



SUPREME AUDIT INSTITUTION OF INDIA
लोकहितार्थं सत्यनिष्ठा
Dedicated to Truth in Public Interest

Accounts at a Glance 2024-25



Government of Karnataka



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Government of Karnataka

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 Gross Expenditures against provisions approved by the State Legislature and offer explanations for variations between the actual expenditure and the funds provided.

The Accountant General (Accounts and Entitlement) compiles the Finance Accounts and Appropriation Accounts of the State.

A combined reading of the Finance Accounts and Appropriation Accounts, State Finance Audit Report and the Accounts at a Glance, will help the stakeholders to more effectively comprehend the various facets of the finances of the Government of Karnataka.

'Accounts at a Glance' provides a broad overview of Government activities, as reflected in the Finance Accounts and the Appropriation Accounts. The information is presented through brief explanations with the tables and graphs.

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



(RAJIV KUMAR SINGH)
Accountant General (A&E)
Karnataka

Place: Bengaluru
Date: 16.02.2026

Our Vision, Mission and Core Values

VISION: We strive to be a global leader and initiator of national and international best practices in public sector auditing and accounting and recognized for independent, credible, balanced and timely reporting on public finance and governance.
(The vision of the institution of the Comptroller and Auditor General of India represents what we aspire to become.)

MISSION: Mandated by the Constitution of India, we promote accountability, transparency and good governance through high quality auditing and accounting and provide independent assurance to our stakeholders, the Legislature, the Executive and the Public, that public funds are being used efficiently and for the intended purposes.
(Our mission enunciates our current role and describes what we are doing today.)

CORE VALUES:
(Our core values are the guiding beacons for all that we do and give us the benchmarks for assessing our performance.)

- Independence
- Objectivity
- Integrity
- Reliability
- Professional Excellence
- Transparency
- Positive Approach

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CHAPTER – I

OVERVIEW

1.1 Introduction

The Accountant General (Accounts and Entitlement) Karnataka compiles the accounts of Receipts and Disbursements of Government of Karnataka. This compilation is based on the initial accounts rendered by the District Treasuries, Public Works and Forest Divisions, Other account rendering Offices, advice of the Central Accounts Section (CAS) of the Reserve Bank of India (RBI), Nagpur and orders for Book Adjustments/Inter Accounts Transfers involving no outflow of cash, issued by the Government of Karnataka, from time to time. Following such compilation, the Accountant General (Accounts and Entitlement), Karnataka, prepares annually, the Finance Accounts and Appropriation Accounts which are placed before the State Legislature, after audit by the Principal Accountant General (Audit - I), Karnataka and a report by the Comptroller and Auditor General of India.

1.2 Structure of Government Accounts

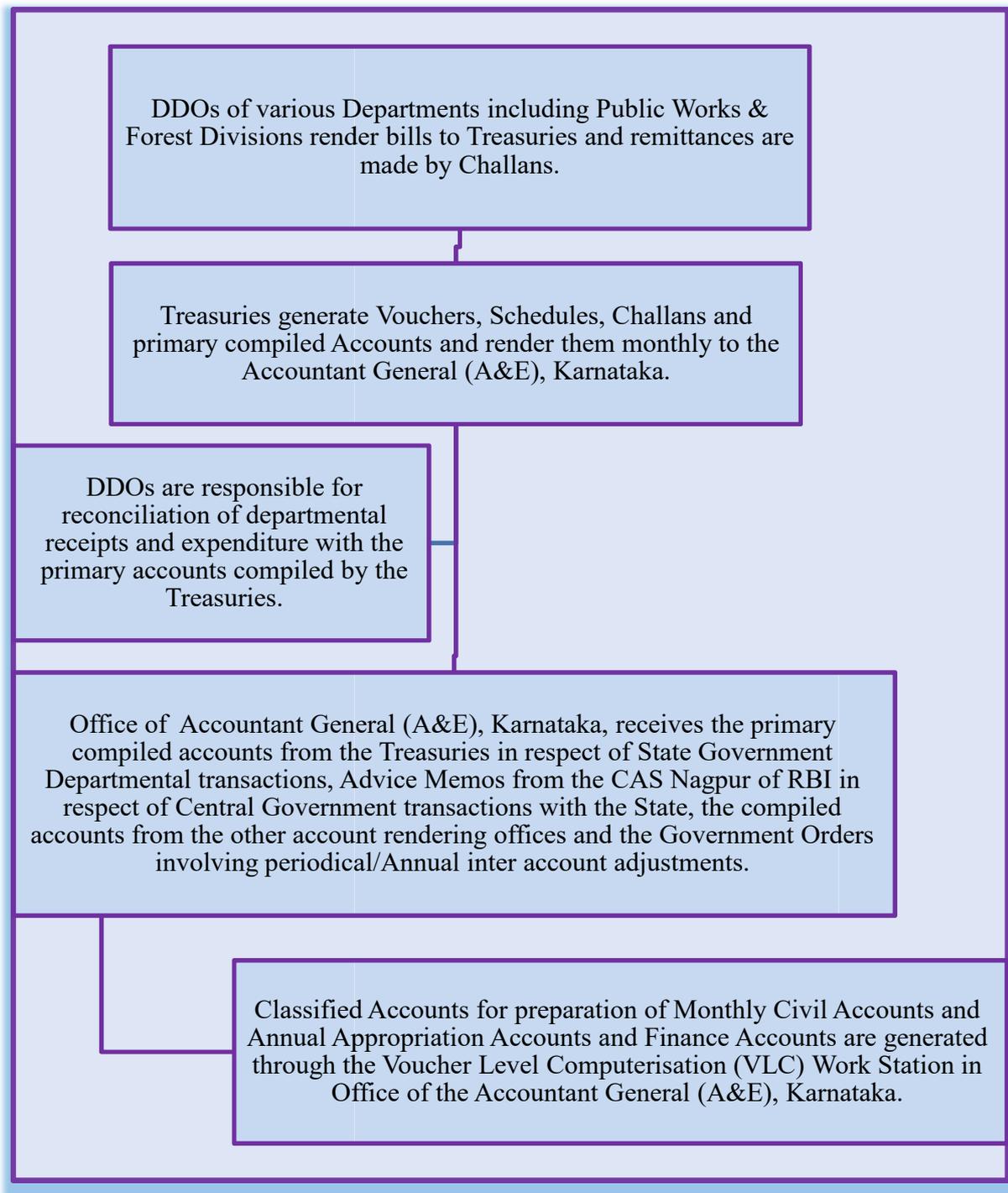
1.2.1 Parts of Government Accounts

The Accounts of the Government are kept in three parts:

Part I CONSOLIDATED FUND	Consolidated Fund comprises Receipts and Expenditure on Revenue and Capital Account, Public Debt, Loans and Advances, Inter State Settlement and Appropriation to Contingency Fund.
Part II CONTINGENCY FUND	The Corpus of Contingency Fund is intended to meet unforeseen expenditure not provided for in the Budget. Expenditure from this Fund is recouped either by transferring the debit during the same financial year or by a fresh debit to the Consolidated Fund in the next financial year. The corpus of this fund for the Government of Karnataka is ₹500 crore.
Part III PUBLIC ACCOUNT	All public moneys received other than those credited to the Consolidated Fund are accounted under the Public Account. In respect of such receipts the Government acts as a Trustee. The transactions under Debt, Deposit and Advances in this part are such in respect of which Government incurs a liability to repay the moneys received or has a claim to recover the amounts paid, together with repayments of the former (Debt and Deposits) and the recoveries of the latter (Advances).The transactions relating to 'Remittances' and 'Suspense' in this Part shall embrace all merely adjusting heads under which shall appear such transactions as remittances of cash between treasuries and currency chests and transfer between different accounting circles. The initial debits or credits to these heads will be cleared eventually by corresponding receipts or payments either within the same circle of account or in another account circle.

1.2.2 Compilation of Accounts

Flow Diagram showing process of Compilation of Accounts



1.3 Finance Accounts and Appropriation Accounts

1.3.1 Finance Accounts

The Finance Accounts depict the Receipts and Disbursements of the Government for the year, together with the financial results disclosed by the Revenue and Capital Accounts, Public Debt and Public Account balances recorded in the accounts. The Finance Accounts are prepared in two volumes, to make it more comprehensive and informative. **Volume I** of the Finance Accounts contains a report of the Comptroller and Auditor General of India, Guide to Finance Accounts, summarized statements of overall Receipts and Disbursements for the year, summarized statements of financial position giving details of Assets and Liabilities, Progressive Capital Expenditure, Borrowings and other Liabilities, Loans and Advances, Guarantees & Grants-in-Aid given by the Government, Investments of the Government, Distribution of Expenditure between Voted and *Charged*, Sources and Application of funds for expenditure other than on Revenue Account, Summary of balances under Government Accounts and 'Notes to Finance Accounts'. **Volume II** contains, Detailed Statements (**Part-I**) and Appendices (**Part-II**).

Receipts and Disbursements of the Government of Karnataka as depicted in the Finance Accounts 2024-25 are given below:

(₹ in crore)			
Receipts and Disbursement in the year 2024-25			
Receipts	Total Receipts		3,43,524
	Revenue	Tax Revenue ⁽¹⁾	2,24,380
		Non-Tax Revenue	16,148
		Grants-in-Aid	17,625
		Revenue Receipts	2,58,153
	Capital	Recoveries of Loans and Advances	322
		Borrowings and Other Liabilities ⁽²⁾	85,029
		Other Receipts (Misc. Capital Receipts)	20
Capital Receipts		85,371	
Disbursements	Total Disbursements		3,43,524
	Revenue ⁽³⁾		2,78,987
	Capital		57,906
	Loans and Advances		6631
(1) Comprises of Own Tax Revenue ₹1,77,447 crore & Share of Net proceeds of Union Taxes & Duties ₹46,933 crore.			
(2) Comprises net contribution from (i) 'E-Public Debt' {₹78,447 crore}; (ii)'Contingency Fund' {Nil}; (iii) 'Public Account' (₹3,329 crore); (iv)'Net Cash Balance' ₹3,253 crore.			
(3) Includes ₹1,353 crore Grants-in-Aid for creation of Capital Assets. (Please see Statement No.10 in Volume – 1 of Finance Accounts).			

1.3.2 Appropriation Accounts

The Appropriation Accounts supplement the Finance Accounts and record the Grant-wise gross expenditure against provisions approved by the State Legislature and offer explanations for variations between actual expenditure and the funds provided. There are 27 'Voted Grants' and one 'Charged Appropriation'.

Sums required to meet the expenditure charged upon the Consolidated Fund of the State and sums required to meet other expenditure proposed to be made from the Consolidated Fund for the year 2024-25, was approved by the State Legislature through the Appropriation Acts of 2024-25. For the year 2024-25 funds were provided for gross expenditure of ₹3,79,883 crore, including Supplementary Grants of ₹27,715 crore voted by State Legislature. An amount of ₹16,703 crore was projected as recoveries in reduction of expenditure.

Appropriation Accounts 2024-25 show disbursements of ₹3,85,123 crore against the aggregate Budget Provision of ₹3,79,883 crore, resulting in an excess of ₹5,240 crore. Actual Recoveries by way of reduction of expenditure amounted to ₹16,703 crore, reflecting an increase of ₹681 crore vis-à-vis Budget Estimates (₹16,022 crore). The gross expenditure includes ₹64 crore drawn on Abstract Contingent (AC) Bills against which Non-payable Detailed Contingent (NDC) Bills are outstanding at the end of the year.

During 2024-25, ₹12,927 crore was transferred from the Consolidated Fund to Personal Deposit (PD) Accounts under the Public Account, which are maintained by the designated Administrators for specific purposes. Normally, the Administrators are required to transfer the unspent balances under PD Accounts to the Consolidated Fund, at the end of the financial year. There was an aggregate unspent balance of ₹29,770 crore in the Personal Deposit Accounts of the Administrators at the year end.

1.4 Sources and Application of Funds

1.4.1 Ways and Means Advances

These are borrowings of a purely temporary nature. These advances are obtained to make good the deficiency in the minimum cash balance required to be maintained with the Reserve Bank of India. If, even after the maximum Ways and Means Advance is given, the balance is below the minimum cash balance, the deficit is met out of Overdrafts. During 2024-25, the Government of Karnataka has not availed any Ways and Means Advances.

1.4.2 Fund Flow Statement

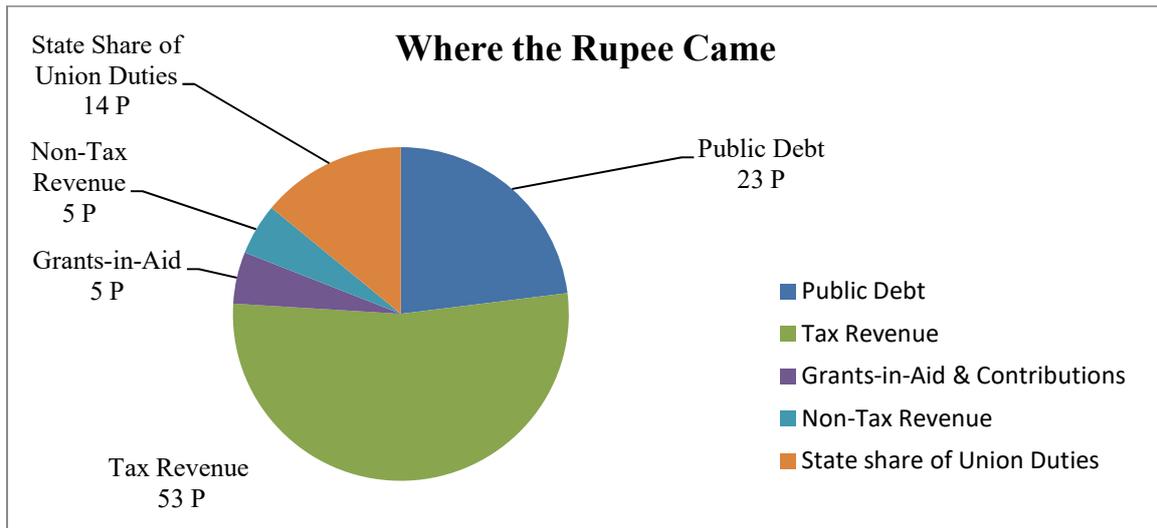
During the year 2024-25, the State had a Revenue Deficit of ₹20,834 crore and a Fiscal Deficit of ₹85,029 crore representing 0.72 per cent and 2.95 per cent of the Gross States' Domestic Product (GSDP)⁽³⁾ respectively. The Fiscal Deficit constituted 24.75 per cent of total Expenditure. This deficit was met from net receipts under Public Debt. Around 98.91 per cent of the Revenue Receipts (₹2,58,153 crore) was spent on committed expenditure (₹2,55,330 crore)⁽⁶⁾ like Salaries⁽⁴⁾ (₹48,276 crore), Subsidies^(4&5) (₹48,114 crore), Grants-in-Aid and Financial Assistance (₹30,318 crore), Interest Payments (₹37,552 crore) {this includes payment of interest (₹1,431 crore) on Off-budget Borrowing, accounted under various functional Major Heads, other than 'Interest Payments'}, Pension payments (₹30,651 crore), Compensation and Assignment to Local Bodies and Panchayat Raj Institutions (₹45,148 crore), Social Security Pensions (₹11,074 crore), Administrative Expenses (₹4,197 crore) .

