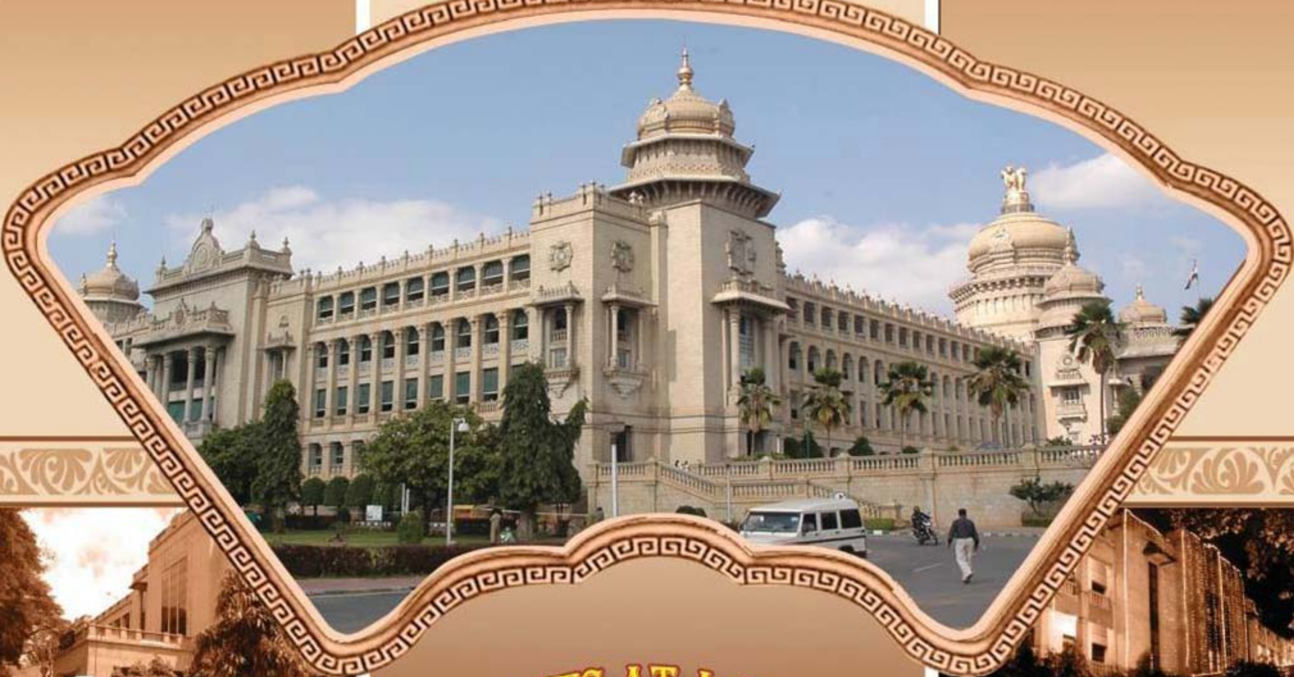
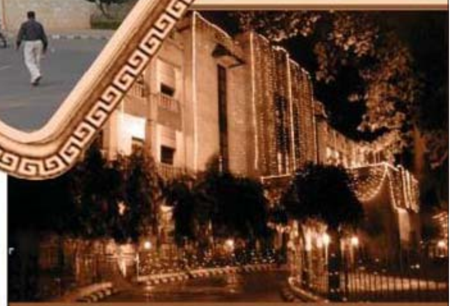
GOVERNMENT OF KARNATAKA





ACCOUNTS AT A GLANCE

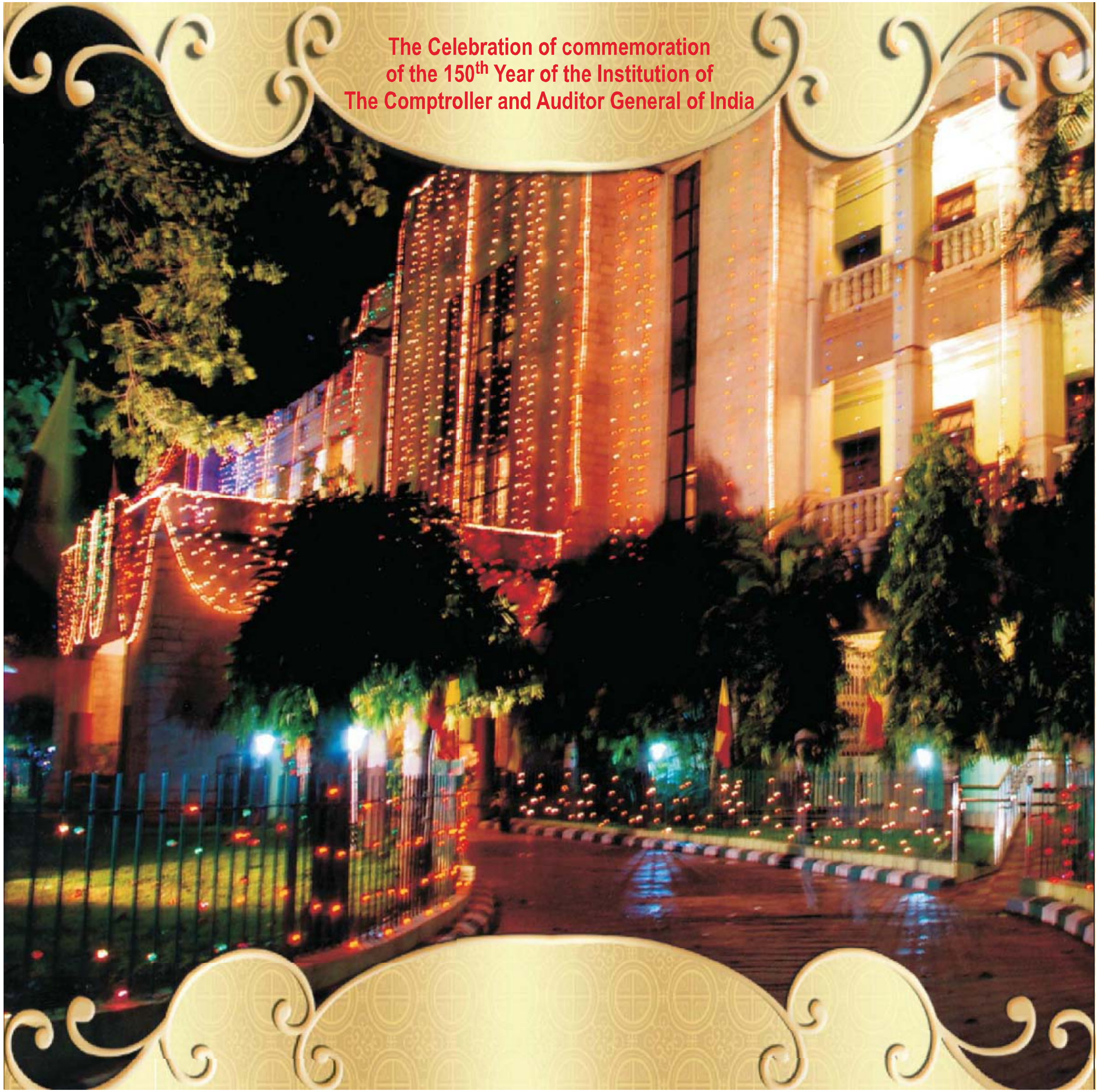
2009-10

PRINCIPAL ACCOUNTANT GENERAL

(ACCOUNTS & ENTITLEMENT)

KARNATAKA, BANGALORE

The Celebration of commemoration
of the 150th Year of the Institution of
The Comptroller and Auditor General of India



PREFACE

The Annual Accounts of the State Government are prepared and examined under the directions of the Comptroller and Auditor General of India (C&AG) in accordance with the requirements of Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971, for being laid before the Legislature of the State. The Annual Accounts consist of (a) Finance Accounts and (b) Appropriation Accounts.

Finance Accounts are summary statements of accounts under the Consolidated Fund, Contingency Fund and the Public Account. The Appropriation Accounts record the Grant-wise expenditures against provisions approved by State Legislature and offer explanations for variations between the actual expenditure and the funds provided.

The Principal Accountant General (Accounts and Entitlement) prepares the State Finance Accounts and Appropriation Accounts.

"Accounts at a Glance" provides a broad overview of Governmental activities, as reflected in the Finance Accounts and the Appropriation Accounts. The information is presented through brief explanations, statements and graphs.

We look forward to suggestions that would help us in improving the publication.

