



GOVERNMENT OF KARNATAKA

FINANCE DEPARTMENT

ಶಿಕ್ಷಣ ಇಲಾಖೆ

ANNUAL REPORT

1994-95

I N D E X

1. Commercial Tax Department..... 1-15
2. State Accounts Department 16-21
3. Karnataka Government
Insurance Department 22-26
4. Treasury Department 27-33
5. Small Savings and State
Lottery Department 34-40

Annual Report of the Commercial taxes Department, For the year 1994-95

The commercial taxes Department is headed by a commissioner who at the State level is assisted by five addl. Commissioners and two Joint Commissioner of commercial Taxes- JCCT (Investigation), and Joint Commissioner of Commercial Taxes (Legal) in the enforcement of Karnataka Sales Tax Act, Central Sales Tax Act and six other taxation enactments administered by the Department. For effective and speedy collection of taxes the state has been divided into five zones, 1) Bangalore City Zone-I consisting of B'lore City-I and City-III Divisions, 2) Bangalore City Zone-II consisting of B'lore City-II and IV and Bangalore Division, 3) Davanagere zone, consisting of Davanagere and Gulberga Divisions, 4) Mysore zone consisting of Mysore, Malnad and Mangalore Divisions and 5) Belgaum zone consisting of Dharwad & Belgaum Divisions. Each zone is headed by an addl. Commissioner of Commercial Taxes.

For collection of taxes the state has been further divided into 12 Commercial Taxes Divisions. Each Division is headed by a Joint Commissioner of Commercial Taxes (Admn) who is responsible for the administration of the various Acts of the Department. Each Division has also a Joint Commissioner of Commercial Taxes (Appeals) to deal with appeal cases filed by dealers. Apart from these there are 6 addl. Joint Commissioners of Commercial Taxes (appeals) one each in Mangalore, Belgaum, Dharwad, Bangalore City Division-I, II & III.

Apart from the above department has eight Intelligence Wings, one for south Zone, North Zone, East Zone, West Zone, Central Zone, Mysore Zone, Hubli Zone and Shimoga Zone with headquarters at Bangalore, Belgaum, Gulbarga, Mangalore, Davanagere, Mysore, Hubli and Shimoga respectively. Each zone is headed by a joint Commissioner of commercial Taxes (Int) who is responsible for intelligence and other related activities in his jurisdiction.

There is a Joint Commissioner of Commercial Taxes (vig) to look after the vigilance activities at Bangalore City.

The commercial Taxes Department administered the following Acts :

1. The Karnataka Sales Act, 1957.
2. The Central Sales Tax Act, 1956.
3. The Karnataka Agrl. Income Tax Act, 1957
4. The Karnataka Entertainments Tax Act, 1958.
5. The Karnataka Tax on Luxuries (Hotels and Lodging Houses) Act, 1979.
6. The Karnataka Tax on Professions, Traders, Callings, and Employments Act 1932.
7. The Mysore Betting Tax Act, 1932.
8. The Karnataka Tax on Entry of Goods into Local Areas for Consumption, Use or Sale therein Act, 1979.

The target for revenue collection as per revised Budget Estimates (proposed by the dept) under all the above Acts for the year 1994-95 is Rs. 2914.00 crores as against this the total collection as reported upto end of Feb.95. is Rs. 2368.45 crores (excluding direct remittances from Forest, PWD and other Govt. Depts) accounting for a growth rate of 14.44% over the corresponding period of previous year's collection of Rs. 2069.52 crores. The total revenue receipts during 94-95 (upto Feb.95) and previous five years (Annual) are as follows:

Year	Revenue realised (Rs. in crores)	Annual G.R. (%)
1989-90	1232.45	11.01
1990-91	1489.93	20.89
1991-92	1857.00	24.63
1992-93	2027.63	9.19
1993-94	2577.58	27.12
1994-95	2368.45	14.44
(upto end of feb.95)		

Sales Tax (KST & CST)

The major portion of revenue of the department comes from sales taxes, which account for about 88% of all commercial Taxes. The total receipts from this source during 1994-95 (upto Feb 95) and of the previous 5 years (Annual) are given below:

Year	Revenue realised (Rs. in crores)	Annual G.R.
1989-90	1081.27	9.52
1990-91	1316.92	21.79
1991-92	1653.23	25.53
1992-93	1775.79	7.41
1993-94	2277.96	28.28
1994-95	2085.44	15.54
(upto end of Feb.95)		

The revised target (proposed RE) for collection of revenue under sales tax for the year 1994-95 is fixed at Rs. 2621.00 crores. The collection achieved under sales tax upto end of Feb.95 was Rs. 2085.44 crores and accounted for a growth rate of 15.54% over the collection of previous years corresponding period.

Concessions and reliefs on several commodities were announced and additional revenue mobilisation proposed about 7.20 crores under this Act in the Budget for 94-95.

The demand, collection and balance under sales tax from 1989-90 to 1994-95 are as follows:

Year	Demand (including arrears)	Collection	Balance
1989-90	1243.74	1068.19	175.55
1990-91	1519.18	1298.09	221.09
1991-92	1919.68	1652.38	267.30
1992-93	2014.60	1758.69	255.91
1993-94	2651.44	2263.95	367.49
1994-95	2021.33	1630.12	391.21

(upto end of Dec.94
provisional)

Arrears :

Every possible effort was made by the department to collect as much as the arrears under ST as possible during the year under report. Act-wise details of demand and collection on 31.3.94 and balance of the old arrears as on 31.12.94 are given in Annexure I & II respectively.

Registration :

The number of registered dealers in the State at the end of Sept. 94 with corresponding figures for the previous two years under KST & CST Acts were as follows :

Karnataka Sales Tax			Central Sales Tax		
31.3.93	31.3.94	30.9.94	31.3.93	31.3.94	30.9.94
205426	212737	218836	115836	122029	127539

Assessments :

As on 1st April 1994, 157911 assessments cases under KST and 96174 cases under CST were pending 195568 cases

under KST and 107023 cases under CST were added upto Dec '94. The total number of assessments disposed off upto end of Dec. 94 was 132931 under KST and 68692 cases under CST, leaving the balance of 220548 under KST and 134505 under CST. The details of asst. during last 5 years are given below:

Under Karnataka Sales Tax Act:

Years	No.of assts. pending at the begin ning of the yr.	No.of assts. accrued after reduction	Net assts. for disposal	No.of assts. disposed	Balance
1989-90	158328	207411	365739	238628	130111
1990-91	130111	221071	351182	221289	129893
1991-92	129893	160224	290117	158746	131371
1992-93	131371	169827	301198	163151	138047
1993-94	138047	186716	324763	166852	157911
1994-95	157911	195568	353479	132931	220548

(upto end
of Dec.94)

Under Central Sales Tax Act :

Years	No. of assts. pendings at the begin ning of the yr.	No. of assts. accr- ued after reduction	Net assts. for disposal	No. of assts disposed	Balance
1989-90	89039	115164	204203	123123	81080
1990-91	81080	116859	197939	117498	80441
1991-92	80441	80506	160947	80794	80153
1992-93	80153	89734	169887	85370	84517
1993-94	84517	101058	185575	89401	96174
1994-95	96174	107023	203197	68592	134505
(upto end of Dec. 94)					

Appeals:

During the current year upto end of Dec. 94 the total number of appeal cases under KST with JCCT and DCCT (Appeals) in the State were 11826 of which 5495 cases were disposed off leaving the balance of 6331 cases.