Sources and Application of Funds

		(₹ in crore)
SOURCES	PARTICULARS	AMOUNT
	Opening Cash Balance as on 01.04.2024	4,699
	Revenue Receipts	2,58,153
	Miscellaneous Capital Receipts and Recovery of Loans & Advances	342
	Public Debt Receipts	1,03,342
	Receipt under Small Savings, Provident Funds & Others	10,710
	Reserve Funds	10,554
	Deposits Received	99,853
	Civil Advances Repaid	...
	Suspense Account and Miscellaneous	11,14,622
	Remittances	0
	Contingency Fund	...
	TOTAL	16,02,275
APPLICATION	Revenue Expenditure	2,78,987
	Capital Expenditure	57,906
	Loans disbursed	6,631
	Repayment of Public Debt	24,895
	Disbursement under Small Savings, Provident Fund & Others	7,214
	Reserve & Sinking Funds	11,218
	Deposits Repaid	1,00,396
	Contingency Fund	...
	Suspense Account and Miscellaneous	11,13,486
	Remittances	96
	Closing Cash Balance as on 31.03.2025	1,446
	TOTAL	16,02,275
(4) GSDP at Current Prices for 2024-25: ₹28,83,903 crore {Source: Ministry of Finance, Dept of Expenditure Govt. of India}		
(5) Salaries, Subsidies and Grants-in-Aid are sum of the expenditure of all sectors & Salaries do not include Grants given to Local Bodies etc., for the purpose of payment of salaries.		
(6) Refer chapter 3.4 for details of Committed Expenditure		

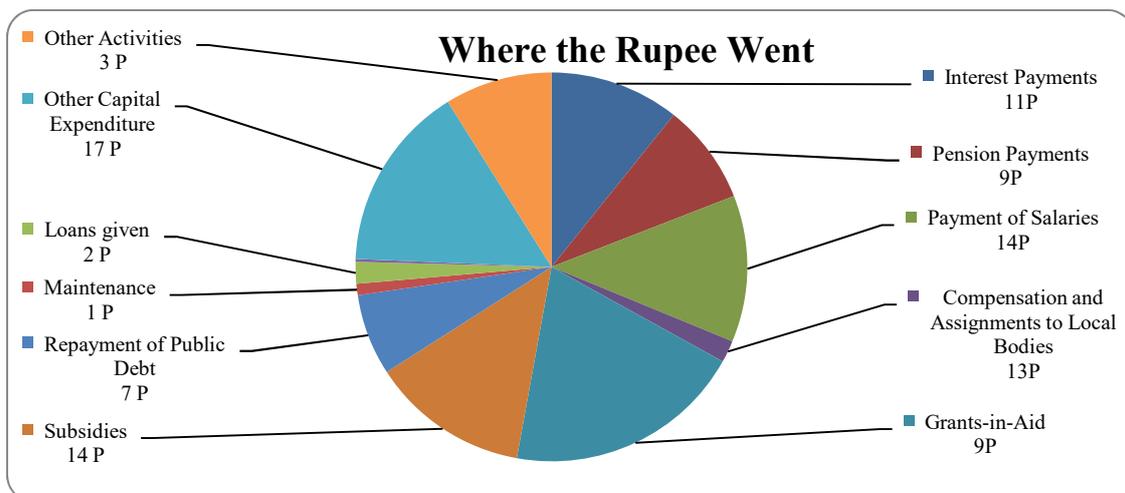
1.4.3 Sources of Receipt

Funds for public expenditure are mainly sourced from the amounts credited as revenues of Government, Public Debt receipts, recovery of loans and advances under the Consolidated Fund of the State and from the net accretions to the Public Account minus increase in cash balance. Main segments of Government revenues, in terms of Paise (P) to each Rupee of receipts, are indicated in the below given table & pie diagram.



1.4.4 Destination of Expenditure

The Government expenditure on various functions, programmes, schemes and objects of expenditure is incurred from the Consolidated Fund of the State with the prior approval of the State Legislature. The areas where each rupee spent on main segments of expenditure in terms of Paise (P) are indicated in the table & pie diagram.



1.5 Financial Highlights of year 2024-25

The following table provides the details of actual financial results vis-à-vis budget estimates for the year 2024-25.

Sl. No.	Particulars	Budget Estimates 2024-25	Actual	Percentage of Actual to Budget Estimates	Percentage of Actual to GSDP ^(*)
		₹ in crore			
01	Tax Revenue	2,34,378 ^(@)	2,24,380 ^(&)	95.73	7.78
02	Non-Tax Revenue	13,500	16,148	119.61	0.56
03	Grants-in-aid & Contributions	15,300	17,625	115.20	0.61
04	Revenue Receipts (1+2+3)	2,63,178	2,58,153	98.09	8.95
05	Recovery of Loans & Advances	213	322	151.17	0.01
06	Miscellaneous Capital Receipts	38	20	52.63	...
07	Borrowings and Other Liabilities	82,981 ^(#)	85,029 ^(\$)	102.47	2.95
08	Contingency Fund	5
09	Capital Receipts (5+6+7+8)	83,237	85,371	102.56	2.96
10	Total Receipts (4+9)	3,46,415	3,43,524	99.17	11.91
11	Revenue Expenditure	2,90,531	2,78,987	96.03	9.67
12	Expenditure on Interest Payments	39,234	37,552	95.71	1.30
13	Capital Expenditure	55,877 ^(a)	64,537 ^(b)	115.50	2.24
14	Contingency Fund	5
15	Total Expenditure (11+13+14)	3,46,413	3,43,524	99.17	11.91
16	Revenue Deficit	27,354	20,834	76.16	0.72
17	Fiscal Deficit {15-(4+5+6)=(7+8+14)}	82,981	85,029 ^(^)	102.46	2.95
(*)	GSDP at Current Prices for 2024-25: ₹28,83,903 crore {Source: Ministry of Finance, Dept of Expenditure Govt. of India}				
(@)	Includes State Share of Union Taxes & Duties of ₹44,485 crore				
(&)	Includes State Share of Union Taxes & Duties of ₹46,933 crore				
(#)	Comprises net contribution from (i) 'E-Public Debt' {₹80,272 crore}, (ii) 'Public Account' {₹9,565 crore} (iii) 'Net Cash Balance' (-) {₹6,856 crore}				
(\$)	Comprises net contribution from (i) 'E-Public Debt' {₹78,447 crore}, (ii) 'Contingency Fund' {nil} (iii) 'Public Account' {₹3,329 crore} minus (iv) 'Net Cash Balance' (-) 3,253 crore.				
(a)	Comprises provision on 'Capital Outlay' {₹52,903 crore} and 'F Loans and Advances' (₹2,974 crore)				
(b)	Comprises Expenditure incurred on 'Capital Outlay' (₹57,906 crore) and 'F Loans and Advances' (₹6,631 crore)				
(^)	Excludes payment of interest ₹1,431 crore on 'Off budget borrowings' which spread across various functional Major Heads below the relevant Sub-Sectors under 'General Services', 'Social Services' and 'Economic Services'.				

1.6 Definition of Deficits and Surplus

Deficit	Refers to the gap between Revenue and Expenditure. The kind of deficit, how the deficit is financed and application of funds are important indicators of prudence in Financial Management.
Revenue Deficit / Surplus	Refers to the gap between Revenue Receipts and Revenue Expenditure. Revenue Expenditure is required to maintain the existing establishment of Government. Ideally, the Revenue Expenditure should be fully met from Revenue Receipts.
Fiscal Deficit / Surplus	Refers to the gap between Total Receipts (excluding receipts/repayment of borrowings) and Total Expenditure. This gap, therefore, indicates the extent to which expenditure is financed by borrowings. Ideally, the Borrowings should be invested in capital projects.

Deficit Indicators, Revenue Augmentation and Expenditure Management are major yardsticks for judging the fiscal performance of the Government.

The State Government has been on the path of Fiscal Consolidation ever since the passing of Fiscal Responsibility Legislations (FRLs) like Karnataka Fiscal Responsibility Act (KFRA), 2002 and Karnataka Ceiling on Government Guarantee Act (KCGGA), 1999.

The KFRA was amended in the year 2022 to bring more transparency in the management of Government's Finances and Liabilities. The newly introduced Section 5 (2)(c) mandates the State Government to make specific disclosures. The State Government has been providing such information in the successive Medium Term Fiscal Plans (MTFPs) presented before the State Legislature. An amendment to the KFRA, 2002 was carried out in February 2014 to ensure statutory compliance in reporting the Off-budget Borrowings (OBBs) as part of the State's own liabilities for working out the Total Liabilities.

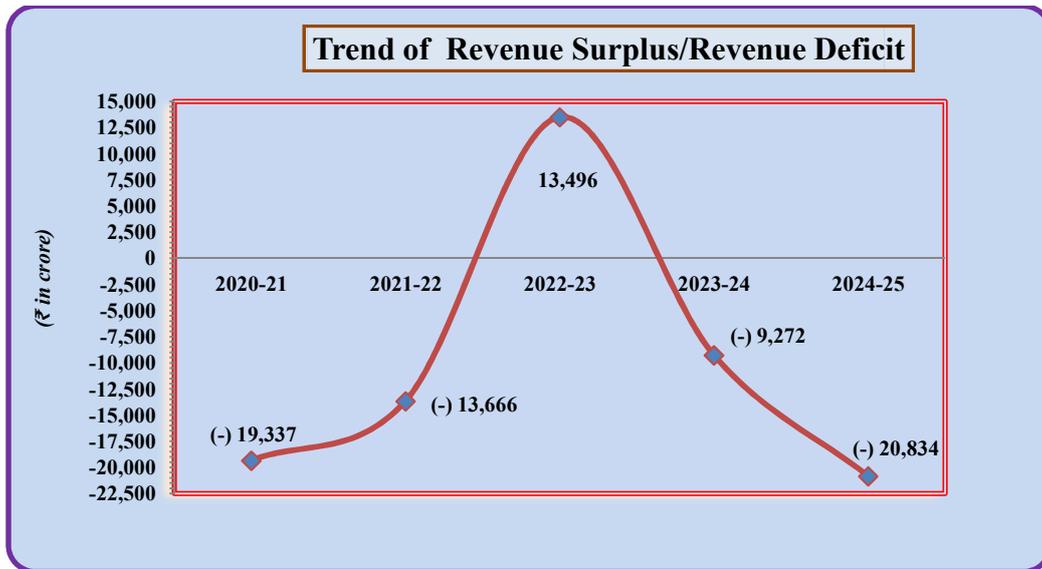
The particulars of the key fiscal and debt norms to be followed and the compliance by the State are given below, in the table.

Sl. No.	Particulars	Target for 2024-25	Compliance by State
1.	Revenue Surplus/Deficit	Revenue Surplus to be maintained. As per the Karnataka Fiscal Responsibility (Amendment) Act, 2022,	The Government of Karnataka has a Revenue Deficit of ₹20,834 crore in 2024-25 (0.72 per cent of GSDP)
2.	Fiscal Deficit	Fiscal deficit shall not exceed 3 per cent of the estimated GSDP during the period 2024-25 as per the Karnataka Fiscal Responsibility (Amendment) Act, 2022.	The Fiscal Deficit of ₹85,029 crore as per the accounts was 2.95 per cent of GSDP for 2024-25
3.	Outstanding Liabilities	Outstanding debt expressed as percentage of GSDP shall be less than 25 per cent of GSDP during 2024-25.	The Outstanding debt of (₹6,92,115 crore) for 2024-25 was 24 per cent of GSDP for 2024-25)

1.6.1 Trend in Revenue Surplus/Revenue Deficit

Revenue Surplus represents the excess of Revenue Receipts over Revenue Expenditure of the Government. The trend in Revenue Surplus for the period 2022-23 and Revenue Deficit in 2020-21 to 2021-22 and 2023-24 to 2024-25 is given in Table and graphs below:

Particulars	(₹ in crore)				
	2020-21	2021-22	2022-23	2023-24	2024-25
Revenue Surplus/Revenue Deficit	(-) 19,337	(-) 13,666	13,496	(-) 9272	(-) 20,834
GSDP (*)	16,40,811	19,92,029	23,19,696	25,57,241	28,83,903
Revenue Surplus/Revenue Deficit as per cent to GSDP	1.17	0.69	1.72	0.36	0.72
(*) GSDP at Current Prices for 2024-25: ₹28,83,903 crore {Source: Ministry of Statistics and Programme Implementation (MoSPI) Govt. of India}					

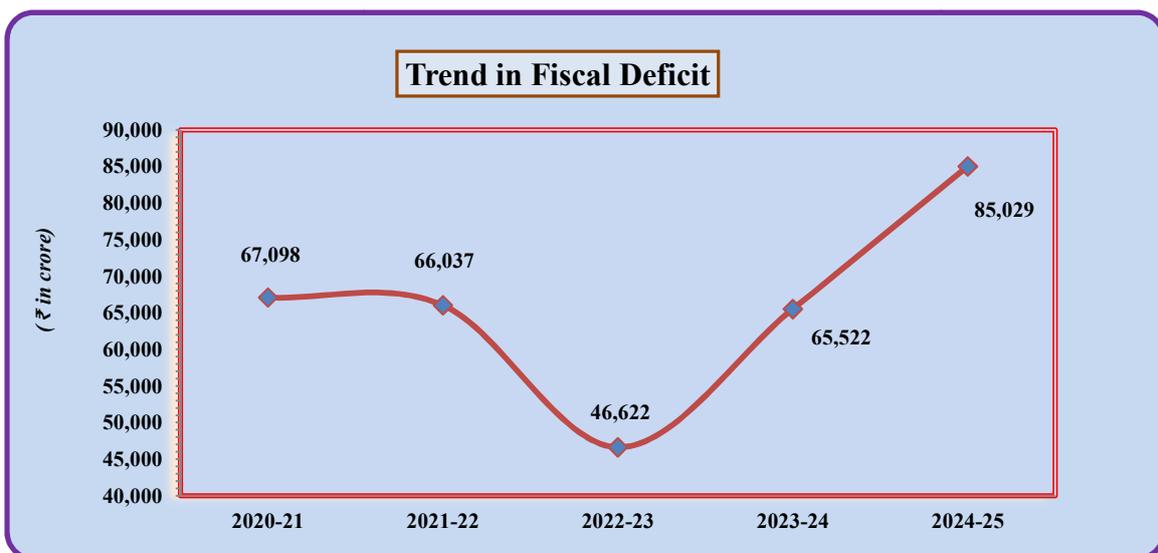


1.6.2 Trend in Fiscal Deficit

Fiscal Deficit is calculated as the Total Expenditure (Revenue + Capital + Net Loans and Advances) less Revenue Receipts and Miscellaneous Capital Receipts. The trend in fiscal deficit for the period 2020-21 to 2024-25 is given in Table and graphs below:

	(₹ in crore)				
Particulars	2020-21	2021-22	2022-23	2023-24	2024-25
Fiscal Deficit	67,098	66,037	46,622	65,522	85,029
GSDP (*)	16,40,811	19,92,029	23,19,696	25,57,241	28,83,903
Fiscal Deficit as <i>per cent</i> to GSDP	4.09	3.32	2.01	2.56	2.95

(*) GSDP at Current Prices for 2024-25: ₹28,83,903 crore {Source: Ministry of Statistics and Programme Implementation (MoSPI) Govt. of India}.