Place: Bangalore
Date:

(S. Prabhu)
Principal Accountant General (A&E)
Karnataka

OVERVIEW

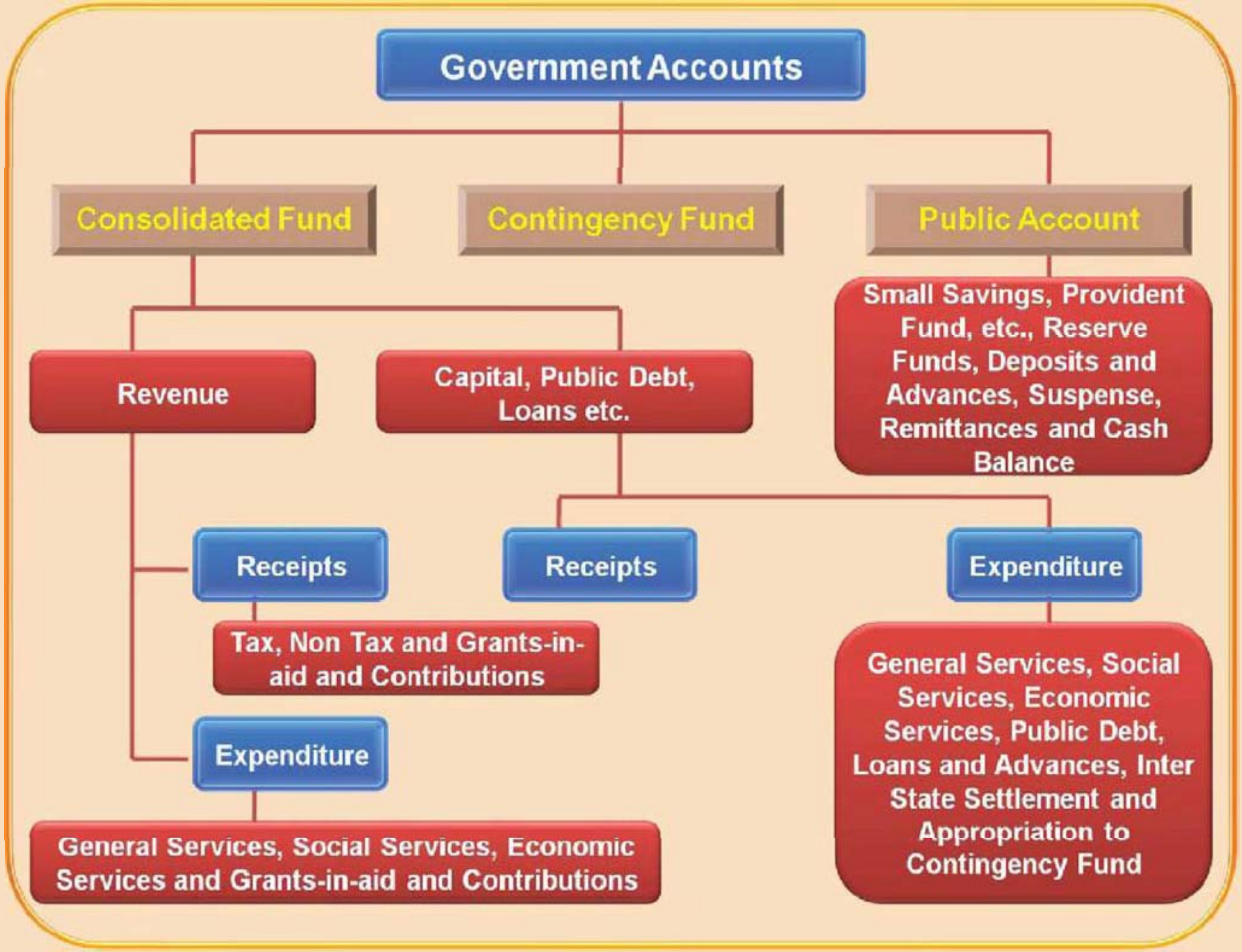
- The monthly accounts of the State Government are compiled and consolidated from the accounts submitted by the District Treasuries, Public Works and Forest Divisions etc., to the Principal Accountant General (Accounts and Entitlement).

- Besides, the Finance Accounts and the Appropriation Accounts are prepared annually by the Principal Accountant General (A&E) under the directions of the Comptroller and Auditor General of India in accordance with the requirements of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971.

- The accounts of Government are kept in three parts – Consolidated Fund, Contingency Fund and Public Account.

- Annual Accounts of the Government of Karnataka for the year 2009-10 have recently been presented to the State Legislature. Audit Reports of the Comptroller and Auditor General of India for the year 2009-10 are presented separately.

STRUCTURE OF GOVERNMENT ACCOUNTS



HIGHLIGHTS OF ACCOUNTS

Sl. No.	Particulars	B.E 2009-10 (₹in crore)		Actuals (₹in crore)		Percentage of Actuals to B.E.	Percentage of Actuals to SGDP*
01.	Tax Revenue	4,03,66.73		3,79,38.58		93.98	12.71
02.	Non-Tax Revenue	21,29.51		33,33.80		156.55	1.12
03.	Grants-in-aid & Contributions	58,92.80		78,83.32		133.78	2.64
04.	**Revenue Receipts (1+2+3)**	**4,83,89.04**		**4,91,55.70**		**101.58**	**16.47**
05.	Recovery of Loans & Advances	76.97		5,55.36		721.53	0.19
06.	Other Receipts - Miscellaneous Capital Receipts	19,00.00		69.79		3.67	0.02
07.	Borrowings and Other Liabilities	84,93.49	(#)	1,08,74.33	($)	128.03	3.64
08.	**Capital Receipts (5+6+7)**	**1,04,70.46**		**1,14,99.48**		**109.83**	**3.85**
09.	**Total Receipts (4+8)**	**5,88,59.50**		**6,06,55.18**		**103.05**	**20.32**
10.	**Non-Plan Expenditure (NPE) (11+13)**	**3,43,43.54**		**3,63,18.11**		**105.75**	**12.17**
11.	NPE on Revenue Account	3,31,84.32		3,52,34.24		106.18	11.81
12.	NPE on Interest Payments out of 11	55,78.00		52,12.91		93.45	1.75
13.	NPE on Capital Account	11,59.22		10,83.87		93.50	0.36
14.	**Plan Expenditure (PE) (15+16)**	**2,45,15.96**		**2,43,37.07**		**99.27**	**8.15**
15.	PE on Revenue Account	1,40,53.35		1,23,02.68		87.54	4.12
16.	PE on Capital Account	1,04,62.61		1,20,34.39		115.02	4.03
17.	**Total Expenditure {(10+14) = (18+19)}**	**5,88,59.50**		**6,06,55.18**		**103.05**	**20.32**
18.	Revenue Expenditure (11+15)	4,72,37.67		4,75,36.92		100.63	15.93
19.	Capital Expenditure (13+16)	1,16,21.83	(a)	1,31,18.26	(b)	112.88	4.40
20.	**Revenue Surplus (4-18)**	**11,51.37**		**16,18.78**		**140.60**	**0.54**
21.	**Fiscal Deficit {(17) - (4+5+6) = 7}**	**84,93.49**		**1,08,74.33**		**128.03**	**3.64**

(*) SGDP for 2009-10: ₹29,84,65 crore {Source: Directorate of Economics and Statistics, Bangalore}.

(#) Comprises net contribution from (i) 'E Public Debt' {₹71,49.26 crore}; (ii) 'Public Account' {₹12,58.35 crore} and (iii) 'Cash Balance' { ₹85.88 crore}.

($) Comprises net contribution from (i) 'E Public Debt' {₹56,82.53 crore}; (ii) 'Contingency Fund' {₹2.10 crore}; (iii) 'Public Account' { ₹54,40.47 crore} and (iv) 'Cash Balance' { ₹(-)2,50.77 crore}.

(a) Comprises provision on 'Capital Outlay' {₹1,06,12.74 crore} and 'F Loans and Advances' {₹10,09.09 crore}.

(b) Comprises expenditure incurred on 'Capital Outlay' {₹1,21,36.68 crore} and 'F Loans and Advances' {₹9,81.58 crore}.

FINANCE ACCOUNTS

Finance Accounts present the accounts of receipts and net outgoings (after adjusting recoveries as reduction of expenditure) of the Government for the year, together with the financial results disclosed by the revenue and capital accounts, the accounts of the public debts and the liabilities and assets as worked out from the balances recorded in the accounts.

