for Energy	13,97.92	57.59	16.31	...	14,39.20	(+)	41.28
(f) Loans for Industry and Minerals	18,58.00 <sup>(e)</sup>	1,30.00	4.28	...	19,83.72	(+)	1,25.72
(g) Loans for Transport	6.70	...	0.98	...	5.72	(-)	0.98
(j) General Economic Services	64.49 <sup>(e)</sup>	2.00	0.04	...	61.45	(+)	1.96
<b>Total C. Loans for Economic Services</b>	<b>38,72.31</b> <b>(-) 5.15<sup>(f)</sup></b>	<b>1,93.59</b>	<b>35.10</b>	<b>...</b>	<b>40,25.65</b>	<b>(+)</b>	<b>1,58.51</b>
Loans to Government Servants Etc.,	(-) 2.96	5.44	6.85	...	(-) 4.37	(-)	1.41
Miscellaneous Loans	29.84	7.38	14.05	...	23.17	(-)	6.67
<b>Total F. Loans and Advances</b>	<b>1,27,29.06</b> <b>(-) 5.15<sup>(f)</sup></b>	<b>5,76.14</b>	<b>83.27</b>	<b>0.55</b>	<b>1,32,16.23</b>	<b>(+)</b>	<b>4,92.34</b>

(1) For details please refer Statement 18 in Part I Volume II. Also please refer para 3 (iii) of 'Notes to Accounts'.

(a) Details are given in Section 3 of this Statement.

(b) Represents amount of loans written-off in pursuance to Government Order No. ED 325 SLB 2011 dated 30.03.2015, by treating it as 'Financial Assistance' to Karnataka Secondary Examination Board.

(c) Includes (-) ₹4.65 crore due to clearance of Adverse Balance at Detailed Head Level.

(f) Balance amounting to ₹0.15 crore marked with (d) and ₹5.00 crore marked with (e) aggregating to ₹5.15 crore, decreased proforma, due to reasons stated at Explanatory Notes 4 (i) (a) & (d) on page No.29 and 30 of Statement No.5.

(e) Differs from previous year by ₹0.01 crore due to rounding.

**STATEMENT NO. 7 - STATEMENT OF LOANS AND ADVANCES GIVEN BY THE GOVERNMENT – contd.**

**Section: 3 Summary of repayments in arrears from Loanee Entities**

<i>Loanee-Entity</i>	<i>Amount of Arrears as on March 31, 2015</i>		<i>Earliest period to which arrears relate</i>	<i>Total Loan outstanding against the entity on March 31, 2015</i> (In crores of rupees)		
	<i>Principal</i>	<i>Interest (^)</i> (In crores of rupees)				
(1)	(2)	(3)	(4)	(5)	(6)	
<b>Detailed accounts maintained by Accountant General</b>						
6215	Loans to Bangalore Water Supply and Sewerage Board	31,32.51	12,57.10	43,89.61	1977	33,81.17
6215	Loans to Karnataka Urban Water Supply and Drainage Board.	2,11.35	5,11.99	7,23.34	1986	9.78
6216	Loans to Karnataka Housing Board	23.61	83.06	1,06.67	1990	0.29
6217	Loans to Bangalore Development Authority (for repayment of HUDCO Loans)	17.17	25.78	42.95	1987	2,25.32
6220	Loans to Karnataka State Film Industries Development Corporation	0.41	1.57	1.98	1987	0.42
6401	Loans to Karnataka Agro Proteins Limited	0.70	3.30	4.00	1982	0.70
6401	Loans to Karnataka State Co-operative Oil Seeds Growers Federation	0.75	6.83	7.58	1992	0.63
6401	Loans to Karnataka State Seeds Corporation Ltd.	2.88	4.43	7.31	1977	1.59
6851	Loans to Leather Industries Corporation	1.78	3.41	5.19	2007	0.68
6852	Loans to Dandeli Steel and Ferro Alloys Limited	0.31	1.19	1.50	1991	0.31
6853	Loans to Hutti Gold Mines Company Limited (*)	0.30	1.53	1.83	1985	3.02
6858	Loans to Karnataka Implements and Machinery Company	1.10	4.54	5.64	1984	2.16
6858	Loans to Electro Mobile India Limited	0.61	2.37	2.98	1981	0.61
6858	Loans to Chamundi Machine Tools (#) <sup>1</sup>	0.18	0.23	0.41	1991	2.22
6858	Loans to New Government Electric Factory (#) <sup>2</sup>	67.47	1,56.40	2,23.87	1992	2,02.79
6859	Loans to Karnataka Telecommunication Limited (#) <sup>3</sup>	1.65	5.45	7.10	1996	3.01
6860	Loans to Mysore Sugar Company	20.00	10.13	30.13	1993	89.04
6860	Loans to Karnataka Soaps and Detergents Limited	2.25	14.25	16.50	1983	2.25
6860	Loans to Mysore Tobacco Company Limited	1.34	11.58	12.92	1984	3.88
6885	Loans to Karnataka State Finance Corporation	0.40	0.51	0.91	1985	13.08
7452	Loans to Karnataka State Tourism Development Corporation	1.01	2.95	3.96	1981	1.12

**STATEMENT NO. 7 - STATEMENT OF LOANS AND ADVANCES GIVEN BY THE GOVERNMENT – contd.**

**Section: 3 Summary of repayments in arrears from Loanee Entities**

<i>Loanee-Entity</i>	<i>Amount of Arrears as on March 31, 2015</i>		<i>Earliest period to which arrears relate</i>	<i>Total Loan outstanding against the entity on March 31, 2015</i> <i>(In crores of rupees)</i>		
	<i>Principal</i>	<i>Interest (^)</i>			<i>Total</i>	
(1)	(2)	(3)	(4)	(5)	(6)	
<b>Detailed Accounts maintained by the State Government (\$)</b>						
6215	Loans to Karnataka Urban Water Supply and Drainage Board	13.54	23.07	36.61	1980	29.14
6216	Loans to Rajiv Gandhi Rural Housing Corporation Ltd.,	...	...	...	...	8,14.11
6217	Loans to Karnataka Slum Development Board- (HUDCO)	...	...	...	...	22.49
6406	Loans to Karnataka State Forest Industries Corporation Ltd.,	0.23	0.32	0.55	2001	0.23
6425	Loans to Farmers Co-operative Spinning Mills.	4.12	3.07	7.19	...	4.12
6801	Loans to Karnataka Power Transmission Corporation Ltd.,	...	...	...	...	4.75
6851	Loans to KSSIDC Ltd. (Vishwa loan)	...	...	...	...	12.70
6851	Loans to Karnataka Handloom Development Corporation Ltd.,	13.05	11.01	24.06	...	14.40
6851	Loans to Integrated Coir Development Programme	0.41	0.64	1.05	...	0.41
6851	Working Capital Loan	2.00	...	2.00	...	2.00
6852	Loans to Sree Kanteerava Studios Ltd (VRS)	0.21	...	0.21	1993	0.21
6852	Loans to Karnataka Agro Industries Corporation Ltd., (VRS)	68.98	1,28.84	1,97.82	1999	68.98
6852	Loans to Karnataka State Agro Corn Products Ltd., (VRS)	24.32	...	24.32	2009	24.32
6858	Loans to The Mysore Electrical Industries Ltd.,	28.54	26.85	55.39	...	28.54
6860	Loans to Karnataka Sahakari Sakkare Karkhane Niyamit, Sangur	28.12	15.28	43.40	2013	28.12
6860	Loans to Raitara Sahakari Noolina Girani (N) Hanumanamatti.	1.59	...	1.59	...	1.59
6860	Loans to Vanivilas Co-operative Sugar Factory Hiriyur.	28.68	0.05	28.73	1986	31.17
6860	Loans to Farmers Co-operative Spinning Mills Hulkoatti.	4.15	8.90	13.05	...	4.15
6860	Loans to Shri Someshwara SSK Niyamit Bailhongal	10.55	9.88	20.43	...	10.55
6860	Loans to Karnataka Soaps and Detergents Ltd.,	...	...	...	...	3.50
6860	Loans to The Gadag Co-operative Textile Mill Ltd.,	3.63	0.70	4.33	2014	3.63
6860	Loans to The Banahatti Co-operative Spinning Mills Ltd.,	4.10	4.44	8.54	2008	8.78
6860	Loans to Karnataka Silk Marketing Board Ltd.,	4.00	...	4.00	...	12.00
6860	Loans to Nandi Sahakari Sakkare Karkhane Niyamit,	14.38	...	14.38	...	14.38

**STATEMENT NO. 7 - STATEMENT OF LOANS AND ADVANCES GIVEN BY THE GOVERNMENT – conclud.**

**Section: 3 Summary of repayments in arrears from Loanee Entities**

<i>Loanee-Entity</i>	<i>Amount of Arrears as on March 31, 2015</i>		<i>Earliest period to which arrears relate</i>	<i>Total Loan outstanding against the entity on March 31, 2015</i>
	<i>Principal</i>	<i>Interest (^)</i>		
(1)	(2)	(3)	(4)	(5)
<i>(In crores of rupees)</i>				
<b>Detailed Accounts maintained by the State Government (\$) – conclud.</b>				
6875 Loans to Karnataka State Construction Corporation Ltd., Bengaluru	5.53	15.00	20.53	2003
7452 Loans to Karnataka State Tourism Development Corporation Ltd.,	4.00	2.40	6.40	1994
				5.53
				4.00

Note: The figures in the Column (1) indicate the code of the Major Head under which the transactions of the Loanee Entity is accounted.

(^) Interest calculation has been revised in accordance with Government of Karnataka order No. FD/01/BLA 2002, Bangalore Dated: 10 July, 2003 for the new loans sanctioned from that date onwards.

(#) These Companies have applied for Liquidation and the matter is *sub-judice* in the High Court - (1: C.A. No: 838/09, 2: C.A.No.944/09 and 3: C.A. No. 919/09).

(\*) The Karnataka Copper Consortium Limited and Chitradurga Copper Company Limited were merged with Hutti Gold Mines Co. Ltd., with effect from 12/07/1984. The Loan shown against this Company is under reconciliation

(\$) The details of repayment in arrears outstanding as on 31 March 2015 is as furnished by the entities and is under reconciliation.

### Cases of Loans having been sanctioned as 'Loan in Perpetuity'

Following are the cases of Loan having been sanctioned as 'Loan in Perpetuity'\*\*:

Sl. No.	Loanee Entity	Year of Sanction	Sanction Order Number	Amount (In crores of rupees)	Rate of Interest
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\*\*Information is awaited from Government (September, 2015).

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## STATEMENT NO. 8 - STATEMENT OF INVESTMENTS OF THE GOVERNMENT

Comparative Summary of Government Investment in the Share Capital of different concerns for 2014-15 and 2013-14

| Name of the concern                       | 2014-15            |                                   |                                             | 2013-14            |                                   |                                             |
|-------------------------------------------|--------------------|-----------------------------------|---------------------------------------------|--------------------|-----------------------------------|---------------------------------------------|
|                                           | Number of concerns | Investment at the end of the year | Dividend/ interest received during the year | Number of concerns | Investment at the end of the year | Dividend/ interest received during the year |
|                                           | (2)                | (3)<br>(In Crores of rupees)      | (4)                                         | (5)                | (6)                               | (7)                                         |
| 1                                         | 9                  | 23,70.37                          | Dividend: 4.51                              | 9                  | 22,50.94                          | Dividend:                                   |
| 2                                         | 6                  | 21.14                             |                                             | 6                  | 21.14                             |                                             |
| 3                                         | 68                 | 5,73,87.62                        | Dividend: 67.66                             | 68                 | 5,08,38.00 <sup>(a)</sup>         | Dividend: 52.62                             |
|                                           | 17                 | 67.63                             |                                             | 17                 | 61.60                             |                                             |
| <b>Government Companies (Non-Working)</b> | <b>85</b>          | <b>5,74,55.25</b>                 | <b>Dividend: 67.66</b>                      | <b>85</b>          | <b>5,08,99.60 <sup>(a)</sup></b>  | <b>Dividend: 52.62</b>                      |
| 4                                         | 43                 | 15,61.75                          | Dividend: 1.20                              | 43                 | 15,61.75 <sup>(b)</sup>           | Dividend: 1.40                              |
| 5                                         | ...                | 3,18.41 <sup>(c)</sup>            | Dividend: 1.47                              | ...                | 3,17.76                           | Dividend: 1.47                              |
| <b>Total <sup>(*)</sup></b>               |                    | <b>6,17,26.92</b>                 | <b>74.84</b>                                |                    | <b>5,50,51.19</b>                 | <b>55.49</b>                                |

Note: 1) The expenditure under the heads of account '4425-107 Investment in Credit Cooperatives', '4425-108 Investment in Other Cooperatives', '4405-00-191 Fishermen Cooperatives' and '4851-00-108 - 01 Share Capital Assistance to Power loom Co-operative Societies and the minor heads '190 Investments in Public Sector and Other undertakings' and '195 Investments in Cooperatives' under the various Capital Outlay heads, have been taken as investment in the statement.

2) During the year 2014-15 the Government has invested ₹66,75.73 crore under Statutory Corporations (₹1,19.43 crore), Government Companies (₹65,55.65 crore) and Co-operative Institutions (₹0.65 crore).

3) The dividend/ interest received on Government Investments was ₹55.49 crore (0.10 per cent) in 2013-14 and ₹74.84 crore (0.12 per cent) in 2014-15.

(\*) The total investment of Government in the share capital of different concerns at the end of 2013-14 (₹5,50,48.00 crore) shown above is after taking into account the net increase due to proforma increase and decrease (please see footnote (a) and (b) below) and the Government investments stood at ₹6,17,26.92 crore to the end of 2014-15.