1.6.3 Government Accounts

The total expenditure (Revenue and Capital Outlay) for the year is off-setting against total receipts (Revenue and non-debt Capital Receipts) of the year 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 ledger 'Government Account'.

Thus, the ledger 'Government Account' represents the cumulative surplus / deficit of the operations of the Government of Karnataka. The details of the ledger 'Government Account' for the past five years are given below.

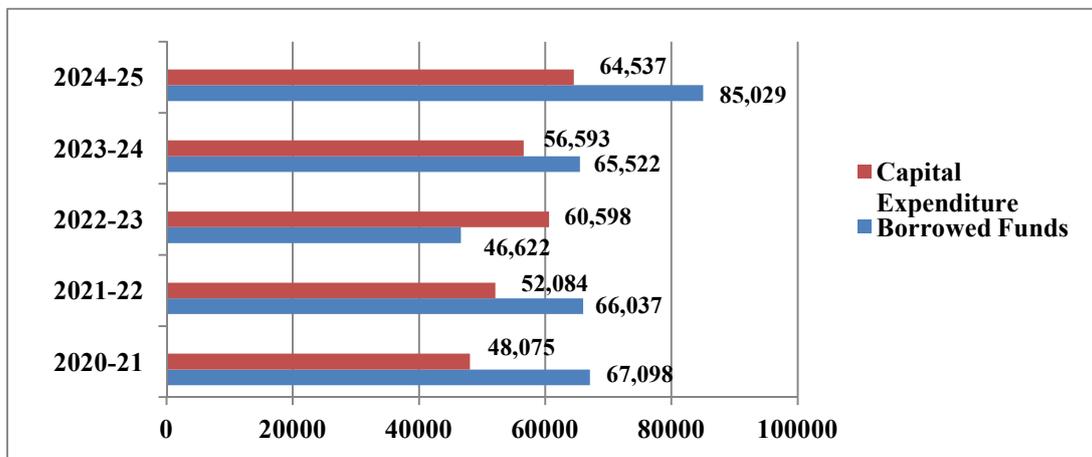
(₹ in Crore)

Year	Revenue Heads			Capital Heads			Deficit for the year	Cumulative deficit (-) surplus (+) at the end of the year
	Receipts	Disbursements	Deficit (-) Surplus (+)	Receipts	Disbursements	Deficit (-) Surplus (+)		
2020-21	1,56,717	1,76,054	(-) 19,337	45	45,406	(-) 45,361	(-) 64,698	(-) 344,393
2021-22	1,95,762	2,09,428	(-) 13,666	6	47,874	(-) 47,868	(-) 61,534	(-) 405,927
2022-23	2,29,080	2,15,584	(+) 13,496	2	57,348	(-) 57,346	(-) 43,850	(-) 449,777
2023-24	2,33,343	2,42,614	(-) 9,271	36	52,120	(-) 52,084	(-) 61,355	(-) 511,132
2024-25	2,58,153	2,78,987	(-) 20,834	20	57,906	(-) 57,886	(-) 78,720	(-) 589,852

1.6.4 Proportion of Borrowed Funds spent on Capital Expenditure

It is desirable to fully utilize borrowed funds for the creation of capital assets and to use revenue receipts for the payment of interest. The State Government, however, during 2024-25 has spent ₹64,537 crore towards Capital Expenditure out of the amount of borrowings of the current year (₹85,029 crore), which is inclusive of disbursement of Loans and Advances.

BORROWED FUNDS AND CAPITAL EXPENDITURE



CHAPTER II

RECEIPTS

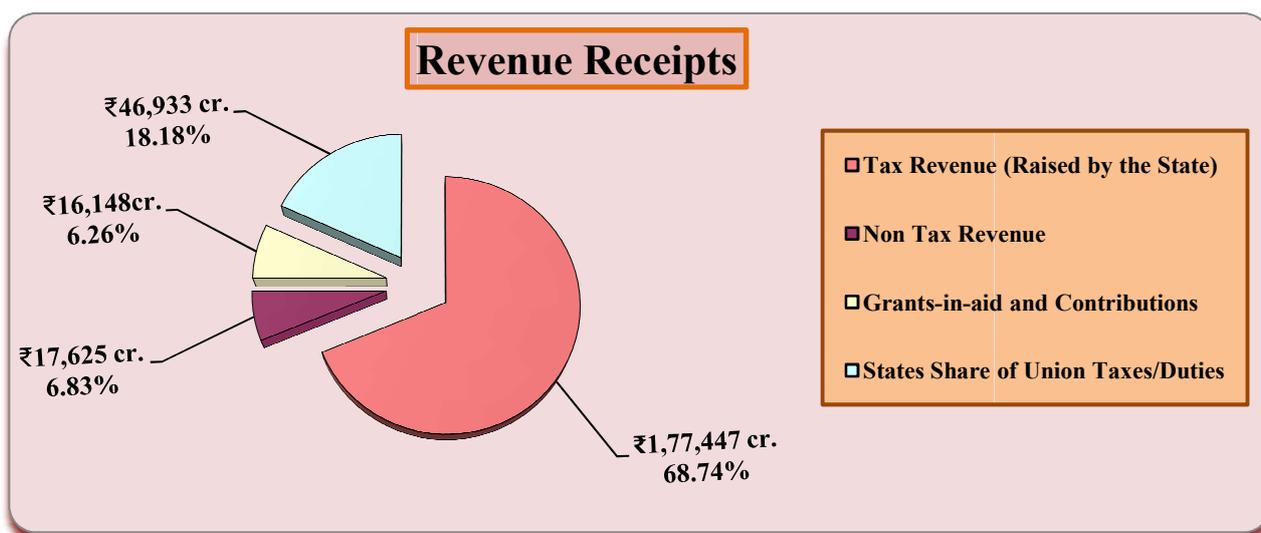
2.1 Introduction

Receipts of the Government are classified as Revenue Receipts and Capital Receipts. Total Revenue receipts for 2024-25 were ₹2,58,153 crore comprising of Own Tax Revenue (₹2,24,380 crore) which includes ₹46,933 crore being State share of Union Taxes and Duties, Non-Tax Revenue (₹16,148 crore), Grants-in-Aid & Contributions from Government of India (₹17,625 crore). Capital Receipts (₹85,371 crore) comprising of Recovery of Loans and Advances (₹322 crore), Miscellaneous Capital Receipts (₹20 crore) and Borrowings & Other Liabilities (₹85,029 crore). Borrowings & Other Liabilities comprise net contribution from (i) 'E – Public Debt' {₹78,447 crore}; (ii) 'Contingency Fund' (Nil) (iii) 'Public Account' (₹3,329 crore) (iv) net 'Cash Balance (₹3,253 crore).

2.2 Revenue Receipts

Three main sources of the Revenue Receipts of the State Government are (i) Tax Revenue comprising of State's own taxes and share of Central Taxes and Duties, (ii) Non-tax Revenue and (iii) Grants-in-Aid and Contributions from the Central Government. Segments of revenue receipts as *per cent* to the total revenue receipts are given in the pie chart.

Tax Revenue	Comprises Taxes and Duties collected and retained by the State and State's share of Union Taxes & Duties under Article 280 (3) of the Constitution.
Non-Tax Revenue	Includes Interest Receipts, Dividends and Profits and Other Departmental Receipts.
Grants-in-Aid and Contributions	Essentially, a form of Central Assistance to the State Government includes 'External Grant Assistance and Aid Material & Equipments' received from foreign Governments and channelized through the Union Government.

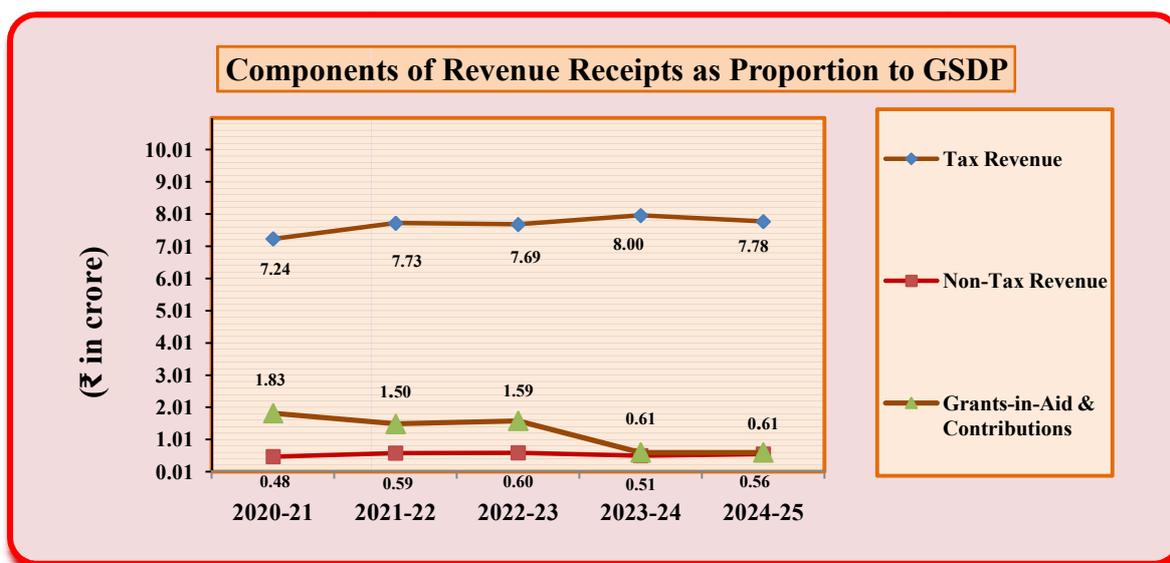


2.2.1 Components of Revenue Receipts

Components of Tax Revenue and Non-tax revenue as *per cent* to total revenue receipts are given in the table.

COMPONENTS	(₹ in crore)	Per cent to Revenue Receipts
A. Tax Revenue (*)	2,24,380	87
Taxes on Income and Expenditure	31,657	12
Taxes on Property and Capital Transactions	22,852	9
Taxes on Commodities and Services including GST	1,69,871	66
B. Non-Tax Revenue	16,148	6
Interest Receipts, Dividends and Profits	4,225	2
General Services	2,049	1
Social Services	957	0
Economic Services	8,917	3
C. Grants-in-aid and Contributions	17,625	7
TOTAL-REVENUE RECEIPTS	2,58,153	100
(*) includes ₹46,933 crore (18.18 per cent of Revenue Receipts) being the State's share of allocable Taxes & Duties, received from Union Government		

Total Tax Revenue ₹2,24,380 crore and Non-Tax Revenue of ₹16,148 crore formed 7.78 per cent and 0.56 per cent respectively of the GSDP.



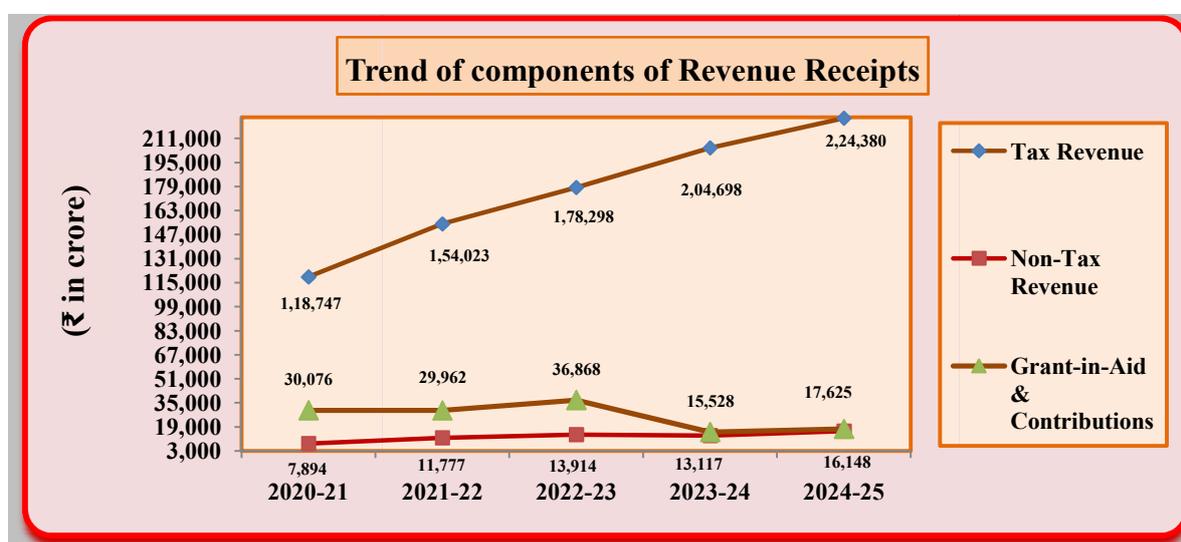
2.2.2 Trend of Revenue Receipts

Trend in components of Revenue Receipts for the previous five years and as a *per cent* of total receipts to GSDP are furnished in the table below along with graphical presentation.

(₹ in crore)

Year	Tax Revenue	Non-Tax Revenue	Grants-in-aid and Contributions	Total Revenue Receipts	GSDP ^(*)	Per cent of Total Revenue Receipts to GSDP
2020-21	1,18,747	7,894	30,076	1,56,717	16,40,811	9.55
2021-22	1,54,023	11,777	29,962	1,95,762	19,92,029	9.83
2022-23	1,78,298	13,914	36,868	2,29,080	23,19,696	9.86
2023-24	2,04,698	13,117	15,528	2,33,343	25,57,241	9.12
2024-25	2,24,380	16,148	17,625	2,58,153	28,83,903	8.95

(*) Source for GSDP : Ministry of Statistics and Programme Implementation (MoSPI), Govt. of India



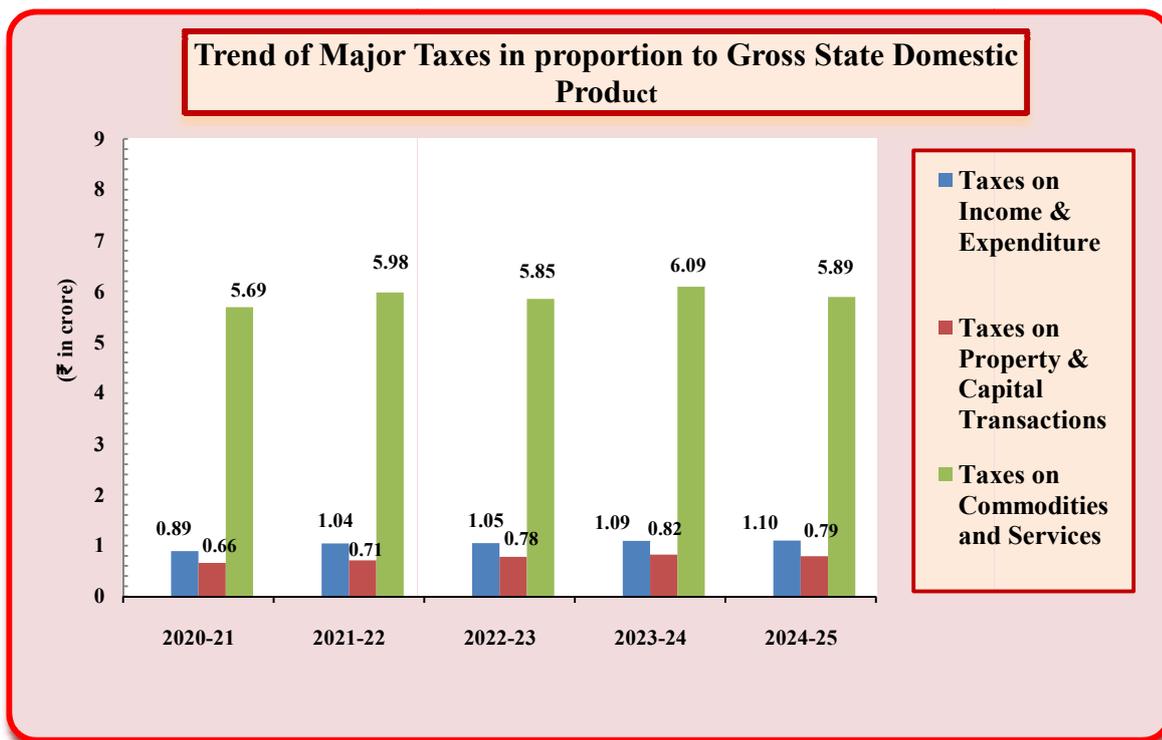
2.3 Trend of Collection of Tax Revenue

Trend in collection of tax revenues by sub-sector, for the last five years are given below, in the table.