- The opening cash balance for the year 2009-10 as on 1st April 2009: (-) ₹3,58.45 crore.
- The closing cash balance for the year 2009-10 as on 31st March 2010: (-) ₹1,07.68 crore

RECEIPTS

TOTAL RECEIPTS: ₹29,37,07.70 CRORE

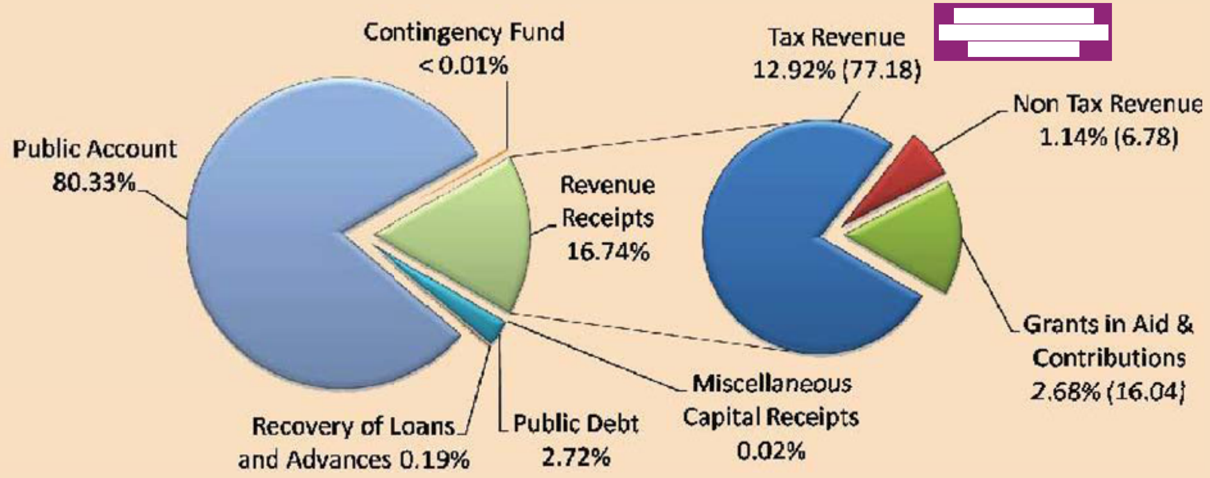
- **Consolidated Fund** ₹5,77,71.71 crore
- **Contingency Fund** ₹2.10 crore
- **Public Account** ₹23,59,33.89 crore

Receipts on Revenue Account ₹4,91,55.70 crore

- Tax Revenue ₹3,79,38.58 crore
- Non-Tax Revenue ₹33,33.80 crore
- Grants-in-aid and Contributions ₹78,83.32 crore

Receipts on Capital Account ₹86,16.01 crore

- Miscellaneous Capital Receipts ₹69.79 crore
- Public Debt ₹79,90.86 crore
- Loans and Advances ₹5,55.36 crore



DISBURSEMENTS

TOTAL DISBURSEMENTS : ₹29,34,56.93 CRORE

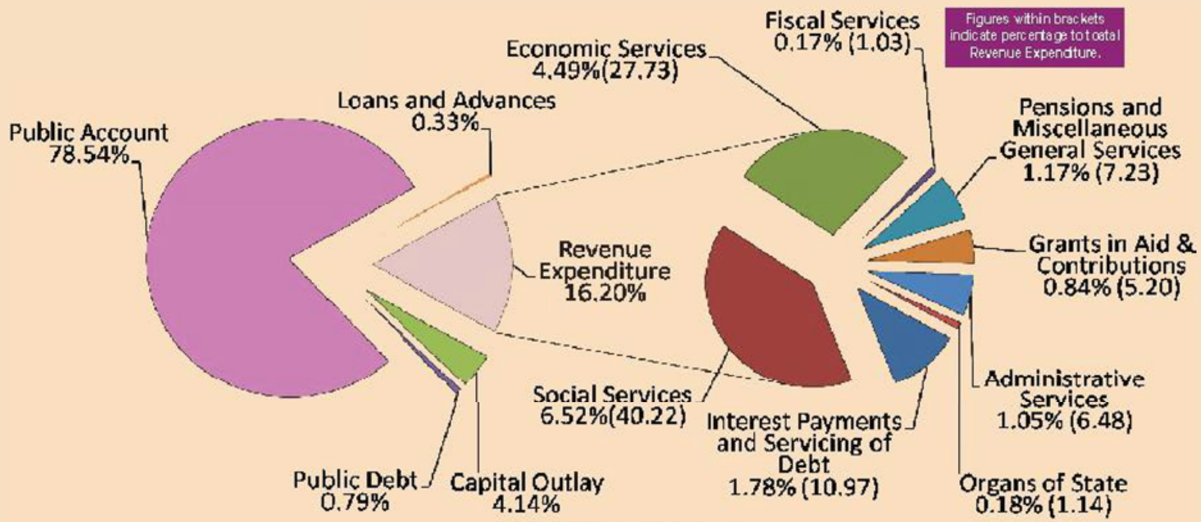
- **Consolidated Fund** ₹ 6,29,63.51 crore
- **Contingency Fund** Nil
- **Public Account** ₹ 23,04,93.42 crore

Expenditure on Revenue Account ₹4,75,36.92 crore

- General Services ₹1,27,62.34 crore
- Social Services ₹1,91,18.86 crore
- Economic Services ₹1,31,81.71 crore
- Grants-in-aid and Contributions ₹24,74.01 crore

Expenditure on Capital Account ₹1,54,26.59 crore

- Capital Outlay ₹1,21,36.68 crore
- Public Debt ₹23,08.33 crore
- Loans and Advances ₹9,81.58 crore



REVENUE RECEIPTS

Components	Actuals (₹ in crore)	Percentage to total Revenue Receipts
A. Tax Revenue*	**3,79,38.58**	**77.18**
Taxes on Income and Expenditure	52,52.05	10.68
Taxes on Property and Capital Transactions	27,62.30	5.62
Taxes on Commodities and Services	2,99,24.23	60.88
B. Non-Tax Revenue	**33,33.80**	**6.78**
Interest Receipts, Dividends and Profits	4,13.35	0.84
General Services	8,45.87	1.72
Social Services	2,38.60	0.48
Economic Services	18,35.98	3.74
C. Grants-in-aid and Contributions	**78,83.32**	**16.04**
TOTAL-REVENUE RECEIPTS	**4,91,55.70**	**100.00**

* Includes ₹73,59.98 crore being the State's share of allocable taxes received from Union Government.

- Total Tax Revenue of ₹3,79,38.58 crore and Non-Tax Revenue of ₹33,33.80 crore formed 12.71 *percent* and 1.12 *percent* respectively of the SGDP (SGDP for 2009-10: ₹ 29,84,65 crore).

MAJOR CONTRIBUTORS TO REVENUE

Head of Account	₹ in crore	
Taxes on Sales, Trade etc.	1,58,32.67	(5.30)
State Excise	69,46.32	(2.33)
Stamps and Registration Fees	26,27.57	(0.88)
Corporation Tax	30,28.92	(1.01)
Taxes on Vehicles	19,61.60	(0.66)
Taxes on Income Other than Corporation Tax	16,87.23	(0.57)
Taxes on Goods and Passengers	12,91.13	(0.43)
Customs	10,30.07	(0.35)
Union Excise Duties	8,29.73	(0.28)
[Amount of revenue as a percent of SGDP is indicated in parentheses. SGDP for 2009-10: ₹29,84,65 crore]		

Net Tax receipts during the year was less than the budget estimates by ₹24,28.15 crore. Major variations were under;

ACTUALS LESS THAN BUDGET ESTIMATES	ACTUALS MORE THAN BUDGET ESTIMATES
Taxes on Sales, Trade etc., (₹18,94.65 crore)	Corporation Tax (₹5,21.86 crore)
Stamps and Registration Fees (₹9,39.05 crore)	State Excise (₹4,46.32 crore)
Union Excise Duties (₹4,44.90 crore)	Taxes and Duties on Electricity (₹2,73.62 crore)
Customs (₹4,31.38 crore)	Other Taxes & Duties on Commodities & Services (₹1,27.39 crore)
Taxes on Goods and Passengers (₹1,48.18 crore)	Taxes on Income other than Corporation Tax (₹1,12.94 crore)
Other Taxes on Income and Expenditure (₹74.34 crore)	Land Revenue (₹37.39 crore)
Service Tax (₹48.83 crore)	Taxes on Vehicles (₹24.10 crore)

- Capital Receipts during the year was more than the budget estimates by ₹10,29.02 crore.
- ₹23,80.84 crore was more under Borrowings and Other Liabilities and ₹4,78.39 crore more under recovery of Loans and Advances.
- ₹18,30.21 crore was less under Miscellaneous Capital Receipts.