(a) Differs from previous year by ₹5.15 crore due to proforma increase in government investments. Please refer Explanatory Note 4 (i) (a) and (d) on page No.29 and 30 below 'Statement No.5 Statement of Progressive Capital Expenditure'.

(b) Differs from previous year by ₹1.96 crore due to proforma decrease in government investments. Please refer Explanatory Note 4 (i) (b) and (c) on page No.29 and 30 below 'Statement No.5 Statement of Progressive Capital Expenditure'.

(c) Differs from previous year by ₹2.79 due to proforma decrease in government investments. Please refer Explanatory Note 4 (ii) on page No.30 of 'Statement No.5.





**STATEMENT NO.9 - STATEMENT OF GUARANTEES GIVEN BY THE GOVERNMENT**

Disclosure of Guarantees given by the Government to Statutory Corporations, Government Companies, Local Bodies and other Institutions to raise loans from Financial Institutions as on 31.03.2015. The Statement has been prepared as per the GOI Notification dated 20 December 2010. The information for this Statement was furnished by the Finance Department, Government of Karnataka.

| Sector<br>(Number of Guarantees)         | Maximum<br>Amount<br>Guaranteed | Outstanding<br>at the beginning<br>of the year <sup>(a)</sup> |                | Additions<br>during the year |                | Deletions<br>(other than<br>invoked) during the<br>year |                | Invoked<br>during the<br>year | Disch<br>arged | Not<br>Disch<br>arged | Outstanding<br>at the end of the<br>year |                | Guarantee<br>Commission<br>or Fee | Received     | Other<br>material<br>details |
|------------------------------------------|---------------------------------|---------------------------------------------------------------|----------------|------------------------------|----------------|---------------------------------------------------------|----------------|-------------------------------|----------------|-----------------------|------------------------------------------|----------------|-----------------------------------|--------------|------------------------------|
|                                          |                                 | Principal                                                     | Interest       | Principal                    | Interest       | Principal                                               | Interest       |                               |                |                       | Principal                                | Interest       |                                   |              |                              |
| (1)                                      | (2)                             | (3)                                                           | (4)            | (5)                          | (6)            | (7)                                                     | (8)            | (9)                           | (10)           | (10)                  | (11)                                     | (12)           | (13)                              | (14)         | (15)                         |
| <b>SECTOR-WISE DETAILS OF GUARANTEES</b> |                                 |                                                               |                |                              |                |                                                         |                |                               |                |                       |                                          |                |                                   |              |                              |
| Power (29)                               | 17,43.46                        | 2,73.78                                                       | 1.00           | ...                          | 18.53          | 8.43                                                    | 19.53          | ...                           | ...            | ...                   | 2,65.35                                  | ...            | 2.12                              | 2.12         | 2.12                         |
| Co-operation (17)                        | 24,36.93                        | 20,04.75                                                      | 35.20          | 7,26.66                      | 1,73.94        | 10,25.20                                                | 1,51.63        | ...                           | ...            | ...                   | 17,06.21                                 | 57.51          | 1,00.36                           | 1.00         | 1.00                         |
| Irrigation (9)                           | 44,00.00                        | 17,71.50                                                      | 2.89           | 23,90.50                     | 2,43.84        | 98.84                                                   | 2,45.43        | ...                           | ...            | ...                   | 40,63.16                                 | 1.30           | 47.06                             | 43.23        | 43.23                        |
| Roads & Transport (7)                    | 8,64.86                         | 1,93.36                                                       | ...            | 21.00                        | 20.57          | 45.39                                                   | 19.83          | ...                           | ...            | ...                   | 1,68.97                                  | 0.74           | 3.47                              | ...          | ...                          |
| Housing and Urban<br>Development (66)    | 43,02.94                        | 14,81.77                                                      | ...            | 10,03.23                     | 1,12.98        | 1,96.67                                                 | 1,04.49        | ...                           | ...            | ...                   | 22,88.33                                 | 8.49           | 1,14.63                           | 5.56         | 5.56                         |
| Other infrastructure (1)                 | 1,60.00                         | 21.30                                                         | ...            | ...                          | 1.77           | 12.56                                                   | 1.77           | ...                           | ...            | ...                   | 8.74                                     | ...            | 8.75                              | ...          | ...                          |
| State Financial Corporation<br>(12)      | 16,85.00                        | 11,62.65                                                      | ...            | 4,85.00                      | 1,14.94        | 26.85                                                   | 1,14.94        | ...                           | ...            | ...                   | 16,20.80                                 | ...            | 17.35                             | 11.70        | 11.70                        |
| Others (54)                              | 12,75.49                        | 7,61.05                                                       | 82.08          | 1,43.40                      | 24.11          | 1,36.46                                                 | 30.99          | ...                           | ...            | ...                   | 7,67.99                                  | 75.20          | 24.94                             | 1.90         | 1.90                         |
| <b>GRAND TOTAL (195)</b>                 | <b>1,68,68.68</b>               | <b>76,70.16</b>                                               | <b>1,21.17</b> | <b>47,69.79</b>              | <b>7,10.68</b> | <b>15,50.40</b>                                         | <b>6,88.61</b> | <b>...</b>                    | <b>...</b>     | <b>...</b>            | <b>1,08,89.55</b>                        | <b>1,43.24</b> | <b>3,18.68</b>                    | <b>65.51</b> | <b>65.51</b>                 |

(a) Differences in Closing Balances of 2013-14 and of Opening Balances 2014-15 are due to reconciliation of figures.

(b) The amount of Guarantee Commission receivable shown in the statement is tentative.



**STATEMENT NO. 10 - STATEMENT OF GRANTS-IN-AID GIVEN BY THE GOVERNMENT**  
**Grants-in-aid paid in cash**

| Grantee Institutions                                          | Total Funds Released as Grants-in-Aid |                   |                                |                   | Funds Allocated for Creation of Capital Assets out of Total Funds Released Under column No. (4) & (5) |                 |                 |                 |
|---------------------------------------------------------------|---------------------------------------|-------------------|--------------------------------|-------------------|-------------------------------------------------------------------------------------------------------|-----------------|-----------------|-----------------|
|                                                               | 2014-15                               |                   | 2013-14                        |                   | 2014-15                                                                                               |                 | 2013-14         |                 |
|                                                               | Plan                                  | Non-Plan          | Total                          | Plan              | Non-Plan                                                                                              | Total           | Plan            | Non-Plan        |
| (1)                                                           | (2)                                   | (3)               | (4)                            | (5)               | (6)                                                                                                   | (7)             | (8)             | (9)             |
| <i>(In crores of rupees)</i>                                  |                                       |                   |                                |                   |                                                                                                       |                 |                 |                 |
| <b>1 Urban Local Bodies</b>                                   |                                       |                   |                                |                   |                                                                                                       |                 |                 |                 |
| (i) Municipal Corporations                                    | 17,51.71                              | 26,20.12          | 43,71.83                       | 36,31.59          | 12,88.71                                                                                              | 5,59.26         | 18,47.97        | 18,87.97        |
| (ii) Municipalities/ Municipal Councils                       | 3,75.54                               | 9,89.68           | 13,65.22                       | 11,39.03          | 2,14.71                                                                                               | 3,78.63         | 5,93.34         | 6,37.25         |
| (iii) NagaraPanchayats/Notified Area Committees               | 78.69                                 | 1,94.19           | 2,72.88                        | 2,48.38           | 47.98                                                                                                 | 78.83           | 1,26.81         | 1,73.71         |
| <b>Total 1 Urban Local Bodies</b>                             | <b>22,05.94</b>                       | <b>38,03.99</b>   | <b>60,09.93</b> <sup>(a)</sup> | <b>50,19.00</b>   | <b>1551.40</b>                                                                                        | <b>1016.72</b>  | <b>25,68.12</b> | <b>26,98.93</b> |
| <b>2 Panchayat Raj Institutions</b>                           |                                       |                   |                                |                   |                                                                                                       |                 |                 |                 |
| (i) Zilla Panchayats                                          | 51,55.48                              | 44,45.53          | 96,01.01                       | 74,88.08          | ...                                                                                                   | ...             | ...             | ...             |
| (ii) Taluk Panchayats                                         | 32,80.60                              | 94,28.42          | 1,27,09.02                     | 1,14,03.00        | ...                                                                                                   | ...             | ...             | ...             |
| (iii) Grama Panchayats                                        | 16,15.71                              | 10,62.12          | 26,77.83                       | 16,19.11          | ...                                                                                                   | ...             | ...             | ...             |
| (iv) Others <sup>(c)</sup>                                    | 3.41                                  | ...               | 3.41                           | 2.52              | ...                                                                                                   | ...             | ...             | ...             |
| <b>Total 2 Panchayat Raj Institutions</b>                     | <b>1,00,55.20</b>                     | <b>1,49,36.07</b> | <b>2,49,91.27</b>              | <b>2,05,12.71</b> | <b>...</b>                                                                                            | <b>...</b>      | <b>...</b>      | <b>...</b>      |
| <b>3 Public Sector Undertakings - Government Companies</b>    | <b>11.50</b>                          | <b>13.79</b>      | <b>25.29</b>                   | <b>19.81</b>      | <b>...</b>                                                                                            | <b>4.68</b>     | <b>4.68</b>     | <b>7.00</b>     |
| <b>4 Non-Governmental Organisations (NGOs)</b>                | <b>2,71.89</b>                        | <b>14,30.82</b>   | <b>17,02.71</b>                | <b>15,38.51</b>   | <b>2.00</b>                                                                                           | <b>...</b>      | <b>2.00</b>     | <b>...</b>      |
| <b>5 Autonomous Bodies - Universities</b>                     | <b>2,84.97</b>                        | <b>8,60.07</b>    | <b>11,45.04</b>                | <b>9,61.62</b>    | <b>22.00</b>                                                                                          | <b>...</b>      | <b>22.00</b>    | <b>25.94</b>    |
| <b>6 Co-operative Societies and Co-operative Institutions</b> | <b>8,17.84</b>                        | <b>0.25</b>       | <b>8,18.09</b>                 | <b>8,49.85</b>    | <b>...</b>                                                                                            | <b>...</b>      | <b>...</b>      | <b>...</b>      |
| <b>7 Statutory Bodies and Developmental Authorities</b>       | <b>5,05.01</b>                        | <b>5.22</b>       | <b>5,10.23</b>                 | <b>6,32.83</b>    | <b>...</b>                                                                                            | <b>...</b>      | <b>...</b>      | <b>3,15.00</b>  |
| <b>8 Others <sup>(#)</sup></b>                                | <b>11,25.54</b>                       | <b>24,18.86</b>   | <b>35,44.40</b>                | <b>30,76.75</b>   | <b>75.25</b>                                                                                          | <b>5.05</b>     | <b>80.30</b>    | <b>58.41</b>    |
| <b>TOTAL GRANTS-IN-AID</b>                                    | <b>1,52,77.89</b>                     | <b>2,34,69.07</b> | <b>3,87,46.96</b>              | <b>3,26,11.08</b> | <b>16,50.65</b>                                                                                       | <b>10,26.45</b> | <b>26,77.10</b> | <b>31,05.28</b> |

(a) A sum of ₹1.52 crore (Salary) - is excluded here and included in Appendix I.

(c) Includes "Grants-in-Aid - Salaries" released to "Karnataka Panchayat Raj" below the Major Head "2515 Other Rural Development Programmes".

(#) Institutions not coming under category 1 to 7 have been included under category 8-Others. Details of Grantee Institutions are given in Appendix III.



**STATEMENT NO.11 - STATEMENT OF VOTED AND CHARGED EXPENDITURE**

| <i>Particulars</i>                                                                                               | <i>Actuals for 2014-2015</i> |                    |                    | <i>Actuals for 2013-2014</i> |                   |                    |
|------------------------------------------------------------------------------------------------------------------|------------------------------|--------------------|--------------------|------------------------------|-------------------|--------------------|
|                                                                                                                  | <i>Charged</i>               | <i>Voted</i>       | <i>Total</i>       | <i>Charged</i>               | <i>Voted</i>      | <i>Total</i>       |
| <b>(1)</b>                                                                                                       | <b>(2)</b>                   | <b>(3)</b>         | <b>(4)</b>         | <b>(5)</b>                   | <b>(6)</b>        | <b>(7)</b>         |
|                                                                                                                  | <i>(In crores of rupees)</i> |                    |                    |                              |                   |                    |
| Expenditure Heads (Revenue Account)                                                                              | 1,06,18.24                   | 9,29,96.06         | 10,36,14.30        | 87,87.74                     | 8,04,01.83        | 8,91,89.57         |
| Expenditure Heads (Capital Account)                                                                              | 2,77.44                      | 1,93,44.86         | 1,96,22.30         | ...                          | 1,69,46.86        | 1,69,46.86         |
| Disbursements under Public Debt, Loans and Advances, Inter State Settlement and transfer to Contingency Fund (f) | 48,12.23                     | 5,76.14            | 53,88.37           | 38,16.84                     | 6,95.43           | 45,12.27           |
| <b>TOTAL</b>                                                                                                     | <b>1,57,07.91</b>            | <b>11,29,17.06</b> | <b>12,86,24.97</b> | <b>1,26,04.58</b>            | <b>9,80,44.12</b> | <b>11,06,48.70</b> |
| <b>(f)</b> The figures have been arrived at as follows:                                                          |                              |                    |                    |                              |                   |                    |
| <b>E. Public Debt</b> <sup>1</sup>                                                                               |                              |                    |                    |                              |                   |                    |
| Internal Debt of the State Government                                                                            | 40,33.38                     | ...                | 40,33.38           | 31,22.57                     | ...               | 31,22.57           |
| Loans and Advances from the Central Government                                                                   | 7,78.85                      | ...                | 7,78.85            | 6,94.27                      | ...               | 6,94.27            |
| <b>F. Loans and Advances</b> <sup>2</sup>                                                                        |                              |                    |                    |                              |                   |                    |
| Loans for General Services                                                                                       | ...                          | ...                | ...                | ...                          | ...               | ...                |
| Loans for Social Services                                                                                        | ...                          | 3,69.73            | 3,69.73            | ...                          | 4,28.19           | 4,28.19            |
| Loans for Economic Services                                                                                      | ...                          | 1,93.59            | 1,93.59            | ...                          | 2,39.42           | 2,39.42            |
| Loans to Government servants, etc.                                                                               | ...                          | 5.44               | 5.44               | ...                          | 18.00             | 18.00              |
| Loans for Miscellaneous Purpose                                                                                  | ...                          | 7.38               | 7.38               | ...                          | 9.82              | 9.82               |
| <b>G. Inter-State Settlement</b>                                                                                 |                              |                    |                    |                              |                   |                    |
| Inter-State Settlement                                                                                           | ...                          | ...                | ...                | ...                          | ...               | ...                |
| <b>H. Transfer to Contingency Fund</b>                                                                           |                              |                    |                    |                              |                   |                    |
| Transfer to Contingency Fund                                                                                     | ...                          | ...                | ...                | ...                          | ...               | ...                |
| <b>TOTAL (E + F + G + H)</b>                                                                                     | <b>48,12.23</b>              | <b>5,76.14</b>     | <b>53,88.37</b>    | <b>38,16.84</b>              | <b>6,95.43</b>    | <b>45,12.27</b>    |