The information relating to opening balance, disposal and pendency of appeal cases under KST & CST Acts are given below:

Joint Commissioner of Commercial Taxes (appeals):

Year	Opening Balance		Receipts		Total		Disposal		Balance	
	KST	CST	KST	CST	KST	CST	KST	CST	KST	CST
1989-90	6026	1542	5269	1422	11955	2964	4759	1208	7196	1756
1990-91	7196	1756	5981	1459	13177	3215	5796	1391	7381	1824
1991-92	7381	1824	8417	1920	15798	3744	8033	1792	7765	1953
1992-93	7765	1952	5571	1262	13336	3214	9690	1696	3676	1518
1993-94	3676	1518	3564	1299	11740	2817	7577	1899	4163	918
1994-95	4163	918	4050	1040	8213	1958	4215	991	3998	967

(upto
end of
Dec 94)

Deputy Commissioner of Commercial Taxes (Appeals):

Year	Opening Balance		Receipts		Total		Disposal		Balance	
	KST	CST	KST	CST	KST	CST	KST	CST	KST	CST
1989-90	5723	241	5608	264	11331	505	5274	272	6057	233
1990-91	6057	233	4254	207	10511	440	4644	184	5667	256
1991-92	5667	256	3726	205	9393	461	4344	220	5049	241
1992-93	5049	241	2539	119	7588	360	4002	228	3586	132
1993-94	3586	132	2511	66	6097	198	4055	112	2042	86
1994-95	2042	86	1571	32	3613	118	1280	57	2333	61

(upto end
of Dec
94)

Intelligence Activities

The Intelligence activities includes inspection/searches of suspected dealers, test purchases, checkpost vigilance, seasonal

: 8 :

vigilance and acting on information received. During 93-94, 4269 shop inspections were conducted by intelligence officers, detecting suppressed turnover of about Rs. 1958.06 crores involving a tax liability of Rs. 69.23 crores. The collection of C.F. and penalties by the officers of the Intelligence wing of the department through shop inspections for the year 1993-94 was Rs. 80.90 lakhs.

During 1994-95 (upto end of Dec. 94) 3209 shop inspections were conducted and detected a suppressed turnover of Rs. 1667.75 crs. involving a tax liability of Rs. 53.99 crs. The collection of C.F. and penalties by the intelligence wing through the shop inspections to end of Dec. 94 was Rs. 2.56 crs.

During the year 1993-94 50.94 lakhs goods vehicles were checked and 35785 vehicles were physically verified and offences booked in 43392 cases at sales tax checkposts. An amount of Rs. 5.83 crores was collected as penalty at checkposts. During 1994-95 upto end of December 94, 39.82 lakhs vehicles were checked and 32335 vehicles were physically verified and offences booked in 33274 cases at sales tax checkpost. An amount of Rs. 5.97 crs. was collected as penalty at checkposts.

The Karnataka Entertainments Tax Act, 1958:

The demand, collection and balance under the Karnataka Entertainment tax from 1989-90 are as follows :

Year	Demand	Collection (Rs. in crores)	Balance
1989-90	40.78	38.97	1.81
1990-91	43.70	41.97	1.73
1991-92	47.44	45.70	1.74
1992-93	49.98	47.98	2.00
1993-94	54.23	52.44	1.79
1994-95	38.39	36.12	2.27

(upto end
of Dec 94

During 93-94 an amount of Rs. 33.82 crs. was collected upto end of Feb. 95 under this Act as against the anticipated amount of Rs. 44.00 Crs. There is decreasing trend in collection due to introduction of slab system in payment of tax w.e.f.27-9-94. Details of collection under each minor Act over five years are furnished in Annexure-III.

The Karnataka Agri. Income Tax Act, 1957 :

The demand, collection and balance under this Act are as follows :

year	Demand (including arrears)	Collection	(Rs.crores)
			Balance
1989-90	20.46	15.90	4.56
1990-91	11.97	7.33	4.64
1991-92	15.76	9.20	6.56
1992-93	16.57	10.98	5.59
1993-94	15.00	9.16	5.84
1994-95	20.90	14.91	5.99

(upto end of Dec.94
Provisional)

Collection :

During 1993-94 an amount of Rs.9.01 crs. was collected. During 1994-95 upto end of Feb.95 an amount of Rs.15.57 crs. was collected under this Act as against the anticipated collection of Rs. 15.00 crs. and recorded the growth rate of 111.55% over the corresponding period of previous year's collection.