DISBURSEMENTS

- ***Revenue Disbursements:*** **₹4,75,36.92 crore (net)**
  - **15.93 *percent* of SGDP.**
  - **More than budget estimates by ₹2,99.25 crore (₹17,50.67 crore less disbursement under Plan and ₹20,49.92 crore more under Non-Plan).**

- ***Capital Disbursements:*** **₹1,31,18.26 crore**
  - **4.40 *percent* of the SGDP.**
  - **More than budget estimates by ₹14,96.43 crore (₹15,71.78 crore more under Plan and ₹75.35 crore less under Non-plan).**

- ***Plan Disbursements:*** **₹2,43,37.07 crore**
  - **₹1,23,02.68 crore under Revenue and ₹1,20,34.39 crore under Capital.**
  - **₹2,26,22.71 crore under State Plan, ₹2,36.29 crore of State Share under Centrally Sponsored Schemes and ₹14,78.07 crore of GOI share under Centrally Sponsored/Central Plan Schemes.**

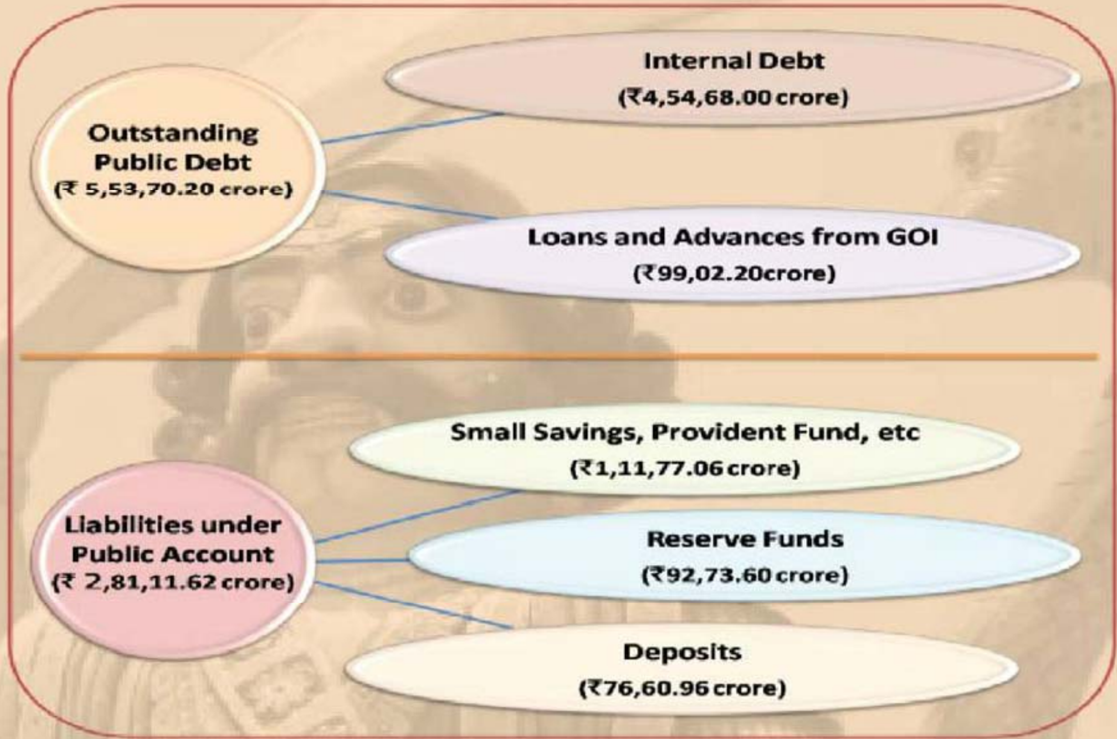
- ***Non-Plan Disbursements:*** **₹3,63,18.11 crore**
  - **₹3,52,34.24 crore under Revenue and ₹10,83.87crore under Capital.**

DISTRIBUTION OF REVENUE EXPENDITURE

Components	Amount (₹ in crore)	Percentage to Total Revenue Expenditure
A. Fiscal Services	**4,91.90**	**1.03**
· Collection of Taxes on Income and Expenditure	4.89	0.01
· Collection of Taxes on Property and Capital transactions	2,08.16	0.44
· Collection of Taxes on Commodities and Services	2,73.83	0.57
· Other Fiscal Services	5.02	0.01
B. Organs of State	**5,43.53**	**1.14**
C. Interest Payments and Servicing of debt	**52,12.91**	**10.97**
D. Administrative Services	**30,79.17**	**6.48**
E. Pensions and Miscellaneous General Services	**34,34.83**	**7.23**
F. Social Services	**1,91,18.86**	**40.22**
G. Economic Services	**1,31,81.71**	**27.73**
H. Grants-in-aid and Contributions	**24,74.01**	**5.20**
Total Expenditure (Revenue Account)	**4,75,36.92**	**100.00**

- Expenditure on Subsides during the year was ₹41,18.14 crore (8.66 percent to Revenue Expenditure).
- Expenditure on Maintenance during the year was ₹6,19.31 crore (1.30 percent to Revenue Expenditure).

DEBT AND LIABILITIES



- Interest payments on debt and other liabilities: ₹52,12.91 crore. (10.97 *percent* of revenue expenditure)
  - On public debt: ₹44,26.75 crore (Internal debt: ₹36,74.54 crore + Loans and advances from GOI: ₹7,52.21 crore)
  - On Other Liabilities: ₹7,86.15 crore.
- Expenditure on account of interest payments increased by ₹6,80.88 crore during 2009-10 over 2008-09.

INVESTMENTS AND RETURNS

- Total investments in Statutory Corporations, Government Companies, Joint Stock Companies, Co-operative Banks and Societies etc.: ₹3,24,83.28 crore at the end of 2009-10.
- Dividend/interest received during the year: ₹29.51 crore (0.09 *percent* on investment).
- During 2009-10, investments increased by ₹58,11.21 crore.
- The dividend/ interest income decreased by ₹10.68 crore over 2008-09.

LOANS AND ADVANCES BY THE STATE GOVERNMENT

- **Loans and advances made by the State Government at the end of 2009-10: ₹80,46.42 crore.**

- **Arrears at the end of March 2010 (does not include arrears of loans maintained by the Departmental Officers):**
  - **Recovery of principal: ₹4,69.46 crore.**
  - **Interest on loan: ₹8,46.26 crore.**

CASH BALANCES

- The General Cash Balance as at the end of the year 2009-10 was ₹87,82.31 crore (Dr.) comprising Deposits with Reserve Bank of India ₹1,07.69 crore (Cr.) Remittances in transit – local ₹0.01 crore (Dr.) and Investments held in Cash Balance Investment Account* ₹88,89.99 crore (Dr.).
- The Cash Balance increased from (-) ₹3,58.45 crore at the beginning of the year 2009-10 to (-) ₹1,07.68 crore at its end.
- The closing cash balance communicated by Reserve Bank of India was ₹1,29.30 crore (Dr.) as against ₹1,07.69 crore (Cr.) shown in accounts under 'Deposits with Reserve Bank of India'. The difference of ₹21.61 crore (Cr.) is under reconciliation.
- Other cash balances and investments as on 31st March 2010 stood at ₹9,91.21 crore (Dr.) - comprising Cash with Departmental Officers ₹9.15 crore (Dr.), Permanent Advances with Departmental Officers ₹1.62 crore (Dr.) and Investments of Earmarked Funds ₹9,80.44 crore (Dr.).

* This account is intended for the record of transactions relating to temporary investment of cash balance in short term investment in treasury bills or other Government securities.

DETAILS OF SOURCES AND APPLICATION OF FUNDS

SOURCES			APPLICATION		
Sl. No.	Items	Amount (₹ in crore)	Sl. No.	Items	Amount (₹ in crore)
1.	**Opening Cash balance**	**(-) 3,58.45**	1.	Revenue expenditure	4,75,36.92
2.	State's share of Union Taxes	73,59.98	2.	Capital expenditure	1,21,36.68
3.	State's own revenue collection	3,39,12.40	3.	Loans and advances repaid (E-Public Debt)	23,08.33
4.	Central grants/assistance - other than loans	78,83.32	4.	Loans and Advances (F-Loans and Advances)	9,81.58
5.	Miscellaneous Capital Receipts	69.79			
6.	Receipts from public debt small savings deposits and advances (other than central loans)	1,06,86.85			
7.	Receipts from Central loans	6,80.85			
8.	Recoveries from Borrowers	5,55.36			
9.	Net contribution from Contingency Fund	2.10			
10.	Net effect of adjustment of suspense and remittance balances and increase / decrease of reserve funds	20,63.63	5.	**Closing Cash balance**	**(-) 1,07.68**

APPROPRIATION ACCOUNTS

The Appropriation Accounts of the Government of Karnataka for the year 2009-10 present the accounts of sums expended in the year ended 31st March 2010, compared with the sums specified in the Schedules appended to the Appropriation Acts passed by the State Legislature under Articles 204 and 205 of the Constitution of India. Appropriation Accounts show voted and charged expenditure and supplements the Finance Accounts. The Appropriation Accounts for the year 2009-10 comprises accounts of one charged Appropriation and twenty eight voted Grants.