The percentage of *charged* expenditure and voted expenditure to total expenditures during 2013-14 and 2014-15 was as under:

| <i>Year</i> | <i>Charged</i> | <i>Percentage of Total expenditure</i> | <i>Voted</i> |
|-------------|----------------|----------------------------------------|--------------|
| <b>(1)</b>  | <b>(2)</b>     |                                        | <b>(3)</b>   |
| 2013-14     | 11.39          |                                        | 88.61        |
| 2014-15     | 12.21          |                                        | 87.79        |

(1) A more detailed account is given in Statement No. 17 in Part I Volume II.

(2) A more detailed account is given in Statement No. 18 in Part I Volume II.

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(1)	(2)	(3)	(4)
<b>LOANS AND ADVANCES -</b>			
<b>Loans and Advances for Various Services</b>			
<b>(i) General Services</b>			
<b>(ii) Social Services</b>			
(a) Education, Sports, Art and Culture	3.00	(-) 0.55	2.45
(b) Health and Family Welfare	16.85	(-) 0.73	16.12
(c) Water Supply, Sanitation, Housing and Urban Development	94,46.32	5,81.44	1,00,27.76
(d) Information and Broadcasting	0.47	...	0.47
(e) Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities	15.08	...	15.08
(g) Social Welfare and Nutrition	13.57	3.30	16.87
(h) Other Social Services	0.47	(-) 0.01	0.46
<b>Total Social Services</b>	<b>94,95.76</b>	<b>5,83.45</b>	<b>1,00,79.21</b>
<b>(iii) Economic Services -</b>			
(a) Agriculture and Allied Activities	5,40.91	(-) 9.46	5,31.40
	(-) 0.15	...	6.71
(b) Rural Development	6.71	...	6.71
(c) Special Areas Programme	0.13	...	0.13
(d) Irrigation and Flood Control	9.63	(-) 0.02	9.61
(e) Energy	13,97.92	41.28	14,39.20
(f) Industry and Minerals	18,70.55	1,25.73	19,96.28
(g) Transport	6.70	(-) 0.98	5.72
(j) General Economic Services	64.48	1.96	61.44
	(-) 5.00		
<b>Total Economic Services</b>	<b>38,91.98</b>	<b>1,58.51</b>	<b>40,50.49</b>

(a) Differs from previous year balance by ₹0.15 crore, due to conversion of balance of loan outstanding, (Major Head 6401-reduced proforma) into Equity Investments in Karnataka State Seeds Corporation Limited (Major Head 4401) in this sector, increased 'Proforma', without affecting current year's disbursements. [G.O No. FD 591 Exp-4 2014 dated 23-10-2014]

(b) Progressive Capital Expenditure under Major Head 4425 below this sector, reduced 'Proforma' by ₹2.79 crore due to 'Retirement of Capital/Disinvestments of Co-operative Societies/Banks in lieu of remittances of proceeds under the Major Head '4000-Miscellaneous Capital Receipts' during 2014-15.

(c) Investments (₹1.02 crore) in REMCO (Major Head 4859) in lieu of the purchase consideration received from BHEL during 1977-78 to 1984-85, [G.O No. CI 86 CMI 2013 dated 22-12-2014] and the investments (₹0.94 crore) in 'Mahaboob Shahi Kalaburgi Mills Limited' shown under 'National Textiles Limited' (Major Head 4860) reduced 'Proforma'.

(d) Differs from previous year balance by ₹5.00 crore, due to conversion of Loan balance (Major Head 7465-reduced proforma) into Equity Investments in 'Mysore Sales International Limited' (Major Head 5465) increased 'Proforma' without affecting current year's disbursements. [G.O No. FD 60 SAYULA 2006 dated 23-12-2014]

(e) Decreased proforma by ₹0.15 crore due to conversion of loan in to equity. Please see footnote (a) above.

(f) Decreased proforma by ₹5.00 crore due to conversion of loan in to equity. Please see footnote (d) above.

**STATEMENT NO. 12 - STATEMENT ON SOURCES AND APPLICATION OF FUNDS FOR EXPENDITURE OTHER THAN ON REVENUE  
ACCOUNT - contd.**

<i>Heads</i>		<i>On 1<sup>st</sup> April 2014</i>	<i>During the year 2014-15</i>	<i>On 31<sup>st</sup> March 2015</i>
<i>(In crores of rupees)</i>				
	(1)	(2)	(3)	(4)
<b>LOANS AND ADVANCES - Concltd.</b>				
<b>Loans and Advances for Various Services -concltd.</b>				
(iv)	Loans to Government Servants etc.	(-) 2.96	(-) 1.41	(-) 4.37
(v)	Miscellaneous Loans	29.84	(-) 6.67	23.17
	<b>Total Loans and Advances</b>	<b>1,34,14.62</b>	<b>7,33.88</b>	<b>1,41,48.50</b>
	<b>Total Capital and Other Expenditure</b>	<b>15,44,27.95</b>	<b>2,15,73.41</b>	<b>17,59,98.57</b>
<b>Deduct -</b>				
(i)	Contribution from Contingency Fund for Capital and Other Expenditure	...	...	...
(ii)	Contribution from Miscellaneous Capital Receipts	7,80.35	10.14	7,90.49
(iii)	Contribution from Development Funds, Reserve Funds etc.	52,81.71	14,58.77	67,40.48
<b>Add-</b>				
	Adjustment on Account of disinvestments	40.94	...	43.73
	<b>Net Capital and Other Expenditure</b>	<b>14,84,06.83</b>	<b>2,01,04.50</b>	<b>16,85,11.33 (X)</b>

(1)	(2)	(3)	(4)
<b>PRINCIPAL SOURCES OF FUNDS</b>			
<b>Revenue Surplus (+)/ Revenue Deficit (-)</b>	...	<b>5,27.85</b>	...
<b>Debt -</b>			
Internal Debt of the State Government	7,64,28.07	1,64,76.05	9,29,04.12
Loans and Advances from Central Government	1,20,94.37	5,86.35	1,26,80.72
Small Savings, Provident Funds etc.	1,80,20.87	21,55.60	2,01,76.47
<b>Total Debt</b>	<b>10,65,43.31</b>	<b>1,92,18.00</b>	<b>12,57,61.31</b>
<b>Other Receipts</b>			
Contingency Fund	80.00	...	80.00
Reserve Funds	1,70,14.82 <sup>(g)</sup>	15,47.49	1,85,62.31
Deposits and Advances	1,64,49.51	37,02.40	2,01,51.91
Suspense and Miscellaneous (Other than amounts closed to Government Account and Cash Balance Investment Account)	94,89.03	32,82.02	1,27,71.05
Remittances	(-) 4,88.30	(-) 32.12	(-) 5,20.42
<b>Total Other Receipts</b>	<b>4,25,45.06</b>	<b>84,99.79</b>	<b>5,10,44.85</b>
<b>Total Debt and Other Receipts</b>	<b>14,90,88.37</b>	<b>2,77,17.79</b>	<b>17,68,06.16</b>
<b>Deduct -</b>			
(i) Cash Balance	86.22	(-) 81.37	4.85
(ii) Investments	1,56,69.76 <sup>(g)</sup>	82,22.51	2,38,92.27
<b>Add -</b>			
Amount closed to Government Account	...	...	...
<b>Net Provision of Funds</b>	<b>13,33,32.39</b>	<b>2,01,04.50</b>	<b>15,29,09.04 (Y)</b>

**Note:** The difference between the Net Capital and Other Expenditure (X) and the Net Provision of Funds (Y) - i.e., ₹1,56,02.29 crore to the end of 2014-15 is explained below.

(X), (Y) Refer note at page 54 below.

(1) (i) The Expenditure on Capital Outlay and Loans and Advances includes expenditure met from contributions from Development Funds, Reserve Funds etc.

(ii) The Expenditure on Capital Outlay and Loans and Advances during the year considered for mention in this statement (a) includes the expenditure spent from out of advances obtained from the Contingency Fund during the year but not recouped till the close of the year (b) excludes the expenditure spent from out of advances obtained from the Contingency Fund during the previous years but recouped to the Fund during the current year

(g) Opening balances in the line items under 'Reserve Funds' and 'Investments' increased by ₹11,29.52 crore due to the reasons stated at footnote (d) and (\$) on page No.2 and Page No.3 below Statement No.1

**STATEMENT NO. 12 - STATEMENT ON SOURCES AND APPLICATION OF FUNDS FOR EXPENDITURE OTHER THAN ON REVENUE  
ACCOUNT - conclud.**

<i>Details</i>	<i>Amount (In crores of rupees)</i>
Net Balances available to end of 1950-51	4.31
Balances transferred to Miscellaneous Government Account -	
a) Sinking Fund on Maturity of Loans from 1962-63 to 2013-14	13,16.88
b) Write-off of balances under Special sanctions etc. from 1951-52 to 2014-15	6.06
c) Write-off of amount classified under 'Sinking Fund - Other Appropriations'	4,90.13
Net effect of transfer of balances of Capital and Other Expenditure consequent on Reorganisation of States (allocation of balance) from 1954-55 to 2014-15	(-) 17.59
Proforma correction of balances consequent on formation of Mysore State Electricity Board 1962-63	0.16
Proforma correction of balances consequent on transfer of Kolar Gold Mining Undertakings to Central Government 1964-65	0.58
Cumulative balance of Revenue Surplus (+) / Revenue Deficit (-) from 1951-52 to 2014-15	1,36,84.01
Write off of Central Loans under CSS/CPS by various Ministries of Government of India as per the recommendations of the Finance Commission.	1,70.14
Proforma correction of balances to rectify the wrong accounting / adjustments in the accounts of earlier years from 1951-52 to 2014-15	43.14
Inter State Settlement	(-) 15.53
Appropriation to Contingency Fund	(-) 80.00
<b>TOTAL</b>	<b>1,56,02.29</b>

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**STATEMENT No. 13 - SUMMARY OF BALANCES UNDER CONSOLIDATED FUND, CONTINGENCY FUND AND PUBLIC ACCOUNT**

A. The following is a summary of the balances as on the 31 March 2015:

| <i>Debit Balances<br/>(In Crores of<br/>rupees)</i> | <i>Sector of the<br/>General<br/>Account</i> | <i>Name of Account</i>                                                | <i>Credit Balances<br/>(In crores of<br/>rupees)</i> |
|-----------------------------------------------------|----------------------------------------------|-----------------------------------------------------------------------|------------------------------------------------------|
| (1)                                                 | (2)                                          | (3)                                                                   | (4)                                                  |
| 13,96,92.80                                         | A, B, C, D, G,<br>H and Parts of<br>L        | <b>GOVERNMENT ACCOUNT<sup>(1)</sup></b>                               |                                                      |
|                                                     |                                              | <b>CONSOLIDATED FUND</b>                                              |                                                      |
|                                                     | E                                            | Public Debt                                                           | 10,55,84.84                                          |
|                                                     | F                                            | Loans and Advances <sup>(2)</sup>                                     |                                                      |
| 1,32,16.23                                          |                                              | <b>CONTINGENCY FUND</b>                                               | 80.00                                                |
|                                                     |                                              | Contingency Fund                                                      |                                                      |
|                                                     |                                              | <b>PUBLIC ACCOUNT</b>                                                 |                                                      |
|                                                     | I                                            | Small Savings, Provident Funds, etc.                                  | 2,01,76.47                                           |
|                                                     | J                                            | <b>RESERVE FUNDS -</b>                                                |                                                      |
| 0.10                                                |                                              | (a) Reserve Funds bearing Interest<br>Gross Balance                   |                                                      |
|                                                     |                                              | (b) Reserve Funds not bearing Interest<br>Gross Balance<br>Investment | 1,85,62.40                                           |
| 59,29.95                                            |                                              | <b>DEPOSITS AND ADVANCES</b>                                          |                                                      |
|                                                     | K                                            | (a) Deposits bearing Interest<br>Gross Balance                        | 2,81.27                                              |
|                                                     |                                              | (b) Deposits not bearing Interest<br>Gross Balance<br>Investment      | 1,98,78.00                                           |
| 0.01                                                |                                              | (c) Advances                                                          |                                                      |
| 7.36                                                |                                              | (b) Suspense<br>(c) Other Accounts                                    | 23.04                                                |
|                                                     | L                                            | <b>SUSPENSE AND MISCELLANEOUS</b>                                     |                                                      |

**STATEMENT No. 13 - SUMMARY OF BALANCES UNDER CONSOLIDATED FUND, CONTINGENCY FUND AND PUBLIC ACCOUNT –**  
contd.

| <i>Debit Balances<br/>(In Crores of<br/>rupees)</i> | <i>Sector of the<br/>General<br/>Account</i> | <i>Name of Account</i>                             | <i>Credit Balances<br/>(In crores of<br/>rupees)</i> |
|-----------------------------------------------------|----------------------------------------------|----------------------------------------------------|------------------------------------------------------|
| (1)                                                 | (2)                                          | (3)                                                | (4)                                                  |
| 1,79,62.31                                          |                                              | Investment                                         |                                                      |
|                                                     |                                              | Other items (net)                                  | 1,27,48.01                                           |
| 5,20.42                                             | M                                            | (d) Accounts with Governments of Foreign Countries |                                                      |
| 4.85                                                | N                                            |                                                    |                                                      |
|                                                     | <b>REMITTANCES</b>                           |                                                    |                                                      |
|                                                     | <b>CASH BALANCE<sup>(3)</sup></b>            |                                                    |                                                      |
| <b>17,73,34.03</b>                                  |                                              | <b>TOTAL</b>                                       | <b>17,73,34.03</b>                                   |

1 For details please see para (B) and table there under.

2 Progressive balances under Loans & Advances to the end of 2014-15 has been decreased proforma by ₹5.15 crore due to conversion of loans into equity.