Assessment :

As on 1st April 1994, 7631 assessments cases were pending and 4357 cases were added upto end of Dec.94. The total number of assessments disposed off upto Dec.94 was 3178 leaving a balance of 8810 cases.

**Karnataka Tax on professions Trades, callings and
Employments Act.1976 :**

Collections :

During 1993-94 the revenue collected under this Act was Rs.77.98 crs. During the current year upto end of Feb.95 an amount of Rs.79.64 crs. was collected as against the anticipated amount of Rs.95.00 crs. and accounting for a growth rate of 20.90% over the corresponding period of previous years collection.

**The karnataka Tax on Luxuries (Hotels and lodging
Houses), Act - 1979 :**

During 93-94 an amount of Rs.11.65 crs. was collected. During 94-95 an amount of Rs.15.64 crs. was collected upto end of Feb. 95 as against the anticipated collection of Rs.16.00 crs. and recording the growth rate of 30.55% over the collection of previous years corresponding period. Details are given in Annexure-III

**The Karnataka Tax on Entry of goods Into local Areas
for consumption use or sales Therein Act,1979 :**

During the year 1993-94 an amount of Rs.132.68 crs. was collected. During 1994-95 upto end of Feb.95 an amount of Rs.116.77 crs. was collected as against anticipated collection of Rs.110.00 crs. there is decreasing trend in collection during the year due to exemption of entry tax on 71 commodities.

The Mysore Betting tax Act, 1932 :

Administration of this Act was entrusted to the Commercial taxes Department from 14-1-82. Earlier, it was administered by the Revenue Department. During 93-94 the revenue collection was Rs.8.98 crs. During 94-95 upto end of Feb.95 the revenue

collection was Rs.12.78 crs. as against the anticipated collection under this Act during the year is Rs.13.00 crs. and recorded the G.R. of 30.14% over the collection of previous year's corresponding period.

In-House computer centre of the Department :

The Computer which was installed in the Department in September 1984 is being used to analyse data received from different offices of the department.

Cost of Collection of Revenue :

the revenue realised and expenditure incurred by the department on the administration of the different Acts during the last five years show that the revenue realisation has registered steady increase from year to year, while the administrative expenditure has remained at relatively low level. During 1993-94 an expenditure of Rs.31.07 crs.was incurred for collection of taxes and administration, which works out to 1.20% of the total collections. During the current year upto end of Oct.94 the expenditure incurred was Rs.21.05 crs.

The relevant figures are given below :

(Rs. crores)			
years	Revenue realised under all acts	Expenditure	% of Expendi- ture to the rev. realised
1989-90	1232.45	19.66	1.59
1990-91	1489.93	19.97	1.34
1991-92	1857.00	24.13	1.30
1992-93	2027.63	27.00	1.33
1993-94	2577.58	31.07	1.20
1994-95	1391.07	21.05	1.51
(upto end of Oct.94)			

Demand Collection and Balance as on 31.03.1994

(Rs.in crores)			
Act	Demand	Collection	Balance
K.S.T	2247.05	1945.12	301.93
C.S.T	404.39	318.83	85.56
K.E.T	54.23	52.44	1.79
K.A.I.T	15.00	9.16	5.84
L.T	13.41	13.17	00.24
K.T.E.G	162.42	132.01	30.41
P.T	85.50	74.92	10.58
B.T	11.05	11.05	-
Total	2993.05	2556.70	436.35

ANNEXURE -II

Statement showing the details of old arrears of Taxes
under all acts as on 31.12.1994

(Rs.Crores)

1.	Balance of arrears as on 31.3.94	436.35	(as per DCB)
2.	Amount collected including reduction upto 31.12.94 (excluding current demand)	174.46	(provisional)
3.	Balance of arrears as on 31.12.94 of which	261.89	"-
	a) Collectible	59.73	"-
	b) stayed by the court	119.85	"-
	c) Others	82.31	"-

Note : others includes the amount covered by interest free loans, installments facilities allowed, write off proposals, incentive scheme and insolvency proceedings etc.