- **Appropriation Acts 2009 and 2010 had projected a gross expenditure of ₹7,63,99.97 crore (including the Supplementary Grants ₹1,19,78.35 crore).**
- **Appropriation Accounts 2009-10 show disbursements of ₹6,54,37.24 crore.**
- **Thus, there was a saving of ₹1,09,62.73 crore.**

SUMMARY

Sl. No.	Nature of expenditure		Provision (Original + Supplementary)	Actual expenditure	Savings	Reappropriation (#)
			(₹ in crore)			
1	Revenue	Voted	5,03,54.43	4,38,39.83	65,14.60	(-) 16,43.70
		Charged	*57,65.22*	*56,29.77*	*1,35.45*	*(-) 4,00.50*
2	Capital	Voted	1,54,66.96	1,26,77.73	27,89.23	(-) 10,61.96
3	Public Debt	*Charged*	*36,83.07*	*23,08.33*	*13,74.74*	*(-) 13,75.01*
4	Loans and Advances	Voted	11,30.29	9,81.58	1,48.71	(-) 20.41
	Total	**Voted**	**6,69,51.68**	**5,74,99.14**	**94,52.54**	**(-) 27,26.07**
		Charged	***94,48.29***	***79,38.10***	***15,10.19***	***(-) 17,75.51***

Net of re-appropriation and surrender

RECOVERIES / EXPENDITURE

- **An amount of ₹41,09.29 crore was projected as recoveries in reduction of expenditure.**
- **Recoveries in reduction of expenditure amounted to ₹24,73.73 crore, reflecting a decrease of ₹16,35.56 crore vis-à-vis budget estimates.**
- **Expenditure of ₹6,54,37.24 crore, comprising;**
  - **Revenue Expenditure: ₹4,94,69.60 crore**
  - **Capital Expenditure: ₹1,26,77.73 crore**
  - **Repayment of Debt: ₹23,08.33 crore and**
  - **Loans and Advances: ₹9,81.58 crore**

GRANT WISE DETAILS OF SAVINGS / EXCESS

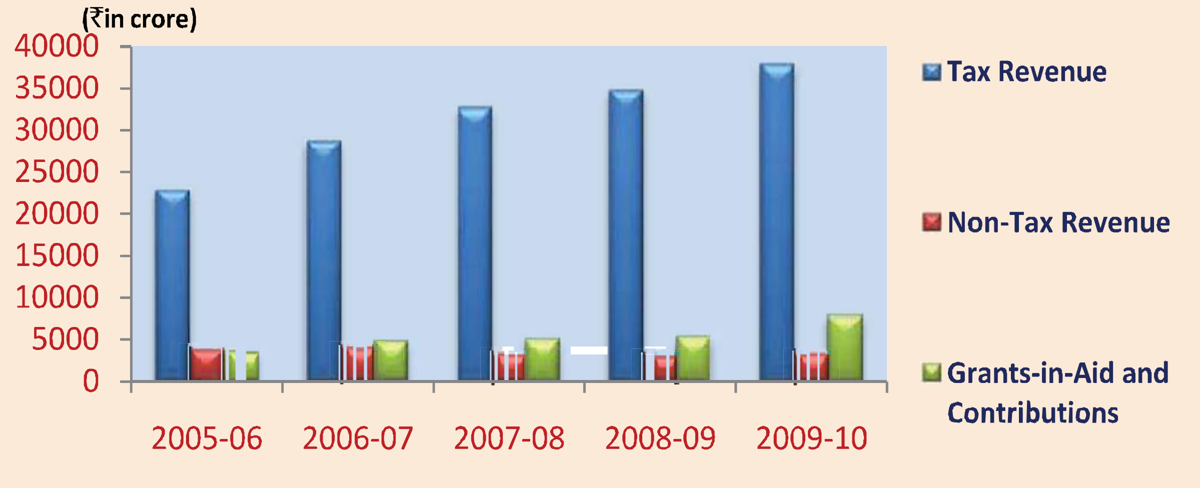
Grant No. and Name		Revenue		Capital	
		Voted	Charged	Voted	Charged
		(₹ in crore)			
01	Agriculture and Horticulture	(-) 6,24.79	(-) 0.21	(-) 13.50	...
02	Animal Husbandry and Fisheries	(-) 1,21.90	(-) 0.17	(-) 28.73	...
03	Finance	(-) 17,31.17	(-) 0.37	(-) 16.83	...
04	Department of Personnel and Administrative Reforms	(-) 91.04	(-) 9.29	...	...
05	Home and Transport	(-) 50.25	...	(-) 18.21	...
06	Infrastructure Development	(-) 5.99	...	(-) 19.51	...
07	Rural Development and Panchayat Raj	(-) 4,71.36	...	(-) 5,14.26	...
08	Forest, Ecology and Environment	(-) 27.14	(+) 2,60.48	(-) 0.17	...
09	Co-operation	(-) 1,26.06	...	(-) 13.61	...
10	Social Welfare	(-) 3,48.63	...	(-) 27.54	...
11	Women and Child Development	(-) 2,65.84	...	(-) 25.39	...
12	Information, Tourism and Youth Services	(-) 33.24	...	(-) 16.27	...
13	Food and Civil Supplies	(-) 17.13	(-) 0.03	...	...
14	Revenue	(+) 6,54.93	(+) 0.01	(-) 1.61	...
15	Information Technology	(-) 12.48	...	(-) 2.10	...
16	Housing	(-) 1,20.68	...	(-) 35.10	...
17	Education	(-) 4,14.55	...	(-) 55.69	...
18	Commerce and Industries	(-) 5,31.68	...	(-) 19.07	...
19	Urban Development	(-) 12,48.07	...	(-) 2,59.34	...
20	Public Works	(-) 2,44.90	...	(-) 5,17.33	...
21	Water Resources	(-) 60.96	...	(-) 9,83.71	...
22	Health and Family Welfare Services	(-) 2,07.33	...	(-) 65.27	...
23	Labour	(-) 85.13	...	(-) 3.05	...
24	Energy	(-) 88.66	...	(-) 1,81.29	...
25	Kannada and Culture	(-) 60.44	...	(-) 7.36	...
26	Planning, Statistics, Science and Technology	(-) 1,45.76	...	(-) 1,13.00	...
27	Law	(-) 15.86	...	...	...
28	Parliamentary Affairs and Legislation	(-) 18.52	(-) 0.22	...	...
29	Debt Servicing	...	(-) 3,85.65	...	(-) 13,74.74

Note: Figures with (+) sign indicate Excess and (-) Sign indicate Savings

REVENUE RECEIPTS

Year	Tax Revenue	Non-Tax Revenue	Grants-in-aid and Contributions (₹ in crore)	Total Revenue Receipts	SGDP*	Percentage of Total Revenue Receipts to SGDP
2005-06	2,28,45	38,75	36,32	3,03,52	18,37,96	16.51
2006-07	2,86,75	40,99	48,13	3,75,87	20,57,84	18.27
2007-08	3,27,66	33,58	50,27	4,11,51	24,00,62	17.14
2008-09	3,48,00	31,59	53,32	4,32,91	27,06,99	15.99
2009-10	3,79,39	33,34	78,83	4,91,56	29,84,65	16.47

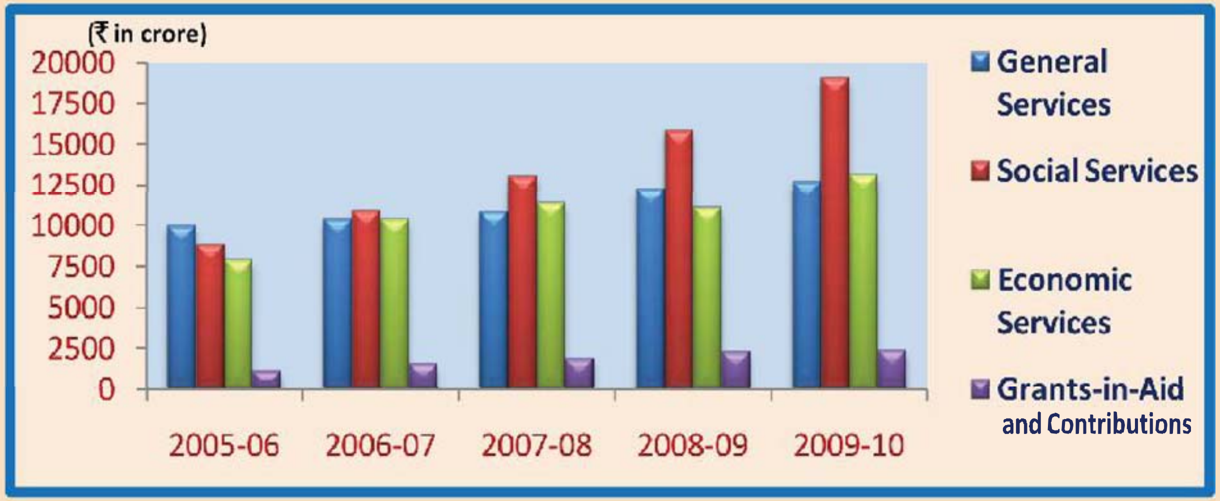
* SGDP for 2009-10: ₹29,84,65 crore {Source: Directorate of Economics and Statistics, Bangalore}.