3 There was a difference between the figures reflected in the accounts and that intimated by the Reserve Bank of India under 'Reserve Bank Deposits' which is a component of the cash balance of the Government. Please also refer footnote (4) under Annexure to Statement No.2 at page No.6.

**B. Government Account:** Under the system of bookkeeping in Government Accounts, the amounts booked under Revenue, Capital and other transactions of Government, the balances of which are not carried forward from year to year in the accounts are closed to a single head called 'Government Account'. The balance under this head represents the cumulative result of all such transactions.

The balances under Public Debt, Loans and Advances, Small Savings, Provident Fund etc., Reserve Funds, Deposits and Advances, Suspense and Miscellaneous (other than Miscellaneous Government Account) Remittances and Contingency Fund etc., are added and the closing balance at the end of the year worked out and proved.

The other heading in this summary take into account the balance under all account heads in the Government books where Government has a liability to repay the moneys received or has a claim to recover the amounts paid and heads of accounts opened in the books for adjustments of remittance transactions.

It must be understood that these balances cannot be regarded as a complete record of the financial position of the Government of Karnataka, as these do not take into account all the physical assets of the State, such as Lands, Buildings, Communications etc., nor any accrued dues or outstanding liabilities which are not brought to account under the cash basis of accounting followed by Government.

The net amount at the Debit of Government Account at the end of the year 2014-15 has been arrived at as under:

| <b>Debit<br/>(₹ in crore)</b> | <b>Details</b>                                        | <b>Credit<br/>(₹ in crore)</b> |
|-------------------------------|-------------------------------------------------------|--------------------------------|
| 12,06,08.50 (*)               | Opening Balance                                       |                                |
| ...                           | Net effect of Prior Period Adjustments <sup>(#)</sup> |                                |
|                               | Receipt Heads (Revenue Account)                       | 10,41,42.15                    |
| 10,36,14.29                   | Expenditure Heads (Revenue Account)                   |                                |
|                               | Receipt Heads (Capital Account)                       | 10.14                          |
| 1,96,22.30                    | Expenditure Heads (Capital Account)                   |                                |
| ...                           | Miscellaneous                                         | ...                            |
|                               | Closing Balance                                       | 13,96,92.80                    |
| <b>24,38,45.09</b>            | <b>Total</b>                                          | <b>24,38,45.09</b>             |

(\*) Progressive Capital Expenditure has been *increased* proforma by ₹5.15 crore and *decreased* proforma of ₹1.96 crore under 'Government Accounts'. For details please refer to Explanatory Note 4(i) and (ii) to Statement No. 5 on page No.29 & 30.

| <b>Heads</b> | <b>Particulars</b>                                                                       | <b>Dr. Cr.</b>      |     |
|--------------|------------------------------------------------------------------------------------------|---------------------|-----|
|              |                                                                                          | <b>(₹ in crore)</b> |     |
| (#)          | The sector wise details of the prior period adjustments mentioned above are given below: |                     |     |
| 1.           | Government Accounts                                                                      | 5.15                | ... |
| 2            | E. Public Debt                                                                           | ...                 | ... |
| 3.           | F. Loans and Advances                                                                    | (-) 5.15            | ... |
| 4.           | G. Interstate Settlement                                                                 | ...                 | ... |
| 5            | H. Transfer to Contingency Funds                                                         | ...                 | ... |
| 6.           | I. Small Savings and Provident Funds etc.                                                | ...                 | ... |
| 7.           | J. Reserve Funds                                                                         | ...                 | ... |
| 8.           | K. Deposits and Advances                                                                 | ...                 | ... |
| 9.           | L. Suspense and Miscellaneous                                                            | ...                 | ... |
| 10.          | M. Remittances                                                                           | ...                 | ... |
|              | <b>Total</b>                                                                             | ...                 | ... |

The net prior period adjustments involves increase in proforma correction of ₹5.15 crore between Capital Expenditure and Loans and Advances.

**STATEMENT No. 13 - SUMMARY OF BALANCES UNDER CONSOLIDATED FUND, CONTINGENCY FUND AND PUBLIC ACCOUNT -  
concl.**

The following are the details of the sum shown against 'F - Miscellaneous':

|                                                          | <i>Debit</i> | <i>Credit</i> |
|----------------------------------------------------------|--------------|---------------|
|                                                          | (₹ in crore) |               |
| Unreconciled Balances written off under special sanction | ...          | ...           |
| Ledger Balance Adjustment Account                        | ...          | ...           |
| <b>Total</b>                                             | <b>...</b>   | <b>...</b>    |
| <b>Net</b>                                               | <b>...</b>   | <b>...</b>    |

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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 2014 to 31 March 2015, and are based on the initial accounts rendered by 33 District Treasuries, 105 Public Works and 103 Forest Divisions of the Government of Karnataka and advices of the Reserve Bank of India. In Karnataka, the treasuries compile the accounts from the vouchers (primary compilation) which, along with the vouchers, are furnished to the Principal Accountant General (A & E) for secondary compilation. Rendition of monthly accounts by these accounts rendering units was satisfactory and no accounts have been excluded at the end of the year.

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

Retirement benefits disbursed during the account period have been reflected in the account Statement No 15. 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 the Government of Karnataka are maintained in Indian Rupees.

**(iv) Form of Accounts:** Under Article 150 of the Constitution of India, the Accounts 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.

## NOTES TO ACCOUNTS

(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 as expenditure incurred with the object of increasing concrete assets of a material and permanent character or of reducing permanent liabilities. In terms of the Indian Government Accounting Standards (IGAS) 2 notified by the Government of India, expenditure relating to Grants-in-Aid is to be classified as Revenue expenditure in the books of the grantor and as Revenue receipts in the books of grantee regardless of end utilisation.

### 2. Quality of accounts

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

Receipts/Expenditure for which specific head of account is not available or for which the correct head of account is not identified are booked under Minor Head '800-Other Receipts/Other Expenditure' under the relevant functional Major Head. Routine operation of Minor Head 800 is to be avoided to the extent possible since such classification does not provide full information on the purpose of expenditure. An amount of ₹10,859.92 crore under 64 Major Heads, constituting 10.42 *per cent* of the total receipts (₹1,04,236.10 crore), has been classified under the Minor Head '800-Other Receipts' in the current year. Similarly, an amount of ₹10,437.20 crore under 64 Revenue, Capital and Loan heads of accounts, constituting 8.43 *per cent* of the total expenditure (₹1,23,812.74 crore), has been classified under the Minor Head '800-Other Expenditure' in the current year. Instances where 50 *per cent* or more of the receipts and expenditure were classified under the Minor Head '800-Other Receipts / Expenditure' are listed in **Annexure-B/ Annexure-C**.

#### (ii) Unadjusted Abstract Contingency (AC) Bills

Rule 36 of the Manual of Contingent Expenditure, 1958, of the Government of Karnataka authorises Controlling and Disbursing Officers to draw sums in the nature of temporary advances, on AC bills, by debiting service Heads of Account. These AC bills are required to be finally settled through submission of Non-Detailed Contingent (NDC) bills through treasury to the Principal Accountant General (A&E) before the 15th of the month following the month to which the bill relates.

## NOTES TO ACCOUNTS

Details of AC bills outstanding as on 31 March 2015 are given below:

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
	(₹ in crore)					
Up to 2012-13	52,834	502.22	48,157	444.70	4,677	57.52
2013-14	6,514	169.41	4,781	95.27	1,733	74.14
2014-15	4,896	109.69	1,548	23.23	3,348	86.46
<b>TOTAL</b>	<b>64,244</b>	<b>781.32</b>	<b>54,486</b>	<b>563.20</b>	<b>9,758</b>	<b>218.12</b>

Most of the outstanding NDC bills relate to Major Head 2015 – Elections (1,561 bills amounting to ₹119.36 crore), Major Head 2055- Police (31 bills amounting to ₹22.80 crore) Major Head 2402 – Soil and Water Conservation (1,106 bills amounting to ₹17.77 crore), Major Head 2406 – Forestry and Wild Life (601 bills amounting to ₹14.78 crore), Major Head 2202 - General Education (1,891 bills amounting to ₹12.60 crore) and Major Head 2235 - Social Security and Welfare (1,031 bills amounting to ₹5.27 crore). To the extent of non-receipt of DC bills, the expenditure shown in the Finance Accounts cannot be vouched as correct or final.

Out of ₹109.69 crore drawn against AC Bills in 2014-15, bills amounting to ₹24.43 crore were drawn in March 2015 alone. Of these, ₹0.42 crore was drawn on the last day of the financial year.

### (iii) Outstanding Utilization Certificates (UCs) for Grants-in-Aid Bills

The State Government, while sanctioning Grant-in-Aid (GIA) 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 the specified period (18 months) indicates absence of assurance on utilization of grants for intended purposes.



## NOTES TO ACCOUNTS

The status of outstanding UCs is shown below:

(₹ in crore)

Year	Number of Utilization Certificates awaited	Amount
Up to 2012-13	60	54.54
2013-14	36	86.81
2014-15	86	599.42
<b>Total</b>	182	740.77

**Note:** 109 UCs in respect of grants amounting to ₹673.95 crore disbursed between October 2013 and March 2015 in the table become due only during 2015-16 and onwards as 18 months' time is allowed for their submission.

Out of ₹599.42 crore drawn against GIA Bills in 2014-15, bills amounting to ₹27.47 crore were drawn in March 2015 alone.

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

As per Article 286A of Karnataka Financial Code, Personal Deposit (PD) accounts are created in favour of Drawing and Disbursing Officers to make payments through cheques instead of presenting bills at the treasury. Amounts are transferred to PD accounts by debiting functional heads under Consolidated Fund of the State with a contra credit to the Public Account against the respective Deposit head classifications. Unspent balances under these PD accounts are adjusted back to the Consolidated Fund on the last working day of the year through book adjustment as reduction of expenditure.

Details of PD accounts are given below:

(₹ in crore)

PD accounts existing at the beginning of the year		PD accounts opened during the year		Transactions during the year		PD accounts existing at the close of the year	
Number	Amount	Number	Amount	Credited	Debited	Number	Amount
55	2,297.10	1	0.05	3,915.81	3,784.62	56	2,428.29

The Administrators of PD accounts are required under the rules 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 (where the detailed accounts are maintained by the Principal Accountant General).

## NOTES TO ACCOUNTS

Information on reconciliation of figures by the Administrators of the Accounts with the treasuries is not available. None of the Administrators of the 56 PD accounts have reconciled their accounts with the Principal Accountant General.

As per Article 286A of Karnataka Financial Code, the State Government is also required to close all PD accounts remaining inoperative for more than three years under the relevant rules. 33 PD Accounts with an outstanding credit balance of ₹74.94 crore in 21 PD Accounts and debit balance of ₹8.54 crore in 12 PD Accounts were inoperative for more than three years as on 31 March 2015. Details of the operative and inoperative accounts are given below:

(₹ in crore)

Particulars	Personal Deposit Accounts			
	Credit		Debit	
	No. of Accounts	Amount	No. of Accounts	Amount
Operative PD Accounts	19	3,559.97	4	1,198.08
Inoperative PD Accounts	21	74.94	12	8.54

Adverse balances (i.e., Debit Balances instead of Credit balances) at the detailed head of account level amounting to ₹1,206.62 crore appearing in 16 PD accounts distort the net balance against PD accounts depicted at Minor Head of Account level in the Finance Accounts. Such adverse balances are yet to be reconciled by the departmental officers.

### (v) Reconciliation of Receipts and Expenditure

All Controlling Officers of the Government of Karnataka are required to reconcile the Expenditure and Receipts booked by them with the figures accounted for by the Principal Accountant General on a monthly basis. This reconciliation is to ensure effective budgetary control over expenditure and accuracy in accounts. Reconciliation of receipts has been completed for a value of ₹1,02,849.93 crore (98.75 per cent of total receipts of ₹1,04,152.29 crore which excludes receipts from Loan Heads of Account). Reconciliation of expenditure has been completed for a value of ₹74,495.37 crore (60.45 per cent of total expenditure of ₹1,23,236.59 crore excluding expenditure under Loan Heads of Account). Major departments which failed to reconcile their expenditure figures were Housing department (₹1,892.98 crore) and Rural Development department (₹3,021 crore). Payments made by Finance Department towards interest payment (₹8,552.46 crore) and releases to Zilla Panchayats under Education sector (₹12,146 crore) also remained unreconciled. Assurance on the completeness and correctness of the receipts and expenditure figures appearing in the accounts may be limited by the extent of non-reconciliation.