(₹ in crore)

Sector-wise Tax Revenue	2020-21	2021-22	2022-23	2023-24	2024-25
Taxes on Income and Expenditure	14,621	20,717	24,408	27,984	31,657
Taxes on Property and Capital Transactions	10,760	14,204	18,090	21,007	22,852
Taxes on Commodities and Services including GST	93,366	1,19,102	1,35,800	1,55,707	1,69,871
Total Tax Revenue	1,18,747	1,54,023	1,78,298	204,698	2,24,380

Trend of Major Taxes in proportion to Gross State Domestic Product



2.3.1 Performance of Tax Revenue Collection

Year	Tax Revenue	State Share of Union Taxes & Duties	State's Own Tax Revenue	GSDP*	State Share of Union Taxes & Duties	State's Own Tax Revenue
	(₹ in crore)				Per cent to GSDP	
2020-21	1,18,747	21,694	97,053	16,40,811	1.32	5.91
2021-22	1,54,023	33,284	1,20,739	19,92,029	1.67	6.06
2022-23	1,78,298	34,596	1,43,702	23,19,696	1.49	6.19
2023-24	2,04,698	41,192	1,63,505	25,57,241	1.61	6.39
2024-25	2,24,380	46,933	1,77,447	28,83,903	1.63	6.15

(*) Source for GSDP :Ministry of Statistics and Programme Implementation (MoSPI), Govt. of India

2.4 Efficiency of Tax Collection

A. Taxes on Property and Capital Transactions^(*)

The efficiency of tax collection as indicated by percentage of Cost of Collection is shown below:

Description	(₹ in crore)				
	2020-21	2021-22	2022-23	2023-24	2024-25
Gross Revenue Collection	10,908	14,426	18,135	21,007	22,852
Cost of Collection ^(A)	458	481	503	587	652
Percentage of Cost of Tax Collection	4.20	3.33	2.78	2.79	2.85

(*) Taxes on Property and Capital Transactions excluding 'Taxes on Wealth' which is not a part of States' Own Tax Revenue.

(A) Comprising Expenditure booked under the minor heads '101-Collection Charges'

B. Taxes on Commodities and Services^(*)

Description	(₹ in crore)				
	2020-21	2021-22	2022-23	2023-24	2024-25
Revenue Collection	26,982	56,432	63,040	72,164	78,994
Cost of Collection ^(A)	237	233	580	367	415
Percentage of Cost of Tax Collection	0.88	0.41	0.92	0.32	0.53

(*) Taxes on Commodities and Services excluding 'Customs, Union Excise Duties, Service Tax'

(A) Comprising Expenditure booked under the minor heads '101-Collection Charges & 103-Collection Charges – Electricity Duty'

2.4.1 Trend in State's own Tax collection over the past five years

(₹ in crore)

Head of Account	2020-21	2021-22	2022-23	2023-24	2024-25
Taxes on Sales, Trade etc	16,028	19,274	19,082	20,811	23,898
State Goods and Service Tax	37,711	49,929	61,403	71,041	77,169
State Excise	23,332	26,378	29,920	34,629	35,784
Stamps & Registration Fees	10,576	14,020	17,726	20,147	22,353
Taxes on Vehicles	5,607	6,915	10,611	11,287	12,516
Taxes on Income Other than Corporation Tax	6,838	9,624	11,336	14,279	16,984
Taxes on Goods and Passengers	16	18	3	(-) 5	(-) 2
Other Taxes and Duties on Commodities and Services	21	65	41	71	72
Taxes on Duties on Electricity	2,434	2,724	3,052	3,323	3,803
Land Revenue	184	181	364	860	499
Other Taxes on Income and Expenditure	1,127	1,269	1,498	1,341	1,356

Tax Revenue (₹2,24,380 crore) collected during the year was less than the budget estimates (₹2,34,378 crore) by ₹9,998 crore. Major variations in actual realization of Tax Revenues vis-à-vis Budget Estimates were as under.

(₹ in crore)

Tax Receipts where actual was less than Budget Estimates	Amount	Tax Receipts where actual was more than Budget Estimates	Amount
State Goods and Service Tax	9,306	Taxes and Duties on Electricity	1,797
Stamps and Registration Fees	3,647	Taxes on Sales, Trade, etc.,	1,773
State Excise	2,741	Taxes on Income other than Corporation tax	1,591
Corporation Tax	653	Customs	1,480
Taxes on Vehicles	484	Land Revenue	136
Union Excise Duties	83	Central Goods and Service Tax	107
Other Taxes on Income and Expenditure	46	Other Taxes and Duties on Commodities and Services	77

2.4.2 Trend of State's Share of Union Taxes & Duties

(₹ in crore)

Major Head Description	2020-21	2021-22	2022-23	2023-24	2024-25
Corporation Tax	6,656	9,823	11,575	12,364	13,317
Taxes on Income other than Corporation Tax	6,838	9,624	11,336	14,279	16,984
Taxes on Wealth	...	3
Customs	1,110	2,574	1,361	1,444	2,388
Union Excise Duties	714	1,539	427	546	460
Service Tax	119	528	54	8	1
Central Goods and Service Tax	6,236	9,158	9,786	12,501	13,707
Other Taxes and duties on Commodities and services	21	34	57	51	76
State Share of Union Taxes & Duties	21,694	33,283	34,596	41,193	46,933
Total Tax Revenue	1,18,747	1,54,023	1,78,298	2,04,698	2,24,380
Percentage of Union Taxes & Duties to Total Tax Revenue	18.27	21.61	19.40	20.12	20.92

2.5 Public Debt

Trend of receipts under Public Debt over the past five years are indicated below:

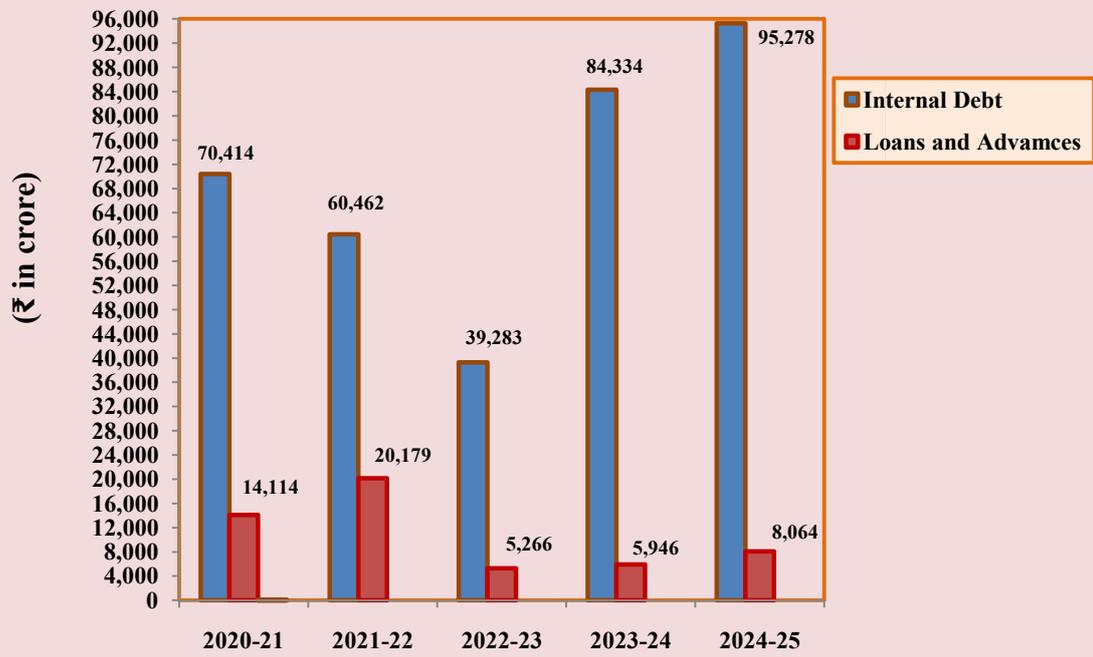
(₹ in crore)

Description	2020-21	2021-22	2022-23	2023-24	2024-25
Internal Debt of the State Government	70,414	60,462	39,283	84,334	95,278
Loans and Advances from the Central Government	14,114	20,179	5,266	5,946	8,064
Total Public Debt	84,528	80,641	44,549	90,280	1,03,342

During the year 2024-25, the State Government has obtained 'Market Loans' amounting to ₹92,025 crore, comprising of 46 loans.

The total receipts of ₹1,03,342 crore received during 2024-25, under 'Public Debt' comprises of 'Internal Debt of the State Government' (₹95,278 crore) and 'Loans and Advances from the Central Government' (₹8,064 crore).

Trend of receipts under Public Debt



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CHAPTER III

EXPENDITURE

3.1 Introduction

Expenditure is classified as Revenue Expenditure and Capital Expenditure. Revenue Expenditure is used to meet the day-to-day running of the Departments of the Government. Capital expenditure is used to create permanent assets or to enhance the utility of such assets or to reduce permanent liabilities.

In Government accounts, the expenditure is classified at top level into three sectors: General Services, Social Services and Economic Services. The significant areas of expenditure covered under these sectors are mentioned in the table given below:

General Services	Includes Justice, Police, Jails, Public Works, Pensions etc.
Social Services	Includes Education, Health & Family Welfare, Water Supply and Sanitation, Welfare of Scheduled Caste, Scheduled Tribes and other Backward Classes Minorities
Economic Services	Includes Agriculture, Rural Development, Irrigation, Co-operation, Energy, Industries, Transport etc.

3.2 Revenue Expenditure

Revenue Expenditure of ₹2,78,987 crore for 2024-25 is less than Budget Estimates (₹2,90,531 crore) by ₹11,544 crore. The trend of Revenue Expenditure against Budget Estimates during the past five years is given below.

(₹ in crore)					
Components	2020-21	2021-22	2022-23	2023-24	2024-25
Budget Estimates	1,79,777	1,87,405	2,04,587	2,50,932	2,90,531
Actuals	1,76,054	2,09,428	2,15,584	2,42,614	2,78,987
Gap	(-) 3,723	22,023	10,997	8,318	11,544
Gap over BE in <i>per cent</i>	2	12	5	3	4

The position of committed and uncommitted revenue expenditure over the last five years is given below:

(₹ in crore)

Component	2020-21	2021-22	2022-23	2023-24	2024-25
Total revenue expenditure ^(*)	1,76,054	2,09,428	2,15,584	2,42,614	2,78,987
Committed revenue expenditure	1,47,896	1,67,354	1,75,286	2,06,680	2,55,330
Percentage of committed revenue expenditure to total revenue expenditure	84	80	81	85	91.52
Uncommitted revenue expenditure ^(#)	28,158	42,074	40,297	35,934	23,657
(*) Committed Revenue Expenditure includes Salaries, Interest Payments, Pension Payments, Social Security Pensions, Subsidies, Grants-in Aid, Administrative Expenses, Devolution to Local Bodies, Daily Wages / Contract / Outsource.					
(#) Uncommitted Revenue Expenditure includes other expenses those not mentioned above.					

It may be seen that the uncommitted Revenue Expenditure available for implementation of various schemes is decreased by 15.98% from ₹28,158 crore in 2020-21 to ₹23,657 crore in 2024-25. The total revenue expenditure increased from ₹1,76,054 crore in 2020-21 to ₹2,78,987 crore in 2024-25 and committed revenue expenditure increased by 72.64% over the same period.

3.2.1 Sectoral Distribution of Revenue Expenditure

Distribution of Revenue Expenditure, between the Sectors are given in the table below.

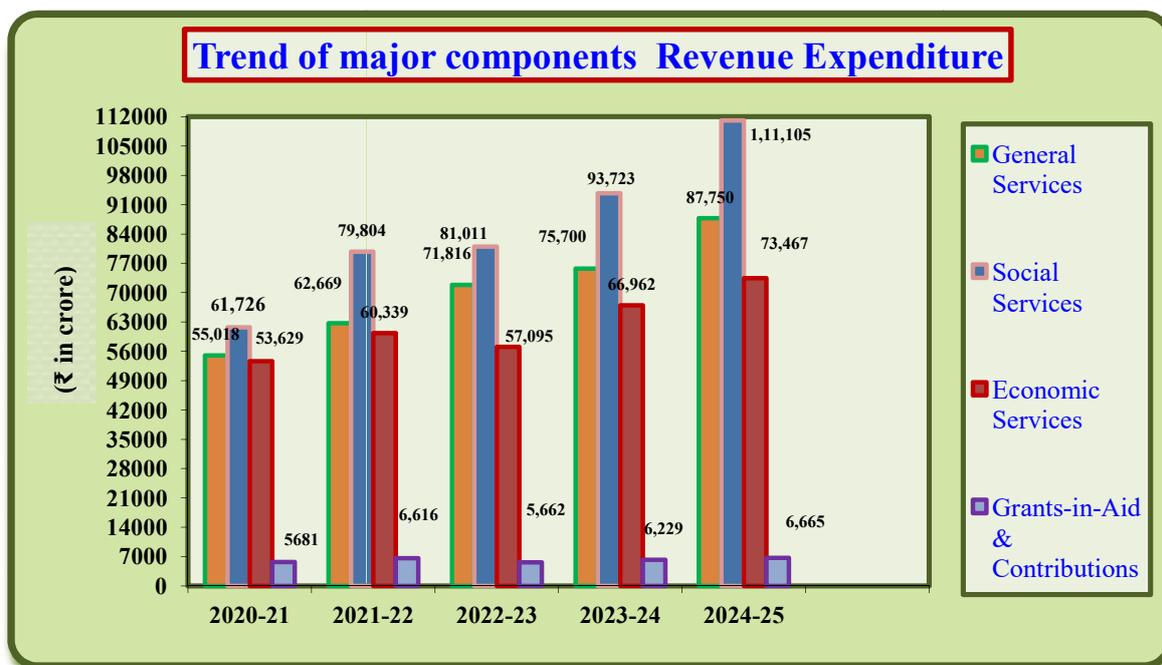
(₹ in crore)

Components of Revenue Expenditure		Amount	Per cent ^(*)
A	General Services	87,750	31.45
B	Social Services	1,11,105	39.82
C	Economic Services	73,467	26.34
D	Grants-in-Aid and Contributions	6,665	2.39
Total Expenditure (A+B+C+D)		2,78,987	100.00
(*) Indicates percentage of Expenditure by Sector to Total Revenue Expenditure			

3.2.2 Trend in major components of Revenue Expenditure

(₹ in crore)

Year	General Services	Social Services	Economic Services	Grants-in-aid and Contributions	Total Revenue Expenditure	GSDP*	Per cent of Total Revenue Expenditure to GSDP
2020-21	55,018	61,726	53,629	5,681	1,76,054	16,40,811	10.73
2021-22	62,669	79,804	60,339	6,616	2,09,428	19,92,029	10.51
2022-23	71,816	81,011	57,095	5,662	2,15,584	23,19,696	9.29
2023-24	75,700	93,723	66,962	6,229	2,42,614	25,57,241	9.48
2024-25	87,750	1,11,105	73,467	6,665	2,78,987	28,83,903	9.67
*Source for GSDP: Economic Survey of Karnataka by Planning, Programme monitoring and Statistics Department.							