ANNEXURE -III

Details of Revenue realised under Minor Acts

1. Karnataka Entertainments Tax Act, 1958 :

Year	Revenue Realised (Rs. in crores)	Annual G.R (%)
1989-90	40.75	6.62
1990-91	42.00	3.07
1991-92	48.33	15.04
1992-93	49.64	2.71
1993-94	59.32	19.50
1994-95	42.61	(-)9.30
(upto end of Feb.1995)		

2. Karnataka Agricultural Income Tax Act, 1957 :

1989-90	15.52	48.37
1990-91	7.23	(-)53.41
1991-92	9.07	25.45
1992-93	10.86	19.74
1993-94	9.01	(-)17.03
1994-95	15.57	111.55
(upto end of Feb.1995)		

3. Karnataka Tax on Profession, Trades, callings and Employment Act,1976 :

1989-90	24.03	56.85
1990-91	40.23	67.42
1991-92	47.89	19.04
1992-93	61.07	27.52
1993-94	77.98	27.69
1994-95	79.64	20.90
(upto end of Feb.1995)		

4. The Karnataka Tax on Luxuries (Hotels and Lodging Houses)Act,1979 :

Year	Revenue Realised	Annual G.R
1989-90	5.42	78.88
1990-91	6.46	19.19
1991-92	7.81	20.90
1992-93	10.48	34.19
1993-94	11.65	11.16
1994-95	15.64	30.55
(upto Feb 95)		

5. The karnataka Tax on Entry of Goods into local areas for consumption, use or sale Therein Act,1979:

1989-90	56.67	19.53
1990-91	65.49	15.56
1991-92	82.06	25.30
1992-93	109.84	33.85
1993-94	132.68	20.79
1994-95	116.77	(-)4.71
(upto Feb.95)		

6. The Mysore betting Tax Act, 1932 :

1989-90	8.79	2.45
1990-91	11.60	31.97
1991-92	8.61	(-)25.78
1992-93	9.95	15.56
1993-94	8.98	(-)9.75
1994-95	12.78	30.14
(upto Feb.95)		

ANNUAL REPORT OF STATE ACCOUNTS DEPARTMENT
FOR THE YEAR 1994-95 (AS ON AT THE END OF
JANUARY 1995)

The State Accounts Department is one of the Major Department of Government which works under the Administrative Control of the Finance Department. The "Controller" is the head of the department. The audit of accounts of various Local Bodies such as City Municipal Councils, Town Municipal Councils, Mandal Panchayaths, Command Area Development Authorities (CADAs) Public Libraries, Legal Aid Boards, Karnataka Secondary Education Examination Board, K.G.I.D. & P.W.D. Canteens, Hindu Religions and Charitable Endowment Institutions, Universities, Urban Development Authorities, etc., have been entrusted to the State Accounts Department under the provisions of the Acts and Rules of these Institutions and also as per the directions of the Government received from time to time. Accordingly the audit of the accounts of the Universities will be conducted by the Government Auditors located at the respective Universities.

The audit of the accounts of the local bodies and various other institutions in the district is being conducted by the

concerned district local audit circle and by the head office.

As per the provision of Section 150 of Karnataka Municipal Act 1976, the audit of accounts of Municipal Corporations is being conducted by the Chief Auditors of respective corporations, appointed by Government. They work under general supervision and guidance of the Controller, State Accounts Department. There are 19 Local Audit Circles and 8 Government auditors offices which work under the direct control of this department.

From 1989.90 and onwards, the expenditure in Mandal Panchayaths relating to Jawahar Rozgar Yojanas is also coming under the audit purview of this department.

AUDIT PROGRAMME AND PROGRESS:

As per the annual programme chalked out for 1994.95, it is proposed to take up the audit of 3990 institutions consisting of 4670 years of accounts. At the end of December 1994, the audit of 2332 institutions of 2929 years of accounts has been completed. The audit of remaining institutions is under progress. It is anticipated to complete the audit by the end of March 1995.