## NOTES TO ACCOUNTS

### (vi) Cash Balances

The Cash Balances of the Government of Karnataka are maintained at the Reserve Bank of India (RBI). There is a net difference of ₹1.91 crore (Dr.) as on 31 March 2015 between the cash balance reported by the RBI compared to the balance arrived at by the Principal Accountant General (A&E), Karnataka from the balances reported by treasuries of the Government of Karnataka. The net difference as on June 2015 increased to ₹2.27 crore (Dr.) following subsequent reconciliation. The net difference is mainly due to non-reporting and non-reconciliation of figures by the Agency Banks.

### 3. Other items

#### (i) Liabilities for Pensionary Benefits

The expenditure during the year 2014-15 on 'Pension and Other Retirement Benefits' of Government of Karnataka was ₹9,747.24 crore<sup>1</sup> (9.41 per cent of total revenue expenditure of ₹1,03,614.29 crore). State Government employees recruited on or after 1 April 2006 are covered under the New Pension Scheme (NPS), a defined contribution pension scheme, which commenced from 1 April 2010. Under this Scheme, the employee contributes 10 per cent of his basic pay and dearness allowances, which is matched by an equivalent amount paid by the State Government. The entire amount is transferred to the designated fund manager for investment through the National Securities Depository Limited (NSDL)/ Trustee Bank. Recoveries towards current contribution and backlog contribution under the New Pension Scheme was not assessed and effected in respect of employees who are not covered under the treasury payment system (e.g., those on deputation to Public Sector Undertakings, Local Bodies etc.). During the year 2014-15, State Government had contributed ₹353.94 crore (Major Head 2071-Minor Head 117) towards NPS and transferred the same to Major Head 8342-120 Miscellaneous Deposit against the employees' contribution of ₹342.92 crore during the year, as intimated by the NPS Cell of the State Government. Thereafter a bill is generated and the contribution from employees and the Government contribution is paid to the Trustee through cheque. The booking of employees' and Government contributions

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<sup>1</sup> This Amount excludes those transactions relating to the contribution of the Government to the defined contribution Pension scheme and those relating to Pension paid to Legislators.

## NOTES TO ACCOUNTS

towards NPS was made at sub-head level under Minor Head 120- Miscellaneous Deposit instead of under the prescribed Minor Head 117-Defined Contribution Pension Scheme under Major Head 8342. Non-adoption of prescribed Minor Head and booking the amount related to NPS at sub-head level, restricts identification of employees' contributions and Government's matching share towards NPS in the Finance Accounts. As per the records of the Principal Accountant General (A&E), ₹721.93 crore has been transferred to NSDL/Trustee bank from Fund balance leaving net balance of ₹5.73 crore under three Sub-heads related to NPS (Employees' contribution, Government's contribution and Backlog/Interest) under Minor head 120-Miscellaneous Deposits. The discrepancy is due to misclassification by the Director of Treasuries which needs to be reconciled. Un-transferred amounts with accrued interest represent outstanding liabilities of the Government.

### (ii) Guarantees

Guarantees reported in Statement 9 of Finance Accounts are based on information furnished by the State Government and as per the format prescribed in Indian Government Accounting Standards (IGAS) 1. The Karnataka Ceiling on Government Guarantees Act, 1999, prescribes that 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. The total outstanding guarantees as on 1 April 2014 amounted to ₹7,670.16 crore and constituted 9.81 *per cent* of the Total Revenues Receipts for 2012-13 (₹78,176.22 crore), which was within the limits prescribed under the Act.

The Act also stipulates guarantee commission at a minimum of one *per cent* on the amount guaranteed. Against, the total estimated guarantee commission receivable as reported by the State Government of ₹318.68 crore, only ₹65.51 crore was received during the year. The guarantee commission received includes book adjustment made by the State Government towards the guarantee commission payable to it by Electricity Supply Companies (₹2.12 crore), the Karnataka Road Development Corporation Limited (₹1.74 crore), and the Karnataka Slum Development Board (₹0.63 crore), Karnataka State Khadi & Village Industries Board (₹0.75 crore), Karnataka Neeravari Nigam Limited (₹25.82 crore), by way of subsidies/ Grants-in-aid (**Annexure A**).

## NOTES TO ACCOUNTS

Consequently, the net shortfall in guarantee commission received was ₹284.23 crore (₹318.68 crore minus ₹34.45 crore, excluding book adjustment of ₹31.06 crore). Outstanding Guarantees stood at ₹11,032.79 crore (Principal ₹10,889.55 crore and Interest ₹143.24 crore) as on 31 March 2015.

### (iii) Loans and Advances

In respect of detailed accounts of loans which are maintained by the Heads of the Departments/ Chief Controlling Officers of the Government of Karnataka, information of overdue Principal and Interest contained in Statement 7 (Volume-I) and Statement 21 (Volume-II/Part I) of Finance Accounts has been received only from 29 out of 842 such institutions. Indian Government Accounting Standards (IGAS) 3 requires disclosure of loans that were sanctioned without specific terms and conditions governing such loans. Out of the 162 loans valued at ₹576.14 crore which were sanctioned by the Government of Karnataka in 2014-15, 50 loans valued at ₹263.69 crore were sanctioned without specifying any terms and conditions. Details are available as additional disclosures under Statement 18 of the Finance Accounts. In the records of the Principal Accountant General (A&E), Karnataka, 320 loans show adverse balances (a credit balance instead of debit balance) of ₹547.43 crore. Such adverse balances are caused mainly due to booking of repayments of principal under a classification other than the one against which the loan was disbursed initially, misclassification of interest payment by the loanee as repayment of principal and non-reconciliation of the figures by the concerned Chief Controlling Officers of the respective departments of the Government.

### (iv) Investments

Information on Government investments appearing in Statement 8 of the Finance Accounts is based on the accounts and sanctions received by the Principal Accountant General (A&E), Karnataka. These figures require confirmation by the concerned Department of the Government of Karnataka and the entity in which investment was made. The entire Government investment of ₹61,726.92 crore in 2014-15 was invested in 228 entities that had received investments in previous years also. Out of ₹61,726.92 crore invested in these entities as of 31 March 2015, ₹74.84 crore was received towards dividend (0.12 per cent of invested amount) from 205 entities. 23 entities did not pay any dividend to the State Government.

## NOTES TO ACCOUNTS

### (v) 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 21 and Statement 22 of the Finance Accounts respectively. Out of total outstanding balance of ₹18,562.31 crore available in various reserve funds as on 31 March 2015, the Government of Karnataka invested ₹5,929.96 crore (31.95 *per cent*). The status of the major Reserve Funds is given below:

#### a) Consolidated Sinking Fund

The Government of Karnataka constituted a Consolidated Sinking Fund (CSF) in 2012-13 for the amortization of all loans as recommended by the Twelfth Finance Commission and transferred ₹1,000 crore towards its corpus in 2012-13. The Fund is administered by the Reserve Bank of India which has invested the corpus in Government of India Securities. As per Government Notification (February 2013), the State Government is required to make minimum annual contributions to the Fund at 0.50 *per cent* of the outstanding liabilities (Internal Debt + Public Liabilities) at the end of the previous financial year and efforts were to be made to raise the minimum contribution every year. As on 31 March 2014, the outstanding liabilities of the Government of Karnataka were ₹1,35,318.32 crore. Thus, against the requirement of ₹676.59 crore, as per the guidelines issued by RBI, the State Government has not contributed any amount to the Fund during the current year. The balance under the fund at the end of the year was ₹1,000 crore. However, the interest of ₹136.14 crore accrued on re-investment made by the RBI from the fund did not pass through the accounts.

#### b) Guarantee Reserve Fund

The State Government set up a 'Guarantee Reserve Fund' during 1999-2000 in the Public Account with a corpus of ₹1.00 crore. There has been no transaction under this Fund. Twelfth Finance Commission recommended opening of the Guarantee Redemption Fund (GRF) for discharging the liability of the Government towards invocation of the guarantees extended by it. The Fund is required to be administered by the RBI. Under the RBI guidelines, the State Government is required to make minimum annual contributions to the

## NOTES TO ACCOUNTS

Fund at the rate of one *per cent* in the first year and at the rate of 0.5 *per cent* thereafter, of the outstanding guarantees at the end of the previous year. The State Government is yet to constitute a Guarantee Redemption Fund (GRF). Thus, against a minimum requirement of ₹38.35 crore (0.5 *per cent* of outstanding guarantee of ₹7,670.16 crore as on 31 March 2014), no contribution was made by the State Government to the Fund in 2014-15.

### 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) as recommended by the Thirteenth Finance Commission. In terms of guidelines, the Central and State Governments are required to contribute to the Fund in the proportion of 75:25. In the event of natural calamities, shortfalls in the Fund are met by the Government of India by way of additional disbursements from the National Disaster Response Fund (NDRF). There was an opening balance of ₹94.67 crore in the Fund. Following Government of India's release of ₹146.74 crore towards SDRF in 2014-15, the State Government contributed ₹48.91 crore as its share, along with the Government of India's additional assistance of ₹271.38 crore from the National Disaster Response Fund (NDRF) and credited the entire amount of ₹467.03 crore to the Fund during 2014-15. An amount of ₹561.70 crore from the Fund balance was set off against the expenditure initially incurred under Major Head 2245-Relief on account of Natural Calamities, leaving a nil balance in the Fund as on 31 March 2015.

### d) State Urban Transport Fund

Government of Karnataka set up a 'State Urban Transport Fund' (SUTF) in 2010, under the category of 'Deposit Funds bearing Interest', to finance urban transport. The corpus of the Fund comprised ₹10.00 crore from State Finance Commission Grants. The balance in the Fund as on 31 March 2015 was ₹4.99 crore under Head of Account 8342-Other Deposits-120-Miscellaneous Deposits. The State Government set up another 'State Urban Transport Fund' under the category 'Reserve Funds - not bearing interest' in the year 2012 under Major Head of Account 8229-Development and Welfare Funds-200-Other development and Welfare Fund 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, this Fund was credited with ₹36.68 crore from Cess on Motor Vehicle Tax,

## NOTES TO ACCOUNTS

₹1.56 crore from Cess on Property Tax and ₹13.30 crore from General Revenue. An expenditure of ₹51.54 crore was met out of this Reserve Fund leaving a balance of ₹40.48 crore as on 31 March 2015.

### e) Other Funds

1) **Consumer Welfare Fund:** In order to strengthen the consumer movement and promote welfare of the consumer, the Consumer Welfare Fund was created (September 2006) under the Head of Account '8229-Development and Welfare Fund-123 Consumer Welfare Fund' with funding from Government of India, matching grants by State Government, penalty levied on manufacturers or service provider and court fee accrued with District and consumer forum. The State Government created an interest bearing Corpus Fund in 2013-14 under the Head of Account '8342 Other Deposits- 120 Miscellaneous Deposits' and transferred ₹10 crore (₹2.63 crore received in 2012-13 and ₹4.87 crore received in 2013-14 from Government of India plus State Government contribution of ₹2.50 crore) in 2013-14, to this Deposit Account. As per the Government of India guidelines, the corpus of the fund should not be spent on any activities and only the interest generated from the Corpus Fund should be utilised for meeting the expenditure on local programmes and activities relating to welfare and protection of consumers. During 2014-15, an interest of ₹0.07 crore was credited to the Fund account which, however, remained unutilised. The balance under the Fund was ₹10.07 crore as on 31 March 2015 which includes an interest of ₹0.07 crore.

2) **Karnataka Silk Worm Cocoon and Silk Yarn Development and Price Stabilisation Fund:** Applicable Market Fees and License Fees are required to be transferred to the 'Karnataka Silk Worm Cocoon and Silk Yarn Development and Price Stabilisation Fund'. There was a balance of ₹127.46 crore under the funds on 1 April 2014, and transactions are being accounted under the Major Head '8229-Development and Welfare Funds'. During 2014-15, fees amounting to ₹97.10 crore has been transferred to the Fund as required, and an expenditure of ₹20.61 crore on Sericulture Development Programme, has also been adjusted from the Fund, leaving a balance of ₹203.95 crore. No other expenditure has been booked under the fund during 2014-15.



## NOTES TO ACCOUNTS

### (vi) Inoperative Reserve Funds

Out of 76 reserve funds, 20 funds with balance of ₹11.01 crore under Major Head of Account '8115 - Depreciation/Renewal Reserve Fund' and 14 funds with balance of ₹35.25 crore under Major Head of Account '8229 - Development and Welfare Funds' were liquidated during the year as per the directions of the State Government. Out of the balance, 22 funds are active with a balance of ₹12,088.92 crore and 20 funds remained inoperative with a balance of ₹543.44 crore during the year 2014-15.