3.2.3. Expenditure in Major Sub-Sectors

The trend in Revenue expenditure under Major Sub Sectors, are indicated in the table below.

(₹ in crore)

Expenditure by Major Sub-sectors		2020-21	2021-22	2022-23	2023-24	2024-25
1.	Education, Sports, Art and Culture	24,316	29,140	31,263	32,725	32,703
2.	Agriculture and Allied Activities	16,687	19,918	16,214	18,269	22,142
3.	Pensions and Miscellaneous General Services	19,065	20,793	24,483	25,197	30,996
4.	Interest Payments and Servicing of Debt	23,620	28,764	31,427	32,826	38,122
5.	Energy	14,277	17,445	14,103	23,795	26,701
6.	Social Welfare and Nutrition	14,504	17,717	15,893	33,908	49,592
7.	Administrative Services	8,496	9,388	11,086	11,782	12,801
8.	Health and Family Welfare	9,768	12,770	11,309	12,238	12,771
9.	Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities	6,293	7,574	8,515	8,851	10,095
10.	Rural Development	9,144	8,121	11,234	9,760	8,540
11.	Water Supply, Sanitation, Housing and Urban Development	5,788	11,207	12,503	4,723	4,167
12.	Transport	4,545	4,605	6,347	6,362	9,056
13.	General Economic Services	4,839	6,326	5,474	5,345	3,445

3.3 Capital Expenditure

For the year 2024-25, the Expenditure on Capital Account was ₹57,906 crore worked out to 2.01 per cent of GSDP and was more than Budget Estimates (₹52,903 crore) by ₹5,003 crore.

(₹ in crore)

Sl. No.	Components	2020-21	2021-22	2022-23	2023-24	2024-25
1.	Budget (B.E.)	43,059	41,358	43,573	50,989	52,903
2.	Actual Expenditure ^(#)	45,406	47,874	57,348	52,120	57,906
3.	Percentage of Actual Expenditure to B.E	105	116	76	102	109
4.	Yearly Growth in Capital Expenditure (in per cent)	28	5	20	(-) 9	11
5.	GSDP	16,40,811	19,92,029	23,19,696	25,57,241	28,83,903
6.	Yearly Growth in GSDP (in per cent)	1.55	21.41	16.45	10.24	12.77
(#) Does not include expenditure on Loans and Advances						

3.3.1 Sectoral Distribution of Capital Expenditure

During 2024-25, the Government spent ₹64,537 crore on various projects under the following sectors. The percentage of sector-wise expenditure to the Total Capital Expenditure indicated in the table.

(₹ in crore)

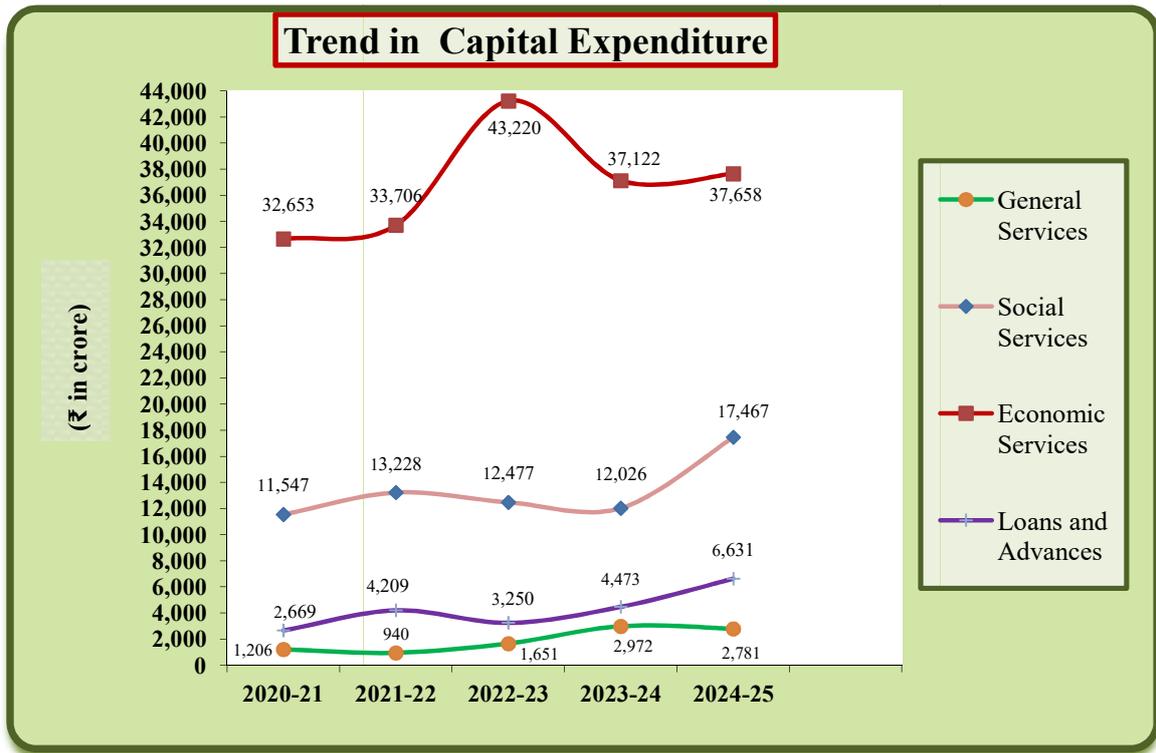
Sl. No.	Sector	Capital	Loan	Total	Per cent
1.	General Services – Police, Land Revenue etc.,	2,781	...	2,781	4.31
2.	Social Services – Education, Health & Family Welfare, Water Supply, Welfare of SC/ST etc.,	17,467	1,462	18,929	29.33
3.	Economic Services – Agriculture, Rural Development, Irrigation, Co-operation, Energy, Industries, Transport etc.,	37,658	5,150	42,808	66.33
4.	Miscellaneous	...	19	19	0.03
Total Capital Expenditure (Outside the Revenue Account)		57,906	6,631	64,537	100.00

3.3.2 Trend in Capital Expenditure

The trends in expenditure on Capital Account for the past five years are indicated in the table below along with graphical presentation.

(₹ in crore)

Sl. No.	Sector	2020-21	2021-22	2022-23	2023-24	2024-25
1.	General Services	1,206	940	1,651	2,972	2,781
2.	Social Services	11,547	13,228	12,477	12,026	17,467
3.	Economic Services	32,653	33,706	43,220	37,122	37,658
4.	Loans and Advances	2,669	4,209	3,250	4,473	6,631
Total		48,075	52,083	60,598	56,593	64,537



3.3.3 Sectoral Distribution of Capital and Revenue Expenditure

The Comparative Sectoral Distribution of Capital & Revenue Expenditure (excluding Grants-in-aid) over the past 5 years is given below

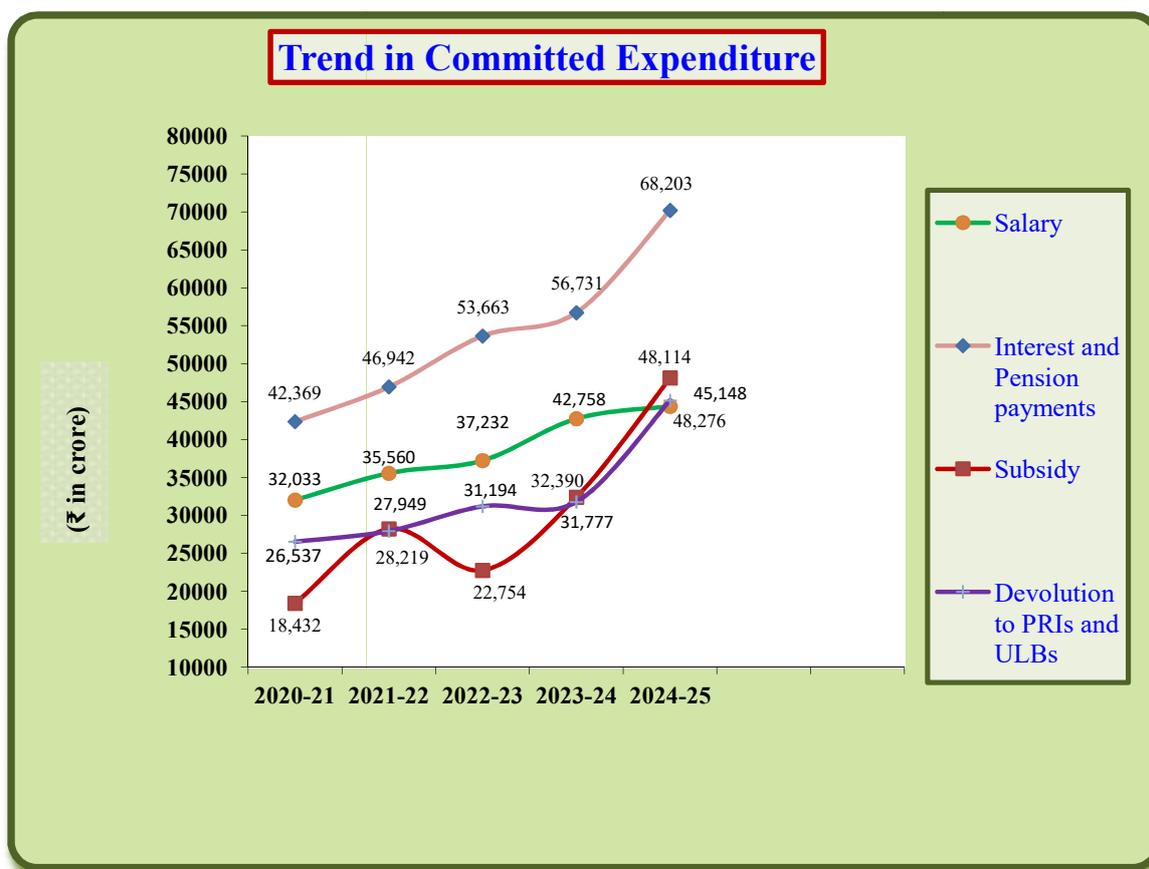
(₹ in crore)

Sl. No.	Sector		2020-21	2021-22	2022-23	2023-24	2024-25
1.	General Services	Capital	1,206	940	1,651	2,972	2,781
		Revenue	55,018	62,669	71,816	75,700	87,750
		Total	56,224	63,609	73,467	78,672	90,531
2.	Social Services	Capital	11,547	13,228	12,477	12,026	17,467
		Revenue	61,726	79,804	81,011	93,723	1,11,105
		Total	73,273	93,032	93,488	1,05,749	1,28,572
3.	Economic Services	Capital	32,653	33,706	43,220	37,122	37,658
		Revenue	53,629	60,339	57,095	66,962	73,467
		Total	86,282	94,045	1,00,315	1,04,084	1,11,125

3.4 Committed Expenditure

In addition to the seven components of Committed Expenditure furnished below in the table, Government of Karnataka has considered Salaries paid under District Sector Schemes, Implicit Subsidies and other Administrative Expenses as components of Committed Expenditure, in their Medium Term Fiscal Plan 2021-25. The Trend in growth of components of Committed Expenditure

which are identified with specific object head codes in the accounts, over the Revenue Receipts and Revenue Expenditure for the five years is given below.



The Trend of Committed Expenditure in comparison to Revenue Expenditure and Revenue Receipts over the past five years is given below:

		(₹ in crore)				
Components		2020-21	2021-22	2022-23	2023-24	2024-25
Total Committed Expenditure of which-		1,47,896	1,67,354	1,75,286	2,06,680	2,55,330
1.	Salary ^(A)	32,033	35,560	37,232	42,758	48,276
2.	Interest Payments	23,433	26,276	29,643	31,872	37,552 ^(B)
3.	Pension Payments	18,936	20,666	24,020	24,859	30,651
4.	Social Security Pensions	7,603	7,908	9,544	10,442	11,074
5.	Subsidy	18,432	28,219	22,754	32,390	48,114
6.	Grants-in-Aid and Financial Assistance	18,312	16,916	15,865	27,200	30,318
7.	Administrative Expenses	2,610	2,530	3,710	4,051	4,197
8.	Devolution to Local Bodies	26,537	27,949	31,194	31,777	45,148

(₹ in crore)

Components	2020-21	2021-22	2022-23	2023-24	2024-25
Revenue Receipts	1,56,717	1,95,762	2,29,080	2,33,343	2,58,153
Revenue Expenditure	1,76,054	2,09,428	2,15,584	2,42,614	2,78,987
Percentage of Committed Expenditure to Revenue Receipts	94	85	77	89	98.90
Percentage of Committed Expenditure to Revenue Expenditure	84	80	81	85	91.52
(A)	Indicates Salary booked under the State Sector, salary paid to staff employed under Panchayat Raj Institutions, Urban Local Bodies , Wages & Contract.				
(B)	Includes payment of interest (₹1,431 crore) on 'Off budget borrowings' which spread across various functional Major Heads below the relevant sub-sectors under 'Social Services' and 'Economic Services'.				

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## CHAPTER IV

### APPROPRIATION ACCOUNTS

#### 4.1 Summary of Appropriation Accounts

Appropriation Accounts of the Government of Karnataka for the year 2024-25 presents the accounts of sums expended compared with the sums specified in the schedules appended to the Appropriation Acts passed under Article 204 & 205 of the Constitution of India. Summary of the Appropriation Accounts by major sections under the Consolidated Fund of the State for the year 2024-25 are given below.

