**GRANT NO.29 – DEBT SERVICING**

***(ALL CHARGED)***

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | ***Total grant or appropriation*** | ***Actual***  ***expenditure*** | ***Excess (+)*** *Saving (-)* |
|  |  | ***(In thousands of rupees)*** | | |
| **MAJOR HEADS:** |  |  | | |

|  |  |
| --- | --- |
| **2048** | **APPROPRIATION FOR REDUCTION OR AVOIDANCE OF DEBT** |
| **2049** | **INTEREST PAYMENTS** |
| **6003** | **INTERNAL DEBT OF THE STATE GOVERNMENT** |
| **6004** | **LOANS AND ADVANCES FROM CENTRAL GOVERNMENT** |

**Revenue** –

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| *Original* | *3,60,27,08,20* |  |  |  |
| *Supplementary* | *4,79,49* | *3,60,31,87,69* | *3,28,26,68,42* | *(-) 32,05,19,27* |
| *Amount surrendered during the year (March 2024)* |  |  |  | *32,02,73,45* |

**Capital –**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| *Original* | *2,24,40,59,20* |  |  |  |
| *Supplementary* | *…* | *2,24,40,59,20* | *2,24,52,69,83* | *(+) 12,10,63* |
| *Amount surrendered during the year* |  |  |  | *NIL* |

**NOTES AND COMMENTS:**

(i) The expenditure under Revenue Section of the *Charged* Appropriation ₹479.00 lakh initially met through the additional release by an executive order, was later on regularised through Supplementary Provision.

(ii) An amount of ₹3,20,273.45 lakh was surrendered in the Revenue Section of the *Charged* Appropriation.

(iii) In the Capital Section of *Charged* Appropriation, expenditure exceeded the provision by ₹12,10,62,768/- which required regularisation.

**GRANT NO.29 – DEBT SERVICING – contd.**

(iv) Saving in the Revenue Section of the *Charged* Appropriation occurred mainly under:

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | | ***Head*** | | | | | ***Total appropriation*** | | ***Actual expenditure*** | | ***Excess (+) Saving (-)*** | |
|  | |  | | | | | ***(In lakhs of rupees)*** | | | | | |
| (1) | | **2049** | | **INTEREST PAYMENTS** | | |  | |  | |  | |
|  | | ***01*** | | ***Interest on Internal Debt*** | | |  | |  | |  | |
|  | | **101** | | **Interest on Market Loans** | | |  | |  | |  | |
|  | | 4 | | Interest on Current Loans | | |  | |  | |  | |
|  | |  | | *O* | | *10,08,396.00* |  | |  | |  | |
|  | |  | | *R* | | *(-) 2,68,908.00* | *7,39,488.00* | | *7,39,490.31* | | *(+)2.31* | |

Saving under the ‘New Loans 2022-23 – Debt Servicing’ (₹2,68,908.00 lakh) was surrendered, without giving specific reasons. Saving occurred under this head during 2022-23 also.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| (2) | 5 | Interest on Current Loans | |  |  |  |
|  |  | *O* | *6,08,530.00* |  |  |  |
|  |  | *R* | *(-) 80,000.00* | *5,28,530.00* | *5,28,530.00* | *…* |

Saving under ‘New Loans for 2023-24 – Debt Servicing’ (₹80,000.00 lakh – entire provision) was partly reappropriated (₹47,908.70 lakh) and partly surrendered (₹32,091.30 lakh) to other heads, without giving specific reasons.

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| (3) | **115** | | **Interest on Ways and Means Advances from Reserve Bank of India** | |  |  |  |
|  | 01 | | Interest on Ways and Means and Special Ways and Means | |  |  |  |
|  |  | *O* | | *10,000.00* |  |  |  | |
|  |  | *R* | | *(-) 10,000.00* | *…* | *…* | *…* | |

Saving under ‘Debt Servicing’ (₹10,000.00 lakh – entire provision) was surrendered, without giving specific reasons.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| (4) | ***03*** | ***Interest on Small Savings, Provident Funds etc.,*** | |  |  |  |
|  | **104** | **Interest on State Provident Funds** | |  |  |  |
|  | 3 | All India Services Provident Fund | |  |  |  |
|  |  | *O* | *700.00* |  |  |  |
|  |  | *R* | *(-) 174.25* | *525.75* | *525.79* | *(+) 0.04* |

Saving under ‘Debt Servicing’ (₹174.25 lakh) was surrendered, without giving specific reasons. Saving occurred under this head during 2022-23 also.

**GRANT NO.29 – DEBT SERVICING – contd.**

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | ***Head*** | | | | ***Total appropriation*** | | | ***Actual expenditure*** | | ***Excess (+) Saving (-)*** |
|  |  | | | | ***(In lakhs of rupees)*** | | | | | |
| (5) | **117** | | **Interest on Defined Contribution Pension Scheme** | |  | | |  |  | | |
|  | 01 | | Interest paid on Government Backlog Contributions to NPS | |  | | |  |  | | |
|  |  | *O* | | *10.00* | |  |  | |  | |
|  |  | *R* | | *(-) 10.00* | | *…* | *…* | | *…* | |

Saving under ‘Debt Servicing’ (₹10.00 lakh – entire provision) was surrendered, without giving specific reasons. Saving occurred under this head during 2022-23 also.