### (vii) Adjustment of interest against Interest Bearing Reserve Funds and Deposits

The State Government is to pay interest on the un-invested balances lying under the head 'Reserve Funds' and 'Deposits' bearing interest. Outstanding balances at the beginning of the year works out to ₹414.14 crore which include ₹105.58 crore under sector J-(a) Reserve Fund bearing interest and ₹308.56 crore under sector K-(a) Deposits bearing interest. The interest liabilities in respect of Reserve Funds bearing interest and Deposits bearing interest under sectors J and K respectively of Public Account are annual liabilities that the State Government is required to discharge. No Budget provision has been made by the State Government despite substantial balances in such Reserve Funds and Deposits in 2014-15 as detailed below:

(₹ in crore)				
Sector	Sub-sector	Rate of interest applicable/ applied	Balance at the beginning of the year 2014-15	Interest Liability
J - Reserve Funds	(a) Reserve Funds bearing Interest (SDRF and NDRF)	9.5 per cent (interest rate applicable to Overdrafts)	94.67	8.99
J - Reserve Funds	(a) Reserve Funds bearing Interest (remaining Funds)	7.5 per cent (average interest rate for Ways and Means Advances during 2013-14)	10.91	0.82
K - Deposits and Advances	(a) Deposits bearing Interest (NPS)	8.7 per cent (interest rate payable on balances of General Provident Fund)	4.14	0.36
K - Deposits and Advances	(a) Deposits bearing Interest (remaining Funds)	7.5 per cent (average interest rate for Ways and Means Advances during 2013-14)	304.42	22.83
<b>Total</b>			<b>414.14</b>	<b>33.00</b>

## NOTES TO ACCOUNTS

Consequent to non-provision of interest payment in the Budget, adjustment of ₹33.00 crore (as based on the opening balances for 2014-15) has also not been carried out in the accounts for 2014-15.

### (vii) Suspense and Remittance balance

Suspense and Remittance transactions are adjusting entries that are to be cleared eventually by booking to the Final Head of Account. The Finance Accounts reflect the net balances under different Suspense and Remittance Heads of Account. The outstanding balances under these Minor Heads under the Major Head of account '8658 - Suspense' are worked out by aggregating the outstanding debit and credit balances separately.

The position of gross balances under some of the significant suspense items to the end of last three years is indicated below:

(₹ in crore)

Name of Minor Head	2012-13		2013-14		2014-15	
	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.
101 - Pay and Accounts Office Suspense	68.91	1.41	89.58	0.58	67.40	0.70
<b>Net</b>	<b>Dr.67.50</b>		<b>Dr.89.00</b>		<b>Dr. 66.70</b>	
102 – Suspense Account (Civil)	23.76	8.93	22.95	9.47	17.93	7.35
<b>Net</b>	<b>Dr.14.83</b>		<b>Dr.13.48</b>		<b>Dr. 10.58</b>	
110 - Reserve Bank of India Suspense– Central Accounts Office	20.30	60.22	24.91	37.80	15.44	56.20
<b>Net</b>	<b>Cr.39.92</b>		<b>Cr.12.89</b>		<b>Cr. 40.76</b>	
Remittances into treasury	82.49	1.10	81.23	1.02	81.62	...
<b>Net</b>	<b>Dr. 81.39</b>		<b>Dr. 80.21</b>		<b>Dr. 81.62</b>	
Public Works Cheques	2.53	10.24	2.53	11.34	2.53	12.89
<b>Net</b>	<b>Cr. 7.71</b>		<b>Cr. 8.81</b>		<b>Cr. 10.36</b>	
Remittances into treasury	11.59	...	11.61	...	11.62	...
<b>Net</b>	<b>Dr. 11.59</b>		<b>Dr. 11.61</b>		<b>Dr. 11.62</b>	
Forest Cheques	0.83	...	0.83	...	0.83	...
<b>Net</b>	<b>Dr. 0.83</b>		<b>Dr. 0.83</b>		<b>Dr. 0.83</b>	

On clearance of suspense heads, the cash balance would increase by ₹66.70 crore in one head and there would not be any impact on the cash balance for an amount of ₹53.53 crore.

## NOTES TO ACCOUNTS

### (ix) Contingency Fund

Contingency Fund is intended to meet unforeseen expenditure not provided for in the budget and if there is any drawal from the fund, the same has to be recouped during the same year or by a fresh debit to the Consolidated Fund. The corpus of the Contingency Fund of Government of Karnataka is ₹80 crore. During the year ₹16.95 crore was drawn from the Contingency Fund under the Major Head of Account 6860- Loans for Consumer Industries which has since been recouped. No other amount remained unrecouped against the Fund as on 31 March 2015.

### (x) Quarterly distribution of expenditure

The details of expenditure from Consolidated Fund during the different quarters and in March alone in 2014-15 were as follows:

Quarter	Quarterly Expenditure (₹ in crore)	Percentage
Quarter 1	22,580.05	18.83
Quarter 2	30,132.38	25.12
Quarter 3	25,445.40	21.22
Quarter 4*	41,767.08	34.83
March 2015	25,341.25	21.13

Note: The figures include only revenue and capital expenditure, \* this quarter includes March 2015 figures.

As could be seen from the above table, 34.83 *per cent* and 21.13 *per cent* of the total expenditure took place in the months of last quarter and in March 2015 respectively.

### (xi) Un-encashed cheques under Major Head 8670 Cheques and Bills

Major Head of Account '8670-Cheques and Bills' is credited when cheques are issued by the treasury for payment with contra debit to the functional Major Head of Account. Credits under Major Head '8670-Cheques and Bills' are offset when the cheques are encashed. Balances under the Head of Account represent cheques issued but not encashed. Opening balance of unencashed cheques at the beginning of the year was ₹9,512.69 crore (Credit). Against issue of cheques worth ₹90,196.44 crore during 2014-15, cheques worth

## NOTES TO ACCOUNTS

₹86,951.51 crore were encashed during 2014-15. The balance of unencashed cheques amounts to ₹12,757.62 crore (Credit) as on 31 March 2015, which includes cheques issued and outstanding during the period January 2015 to March 2015 having currency of three months. Since the balance under Major Head 8670 is a progressive balance (being under Public Account), an outstanding credit balance indicates that the expenditure originally booked in various financial years under different functional major heads, has not actually resulted in any cash outflow from the Government of Karnataka till 31 March 2015.

### **(xii) Restructuring of Centrally Sponsored Schemes (CSS)/ Additional Central Assistances (ACA)**

The existing 137 CSS and 5 ACA Schemes have now been restructured into 66 CSS/ACA/ Flagship schemes in the 12th Plan. From 1 April 2014 onwards Government of India released central assistance for CSS/ACA/Flagship Schemes directly to the State Government and these releases are now classified as 'Central Assistance to the State Plan'. Government of Karnataka has modified their budget depiction and the Central Assistance for CSS/ACA has been merged with the respective State Plan Schemes under the 66 umbrella schemes of GOI.

Out of ₹11,677.78 crore depicted in the Public Financial Management System (PFMS) portal of Controller General of Accounts (CGA) as Central assistance (Plan) to the Government of Karnataka in 2014-15, Clearance memos from RBI, CAS Nagpur and supporting sanctions orders from the respective Ministries were received only in respect of ₹9,096.87 crore and appropriately booked in the accounts of the State Government under Major Head 1601-02 Grants-in-aid from Central Government. Total expenditure under State Plan is ₹33,831.19 crore (revenue expenditure) and ₹19,344.95 crore (capital expenditure) which includes expenditure of Central Assistance to State Plan/Central Sector Plan Assistance/Grants for Special Plan schemes and includes ₹ 994.67 crore met out of grants released by Government of India under Centrally Sponsored Schemes.

## NOTES TO ACCOUNTS

### **(xiii) Direct transfer of Central Scheme Funds to implementing Agencies in the State (Funds routed outside State Budget)**

Till 31 March 2014, Government of India transferred substantial funds directly to State Implementing Agencies/ Non-Government Organizations (NGOs) for implementation of various schemes/ programmes. As per the PFMS portal of the Controller General of India (CGA), GOI released ₹182.50 crore to the implementing agency. Details are at Appendix-VI of the Finance Accounts. Government of India's decision to release all assistance to CSSs/ ACA directly to the State Government and not to implementing agencies has reduced the direct transfers to implementing agencies by 98 *per cent*, as compared to 2013-14.

### **(xiv) Compliance to the targets fixed under Karnataka Fiscal Responsibility Act**

a) The Karnataka 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 *per cent* of Gross State Domestic Product (GSDP). In terms of the amended Act, the Government of Karnataka has made additional disclosures which are reflected as separate statements annexed to the Medium Term Fiscal Plan (MTFP) 2015-19.

b) Government of Karnataka has enacted the Karnataka Fiscal Responsibility (Amendment) Act, 2014, on 28 February 2014, to enlarge the scope of "Total Liabilities" to include the borrowings by the Public Sector Undertakings and Special Purpose Vehicles and other equivalent instruments, where the Principal and/ or interest are to be serviced out of the budget of the Government of Karnataka. In compliance with the amended provisions of the KFRA 2014, the Government of Karnataka has furnished the amount off budget borrowings during 2014-15 and the same has been depicted as additional disclosures in statements 6 and 17 of Finance Accounts.

c) These off-budget borrowings of ₹2,411.50 crore during 2014-15 do not form part of the accounts of the Government of Karnataka. Repayment of Principal (₹298.42 crore) and payment of Interest (₹399.53 crore) have, however, been made from the Consolidated fund of the State and have been accordingly accounted for in the accounts of the Government of Karnataka.

## NOTES TO ACCOUNTS

d) Details of targets fixed by the Government of Karnataka and achievements as worked out from the accounts are given below, in the table.

Sl. No.	Target for 2014-15	Achievement in 2014-15
1.	<b>Revenue Surplus:</b> Revenue Surplus to be maintained.	Government of Karnataka has maintained the Revenue Surplus at ₹527.85 crore for the year 2014-15.
2.	<b>Fiscal Deficit:</b> Not more than three <i>per cent</i> of GSDP <sup>(1)</sup> during 2014-15 subject to the fiscal limits fixed by the Government of India from time to time.	Fiscal Deficit of the Government of Karnataka stood at ₹19,576.63 crore and constituted 2.86 <i>per cent</i> of GSDP <sup>(1)</sup> .
3.	<b>Outstanding Liabilities<sup>(2)</sup>:</b> Not to exceed 25.2 <i>per cent</i> of GSDP <sup>(1)</sup> for the year 2014-15.	Outstanding Liabilities <sup>(2)</sup> (₹1,63,608.84 crore) as on 31 March 2015 works out to 23.88 <i>per cent</i> of GSDP.
4.	<b>Guarantees:</b> The total guarantees on the first day of April of any year shall not exceed 80 <i>per cent</i> of the Total Revenue Receipts (TRR) of the second preceding year.	Outstanding Guarantees of Government of Karnataka stood at ₹7,670.16 crore at the beginning of 2014-15 constituted 9.81 <i>per cent</i> of the TRR (₹78,176.22 crore) for the second preceding year 2012-13.

Note 1 GSDP ₹6,85,207 crore as intimated by Ministry of Finance, Government of India. {Source: MTFP 2014-18 by Government of Karnataka}

Note 2 Outstanding Liabilities worked out with the amount of off budget borrowings (₹5,055.92 crore) furnished by the Government of Karnataka, together with those appearing (₹1,58,552.92 crore) in the Consolidated Fund and Public Account of the State, in terms of KFR (Amendment) Act, 2014. (Please see paragraph 3 (xiv) (b) above).

### (xv) Committed liabilities of the State

The total committed liabilities as indicated by the State Government in Medium Term Fiscal Plan 2015-19 was ₹11,564.04 crore which is the total expenditure commitments which covers the major policy stances such as outstanding debts, off-budget borrowing, debt services, guarantee stock etc., made by the State Government.

#### 4. Other disclosures

##### (i) Operation of unauthorized heads of account

Correction Slips to the List of Major and Minor Heads (LMMH) are issued from time to time incorporating new Major/Sub- major/ Minor Heads of accounts or deleting the existing heads of accounts. The State Government, however, has not incorporated the Correction Slips in respect of 21 Minor Heads of Account below 9 Major Heads of Account.

## NOTES TO ACCOUNTS

As a result of this, expenditure relating to these Minor Heads of Account under 9 Revenue Major Heads of Account and 1 sub Major Head of Account under 1 Capital Major Head of Account during the year 2014-15 was not classified correctly.

Contributions and interest thereon under the 'New Pension Scheme' (NPS) have been accounted for under the Minor Head 120-Miscellaneous Deposits under Major Head of Account 8342-Other Deposits instead of booking the same under Minor Head 117-Defined Contribution Pension Scheme of Government Employees.

### **(ii) Non-exhibition of salary and non-salary components under Maintenance expenditure**

As per the recommendations of the Twelfth Finance Commission, a statement on maintenance expenditure is to be provided in the Finance Accounts, segregating salary/wage and non-salary components. The budget circular issued for the preparation of the estimates by the controlling officers, suggest the segregation by giving a separate object head for the purpose. However, maintenance expenditure does not show salary and non-salary component separately as no distinct object heads to capture these expenditure have been provided in the Budget of the State Government.

### **(iii) Booking of Grant-in-Aid payments under Capital head instead of Revenue**

As per the Indian Government Accounting Standards 2, all Grant-in-Aid are payment in the nature of assistance to another Government body, institution or individual irrespective of the purpose for which the funds are disbursed, are to be classified under revenue head. However, a sum of ₹22.83 crore towards Grants-in-aid was budgeted and booked under Capital head instead of Revenue section during the year under four Major Heads of account. The State Government, shifted to other head of account only ₹0.33 crore while passing the supplementary demands. The balance amount of ₹22.50 crore remained under two capital major head of accounts (4225-Capital outlay on Welfare of SCs, STs OBCs & Minorities and 4210-Capital outlay on Medical & Public Health). Out of this, an expenditure of ₹22.00 crore was booked during the year 2014-15.