REVENUE EXPENDITURE

Year	General Services	Social Services	Economic Services	Grants-in-aid and Contributions	Total Revenue Expenditure	SGDP*	Percentage of Total Revenue Expenditure to SGDP
	(₹ in crore)						
2005-06	1,00,36	88,99	79,47	11,59	2,80,41	18,37,96	15.26
2006-07	1,04,19	1,09,37	1,04,40	16,39	3,34,35	20,57,84	16.25
2007-08	1,08,72	1,31,24	1,14,53	19,26	3,73,75	24,00,62	15.57
2008-09	1,22,75	1,58,73	1,11,37	23,74	4,16,59	27,06,99	15.39
2009-10	1,27,62	1,91,19	1,31,82	24,74	4,75,37	29,84,65	15.93

* SGDP for 2009-10: ₹29,84,65 crore {Source: Directorate of Economics and Statistics, Bangalore}.

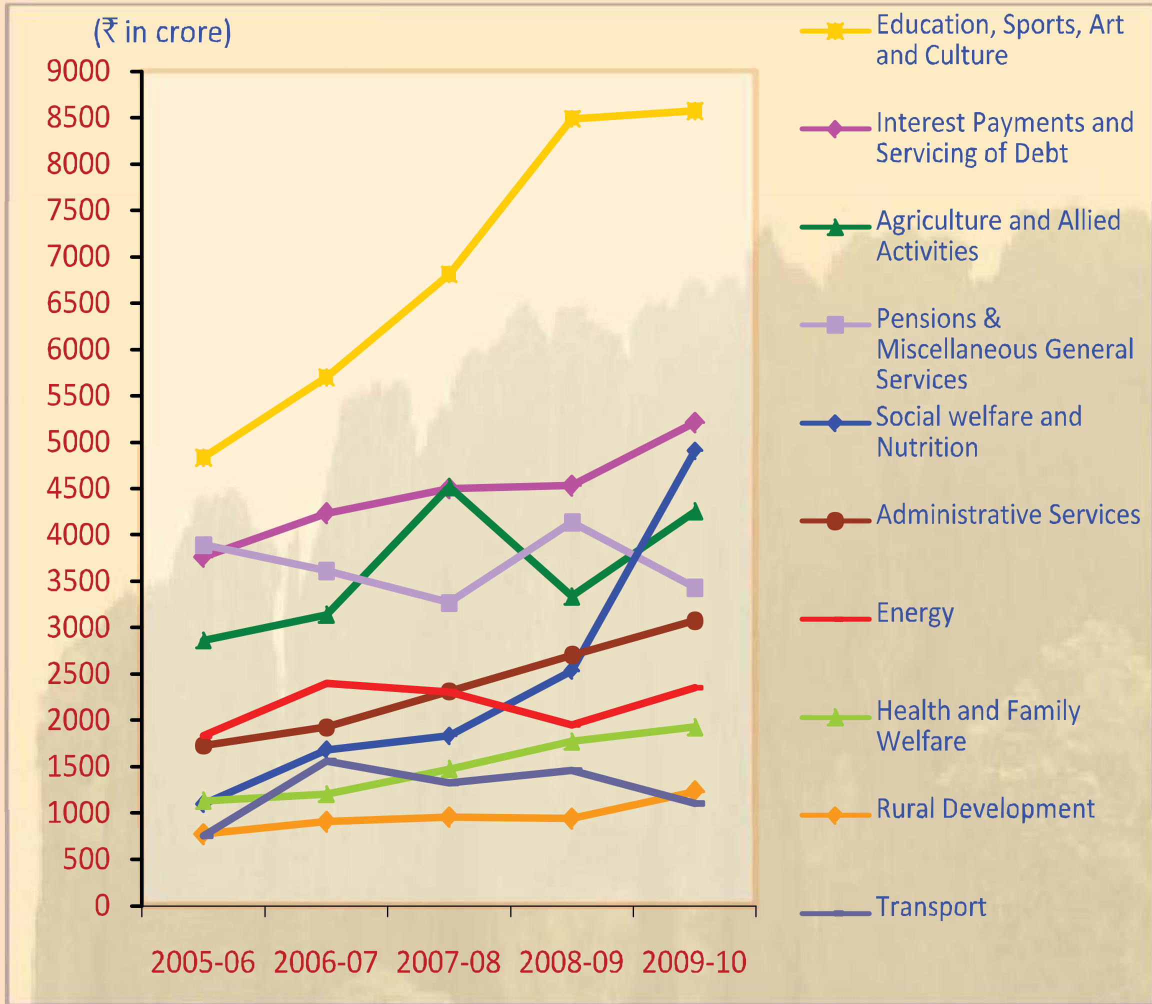


TREND ANALYSIS

EXPENDITURE IN MAJOR AREAS

Areas of expenditure	2005-06	2006-07	2007-08	2008-09	2009-10
	(₹ in crore)				
Interest Payments and Servicing of Debt	37,65	42,36	45,06	45,32	52,13
Pensions and Miscellaneous General Services	38,95	36,11	32,72	41,39	34,35
Administrative Services	17,32	19,29	23,16	27,05	30,79
Education, Sports, Art and Culture	48,37	57,03	68,11	84,92	85,76
Health and Family Welfare	11,38	12,07	14,78	17,73	19,27
Social welfare and Nutrition	11,02	16,85	18,34	25,40	49,08
Agriculture and Allied Activities	28,67	31,41	45,18	33,38	42,58
Rural Development	7,76	9,07	9,59	9,41	12,33
Energy	18,37	24,02	23,08	19,52	23,53
Transport	7,56	15,64	13,26	14,62	11,08

EXPENDITURE IN MAJOR AREAS PRESENTATION IN GRAPH



COMPARISON OF REVENUE EXPENDITURE WITH TOTAL EXPENDITURE

Year	Revenue Expenditure (₹ in crore)	Total Expenditure # (₹ in crore)	SGDP* (₹ in crore)	Percentage increase over previous year: Revenue Expenditure	Percentage increase over previous year: Total Expenditure	Percentage increase over previous year: SGDP	Percentage of Government's Total Expenditure to SGDP
2005-06	2,80,41	3,49,73	18,37,96	12.47	(-) 2.06	17.64	19.03
2006-07	3,34,35	4,40,85	20,57,84	19.24	26.05	11.96	21.42
2007-08	3,73,75	4,81,09	24,00,62	11.78	9.13	16.66	20.04
2008-09	4,16,59	5,40,39	27,06,99	11.46	12.33	12.76	19.96
2009-10	4,75,37	6,29,64	29,84,65	14.11	16.52	10.26	21.10

(#) Total expenditure accounted under Part I – Consolidated Fund (Government's Total Expenditure).

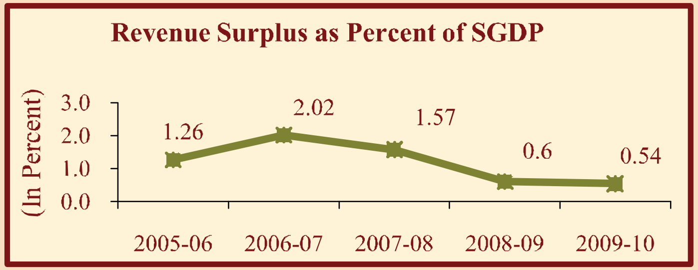
(*) SGDP for 2009-10: ₹29,84,65 crore {Source: Directorate of Economics and Statistics, Bangalore}.

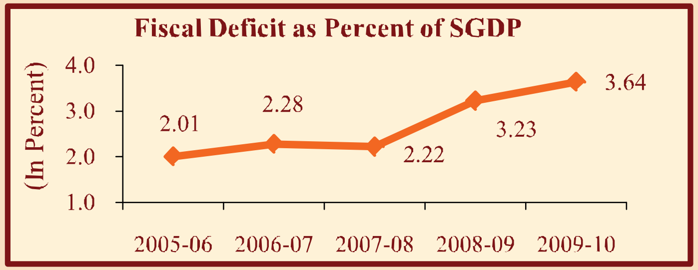
DETAILS OF FISCAL PARAMETERS OF THE GOVERNMENT

Years	SGDP* (₹ in crore)	Revenue Surplus (₹ in crore)	Revenue Surplus as percent of SGDP	Fiscal Deficit (₹ in crore)	Fiscal Deficit as percent of SGDP
2005-06	18,37,96	23,11	1.26	36,87	2.01
2006-07	20,57,84	41,52	2.02	46,88	2.28
2007-08	24,00,62	37,76	1.57	53,31	2.22
2008-09	27,06,99	16,32	0.60	87,32	3.23
2009-10	29,84,65	16,19	0.54	1,08,74	3.64

(*) State Gross Domestic Product {Source: Directorate of Economics and Statistics Bangalore}.