(₹ in crore)

| Sl. No.      | Nature of expenditure      | Original Grant  | Supplementary Grant | Reappropriation / Surrenders | Total           | Actual Expenditure | Savings (-) Excess (+) |
|--------------|----------------------------|-----------------|---------------------|------------------------------|-----------------|--------------------|------------------------|
| (1)          | (2)                        | (3)             | (4)                 | (5)                          | (6)             | (7)                | (8)                    |
| 1            | Revenue Voted              | 2,55,430        | 14,041              | (-) 11,392                   | 2,58,080        | 2,52,167           | (-) 5914               |
|              | <i>Charged</i>             | 42,986          | 89                  | (-) 3,227                    | 39,848          | 39,829             | (-) 18                 |
| 2            | Capital Voted              | 47,548          | 8,970               | (-) 845                      | 55,673          | 55,831             | (+) 358                |
|              | <i>Charged</i>             | 5,970           | 10                  | (-) 1,000                    | 4,978           | 4,770              | (-) 209                |
| 3            | <i>Public Debt Charged</i> | 24,974          | ...                 | (-) 79                       | 24,895          | 24,895             | (-) ...                |
| 4            | Loans and Advances Voted   | 2,980           | 4,606               | (+) 3                        | 7,577           | 7,631              | (+) 54                 |
| <b>Total</b> |                            | <b>3,79,883</b> | <b>27,715</b>       | <b>(-) 16,546</b>            | <b>3,91,051</b> | <b>3,85,123</b>    | <b>(+) 5,729</b>       |

##### 4.1.1 Grant wise Details of Saving / Excess

The Appropriation Accounts of Government of Karnataka for 2024-25 indicate Grant-wise saving and excess as given below:

(₹ in crore)

| Saving under the following grants |                                                    | Revenue  |                | Capital |                |
|-----------------------------------|----------------------------------------------------|----------|----------------|---------|----------------|
| Grant No. and Name                |                                                    | Voted    | <i>Charged</i> | Voted   | <i>Charged</i> |
| 1                                 | Agriculture and Horticulture                       | 807.94   | ...            | 24.77   | ...            |
| 2                                 | Animal Husbandry and Fisheries                     | 177.99   | ...            | 23.99   | ...            |
| 3                                 | Finance                                            | 27,37.82 | 1.02           | 115.01  | ...            |
| 4                                 | Department of Personnel and Administrative Reforms | 331.79   | 12.21          | 0.26    | 0.05           |
| 5                                 | Home and Transport                                 | 17,18.87 | ...            | 20.97   | ...            |
| 6                                 | Infrastructure Development                         | 12.59    | ...            | 38.70   | ...            |
| 7                                 | Rural Development and Panchayat Raj                | 25,74.12 | ...            | 183.70  | ...            |
| 8                                 | Forest, Ecology and Environment                    | 325.03   | 7.68           | 123.70  | ...            |

(₹ in crore)

| Saving under the following grants |                                              | Revenue  |          | Capital |         |
|-----------------------------------|----------------------------------------------|----------|----------|---------|---------|
| Grant No. and Name                |                                              | Voted    | Charged  | Voted   | Charged |
| 9                                 | Co-operation                                 | 146.21   | ...      | 0.10    | ...     |
| 10                                | Social Welfare                               | 757.96   | ...      | 30.36   | ...     |
| 12                                | Information, Tourism and Youth Services      | 42.03    | ...      | 3.07    | ...     |
| 13                                | Food and Civil Supplies                      | 1,89.91  | ...      | 2.03    | ...     |
| 14                                | Revenue                                      | 598.61   | ...      | 5.51    | 0.01    |
| 15                                | Information Technology                       | 23.40    | ...      | ...     | ...     |
| 17                                | Education                                    | 5,861.10 | ...      | 115.71  | ...     |
| 18                                | Commerce and Industries                      | 30.70    | ...      | 8.40    | ...     |
| 19                                | Urban Development and Housing                | 1,867.69 | ...      | ...     | 200.00  |
| 20                                | Public Works                                 | 180.46   | ...      | 40.24   | 8.51    |
| 21                                | Irrigation                                   | 43.84    | ...      | 16.85   | 999.92  |
| 22                                | Health and Family Welfare                    | 1,868.85 | ...      | ...     | ...     |
| 23                                | Labour and Skill Development                 | 950.01   | 0.32     | 2.52    | ...     |
| 25                                | Kannada and Culture                          | 17.22    | ...      | 0.13    | ...     |
| 26                                | Planning, Statistics, Science and Technology | 35.38    | ...      | 5.11    | ...     |
| 27                                | Law                                          | 268.72   | 105.90   | 0.68    | 0.27    |
| 28                                | Parliamentary Affairs and Legislation        | 40.53    | 6.37     | 0.04    | 0.01    |
| 29                                | Debt Servicing                               | ...      | 3,112.00 | ...     | 79.27   |

| Excess under the following grants |                               | Revenue  |         | Capital              |         |
|-----------------------------------|-------------------------------|----------|---------|----------------------|---------|
| Grant No. and Name                |                               | Voted    | Charged | Voted                | Charged |
| 11                                | Women and Child Development   | 104.61   | ...     | 61.85                | ...     |
| 19                                | Urban Development and Housing | ...      | ...     | 23.60                | ...     |
| 22                                | Health and Family Welfare     | ...      | ...     | 39.90 <sup>(a)</sup> | ...     |
| 24                                | Energy                        | 4,198.69 | ...     | ...                  | ...     |

(a) The excess due to accounting of Central Accounting Unit for the period from October 2023 to March 2024 need not be regularized.

## 4.2 Trend in Savings

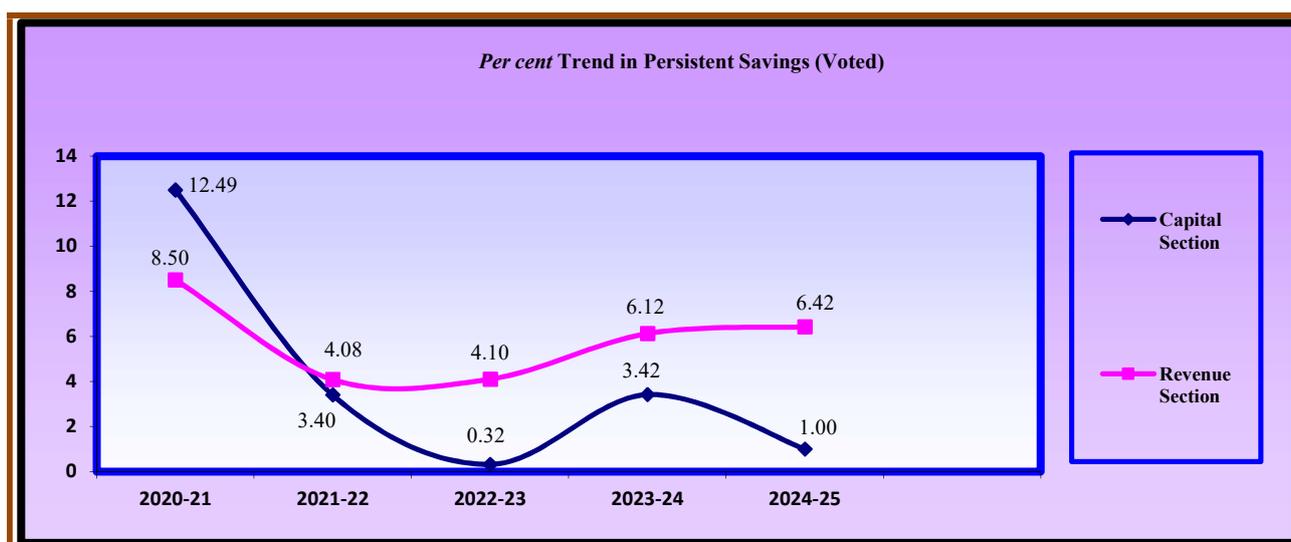
Saving in the Appropriation Accounts represent the amount of non-utilization of the funds provided for the various objects of expenditure through the Appropriation Acts passed by the State Legislature. Saving worked out with reference to the amounts authorized by the Legislature excluding the amount surrendered which is also considered as saving.

Trend in saving under voted and *charged* category of Revenue and Capital Section for the preceding five years are given in Tables below, respectively. Graphical presentation of saving as a *per cent* to Total Provision furnished below the respective tables.

**Table - Persistent Savings (Voted)**

(₹ in crore)

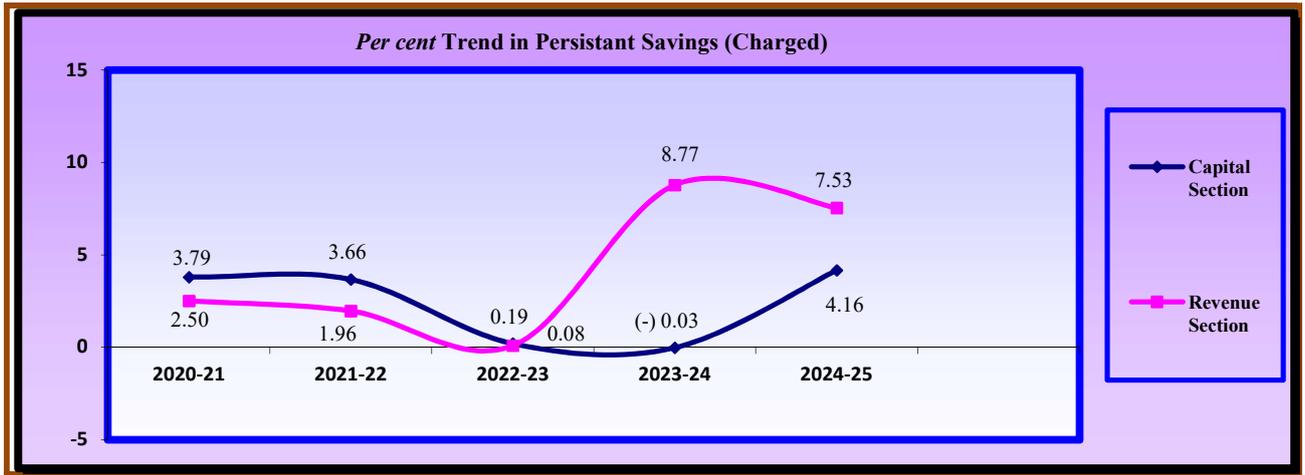
| Year    | REVENUE SECTION |             |        |                                        | CAPITAL SECTION |             |        |                                        |
|---------|-----------------|-------------|--------|----------------------------------------|-----------------|-------------|--------|----------------------------------------|
|         | Provision       | Expenditure | Saving | <i>Per cent of saving to provision</i> | Provision       | Expenditure | Saving | <i>Per cent of saving to provision</i> |
| (1)     | (2)             | (3)         | (4)    | (5)                                    | (6)             | (7)         | (8)    | (9)                                    |
| 2020-21 | 1,69,040        | 1,54,670    | 14,370 | 8.50                                   | 55,716          | 48,756      | 6,960  | 12.49                                  |
| 2021-22 | 1,90,251        | 1,82,498    | 7,753  | 4.08                                   | 53,566          | 51,747      | 1,819  | 3.40                                   |
| 2022-23 | 1,95,101        | 1,87,101    | 8,000  | 4.10                                   | 57,986          | 57,799      | 187    | 0.32                                   |
| 2023-24 | 2,30,056        | 2,15,969    | 14,087 | 6.12                                   | 54,892          | 53,016      | 1,876  | 3.42                                   |
| 2024-25 | 2,69,471        | 2,52,166    | 17,305 | 6.42                                   | 64,099          | 63,462      | 637    | 1.00                                   |



**Table - Persistent Savings (Charged)**

(₹ in crore)

| Year    | REVENUE SECTION |             |        |                                        | CAPITAL SECTION |             |        |                                        |
|---------|-----------------|-------------|--------|----------------------------------------|-----------------|-------------|--------|----------------------------------------|
|         | Provision       | Expenditure | Saving | <i>Per cent of saving to provision</i> | Provision       | Expenditure | Saving | <i>Per cent of saving to provision</i> |
| (1)     | (2)             | (3)         | (4)    | (5)                                    | (6)             | (7)         | (8)    | (9)                                    |
| 2020-21 | 26,130          | 25,478      | 652    | 2.50                                   | 14,336          | 13,792      | 544    | 3.79                                   |
| 2021-22 | 31,127          | 30,517      | 610    | 1.96                                   | 18,241          | 17,574      | 667    | 3.66                                   |
| 2022-23 | 33,103          | 33,078      | 25     | 0.08                                   | 19,383          | 19,347      | 36     | 0.19                                   |
| 2023-24 | 37,713          | 34,406      | 3,307  | 8.77                                   | 26,280          | 26,288      | (-) 8  | (-) 0.03                               |
| 2024-25 | 43,075          | 39,829      | 3,245  | 7.53                                   | 30,953          | 29,665      | 1,288  | 4.16                                   |



### 4.3 Supplementary Provision of funds

Under Article 205 of the Constitution of India, during 2024-25 additional funds aggregating to ₹27,715 crore have been provided through Supplementary Demand for Grants. Few instances, where the Supplementary provision was found unnecessary or excessive are indicated in the table given below.