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| (6) | ***04*** | | ***Interest on Loans and Advances from Central Government*** | | |  | |  |  | | |
|  | **112** | | **Interest on Other Loans for States Schemes** | | |  | |  |  | | |
|  | 03 | | Interest on Loans for Externally Aided Projects – Back to Back Basis | | |  | |  |  | | |
|  | |  | *O* | | *1,406.00* |  | |  | | |  |
|  | |  | *R* | | *(-) 1,406.00* | *…* | | *…* | | | *…* |

Saving mainly under ‘Other Charges’ (₹1,396.00 lakh – entire provision) was surrendered, without giving specific reasons.

(v) Excess in the Revenue Section occurred mainly under:

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| (1) | | **2049** | | **INTEREST PAYMENTS** | | |  |  | |  | |
|  | | ***01*** | | ***Interest on Internal Debt*** | | |  |  | |  | |
|  | | **305** | | **Management of Debt** | | |  |  | |  | |
|  | | 01 | | Expenditure incurred in connection with the Issue of New Loans and Sale of Securities held in Cash Balance Investment Account (Floatation Charge) | | |  |  | |  | |
|  | |  | | *O* | *780.00* |  | |  | |  | |
|  | |  | | *S* | *(+) 273.00* | *1,053.00* | | *1,053.00* | | *…* | |

Additional funds under ‘Debt Servicing’ (₹273.00 lakh) were provided through reappropriation, without giving specific reasons.

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| (2) | | 03 | | Consolidated Sinking Fund – Service Charge | |  |  | |  | |
|  | |  | *O* | *1.00* |  | |  | |  | |
|  | |  | *R* | *(+) 4.32* | *5.32* | | *5.32* | | *…* | |

**GRANT NO.29 – DEBT SERVICING – contd.**

Additional funds under ‘Debt Servicing’ (₹4.32 lakh) provided through reappropriation towards the payment of interest on Loans service charges for the year 2023-24.

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | ***Head*** | | | | ***Total appropriation*** | | ***Actual expenditure*** | ***Excess (+) Saving (-)*** | | |
|  |  | | | | ***(In lakhs of rupees)*** | | | | | |
| (3) | | 04 | GST on Flotation Charges of New Loans | |  |  | | |  |
|  | |  | *O* | *141.00* |  |  | | |  |
|  | |  | *R* | *(+) 48.54* | *189.54* | *189.54* | | | *…* |

Additional funds under ‘Debt Servicing’ (₹48.54 lakh) were provided through reappropriation without giving specific reasons.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| (4) | ***03*** | ***Interest on Small Savings, Provident Funds etc,.*** | |  |  |  |
|  | **104** | **Interest on State Provident Funds** | |  |  |  |
|  | 1 | General Provident Fund | |  |  |  |
|  |  | *O* | *1,50,000.00* |  |  |  |
|  |  | *R* | *(+) 3,171.02* | *1,53,171.02* | *1,52,937.22* | *(-) 233.80* |

Additional funds under ‘General Provident Fund – Debt Servicing’ (₹3,171.02 lakh) were provided through reappropriation, without giving specific reasons.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| (5) | **107** | **Interest on Trusts and Endowment** | |  |  |  |
|  | 1 | Endowments for Charitable and Educational Institutions | |  |  |  |
|  |  | *O* | *...* |  |  |  |
|  |  | *S* | *0.01* |  |  |  |
|  |  | *R* | *(+) 2.49* | *2.50* | *2.50* | *…* |

Additional funds under ‘Debt Servicing’ (₹2.50 lakh) partly provided through Supplementary Provision (₹0.01 lakh) (First Instalment) for payment of balance interest amount to Charitable Endowment Fund of Karnataka Vidyabhivriddhi Institute and partly provided through reappropriation (₹2.49 lakh) towards payment of interest on Loans and Service charges for the year 2023-24.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| (6) | **108** | **Interest on Insurance and Pension Fund** | |  |  |  |
|  | 3 | State Government Employees Group Insurance Fund | |  |  |  |
|  |  | *O* | *34,112.00* |  |  |  |
|  |  | *R* | *(+) 10,233.38* | *44,345.38* | *44,345.37* | *(-) 0.01* |

**GRANT NO.29 – DEBT SERVICING – contd.**

Additional funds under ‘Debt Servicing’ (₹10,233.38 lakh) provided through reappropriation towards payment of interest on Loans and Service charges for the year 2023-24.