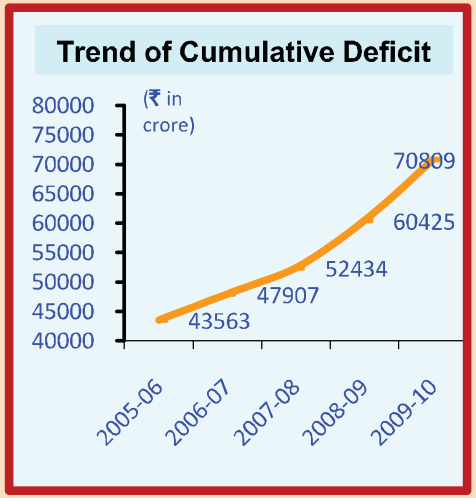
- Revenue Surplus represents the net of revenue receipts over revenue expenditure of the Government
- Fiscal Deficit is calculated as the total expenditure (Revenue + Capital + Net Loans and Advances) less Revenue Receipts and Miscellaneous Capital Receipts.





GOVERNMENT ACCOUNT

- The total expenditure (Revenue and Capital Outlay) for the year is netted against total receipts (Revenue and non-debt Capital receipts) and the surplus/ deficit thereof is transferred to a separate ledger called **'Government Account'**.
- In addition net effect of Prior Period Adjustments Miscellaneous Government Accounts etc. is also transferred to the 'Government Account'.
- Thus, 'Government Account' represents the cumulative surplus/ deficit of the operations of the Government.



Year	Revenue Heads			Capital Heads			Other Heads (#) Deficit (-) Surplus (+)	Deficit (-) Surplus (+) for the year	Cumulative deficit (-) surplus (+)
	Receipts	Disbursements	Deficit (-) Surplus (+)	Receipts	Disbursements	Deficit (-) Surplus (+)			
	(₹ in crore)								
2005-06	3,03,52	2,80,41	(+) 23,11	…	58,22	(-) 58,22	(+) 74	(-) 34,37	(-) 4,35,63
2006-07	3,75,87	3,34,35	(+) 41,52	…	85,43	(-) 85,43	(+) 47	(-) 43,44	(-) 4,79,07
2007-08	4,11,51	3,73,75	(+) 37,76	2,46	86,49	(-) 84,03	(+) 1,00	(-) 45,27	(-) 5,24,34
2008-09	4,32,91	4,16,59	(+) 16,32	1,81	98,70	(-) 96,89	(+) 66	(-) 79,91	(-) 6,04,25
2009-10	4,91,56	4,75,37	(+) 16,19	70	1,21,37	(-) 1,20,67	(+) 64	(-) 1,03,84	(-) 7,08,09

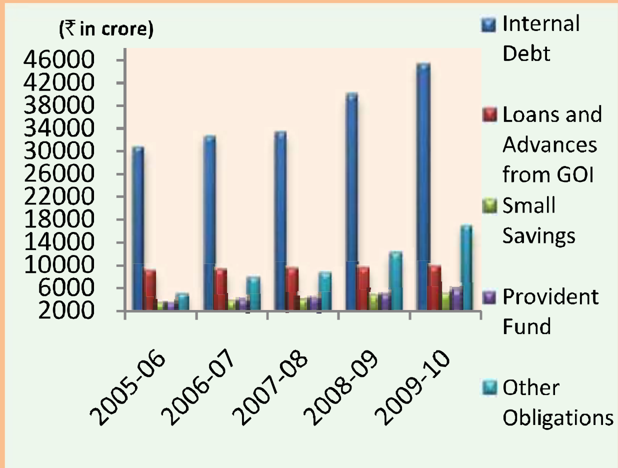
(#) Miscellaneous Government Account.

LIABILITIES

Year	Internal Debt	Loans and Advances from Central Government	Total Public Debt	Small Savings #	Provident Funds	Other Obligations *	Total Liabilities @	SGDP	Percent of total liability to SGDP
	(₹ in crore)								
2005-06	3,07,67	92,82	4,00,49	35,00	36,25	50,62	5,22,36	18,37,96	28.42
2006-07	3,26,46	91,99	4,18,45	38,10	39,75	80,52	5,76,82	20,57,84	28.03
2007-08	3,33,16	95,57	4,28,73	41,53	43,80	87,36	6,01,42	24,00,62	25.05
2008-09	3,99,96	96,92	4,96,88	46,90	50,19	1,21,53	7,15,50	27,06,99	26.43
2009-10	4,54,68	99,02	5,53,70	51,92	59,85	1,69,35	8,34,82	29,84,65	27.97

(#) Includes Savings Deposits/ Certificates Trusts and Endowments and Insurance and Pension Funds.
(*) Includes Reserve Funds and Deposits.
(@) Comprises Public Debt Small Savings Provident Funds and Other Obligations.

- Liabilities of the State Government increased by ₹3,12,46 crore from ₹5,22,36 crore in 2005-06 to ₹8,34,82 crore during 2009-10.
- Public debt comprising Internal Debt of the State Government and Loans and Advances from the Central Government has increased by ₹1,53,21 crore from ₹4,00,49 crore in 2005-06 to ₹5,53,70 crore at the end of 2009-10.



STATE PROVIDENT FUND
GUARANTEES

STATE PROVIDENT FUND

Year	Opening Balance	Receipts (*)	Payments	Net accretion	Closing Balance	Interest on balance of P.F
	(₹ in crore)					
2005-06	32,78	8,54	5,07	3,47	36,25	2,63
2006-07	36,25	9,17	5,67	3,50	39,75	2,91
2007-08	39,75	10,32	6,27	4,05	43,80	3,15
2008-09	43,80	12,14	5,75	6,39	50,19	3,56
2009-10	50,19	14,18	4,52	9,66	59,85	4,20

(*) Includes Interest indicated in the last column of the table.

GUARANTEES

The position of Guarantees furnished by the State Government for loans raised by the Statutory Corporations, Government Companies, Local Bodies and Corporations, Co-operative Societies etc. are given below.

At the end of the year	Maximum Amount Guaranteed (Principal only)	Amount outstanding	
		Principal	Interest
	(₹ in crore)		
2005-06	2,01,07	88,76	1,08
2006-07	1,97,93	97,29	1,51
2007-08	2,31,09	1,03,90	3,96
2008-09	1,87,32	81,78	5,15
2009-10	1,84,20	69,54	2,49

WAYS AND MEANS ADVANCES

Particulars	2005-06	2006-07	2007-08	2008-09	2009-10
i) Number of days on which minimum balance was maintained					
a. Without obtaining any advance	365	365	362	365	365
b. By obtaining Ways and Means Advances	…	…	4	…	…
ii) Number of days on which overdraft was taken	…	…	…	…	…

- To maintain and sustain the Cash Liquidity the State Government avails of Ways and Means Advances/ draws upon overdraft from RBI.
- The frequency and the quantum of amount availed reflects the adverse position of the cash balance of the State Government.

CONTINGENCY FUND

- Contingency Fund of the State is to meet the expenditure on un-foreseen contingencies, pending authorization from the State Legislature and the extent of usage for the past 5 years are as under;

Particulars	2005-06	2006-07	2007-08	2008-09	2009-10
Number of withdrawals from Contingency Fund	20	22	20	33	9
Total withdrawals from Contingency Fund (₹ in crore)	54.56	73.39	37.85	77.88	38.18
Withdrawals from the Contingency Fund as a percentage to Total Budget provision	0.13	0.14	0.07	0.11	0.05

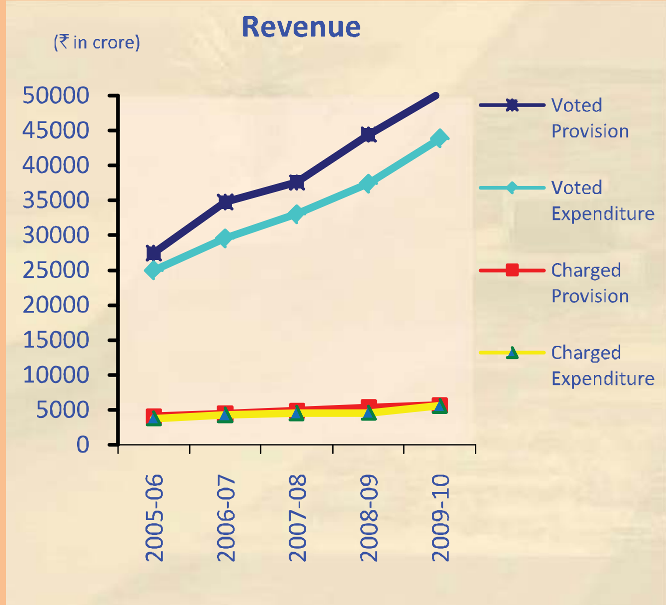
PERSISTENT SAVINGS (REVENUE SECTION)

YEAR	VOTED				CHARGED			
	Provision	Expenditure	Savings	Percent of Savings	Provision	Expenditure	Savings	Percent of Savings
	(₹ in crore)							
2005-06	2,74,38	2,49,87	24,51	8.93	41,17	38,26	2,91	7.07
2006-07	3,47,32	2,95,76	51,56	14.85	44,65	43,07	1,58	3.54
2007-08	3,76,11	3,30,14	45,97	12.22	48,97	45,82	3,15	6.43
2008-09	4,44,36	3,74,36	70,00	15.75	53,88	46,31	7,57	14.05
2009-10	5,03,54	4,38,40	65,14	12.94	57,65	56,30	1,35	2.34

In 25 grants persistent savings noticed during the last 5years.