### **(iv) Adverse Balances under Public Debt**

a) Adverse Balances under Major Head 6003-Internal Debt: The Government availed loan from National Co-operative Development Corporation (NCDC) prior to 2004

## NOTES TO ACCOUNTS

which was not routed through the Government account even though these loans should have been credited under the Major Head 6003. However the repayments of loan to NCDC (debits) are accounted under the head. Since the receipts of some of these loans do not appear in the books of the Government whereas the repayment of principal are being made through this head of account, the books of account of the Government depict adverse balances (excess of debit over credit on account of principal repaid). The adverse balance of ₹111.62 crore depicted in **Annexure-D** pertain to loans released by National Co-operative Development Corporation (NCDC) to various cooperatives, which are directly repaid by Government of Karnataka.

b) Adverse Balances under Major Head 6004- Central Loans: In furtherance of the recommendations of the Thirteenth Finance Commission, Ministry of Finance, Government of India, in a series of orders, all dated 29 February 2012, wrote off loans advanced to the State Government by various Ministries (except those advanced by the Ministry of Finance itself) as on 31 March 2010 (limited to current balances outstanding in the records of the Ministries) towards Central Plan and Centrally Sponsored Schemes. Ministry of Finance permitted the State Governments to adjust the excess repayments of principal and interest made from the effective date of 31 March 2010 and its adjustment against future repayments to the Ministry of Finance. In respect of the Government of Karnataka, this excess payment amounted to ₹68.66 crore, of which, Ministry of Finance has adjusted ₹17.31 crore (vide letter dated 14 June 2013) against the dues payable to the Ministry of Finance to end of March 2013 and ₹5.48 crore (vide letter dated 7 May 2014) against the dues payable to end of March 2014. The balance amount pending for adjustment is ₹45.87 crore (Principal ₹23.66 crore and Interest ₹22.21 crore). This has resulted in adverse balance (net debit) of ₹23.66 crore against the loans of the Ministries (other than those of the Ministry of Finance) in the books of the State Government and also overstates the Public Debt of the Government to this extent. Details of adverse balances at Minor Head level are given in **Annexure-D**.



## NOTES TO ACCOUNTS

### **(v) Grants-in-Aid to Hindustan Aeronautics Limited (HAL)**

As per settlement package reached between the Government of Karnataka and Hindustan Aeronautics Ltd (HAL), as suggested by the Honorable Supreme Court of India, a sum of ₹3,189.82 crore had to be waived off by the State Government through grants or administrative orders. Out of this, ₹1,008.53 crore was adjusted through Government order during 2013-14 and the Government of Karnataka vide Order dated 31 March 2015 sanctioned Grant-in-Aid of ₹1,211.67 crore to HAL, in public interest, to enable it to pay its accrued Value Added Tax (VAT) dues and penalty thereon to the Government of Karnataka. Provision for the expenditure had been approved by the State Legislature through Supplementary demand for grants under Grant No.3. Accordingly, an adjustment entry debiting Major Head 2040- Taxes on Sales, Trade etc. with contra credit to Major Head 0040- Central Sales Tax was passed in order to implement the settlement package **(Annexure- A)**.

### **(vi) Waiver of Central Sales Tax and penalty**

The arecanut dealers represented to the Government to waive off Central Sales Tax and penalty levied thereon by the Commercial Taxes Department since the C-Forms issued by the dealers of Assam were found to be legally invalid during the interstate investigation during the years 2006-08. In order to help these arecanut dealers who were affected by the incorrect C-Forms, the Government of Karnataka vide Order dated 31 March 2015 sanctioned Grant of ₹0.35 crore towards waiver by adjustment towards tax dues, penalty and interest. Provision for the expenditure had been approved by the State Legislature through Supplementary Demand ( Third installment ) for grants under Grant No.3. Accordingly, adjustment entry was carried out in the books by debiting 2040- Taxes on Sales, Trade etc. with contra credit to 0040-Central Sales tax and 0049-Interest Receipts, to implement the Government Orders.

### **(vii) Waiver of Value Added Tax and penalty**

Based on the representations made by different associations of dealers in utensils, the Government amended the entry relating to utensils by deleting the words “used for cooking food” with effect from 1 April 2011 which attracted lower VAT and by this amendment,

## NOTES TO ACCOUNTS

concession was extended to all utensils used in kitchen and household. However, the industry was not satisfied with this concession on the plea that the dealers collected tax at 4 *per cent* right from 1 April 2006 onwards and sought relief from with retrospective effect from 1 April 2006 which was considered by the Government. The Government in its order dated 31 March 2015 granted ₹3.05 crore towards tax dues and penalty dues of dealers of utensils through book adjustment with effect from April 2006. Provision for the expenditure had been approved by the State Legislature through Supplementary Demand (Third installment) for grants. Accordingly, adjustment entry was carried out in the books by debiting 2040- Taxes on Sales, Trade etc., with contra credit to 0040-Tax collections State VAT, to implement the Government Orders.

### **(viii) Conversion of interest due into equity by adjustment**

The Government of Karnataka had sanctioned a loan of ₹28.54 crore during the period 1998-2002 to Mysore Electrical Industries Limited (MEI). It had not paid interest amounting to ₹22.92 crore on this loan to the Government, as it was running under loss. As the MEI was not in a position to repay the accumulated interest, it requested the Government to convert the outstanding loan and interest into equity. The Government conditionally agreed to convert only the outstanding accrued interest of ₹22.92 crore into equity share of the company as an investment. Provision for the adjustment had been approved by the State Legislature through Supplementary Demand for grants (I installment). Accordingly, an adjustment entry debiting Major Head 4858- Investment with contra credit to Major Head 0049- Interest on Loans to other undertakings was passed, in order to implement the settlement.

### **(ix) Adjustment of unutilized amount from Personal Deposit account to revenue account**

The Assistant Director, Pensions, Small Savings and Asset-Liability Monitoring Department, had a Personal Deposit account under the head of account 8443. The Government in its order dated 20 April 2012 ordered to close the account and credit an amount of ₹1.72 crore to the Consolidated Fund under head of account “2047-00-911-Deduct recoveries of over payments for earlier years”. The District Treasury Officer, Bangalore Urban closed the account and credited the amount to the above head of account in November

## NOTES TO ACCOUNTS

2014 and has been accounted accordingly. Consequently, the liabilities of the Government have also been reduced by an equivalent amount.

### **(x) Drawal of funds in advance of requirements**

Towards conducting elections to the Grama Panchayats, the State Election Officer released ₹0.02 crore to each of the Deputy Commissioners of 30 districts towards the election expenses under the Head of Account 2515-Other Rural Development Programmes. The State Election Officer also instructed to transfer the funds to PD account, in case the amount remained unutilised by the end of the year. It was noticed that in these 30 districts, 14 DCs drew an amount of ₹0.28 crore and transferred the entire amount to PD accounts, 10 DCs drew ₹0.20 crore, but did not transfer the amount to PD accounts and 6 DCs did not draw any amount.

### **(xi) Drawal of funds from service heads and crediting to the Deposit head for works**

The Head of Account 8443-00-117-0-04 Deposit contribution works is intended to accommodate contributions from public bodies towards different construction works and the divisions have to incur expenditure by drawing Public works cheques. From the information furnished by the Department of Treasuries, during 2014-15, a sum of ₹0.52 crore was credited to the above Deposit Account by drawing the amount from the different service major heads of account through TTR which was against the provisions contained under the Article 176 of the Karnataka Financial Code.

## NOTES TO ACCOUNTS

### 5. Impact on Revenue Surplus and Fiscal Deficit

The impact of transactions indicated in the paras given above on the Revenue Surplus and Fiscal Deficit of the State Government is given below:

Paragraph No.	Item	Impact on Revenue surplus and Fiscal deficit (₹ in crore)	
		Revenue Surplus Overstatement	Fiscal Deficit Understatement
3(v) (a)	Non-contribution to Consolidated Sinking Fund	676.59	676.59
3(v) (b)	Non-contribution to Guarantee Redemption Fund	38.35	38.35
3(vii)	Adjustment of interest against Reserve Fund bearing interest and Deposits	33.00	33.00
4(iii)	Booking of Grant-in-Aid payments under Capital head instead of Revenue.	22.00	...
<b>Total</b>		<b>769.94</b>	<b>747.94</b>



# **ANNEXURE**

**Annexure-A**  
Statements of Periodical /Other adjustments  
(Note 1 (ii) of Notes to Accounts)

**A-Periodical Adjustments:**

(₹ 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]	170.51	Adjustment relating to Central Road Fund-Transfer of receipts to 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]	160.08	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]	0043-00-101-0-01-000 [Taxes on Consumption & Sale of Electricity Tax Collection]	954.17	Tariff Subsidy to Electricity Supply Companies for the year 2014-15 to Karnataka Power Transmission Corporation Limited was adjusted against loan repayment from KPCL/ KPTCL, Royalty payable by KPCL & Electricity Tax by Electricity Supply Companies
			6801-00-190-1-01-000 [Karnataka Power Transmission Corporation Fund]	16.08	
			0801-01-201-0-01-000 [Royalty etc., recovered from KPCL]	57.69	
			0075-00-108-0-01-000 [Guarantee Fees]	2.12	
			0049-04-190-0-09-000 [Interest on Loans to KPTCL]	15.94	

**Annexure-A - contd.**  
**Statements of Periodical /Other adjustments**  
**(Note1 (ii) of Notes to Accounts)**  
**A-Periodical Adjustments –contd.**

(₹ in crore)

Sl. No.	Adjustment	Heads of Account affected		Amount	Remarks
3.	Pensionary Charges	2700-Major Irrigation 2701-Medium Irrigation 4700- Capital Outlay on Major Irrigation	0071-01-101-0-04-000 [Staff employed in irrigation works- Pensionary Charges]	0.37 0.08  0.10	Pensionary Charges to be transferred to 0071 Pension and Other Retirement Benefits
4.	Urban Transport	2217-80-797 [Transfer of Cess collected on Motor Vehicle Tax to Reserve Fund and Deposit Account] 4217-60-902-0-03 [Amount met from SUTF]	8229-00-200-0-33 [State Urban Transport Fund]	51.55   51.55	Transfer of cess amount collected on Motor Vehicle Tax and contribution from General Revenues to SUTF and expenditure met there from
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]	638.80	Transfer of Forest Development Tax collected and initially accounted under Major Head 0045 to Major Head '8229 - Karnataka Forest Development Fund'
		2406-01-902-0-00-261 [Amount met from Karnataka Forest Development Fund]	8229-00-200-0-04-000 [Karnataka Forest Development Fund]	399.13	Expenditure initially incurred under Major Head 2406 has been transferred to Major Head '8229 - Karnataka Forest Development Fund'

**Annexure-A - contd.**  
**Statements of Periodical /Other adjustments**  
**(Note1 (ii) of Notes to Accounts)**  
**A-Periodical Adjustments –contd.**

(₹ in crore)

Sl. No.	Adjustment	Heads of Account affected		Amount	Remarks
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]	4.01	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]		4.55	Expenditure initially incurred under Major Head 2406 has been transferred to Major Head '8229 – Protected Area Management Fund'
7.	Forestry and Wild Life Afforestation Fund	2406-01-797-0-04-261 [Receipts to Afforestation Fund]	8229-00-200-0-34-000 [Afforestation Fund for Compensating Environmental Losses]	8.27	Transfer of Afforestation receipts to Afforestation Fund
		2406-01-902-0-03-261 [Amount met from Afforestation Fund]		3.90	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]	491.72	Adjustment of Infrastructure cess to Fund Head and the expenditure met there-from
		5465-01-902-0-00-261 [Deduct-Amount met from Infrastructure Initiative Fund]	8229-00-200-0-19-000 [Development and Welfare funds Infrastructure Initiative Fund]	491.72	



**Annexure-A - contd.**  
**Statements of Periodical /Other adjustments**  
**(Note1 (ii) of Notes to Accounts)**  
**A-Periodical Adjustments –contd.**

(₹ in crore)

Sl. No.	Adjustment	Heads of Account affected		Amount	Remarks
9.	Bangalore Metro Rail Corporation Ltd., Fund (BMRCL)	3475-00-797-0-01-261 [Transfer of cess to Infrastructure Initiative Fund]	8229-00-200-0-21- [Bangalore Metro Rail Corporation Ltd. Fund]	241.55	Adjustment of Infrastructure cess to BMRCL Fund Head and the expenditure met there-from
		6217-60-902-0-01-261 [Amount met from BMRCL Fund]		241.55	
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- [Chief Minister's Rural Road Development Fund]	129.40	Adjustment of Infrastructure cess to CMRRD Fund Head and the expenditure met there-from
		3054-80-902-0-00-261 [Expenditure met from CMRRD Fund]		129.40	
11.	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]	146.74	Central share of SDRF (₹1,46.74 crore) and State share of SDRF (₹48.91 crore) and NDRF (₹2,71.38 crore) has been transferred to '8121- State Disaster Response Fund of Karnataka' by debiting '2245- State Disaster Response Fund'- Expenditure initially met from '2245 – State Disaster Response Fund' has been transferred to 8121
		2245-05-101-0-04-261 [State Share to State Disaster Response Fund]		48.91	
		2245-05-101-0-05-261 [National Disaster Response Fund]		271.38	
		2245-05-901-0-04-261 [Amount met from National Disaster Response Fund- Inter Account transfers]		362.81	

**Annexure-A - contd.**  
**Statements of Periodical /Other adjustments**  
**(Note1 (ii) of Notes to Accounts)**  
**A-Periodical Adjustments –contd.**

(₹ in crore)

Sl. No.	Adjustment	Heads of Account affected		Amount	Remarks
11.	State Disaster Response Fund	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]		
12.	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]	23.86	The recurring cost of the management of the Fund is initially debited under 2235 and eventually transferred to 8011
13.	Industries – Departmentally managed Govt. Commercial Undertakings - Capital invested	2852-08-202-1-05-243 [Consumer Industries Textiles - Govt. Silk Filature - Kollegal]	0049-04-103-0-02-000 [Govt. Silk Filature - Kollegal]	0.17	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]	0.17		
2852-08-202-3-01-243 [Govt. Silk Filature - Chamarajanagar.]		0049-04-103-0-03-000 [Govt. Silk Filature - Chamarajanagar]	0.14		
2852-08-202-4-01-243 [Govt. Silk Filature - Mamballi]		0049-04-103-0-05-000 [Govt. Silk Filature - Mamballi]	0.18		
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]	0.11		
2852-08-202-6-01-243 [Govt. Mini Silk Filature unit - Tolahunse]		0049-04-103-0-07-000 [Govt. Mini Silk Filature unit -Tolahunse]	0.04		