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | ***Head*** | | | | ***Total appropriation*** | | ***Actual expenditure*** | | | ***Excess (+) Saving (-)*** | | |
|  |  | | | | ***(In lakhs of rupees)*** | | | | | | | |
| (7) | ***04*** | ***Interest on Loans and Advances from Central Government*** | |  | | |  | |  | | |
|  | **101** | **Interest on Loans for State / Union Territory Plan Schemes** | |  | | |  | |  | | |
|  | 02 | Back to Back External Loans | |  | | |  | |  | | |
|  |  | *O* | *30,700.00* | | |  | |  | | |  | |
|  |  | *R* | *(+) 34,960.52* | | | *65,660.52* | | *65,660.52* | | | *…* | |

Additional funds under ‘Debt Servicing’ (₹34,706.40 lakh) and ‘Commitment Charges’ (₹254.12 lakh) were provided through reappropriation, without giving specific reasons.

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| (8) | ***05*** | ***Interest on Reserve Funds*** | |  | |  | |  | |
|  | **101** | **Interest on Depreciation Renewal Reserve Fund** | |  | |  | |  | |
|  | 1 | Depreciation Reserve Fund – Government Commercial Department and Undertakings | |  | |  | |  | |
|  |  | *O* | *3.00* | |  | |  | |  | |
|  |  | *R* | *(+) 8.37* | | *11.37* | | *8.36* | | *(-) 3.01* | |

Additional funds under ‘Government Silk Filature, Santhemarahalli – Debt Servicing’ (₹8.37 lakh) were provided through reappropriation, without giving specific reasons.

(vi) Excess under Capital Section of the *Charged* Appropriation occurred mainly under:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| (1) | **6004** | **LOANS FOR ADVANCES FROM CENTRAL GOVERNMENT** |  |  |  |
|  | ***02*** | ***Loans for State / Union Territory Plan Schemes*** |  |  |  |
|  | **101** | **Block Loans** |  |  |  |
|  | 03 | Additional Plan Assistance (Back to Back External Loans) | *97,000.00* | *98,316.85* | *(+) 1,316.85* |

Reasons for excess under ‘Debt Servicing’ (₹1,316.85 lakh) have not been intimated   
(July 2024).

**GRANT NO.29 – DEBT SERVICING – contd.**

(vii) Saving under Capital Section of the *Charged* Appropriation occurred mainly under:

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | ***Head*** | | | ***Total appropriation*** | ***Actual expenditure*** | | ***Excess (+) Saving (-)*** | |
|  |  | | | ***(In lakhs of rupees)*** | | | | |
| (1) | **6003** | **INTERNAL DEBT OF THE**  **STATE GOVERNMENT** |  | |  |  | |
|  | **110** | **Ways and Means Advance from Reserve Bank of India** |  | |  |  | |
|  | 01 | Clean and Secured Ways and Means Advances | *100.00* | | *…* | *(-) 100.00* | |

Reasons for saving under ‘Debt Servicing’ (₹100.00 lakh- entire provision) has not been intimated (July 2024).

**(viii) CONSOLIDATED SINKING FUND (CSF)**

The Working Group of RBI has recommended that there is a necessity for States to build up a minimum Consolidated Sinking Fund corpus of three to five *per cent* of State Liabilities within the next five years and thereafter maintain it on a rolling basis. Accordingly, during   
2012-13 the State Government had set up a Consolidated Sinking Fund under Public Account   
‘8222 – Sinking Fund Appropriation for Reduction or Avoidance of Debt –Sinking Funds – Sinking Funds for amortization of Loan’ by appropriating funds (₹10,00,00.00 lakh) under this Grant. During the financial year 2015-16, ₹1,07,000.00 lakh was invested in Sinking Fund.

During the financial year 2023-24, a sum of ₹2,00,000.00 lakh was transferred to the Consolidated Sinking Fund under Public Account by booking expenditure under ‘2048 – Sinking Fund Appropriation for Reduction or Avoidance of Debt – Contribution to Consolidated Sinking Fund’ under this grant.

As on 31 March 2024, balance under CSF stood at ₹13,60,000.00 lakh (Cr.) under   
‘8222 – Sinking Fund – Appropriation for Reduction or Avoidance of Debt – Sinking Funds – Sinking Funds for Amortization of Loan’.

**GRANT NO.29 – DEBT SERVICING – concld.**

There was an opening balance of ₹11,59,974.32 lakh (Dr) and ₹11,60,015.00 lakh (Cr.) as on 1 April 2023. During 2023-24, the Government has invested ₹2,00,000.00 lakh out of its General Cash Balance of the State in the Government of India Securities. The book value of investments held under ‘Sinking Fund Investment Account’ being administered by the Reserve Bank of India, stood at ₹13,59,974.32 lakh (Dr.) as on 31 March 2024. Further, there is also an amount of ₹13,60,015.00 lakh (Cr.) under Investment Account (under reconciliation).

Interest accrued on ‘Sinking Fund Investment’ is reinvested by the Reserve Bank of India. Relevant details of investment from ‘Consolidated Sinking Fund’ are furnished in the   
Statement No. 22 of Finance Accounts 2023-24**.**

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