#### Unnecessary Supplementary Provision

(₹ in crore)

| Gr. No. | Head of account  | Original | Supplementary | Total  | Expenditure | Saving |
|---------|------------------|----------|---------------|--------|-------------|--------|
| (1)     | (2)              | (3)      | (4)           | (5)    | (6)         | (7)    |
| 01      | 2851-00-107-1    | 244      | 1             | 245    | 206         | 39     |
| 02      | 4405-00-103-6    | 30       | 17            | 47     | ...         | 47     |
| 05      | 2070-00-108-2    | ...      | 99            | 99     | ...         | 99     |
| 07      | 2505-60-196-6    | 2,390    | 16            | 2,406  | 1,733       | 673    |
| 19      | 2217-05-191-1    | 245      | 36            | 281    | 189         | 92     |
| 19      | 4217-60-051-0-06 | ...      | 200           | 200    | ...         | 200    |
| 19      | 2217-05-001-1    | 67       | 3             | 70     | 60          | 10     |
| 28      | 2011-02-101-0-05 | 88       | 1             | 89     | 79          | 10     |
| 29      | 2049-01-101-5    | 15,435   | ...           | 15,435 | 11,614      | 3,821  |

## Excessive Supplementary Provision

(₹ in crore)

| Sl. No. | Gr. No. | Head of account  | Original | Supplementary | Total | Expenditure | Saving |
|---------|---------|------------------|----------|---------------|-------|-------------|--------|
| (1)     | (2)     | (3)              | (4)      | (5)           | (6)   | (7)         | (8)    |
| 01.     | 01      | 2401-00-102-0-31 | 3        | 3             | 6     | 3           | 3      |
| 02.     | 01      | 2401-00-108-2    | 348      | 350           | 698   | 578         | 120    |
| 03.     | 01      | 2401-00-119-4    | 137      | 67            | 204   | 147         | 57     |
| 04.     | 02      | 2405-00-120-0-08 | 3        | 4             | 7     | 5           | 2      |
| 05.     | 02      | 2405-00-120-0-07 | 3        | 4             | 7     | 5           | 2      |
| 06.     | 07      | 2505-02-101-0-03 | 200      | 53            | 253   | 200         | 53     |
| 07.     | 08      | 2406-04-103-1    | 177      | 204           | 380   | 234         | 146    |
| 08.     | 08      | 2406-02-110-0-32 | 16       | 13            | 29    | 25          | 4      |
| 09.     | 08      | 2406-02-110-0-02 | 25       | 13            | 38    | 28          | 10     |
| 10.     | 08      | 4406-01-101-0-02 | 203      | 300           | 503   | 379         | 124    |
| 11.     | 10      | 2225-02-197-6    | 174      | 33            | 207   | 176         | 31     |
| 12.     | 10      | 2225-03-001-0-05 | 191      | 143           | 334   | 280         | 54     |
| 13.     | 12      | 2220-60-103-0-03 | 1        | 2             | 3     | 1           | 2      |
| 14.     | 12      | 2220-60-106-0-04 | 18       | 8             | 26    | 22          | 4      |
| 15.     | 14      | 2245-80-102-0-01 | 976      | 3,454         | 4,430 | 3,984       | 446    |
| 16.     | 19      | 4217-60-050-0-03 | 0        | 10            | 10    | 5           | 5      |
| 17.     | 19      | 2217-80-800-0-41 | 0        | 9             | 9     | 1           | 8      |
| 18.     | 19      | 2217-05-800-0-06 | 3        | 11            | 14    | 12          | 2      |
| 19.     | 19      | 2217-80-800-0-39 | 0        | 18            | 18    | 1           | 17     |
| 20.     | 19      | 6217-60-190-0-03 | 675      | 500           | 1,175 | 1,053       | 123    |
| 21.     | 19      | 4217-60-800-0-15 | 0        | 66            | 66    | 25          | 40     |
| 22.     | 19      | 4217-60-800-0-06 | 0        | 50            | 50    | 7           | 43     |
| 23.     | 19      | 4217-60-800-0-07 | 0        | 35            | 35    | 4           | 31     |
| 24.     | 19      | 4217-60-800-0-08 | 0        | 8             | 8     | 7           | 1      |
| 25.     | 19      | 4217-60-800-0-11 | 0        | 79            | 79    | 0           | 79     |
| 26.     | 19      | 4217-60-800-0-12 | 0        | 50            | 50    | 38          | 12     |
| 27.     | 19      | 4217-60-800-0-13 | 0        | 33            | 33    | 25          | 8      |
| 28.     | 23      | 2230-02-101-0-18 | 0        | 52            | 52    | 32          | 20     |
| 29.     | 23      | 2230-02-101-0-19 | 0        | 35            | 35    | 22          | 13     |
| 30.     | 23      | 2501-06-198-6    | 200      | 268           | 468   | 421         | 47     |

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## CHAPTER V

### ASSETS AND LIABILITIES

#### 5.1 Assets

The existing form of accounts do not depict valuation of Government assets like land, buildings *etc.*, except in the year of acquisition / purchase. The Government assets, mainly comprising of cash balance and investments of cash balance stood at ₹1,04,619 crore, progressive Capital Expenditure ₹5,66,428 crore, balance of Loans and Advances ₹48,578 crore, Civil Advances ₹7 crore and balance outstanding under Remittances ₹1,088 crore at the end of 31 March 2025. The details of Assets and Liabilities of Government of Karnataka are exhibited in the Statement No.1 of the Finance Accounts **Volume-I**.

Government investments in share capital of different classes of entities stood at ₹74,325 crore at the end of 2024-25, mainly comprising of Statutory Corporations (₹4,490 crore), Regional Rural Banks (₹21 crore), Government Companies / Public Sector Undertakings (₹62,968 crore), Joint Stock Companies (₹6,430 crore) and Co-operative Institutions and Local bodies (₹416 crore). Dividend received during the year was ₹977 crore (1.31 *per cent*) on the Total Government Investments. During the year 2024-25, the Government Investments was increased by ₹838 crore, while dividend income increased by ₹686 crore.

Cash Balance with RBI which stood at ₹4,699 crore on 1 April 2024 decreased to ₹1,446 crore at the end of March 2025.

#### 5.2 Debt and Liabilities

Article 293(1) of the Constitution of India empowers the State Government to borrow on the security of the Consolidated Fund of the State within such limits, if any, as may be fixed by the State Legislature, from time to time.

In pursuant with the recommendations of the XI Finance Commission, the Government of Karnataka was the first State to enact the Fiscal Responsibility (FRA) Act, 2002. In Accordance with the recommendations of the XIII Finance Commission and with the amendment to the FRA (March 2022), the State laid down the Fiscal targets to ensure – outstanding debt to the end of 2024-25 not to exceed 25 *per cent* of GSDP

Outstanding balance of Public debt and Outstanding Liabilities under Public Account of the State Government, in comparison with the *per cent* to GSDP are as under:

(₹ in crore)

| Year    | GSDP*     | Public Debt | Per cent to GSDP | Public Account <sup>^</sup> | Per cent to GSDP | Total Liabilities <sup>(#)</sup> | Per cent to GSDP |
|---------|-----------|-------------|------------------|-----------------------------|------------------|----------------------------------|------------------|
| 2020-21 | 16,40,811 | 3,07,758    | 18.76            | 89,748                      | 5.47             | 3,97,506                         | 24.23            |
| 2021-22 | 19,92,029 | 3,74,427    | 18.80            | 99,146                      | 4.98             | 4,73,574                         | 23.77            |
| 2022-23 | 23,19,696 | 4,03,033    | 17.37            | 1,33,024                    | 5.73             | 5,36,057                         | 23.11            |
| 2023-24 | 25,57,241 | 4,70,860    | 18.41            | 1,49,192                    | 5.83             | 6,20,052                         | 24.25            |
| 2024-25 | 28,83,903 | 5,26,479    | 18.26            | 1,51,481                    | 5.25             | 6,77,960 <sup>(#)</sup>          | 23.51            |

(\*) Source for GSDP : Ministry of Statistics and Programme Implementation (MoSPI) Govt. of India.  
 (^) Exhibits net of small savings and other liabilities as depicted in Statement No.6 (i) of Finance Accounts.  
 (#) Excluding the amount of off-budget borrowings ₹14,155 crore which is not forming part of Consolidated Fund of the State but to be included under Total Liabilities, for calculation of fiscal indicators. For more details, please refer paragraph 1.6 of Chapter I

There is net increase of ₹57,908 crore (9.34 *per cent*) in Public Debt and Other Liabilities as compared to 2023-24.

For the year 2024-25, the Interest payments on Debt and Other Liabilities stood at ₹37,552 crore which includes payment of interest on off-budget borrowings (₹1,431 crore), Interest on Internal Debt (₹31,124 crore), Interest on Small Savings, Provident Funds (₹3,716 crore), Interest on Loans and Advances from Central Government (₹920 crore) and Interest on Reserve Funds & Other Obligations (₹24 crore) and the total interest payments works out to 13.46 *per cent* of the Revenue Expenditure and 14.55 *per cent* of the Revenue Receipts of the year 2024-25.

The Expenditure on account of interest payments (inclusive of interest on off-budget borrowings) increased by ₹5,680 crore during 2024-25 over 2023-24.

### 5.2.1 State Provident Funds

The following table shows the details of State Provident Fund for the last five years:

(₹ in crore)

| Year    | Opening Balance | Receipts <sup>(*)</sup> | Payments | Net accretion for the year | Closing Balance | Interest on balance of P.F |
|---------|-----------------|-------------------------|----------|----------------------------|-----------------|----------------------------|
| 2020-21 | 18,479          | 4,376                   | 2,915    | 1,461                      | 19,940          | 1,309                      |
| 2021-22 | 19,940          | 4,513                   | 3,328    | 1,185                      | 21,125          | 1,184                      |
| 2022-23 | 21,125          | 4,651                   | 3,550    | 1,101                      | 22,226          | 1,101                      |
| 2023-24 | 22,226          | 4,892                   | 3,672    | 1,220                      | 23,447          | 1,535                      |
| 2024-25 | 23,447          | 5,132                   | 3,852    | 1,280                      | 24,727          | 1,621                      |

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

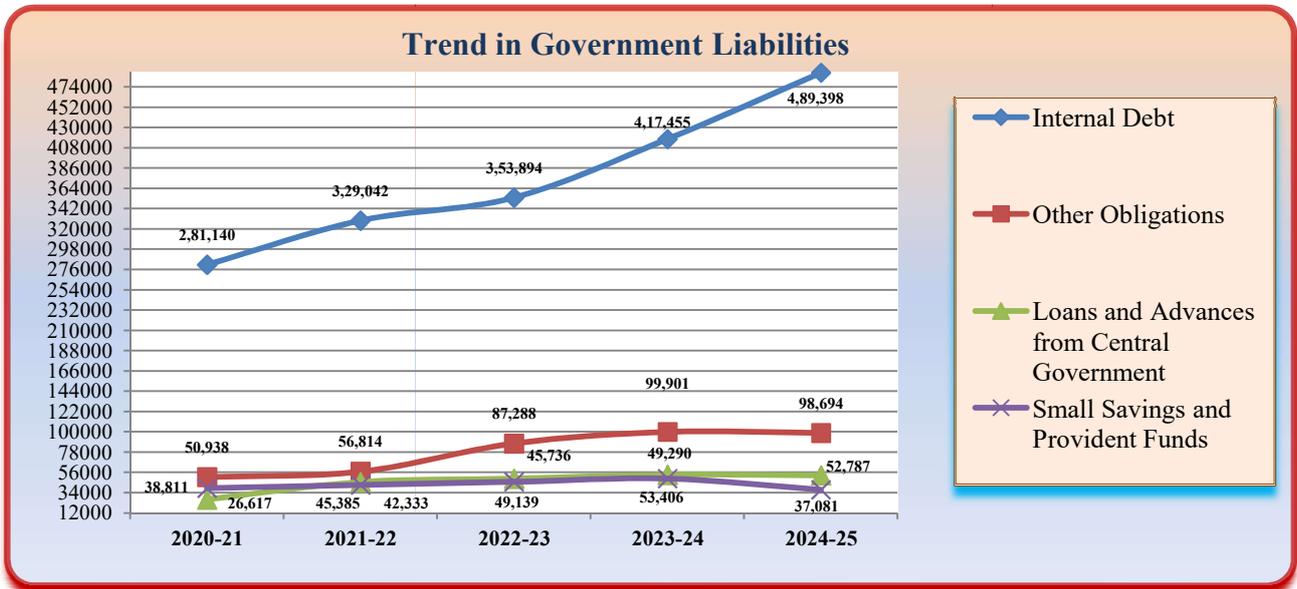
### 5.2.2 Trend in Government Liabilities

The following table indicates the trends in liabilities of State Government during the past five years. The graphical representation of trends in Government liabilities is also furnished.

(₹ in crore)

| Year    | Internal debt of the State | Loans & Advances from Central Government | Small Savings and Provident Funds | Other Obligations | Total Liabilities       |
|---------|----------------------------|------------------------------------------|-----------------------------------|-------------------|-------------------------|
| 2020-21 | 2,81,140                   | 26,617                                   | 38,811                            | 50,938            | 3,97,506                |
| 2021-22 | 3,29,042                   | 45,385                                   | 42,333                            | 56,814            | 4,73,574                |
| 2022-23 | 3,53,894                   | 49,139                                   | 45,736                            | 87,288            | 5,36,057                |
| 2023-24 | 4,17,455                   | 53,406                                   | 49,290                            | 99,901            | 6,20,052                |
| 2024-25 | 4,89,398                   | 37,081                                   | 52,787                            | 98,694            | 6,77,960 <sup>(#)</sup> |

(#) Excluding the amount of off-budget borrowings ₹14,155 crore which is not forming part of Consolidated Fund but to be included as part of Total Liabilities for calculations of fiscal indicators. For details please refer paragraph 1.6 of Chapter I of this publication.



Government of Karnataka has further amended the Karnataka Fiscal Responsibility Act, 2022, on March 2022, to re-define 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.

Details of Off-budget borrowings for the year 2024-25 furnished by the Finance Department are given below in the table.

(₹ in crore)

| Opening Balance (01.04.2024) | Borrowings during the year | Principal repayment during the year | Interest repayment during the year | Closing Balance (31.03.2025) |
|------------------------------|----------------------------|-------------------------------------|------------------------------------|------------------------------|
| (1)                          | (2)                        | (3)                                 | (4)                                | (5)                          |
| 13,478                       | 5,438                      | 4,761                               | 1,431                              | 14,155                       |

Note: Closing Balance (column 5) worked out by amount in column (1) plus column (2) minus column (3).

The indebtedness of the Government, including the off-budget borrowings (₹14,155 crore), has increased by ₹58,585 crore for the year 2024-25. Thus, the Total Outstanding Liability (TOL) as on 31 March, 2025 stood at ₹6,92,115 crore.

After taking into account the outstanding liabilities on off-budget borrowings ₹14,155 crore, for the purpose of calculation of Fiscal Indicator, the proportion of TOL to GSDP, works out to 24 *per cent*, to the end of 2024-25.

### 5.2.3 Contingency Fund

Contingency Fund of the State is set-up to meet expenditure on unforeseen contingencies, pending authorization from the State Legislature. The extent of usage of Contingency Fund for the past 5 years is as under.

| Particulars                                                                            | 2020-21 | 2021-22 | 2022-23 | 2023-24 | 2024-25 |
|----------------------------------------------------------------------------------------|---------|---------|---------|---------|---------|
| Number of withdrawals from Contingency Fund                                            | ...     | 2       | 3       | 3       | ...     |
| Total withdrawals from Contingency Fund (₹ in crore)                                   | ...     | 114.00  | 123.00  | 291.00  | ...     |
| Withdrawals from the Contingency Fund as a <i>percentage</i> to Total Budget Provision | ...     | 0.04    | 0.04    | 0.10    | ...     |

### 5.3 Guarantees

The limit as prescribed in the Karnataka Ceiling on Government Guarantees Act, 1999 is that the total Outstanding Government Guarantees as on the first of April of any year shall not exceed 80 *per cent* of the States' Revenue Receipts of the second preceding year as in the books of the Accountant General (A&E), Karnataka. The maximum amount of outstanding guarantee as depicted in Finance Accounts is within the limits prescribed in the Act. The information on outstanding guarantees for the repayment of Loans and payment of interest thereon raised by Statutory Corporations, Government Companies, Local Bodies, Co-operative Societies, *etc.*, as on 31 March 2025 was furnished by the State Government and depicted in the Statement No.20 of the Finance Accounts **Volume-II**.

The maximum amount guaranteed and the outstanding principal and interest at the end of each year over the past five years are given in the table below.