**Annexure-A - contd.**  
**Statements of Periodical /Other adjustments**  
**(Note1 (ii) of Notes to Accounts)**  
**A–Periodical Adjustments –contd.**

(₹ in crore)

Sl. No.	Adjustment	Heads of Account affected		Amount	Remarks
14.	Industries – Departmentally managed Govt. Commercial Undertakings – Depreciation Reserve Fund	2049-05-101-1-01-271 [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
		2049-05-101-1-03-271 [Govt. Silk Filature - Chamarajanagar]	0852-08-202-3-02-000 [Govt. Silk Filature - Chamarajnagar]	0.02	
		2049-05-101-1-04-271 [Govt. Silk Filature - Santemarahalli]	0852-08-202-2-02-000 [Govt. Silk Filature - Santemarahalli]	0.02	
		2049-05-101-1-05-271 [Govt. Silk Filature - Mamballi]	0852-08-202-4-02-000 [Govt. Silk Filature - Mamballi]	0.03	
		2049-05-101-1-06-271 [Govt. Silk Twisting and Weaving Factory - Mudigundam]	0852-08-202-5-02-000 [Govt. Silk Twisting and Weaving Factory - Mudigundam]	0.01	
15.	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
16.	Ports & Light Houses Transfer of expenditure to Fund Account	3051-02-797-0-01-261 [Transfer of Receipts under Ports and Light Houses to Port Development Fund]	8229-00-112-0-00-000 [Port Development Fund]	10.50	Transfer of Receipts under Ports and Light Houses initially accounted under 1051/1052 to Port Development Fund
		3051-02-902-0-00-261  5051-80-902-0-00-261 [Amount met from Port Development Fund]		2.08  13.86	Transfer of expenditure initially accounted under 3051/5051 to Port Development Fund

**Annexure-A - contd.**  
**Statements of Periodical /Other adjustments**  
**(Note1 (ii) of Notes to Accounts)**  
**A-Periodical Adjustments –contd.**

(₹ in crore)

Sl. No.	Adjustment	Heads of Account affected		Amount	Remarks
17.	Adjustment of interest on Fund balance-Karnataka Govt., Dept.,	2049-03-108-0-00-240 [Interest Payments] Group Insurance Savings Scheme	8011-00-107-0-01 8011-00-107-0-02 [Insurance and Pension Funds-Karnataka State Life Insurance Fund]	5.03 160.93	Adjustment of interest on Fund balances
18.	Adjustment of interest on GPF	2049-03-104-1 [Adjustment of interest on G.P.F (State)]	8009-01-101-0-01 [General Provident Fund Karnataka]	859.87	Adjustment of actual interest on GPF (State) & AIS PF
		2049-03-104- [Interest on A.I.S.P.F]	8009-01-104-0-01 [All India Services Provident Fund Karnataka]	6.39	
19.	Adjustment of Travel concession against MVT dues	2011-02-800-0-04-041 [Travel Concession to Ex Members of Legislative Council]	0041-00-102-0-05 [Taxes on Vehicles and Service Tax]	0.15	Motor Vehicles Tax due to Govt. by State Transport Corporations adjusted towards free bus passes provided to Ex- MLAs & Ex – MLCs
20.	Village and Small Industries	2851-00-797-0-01-261 [Karnataka Silk worm seed cocoon & Silk Yarn Dev.]	8229-00-200-0-09-000 [Karnataka Silk Worm Seed Cocoon Yarn Development and Price Stabilisation Fund]	97.10	Transfer of Market Fee & Licence Fee to Price Stabilization Fund (PSF)
		2851-00-902-0-00-261 [Amount met from Price Stabilization Fund]		20.61	
21.	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]	0.25	Expenditure initially incurred under Police Department transferred to Forest Department Head

**Annexure-A - contd.**  
**Statements of Periodical /Other adjustments**  
**(Note1 (ii) of Notes to Accounts)**  
**A-Periodical Adjustments –concl.**

(₹ in crore)

Sl. No.	Adjustment	Heads of Account affected		Amount	Remarks
22.	Adjustment of Interest on KSLI (OB)	2049-03-108-1-01 [State Govt., Insurance Fund]	8011-00-105-1-01 [Subscription to Karnataka State Life Insurance Fund (Official Branch)]	603.81	Adjustment of amount of interest accumulated on K.S.L.I (O.B, Motor Insurance, H.S.L.I & F.B.F)
	Motor Insurance Fund	2049-03-108-1-02 [Motor Insurance Fund]	8011-00-105-2-00 [Motor Insurance Fund]	18.80	
	H.S.L.I	2049-03-108-1-03 [Hyderabad State Life Insurance Fund]	8011-00-105-3-00 [Andhra Pradesh Life Insurance Fund]	0.62	
	F.B.F	2049-03-108-2-00 [Government Employees Family Benefit Fund]	8011-00-102-0-02 [Karnataka Govt. Employees Family Benefit Fund]	10.12	

**Annexure-A - contd.**  
**Statements of Periodical /Other adjustments**  
**(Note1 (ii) of Notes to Accounts)**  
**B-Other Adjustments:**

(₹ in crore)

Sl. No.	Adjustment	Heads of Account affected		Amount	Remarks
1.	Guarantee Commission	2851-00-105-1-01-059 [Karnataka State Khadi & Village Industries Board]	0075-00-108-0-01 [Miscellaneous General Services – Guarantee Fees]	0.75	Guarantee Commission due by Karnataka State Khadi & Village Industries Board.
		2217-04-191-2-01-103 [Urban Development Grant in Aid- General]	0075-00-108-0-01 [Miscellaneous General Services- Guarantee Fees]	0.63	Guarantee Commission due by Karnataka Slum Development Board on HUDCO Loans.
		3054-80-800-0-10-059 [KRDCL – Other Expenses]	0075-00-108-0-01 [Miscellaneous General Services – Guarantee Fees]	1.74	Guarantee Commission due by Karnataka Road Development Corporation Limited to Government
		2701-80-800-7-04-100 [Medium Irrigation– Financial Assistance ]	0075-00-108-0-01 [Miscellaneous General Services – Guarantee Fees]	25.82	Guarantee Commission payable by KNNL
2.	Taxes on Sales, Trade, etc.,	2040-00-101-0-02-100 - Financial Assistance	0040-00- 101-0-01 [Tax collection on CST]	0.17	Payment towards Waiver of Tax and interest dues on arecanut dealers
			0040-00-101-0-04 [Taxes on Sales, Trade etc., Other Receipts]	0.17	
		2040-00-101-0-03-100 -Financial Assistance	0040-00-110-0-01 [Taxes on Sales, Trade etc., Sales Tax]	2.75	Waiver of VAT and Penalty due by dealers in Utensils
			0040-00-110-0-04 [Taxes on Sales, Trade etc., Other Receipts]	0.29	
2020-00-105-0-04-103 [Waiver of Tax & Interest Dues]	0028-00-107-0-01 [Interest on Professional Taxes]	0.02	Waiver of penalty & interest dues payable for delay in payments of Professional Tax by LIC		

**Annexure-A - contd.**  
**Statements of Periodical /Other adjustments**  
**(Note1 (ii) of Notes to Accounts)**  
**B-Other Adjustments – contd.**

(₹ in crore)

Sl. No.	Adjustment	Heads of Account affected		Amount	Remarks
3.	Loans for Consumer Industries	6860-05-190-1-00-394 [Loans for Consumer Industries]	4860-05-190-0-01-211 [Capital Outlay on Consumer Industries]	29.84	Conversion of working capital grant to loan to MPM Ltd.
4.	Sugar Industries	6860-04-190-1-16-394 [Conversion of purchase tax into interest/tax free loan]	0040-00-102-0-01 [Sales Tax]	34.08	Conversion of purchase tax on sugarcane into interest free loan in r/o 16 Co-op. sugar factories & Private sugar factories
5.	Mysore Electrical Industries	4858-01-190-0-06-211 [Investment in MEI ltd.]	0049-04-190-0-09 [Interest on loans to other undertakings]	22.92	Conversion of interest due by Mysore Electrical Industries into Equity
6.	Vijayanagar Steels Limited	4852-02-190-0-02-211 [ Investments in Vijayanagar Steel Plant]	4000-01-800-0-01 [Miscellaneous Capital Receipts]	6.03	Adjustment of actual Government investments in Vijayanagar Steels Limited
7.	Grant-in-aid to HAL	2040-00-101-0-04-103 [Grant for waiver of Tax dues]	0040-00-101-0-03 [Receipts under Central Sales Tax Act]	1,211.67	Grant in Aid to M/s HAL, Bangalore to enable waiver of interest & penalty
8.	MSIL	5465-02-190-0-03-211 [Investments in General Financial & Trading institution]	0049-04-190-0-09 [Interest on loans to other undertakings] 0075-00-103-0-00 [State Lotteries]	1.44 4.82	Conversion of outstanding dues payable by M/s MSIL into Equity
9.	Fiscal Management	3475-00-800-0-08-104 [Contribution to Fiscal Management Fund]	8235-00-200-0-05 [General and Other Reserve Fund]	640.00	Transfer of Contribution to the Fiscal Management Fund in the public accounts of the state

**Annexure-A - contd.**  
**Statements of Periodical /Other adjustments**  
**(Note1 (ii) of Notes to Accounts)**  
**B-Other Adjustments – conclud.**

(₹ in crore)

Sl. No.	Adjustment	Heads of Account affected		Amount	Remarks
10.	Road Transport Corporation	3055 [Road Transport]	0041 [Taxes on Vehicle]	77.00	Adjustment of Concessional value of bus passes issued to Students as subsidy to state owned transport companies against Motor Vehicle Tax dues
11.	Capital Outlay on Power Projects	4801-01-902-0-01-261 [Deduct amount met from Infrastructure Initiative Fund]	8229-00-200-0-19 [Infrastructure Initiative Fund]	500.00	Capital expenditure on Power Projects from Infrastructure Initiative Fund
12.	Loans to Karnataka Secondary Education Examination Board	6202-01-202-0-02 [Loans to KSEEB]	2202-02-792-0-00 [Secondary Education – Write Off]	0.55	Write-off of Loan into Grant



**Annexure–B**  
**Statement of Major Head-wise Receipts booked under**  
**Minor Head 800 - Other Receipts**  
**(Note 2 (i) of Notes to Accounts)**

(₹ in crore)

<i>Sl. No.</i>	<i>Major Head</i>	<i>Amount of Receipt/ Expenditure under Minor Head 800</i>	<i>Amount of Total Receipt/ Expenditure under Major Head</i>	<i>Percentage</i>
(1)	(2)	(3)	(4)	(5)
1	0217	2.58	2.58	100.00
2	1054	118.38	118.38	100.00
3	1456	0.46	0.46	100.00
4	6211	0.73	0.73	100.00
5	6702	0.02	0.02	100.00
6	6250	0.01	0.01	100.00
7	6885	0.08	0.08	100.00
8	7075	0.98	0.98	100.00
9	0506	0.22	0.22	100.00
10	0211	0.24	0.24	100.00
11	1452	1.11	1.12	99.24
12	6216	26.52	26.53	99.96
13	0235	23.05	23.34	98.75
14	0515	2.28	2.35	97.14
15	0220	1.28	1.33	96.24
16	4000	8.93	10.14	88.02
17	0059	18.00	21.31	84.47
18	0401	16.57	21.35	77.61
19	1475	57.28	88.08	65.03
20	1601	9,791.76	14619.45	66.98

**Annexure–C**  
**Statement of Major Head-wise Expenditure booked under**  
**Minor Head 800 - Other Expenditure**  
**(Note 2 (i) of Notes to Accounts)**

(₹ in crore)

<i>Sl. No.</i>	<i>Major Head</i>	<i>Amount of Receipt/ Expenditure under Minor Head 800</i>	<i>Amount of Total Receipt/ Expenditure under Major Head</i>	<i>Percentage</i>
(1)	(2)	(3)	(4)	(5)
1	6217 <sup>(a)</sup>	3,33.08	91.53	363.90
2	4217 <sup>(b)</sup>	2,78.15	226.60	122.75
3	4575	8,01.44	8,01.44	100.00
4	4705	57.63	57.63	100.00
5	3465	0.68	0.68	100.00
6	6235	3.30	3.30	100.00
7	6852	44.99	44.99	100.00
8	7465	2.00	2.00	100.00
9	5051	55.79	55.79	100.00
10	5452	1,78.90	1,93.90	92.26
11	2245	6,79.44	740.52	91.75
12	4401	57.00	68.98	82.63
13	4070	2.13	3.93	54.20

(a) The percentage is more than 100 due to “deduct-amount met from BMRC fund” (-) ₹241.55 crore

(b) The percentage is more than 100 due to “deduct-amount met from State Urban Transport fund” (-) ₹51.55 crore

**Annexure -D**  
**Adverse Balances appearing in the Finance Accounts**  
**(Note 4 (iv) of Notes to Accounts)**

Head of Account	Description	Amount (₹ in crore)
6003-108	Internal Debt of the State Government – Loans from National Co- operative Development Corporation	111.62 (Debit)
6004-03 & 6004-04	Loans and Advances from Central Government under Central Plan Scheme and Centrally Sponsored Scheme	23.66 (Debit)
6401-7475 & 7615	Loans and Advances	2.43 (Credit) (*)
7610	Loans to Government Servants	12.71(Credit) (*)

(\*) Adverse Balance is due to misclassification which is under reconciliation with the Department/ Treasuries



