SECOND CONFERENCE OF
STATE FINANCE SECRETARIES

LEVERAGING IT SYSTEMS AND DIGITAL PLATFORM FOR GOOD GOVERNANCE

19.09.2025

KARNATAKA IFMS – TRYING TO BUILD AN UNIFIED SYSTEM

STABLE AND MATURE INTEGRATION WITH APPLICATIONS OF OTHER DEPARTMENTS

Department	Year
Commercial Tax Department	
High Court Of Karnataka	2018
Direct Beneficiary Transfer (DBT)	
Transport department	2019
Directorate of Municipal Administration	
Department of Excise	2020
Land Registration system of IGR (KAVERI)	
Student Scholarship Programs	
Land Management System of Revenue Department (BHOOMI)	2021

e-SANCTION and e-BUDGET

e-SANCTION

- Sanction orders are generated online as a pre-activity of bill creation and tagged to the bills

- Sanction orders are approved by competent authority for limits and DSC signed

- General Delegation of Financial powers and Special Delegation of Financial powers wherever applicable are validated through the system

- Claims prepared with online sanction orders are validated for the values in sanction order against the classification, recipient category and financial limit

e-BUDGET

All the Budget Control processes are operationalized in Khajane 2 across the entire financial hierarchy

- ❖ Processes related to Budget Releases
  - Authorization to Incur Expenditure (AIE)
  - Delegation of Financial Power for release of funds (GDFP)
  - Fund Releases and Fund Redistribution

- ❖ Processes meant for Budget Modifications
  - Re-appropriation
  - Supplementary Estimates (SE)
  - Additionality
  - Contingency Fund
  - Surrender of Fund / Savings / Errata

e-RECEIPT and e-PAYMENT

e-RECEIPT

- Receipts Module of Khajane-II captures and records all the receipt transactions of Government of Karnataka (Tax, Non-tax and TTRs) through multiple modes of Netbanking, Credit & Debit Cards, UPI, NEFT/RTGS etc.,

FY	NO. OF CHALLANS	AMOUNT
2021-22	1,06,97,447	81,158 Crs
2022-23	1,86,09,793	1,17,724 Crs
2023-24	1,69,00,920	1,09,184 Crs
2024-25	1,90,71,021	1,14,546 Crs

e-PAYMENT

- Khajane is integrated with Electronic Payment Systems (EPS) for all government payments directly to the beneficiary bank accounts

- Various modes of payments enabled are DBT, Account based transactions, e-RUPI, In Kind, etc.

FY	TOTAL DDOS	BILL COUNT	AMOUNT in crs
2021-22	23,574	32,01,914	3,06,229.57
2022-23	30,949	35,95,467	3,36,230.60
2023-24	31,472	35,85,190	3,70,577.32
2024-25	31,556	36,75,112	4,42,613.89

e-HRMS and e-VOUCHER

e-HRMS

- HRMS is a separate standalone application used for generation of Government employees as well as Grant in Aid employees salary bills

- Khajane 2 is integrated with HRMS and employee salary related claims are being fetched from HRMS

HRMS COVERAGE	Count
Government Employees covered	5,03,000
Aided Employees covered	65,00,00
Boards/Corporation Employees covered	32,000
Average no. pay bills annually generated	7.9 lakh

e-VOUCHER

- Khajane 2 system developed e-Vouchers submission from the year 2022; however printed copies of e-vouchers being submitted to AG office

- Major step taken from June 1st 2025 wherein submission of printed copies of e-vouchers related to salary bills (around 7.5 lakhs bills annually) were completely eliminated

- Phased roll out is in progress to render e-Vouchers to AG digitally and completely eliminate submission of printed copies of other types of claims

- Digitized bills are transmitted with digital signature using 'server-to-server' communication to maintain data integrity and compliance to IT Act

WORKS MANAGEMENT & GOODS PROCUREMENT

WORKS MANAGEMENT

- Key modules available in e-Procurement system
  - ✓ Administrative approval of works
  - ✓ Tendering
  - ✓ Contract Management

- Khajane-2 and e-Procurement are integrated to facilitate digitised bill processing for works bill

- On pilot basis, digitised voucher is being shared with AG with the following system generated documents:
  - ✓ e-Measurement Book
  - ✓ Contract certificate
  - ✓ Sanction Order
  - ✓ Digitally signed voucher

- Submission of printed copies of bills and tampering of documents related to works gets eliminated

GOODS PROCUREMENT

- Workflow is being developed to facilitate end-to-end digitised processing of bills relate to goods procurement that includes online invoice generation

- Tendered Procurement (> INR 5 lakhs worth procurement)

  - **e-Procurement:** Workflow developed for admin approval, tendering, e-signed invoice submission by vendors; Khajane-2 is integrated with this system

  - **GEM:** Khajane 2 is being integrated with GeM to get the procurement invoice and draft bill

- Other Procurement (< INR 5 lakhs worth procurement)
  - **Vendor Management System:** Khajane-2 is developing a module that enables generation of e-signed purchase orders and invoices

BANK ACCOUNT VALIDATION (under development)

	ISSUES IN EXISTING SYSTEM	NEW SYSTEM
REAL TIME VERIFICATION OF BANK ACCOUNT DETAILS	▪ At times, knowingly or unknowingly DDOs used to enter wrong bank account /IFSC details resulting in the transactions failing at the bank level	▪ On entering bank account number and IFSC code, account holder details as per bank records will be displayed to DDOs and **once DDO verify and create recipient they will not be able to modify the details in the future**
ONLINE FD CONCURRENCE FOR OPENING NEW BANK ACCOUNTS	▪ Treasuries need access to the FD approval order every time a bill is submitted to transfer amount from Consolidated Fund to any bank account	▪ Module being developed for Admin departments to seek concurrence for opening of bank accounts and for FD to issue the concerned orders. **This order will be available for real time access to Finance Department, Admin Department and Treasuries**
QUARTERLY CERTIFICATION OF THE DETAILS OF BANK ACCOUNTS, FDs, ODs HELD IN THE NAME OF BOARDS AND CORPORATIONS	▪ Lack of centrally repository to track bank accounts and various financial instruments held by departments, autonomous bodies and PSUs	▪ K2 through integration with banks will be displaying the statement of bank accounts, fixed deposits, over drafts related to various entities. **Admin departments have to certify the correctness of these statements on a quarterly basis for future fund releases**

THANK YOU