(₹ in crore)

| At the end of the year | Maximum Amount Guaranteed (Principal only) | Amount outstanding as on 31 March 2025 |          |
|------------------------|--------------------------------------------|----------------------------------------|----------|
|                        |                                            | Principal                              | Interest |
| 2020-21                | 45,104                                     | 32,506                                 | 226      |
| 2021-22                | 49,467                                     | 33,095                                 | 98       |
| 2022-23                | 70,095                                     | 38,262                                 | 95       |
| 2023-24                | 78,147                                     | 44,162                                 | 85       |
| 2024-25                | 81,654                                     | 45,798                                 | 90       |

#### 5.4 Externally Aided Projects

The liability of the State Government for repayment of loans from Externally Aided Projects is given below. Individual Scheme wise details are furnished in the Appendix-IV of the Finance Accounts - **Volume-II**.

(₹ in crore)

| Period  | Opening Balance | Amount Received up to the year | Amount Repaid | Closing Balance |
|---------|-----------------|--------------------------------|---------------|-----------------|
| 2020-21 | 12,931          | 1,402                          | 1,121         | 13,212          |
| 2021-22 | 13,212          | 1,624                          | 1,125         | 13,711          |
| 2022-23 | 13,711          | 1,867                          | 1,221         | 14,357          |
| 2023-24 | 14,357          | 2,067                          | 1,372         | 15,052          |
| 2024-25 | 15,052          | 2,768                          | 14,439        | 3,381           |

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## CHAPTER VI

### OTHER ITEMS

#### 6.1 Adverse Balances under Public Debt

Borrowings of State Governments are governed by Article 293(1) of the Constitution of India. The balance under 'Internal Debt of the State Government' stood at ₹4,89,398 crore, which comprises an adverse balance amounting to ₹223.91 crore under 'Loans from National Co-operative Development Corporation' (₹133.57 crore), 'Loans from Life Insurance Corporation of India' (₹77.98 crore) and 'Loans from General Insurance Corporation of India' (₹12.36 crore). The balance under 'Loans and Advances from the Central Government' stood at ₹37,080 crore.

#### 6.2 Loans and Advances by the State Government

Total Loans and Advances made by the State Government at the end of 2024-25 was ₹48,578 crore. The Loans and Advances are disbursed to various Loatee Groups consisting of Panchayat Raj Institutions, Urban Development Authorities & Municipalities, Housing Boards and Corporations, Government Companies & Corporations, Co-operative Institutions and others. Recovery of Principal aggregating to ₹13,541 crore and interest amounting to ₹8,828 crore, is in arrears as at the end of 31 March 2025 in respect of loans, the detailed accounts of which are maintained by the Accountant General (A&E) Karnataka.

#### 6.3 Financial Assistance to Local Bodies and Others

Grants-in-Aid to Local Bodies *etc.*, has increased by ₹13,491 crore from ₹66,039 crore in 2023-24 to ₹79,530 crore in 2024-25 representing an increase by 20.42 *per cent* over the previous year. Grants to Zilla Panchayats, Taluk Panchayats, Grama Panchayats and Municipalities & Urban Local Bodies (₹67,467 crore) represented 84.83 *per cent* of total grants given during the year. Details of Grants-in-Aid for the past five years are as under.

(₹ in crore)

| Year    | Zilla Panchayats | Taluk Panchayats | Gram Panchayats | ULBs & Municipalities | Others <sup>(*)</sup> | Total  |
|---------|------------------|------------------|-----------------|-----------------------|-----------------------|--------|
| 2020-21 | 11,812           | 21,309           | 4,983           | 5,681                 | 9,986                 | 53,771 |
| 2021-22 | 12,943           | 23,097           | 3,789           | 6,616                 | 11,137                | 57,582 |
| 2022-23 | 14,800           | 23,821           | 6,318           | 5,662                 | 12,107                | 62,708 |
| 2023-24 | 14,698           | 28,148           | 5,046           | 6,229                 | 11,917                | 66,039 |
| 2024-25 | 17,419           | 37,750           | 5,615           | 6,665                 | 12,081                | 79,530 |

(\*) Others include Public Sector Undertakings, Autonomous Bodies, and Co-operative Institutions, Non Government Organizations, Co-operative Societies and Institutions, Statutory Bodies and Developmental Authorities.

### 6.3.1 Status of Outstanding Utilization Certificates

The Government while sanctioning Grants-in-Aid (GIA) to various beneficiaries may stipulate that the UCs for the amount of Grants-in-Aid have to be forwarded to the Accountant General (A&E). The Accountant General (A&E) will keep a watch over the submission of UCs in respect of such releases only. At the end of 31 March 2025 about 142 Grants-in-Aid bills amounting to ₹239 crore were outstanding for submission of Utilization Certificates.

## 6.4 Cash Balance and Investment of Cash Balance

| (₹ in crore)                                                       |                       |                        |                                  |
|--------------------------------------------------------------------|-----------------------|------------------------|----------------------------------|
| Component                                                          | As on<br>1 April 2024 | As on<br>31 March 2025 | Net Increase (+)<br>Decrease (-) |
| Cash Balance <sup>(1)</sup>                                        | 4,699                 | 1,446                  | (-) 3,253                        |
| Investments from Cash Balance<br>(GOI Securities & Treasury Bills) | 67,143                | 63,264                 | (-) 3,879                        |
| Other Cash Balances & Investments                                  | 35,422                | 39,909                 | (+) 4,487                        |
| (a) Cash with Departmental Officers<br>and permanent advances      | 6                     | 6                      | ...                              |
| (b) Investments and earmarked funds                                | 35,416                | 39,903                 | (-) 4,487                        |
| <b>Total</b>                                                       | <b>1,07,264</b>       | <b>1,04,619</b>        | <b>(-) 2,645</b>                 |
| Interest realised                                                  | 793                   | 1,877                  | (+) 1,084                        |

(1) Cash Balance include Local Remittances & Deposits with RBI.

During 2024-25 interest receipt on Cash Balance and Investments increased by 136.99 *per cent* in comparison with the previous year.

## 6.5 Reconciliation of Accounts

Accuracy and reliability of accounts depend, among other things, on timely reconciliation of the figures available with the Departments and the figures appearing in the accounts compiled by the Accountant General (A&E) Karnataka. This exercise is to be conducted by respective Heads of Departments. During the year 2024-25, Revenue Receipts amounting to ₹2,54,676.65 crore (98.65 percent of total receipts of ₹2,58,152.52 crore) and Revenue Expenditure amounting to ₹2,68,256.10 crore (96.15 per cent of total revenue expenditure of ₹2,78,986.96 crore) and Capital Expenditure amounting to ₹55,543.08 crore (95.92 per cent of total expenditure of ₹57,905.84 crore) were reconciled by the State Government.

## 6.6 Abstract Contingent (AC) Bills and Non-payable Detailed Contingent (NDC) Bills

The 'Contingent Charges' or 'Contingencies' means and include all incidental and other expenses which are incurred for the management of an office or for the technical working of a department other than those which under prescribed rules of classification of expenditure fall under some other head of expenditure. The Drawing and Disbursing Officers (DDOs) are authorized to draw money without supporting documents through AC bills, under Rule 36 of Manual of Contingent Expenditure 1958. Such AC bills are required to be finally settled through submission of Non-payment Detailed Contingent (NDC) bills through treasury to the Accountant General (A&E) before the 15<sup>th</sup> of the month following the month to which the bill relates. As per the Government Order September 2004, the NDC bills are to be routed through treasuries and shall be enforced by the treasury by non-honoring further AC bills till the unadjusted AC Bills are cleared by submission of NDC Bills. Prolonged non-submission of NDC bills renders the expenditure under AC bills opaque. At the end of 31 March 2025 about 185 AC bills amounting to ₹12.80 crore were outstanding for submission of NDC bills.

## 6.7 Commitments on account of Incomplete Works

A total expenditure of ₹5,066 crore was incurred up to the year 2024-25 by the State Government under various construction projects taken up by the Public Works Department, Water Resources Department, and Public Health & Engineering Department. However, the Departments engaged in construction of projects for rupees less than 1 crore have reported commitment of ₹1,030 crore on incomplete works (2667 Works) costing over ₹532 crore to the end of the financial year 2024-25. The work-wise details of incomplete works are as follows.

(₹ in crore)

| Period       | Number of Works | Cost of Works | Progressive Expenditure |
|--------------|-----------------|---------------|-------------------------|
| 2005-2010    | 12              | 29            | 9                       |
| 2010-2015    | 13              | 83            | 66                      |
| 2015-2020    | 711             | 3,220         | 2,430                   |
| 2020-2025    | 3,592           | 8,168         | 2,561                   |
| <b>TOTAL</b> | <b>4,328</b>    | <b>11,500</b> | <b>5,066</b>            |

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7.1 Efficiency on Budget Preparation

Article 202 of the Constitution of India empowers the State Government for preparation of statement of estimated receipts and expenditure of the State, for each financial year, which has to be laid before both the houses of Legislature.

This Statement also known as Annual Financial Statement or Budget, provide descriptions about projections or estimation of Revenue and Expenditure for a particular fiscal year, followed by detailed estimate of Receipts and Statement of Demand for Grants followed by detailed estimate of Expenditure. Budget papers of a given year provide information normally for three years. *viz.*, Budget Estimate for the ensuing year, budget estimate and revised estimate of previous year and accounts or actual (figures) of second preceding year.

A comparative and critical analysis of proposed budgeted Receipts and Expenditure of a particular year's budget with their final outcome facilitates a meaningful understanding of performance of government. Variations do occur owing to overestimation or underestimation of revenue and expenditure. The extent of variation between the budget estimates of Revenue and Expenditure and actual Revenue and Expenditure are influenced by several factors like political decisions, economic & social conditions, system of budgetary control.

Huge variation between the budget estimates and actuals is not desirable, as such variation would result in distortions of fiscal indicators. Accuracy in revenue estimates is desired for facilitating a realistic choice of expenditure policy for smooth implementation of expenditure schemes. Accuracy of budget estimation helps in formulation of economic policy and attainment of efficient fiscal indicators. Thus, without sound budgetary forecasts, a satisfactory integration between formulation and execution of economic goals cannot be easily achieved.

A comparison of budget estimates for the year 2024-25 with the Actual Accounts has revealed variations as detailed below:

The budget estimates envisaged revenue receipts of ₹2,63,178 crore against which the actual realisation was ₹2,58,153 crore, decrease of ₹5,019 crore (about 1.91 *per cent* of the estimated Revenue Receipts).

Revenue expenditure was estimated at ₹2,90,531 crore against which the actual expenditure was ₹2,78,987 crore, decrease of ₹11,544 crore (about 3.97 *per cent* of the Estimated Revenue Expenditure).

7.2 Grants-in-Aid

According to Indian Government Accounting Standards (IGAS)-2, Grants-in-aid are payments, transfer of funds, in cash or in kind in the nature of assistance, donations or contributions made by one government to another government, body, institution or individual. Grants-in-Aid are given for specified purpose of supporting an institution including construction of assets.

Grants-in-Aid are given by the Union Government to State Governments and by the State Governments to the Local Bodies discharging functions of State government under the Constitution. This is based on the system of governance in India, which follows three-tier pattern with the Union Government at the apex, the States in the middle and the Local Bodies (LBs) consisting of Panchayati Raj Institutions (PRIs) and the Urban Local Bodies (ULBs) at the grass root level. Grants-in-Aid released by the Union Government to the State Governments are paid out of the Consolidated Fund of India as per Articles 275 and 282 of the Constitution.

The State Government, while sanctioning Grants-in-Aid (GIA) to various bodies, may stipulate that the Utilisation Certificates (UCs) for the grants released are to be forwarded to the Accountant General (A&E), who will watch submission of UC's against such grants. Utilisation Certificates outstanding beyond the specified period (18 months) indicates absence of assurance on utilisation of grants for intended purposes. The status of outstanding UCs is shown in the table below:

(₹ in crore)

Year	Number of UCs awaited	Amount
Up to 2023-24	30	32.43
2024-25	112	207.02
Total	142	239.45

7.3 Status of Suspense Balances

Transactions of receipts and payments which cannot be booked to a final head of account due to lack of information as to their nature or for other reasons are classified under suspense. These heads of accounts are finally cleared by minus debit or minus credit when the amounts under them are booked to their respective final heads of accounts.

The Finance Accounts reflect the net balances under different Suspense and Remittance Heads of Account. The outstanding balances under the Major Head of account '8658 – Suspense Accounts' and '8782 – Cash Remittances and adjustment between officers rendering accounts to the same Accounts Officer' are worked out by aggregating the outstanding debit and credit balances separately under various heads was ₹1,176.74 crore (Credit), ₹991.78 crore (debit) and 96.35 crore (debit) under heads 8658, 8782 and 8793 respectively as on 31 March 2025.

Non-clearance of balances outstanding under these heads affects the accuracy of receipts / expenditure figures and balances under different heads of accounts of the State Government.

7.4 National Pension System

State Government employees recruited on or after 1 April 2006 are covered under the New Pension System (NPS), a defined contribution pension system, the recovery for which commenced from 1 April 2010. Under this Scheme, the employee contributes 10 *per cent* of basic pay and dearness allowance and 14 percent of basic pay and dearness allowance is contributed by the State Government and the entire amount is transferred to the designated fund manager through the National Securities Depository Limited (NSDL / Trustee Bank).

During the year 2024-25, as per the information received from NPS Cell, total contribution to the NPS which was accounted in the Public Account under Major Head 8342-00-117 Defined Contribution Pension Scheme was ₹4,539.05 crore (Employees' contribution ₹1,923.65 crore and Government's contribution ₹2,615.40 crore). However, as per the Finance Accounts, the Government transferred ₹4,532.45 crore (Employees' Share ₹1,917.05 crore and Government's Share ₹2,615.40 crore to the NSDL. The detailed information on government contribution is available in Statement No.15 of the Finance Accounts under Major Head 2071. The Transfer of employees contribution to the NSDL was less by ₹6.60 crore.

7.5 Personal Deposit Accounts

As per Article 286A of Karnataka Financial Code (KFC), 1958, 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 the 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 created by debit to the Consolidated Fund should be closed at the end of the financial year by minus debit of the balance to the relevant service head under the Consolidated Fund through book adjustment as reduction of expenditure. However, such adjustments had not been carried out at the end of the financial year.

Details of the PD accounts are indicated below:

(₹ in crore)

PD accounts existing at the beginning of the year		PD accounts opened during the year		Transactions during the year (Amount)		PD accounts existing at the close of the year	
Number	Amount	Number	Amount	Number	Amount	Number	Amount
91	32,834.69	6	12,926.77	NA	15,991.01	97	29,770.45

The PD accounts are maintained Head of Account wise by the Accountant General (A&E), Karnataka. As per Treasury, there are 97 Administrators with a closing balance amounting to ₹29,770.45 crore as on 31 March 2025.

7.6 Investments

Information on Government investments appearing in **Statement 8** of the Finance Accounts Volume I is based on the accounts and sanctions received by the Accountant General (A&E), Karnataka. Government has invested ₹74,325 crore to the end of 2024-25 in 159 entities. Against ₹74,325 crore invested in these entities as on 31 March 2025, only ₹977 crore was received towards dividend (1.31 *per cent* of invested amount) from 37 entities and 122 entities did not pay any dividend to the State Government. The investment figures have not been reconciled with the records of the concerned entities. These figures require confirmation by the concerned Department of the Government of Karnataka and the entity in which investments was made.

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