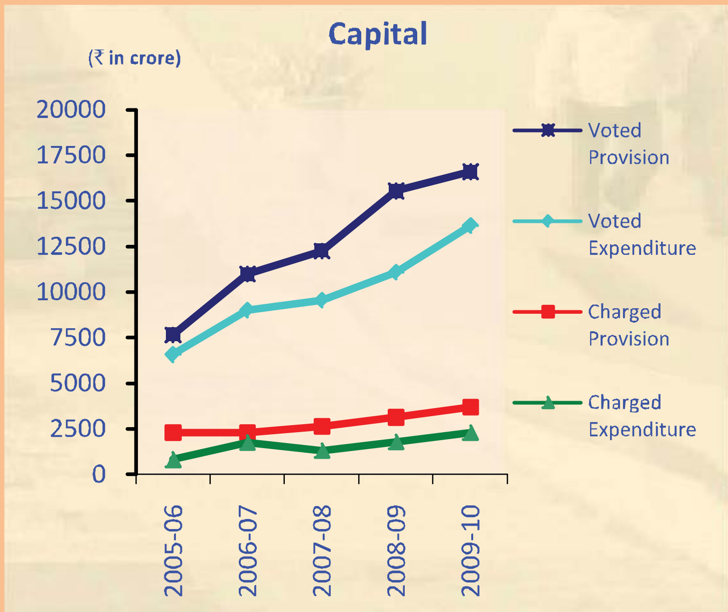
Grants with persistent savings of more than 10 *percent:*

- Agriculture and Horticulture
- Department of Personnel and Administrative Reforms
- Urban Development
- Public Works
- Kannada and Culture
- Planning, Statistics, Science and Technology
- Parliamentary Affairs and Legislation



PERSISTENT SAVINGS (CAPITAL SECTION)

YEAR	VOTED				CHARGED			
	Provision	Expenditure	Savings	Percent of Savings	Provision	Expenditure	Savings	Percent of Savings
	(₹ in crore)							
2005-06	76,70	65,84	10,86	14.16	23,03	8,11	14,92	64.79
2006-07	1,09,90	90,36	19,54	17.78	23,05	17,49	5,56	24.12
2007-08	1,22,82	95,63	27,19	22.14	26,49	13,29	13,20	49.83
2008-09	1,55,54	1,10,95	44,59	28.67	31,57	17,78	13,79	43.68
2009-10	1,65,97	1,36,59	29,38	17.70	36,83	23,08	13,75	37.33



In 17 grants persistent savings noticed during the last 5years.

Grants with persistent savings of more than 10 *percent:*

- Agriculture and Horticulture
- Animal Husbandry
- Rural Development and Panchayat Raj
- Women and Child Development
- Education
- Urban Development
- Health and Family Welfare Services.

TREND ANALYSIS

PLAN SCHEMES

Centrally Sponsored and Central Plan Schemes

2008-09				2009-10			
Grants Received From GOI	Expenditure			Grants Received From GOI	Expenditure		
	GOI Share CSS/CP	State Share	Total Expenditure		GOI Share CSS/CP	State Share	Total Expenditure
(₹ in crore)							
16,18.29	18,09.62	3,07.48	21,17.10	14,80.86	14,78.07	2,36.29	17,14.36

State Plan Schemes[1]

2008-09		2009-10	
Plan Outlay	Expenditure	Plan Outlay	Expenditure
(₹ in crore)			
2,59,52.83	1,80,79.55	2,95,00.00	2,28,59.00

GOI Direct Releases to Implementing Agencies[2] (Outside Budget)

2008-09	2009-10
(₹ in crore)	
20,67.16	62,70.58

[1] Includes State share of CSS mentioned in the table above

[2] Excludes ₹13,23.74 crore and ₹12,59.14 crore for the years 2009-10 and 2008-09 respectively, released to Central bodies as well as various other organizations which is outside the purview of the State Government. Source: Website of Controller General of Accounts.

GRANTS-IN-AID GIVEN BY THE GOVERNMENT

(₹ in crore)

Sl. No.	Grantee Institutions	2008-09	2009-10
1	Panchayati Raj Institutions	1,08,04.45	1,14,06.81
2	Urban Local Bodies	23,39.11	24,71.70
3	Public Sector Undertakings	17.61	17.50
4	Autonomous Bodies	13,18.60	15,81.13
5	*Non Government* Organizations	5,63.68	6,17.33
6	Others	2,18.59	3,25.56
	TOTAL	**1,52,62.04**	**1,64,20.03**

- Grants to various institutions increased from ₹1,11,82.96 crore in 2005-06 to ₹1,64,20.03 crore in 2009-10 (46.83 *percent*).
- Panchayati Raj Institutions consumed the major portion (69.47 percent) of the total grant in 2009-10.

EAP / INCOMPLETE WORKS

OTHERS

EXTERNALLY AIDED PROJECTS

Loans Received to the end of 2009-10	Amount Repaid	Amount yet to be Repaid
(₹ in crore)		
73,69.63	**15,61.42**	**58,08.21**

COMMITMENT ON INCOMPLETE WORKS

Period	Number of Works	Cost of Work	Progressive Expenditure
		(₹ in crore)	
1995-2000	3	32.14	28.03
2000-2005	18	3,50.86	3,32.87
2005-2008	225	4,97.66	3,86.04
2008-2011	970	10,97.62	4,60.86
TOTAL	**1216**	**19,78.28**	**12,07.80**

SUBMISSION OF ACCOUNTS BY TREASURIES

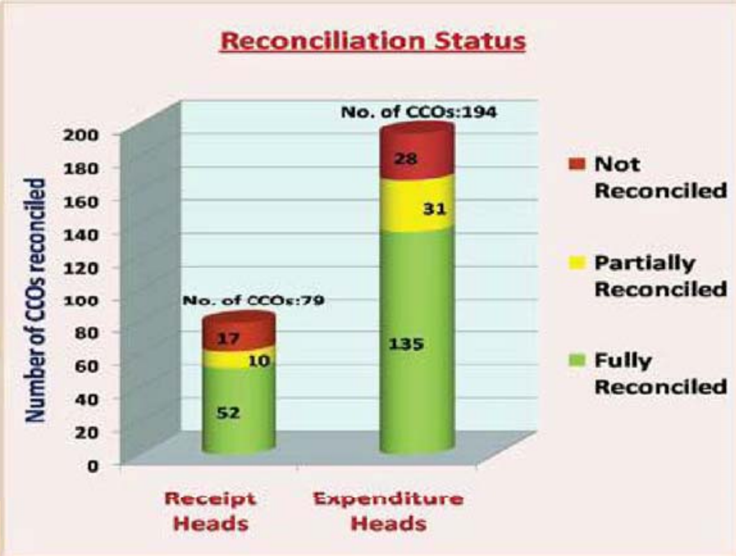
- 32 District treasuries in the State.

- Treasury accounts received and accounted were 384. There were delays in rendering monthly accounts:
  - Up to 15 days on 259 occasions
  - Over 15 days and less than one month on 26 occasions and
  - Over one month and less than two months on 14 occasions.

- The treasuries regularly rendering accounts with delay of more than 15 days are;
  - Bangalore Urban
  - Bangalore Rural and
  - Raichur

- Delay in rendering of accounts by the treasuries leads to delay in finalizing the monthly accounts by the Accountant General

RECONCILIATION



Accuracy and reliability of accounts depend, among other things, on timely reconciliation of the departmental figures with the accounts figures.

- Expenditure reconciled was ₹4,25,67.58 crore as against the total expenditure (Revenue & Capital) of ₹5,96,73.60 crore which works out to **71 percent**.
  - Major amounts not reconciled were under: Pensions and Other Retirement Benefits, General Education, Other Rural Development Programmes etc.
- Receipt reconciled was ₹4,87,84.37 crore as against the total receipts (Revenue and Capital Heads) of ₹4,92,25.49 crore which works out to **99 percent**.

Principal Accountant General (A&E)

Karnataka

For further details, please contact:
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