CONTROLLER AS THE TREASURER OF CHARITABLE
ENDOWMENT

As per the provision of the Article 361 of K.F.C. and also provision of the Government order No. PD(R) 5052 BB 22-53-5 dated 12.12.1953, the Controller is the Treasurer for Charitable Endowments. Accordingly, a sum of Rs.23.95 lakhs relating to 259 endowments is held in the form of Securities. A sum of Rs.77.33 lakhs is held in the form of Fixed Deposit Receipts relating to Muzarai endowments.

MAINTENANCE OF COMPULSORY DEPOSIT SCHEME:

As per the provisions of compulsory Deposit Scheme 1974, Controller is the nominated authority for various local bodies in the state. At the end of January 1995 Rs.4,26,520.00 is yet to be reimbursed. Necessary action is being taken to re-imburse this amount.

DEPUTATION OF OFFICERS AND OFFICIALS:

The officers and officials of this department are on deputation to various Government Departments, local bodies and autonomous bodies in order to maintain the

19

accounts and also to work as internal auditors and Financial advisers. There are 3525 posts in this department, out of which only 651 posts are under the direct control of this department. Rest are on deputation to various Government departments, local bodies, etc., i.e., about 80% of the staff of this department are on deputation.

TRAINING PROGRAMME

During the year 1994.95, 44 group 'A & B' officers of this department have been deputed to short term training programmes conducted by the Administrative Training Institute, Mysore. 27 Accounts Superintendents working in Public Works and Irrigation Departments under went a short term training course "Maintenance P.W.D. Accounts" conducted at the Karnataka Secretariat Training Institute, Bangalore.

Upto the end of January 1995, about 116 officers and staff of the Department underwent short term Training courses conducted at D.T.I.'s in different districts. Action has been taken to conduct some more short term Training courses for the staff during February and March 95.

As the officers and officials of this department are working in various Government departments and local bodies on deputation, they are expected to maintain the accounts in a more efficient manner. To perform the above duty and responsibilities a proper training scheme covering various Acts, Rules is absolutely necessary for the officials of this department, both newly recruited and in service candidates. In this connections, a proposal for opening of a separte training centre for this department has already been submitted to the Government for consideration.

EXPENDITURE OF THE DEPARTMENT

A budget provision of Rs.386.33 lakhs has been provided in the budget estimates for the year 1994.95. Out of this, department has incurred an expenditure of Rs.195.80 lakhs to end of September 1994. For the year 1995.96 a budget estimate of Rs.411.00 lakhs have been submitted to the Government.

AUDIT CHARGES

As per the provisions of various Acts and Rules of local bodies coming under the audit purview of this department, the audit charges are being levied and collected. A

sum of Rs.78.14 lakhs has been collected during the year 1993-94, Rs.59.18 lakhs have been collected and credited to Government upto the end of November 1994 and a sum of Rs.10.00 lakhs is anticipated to be collected to the end of March 1995.

GIOV-120

4143

KARNATAKA GOVERNMENT INSURANCE DEPT.,
BANGALORE - 560 001

ANNUAL REPORT FOR 1994-95

1. LIFE INSURANCE BRANCH :

The Life Insurance Branch has issued 52185 policies for a sum assurance of Rs. 97 crores and collected Rs.46 crores premium income from 1.4.1994 to 31.12.1994. This business is expected to go up covering 69580 policies for a sum assurance of about Rs 129 crores yielding premium income of Rs. 61 crores by the end of 31.3.1995. The department has sanctioned Rs. 51 crores as cash loan to 55272 policy holders from 1.4.1994 to 31.12.1994, which is expected to go up to 68 crores by the end of 31.03.1995. The fund balance as on 30.11.1994 is Rs. 591 crores, which is estimated to reach 660 crores by 31.3.1995. Bonus on the policies for biennial ending on 31.03.1992 has been declared at the rate of Rs. 86 per thousand per annum. The valuation work for 1992-94 biennial ending 31.03.1994 is under progress and expected to be completed very soon.

2. MOTOR INSURANCE BRANCH :

The motor branch has insured 13798 vehicles as on 31.12.1994 yielding premium income of Rs. 112 lakhs, which is estimated to reach Rs. 150 lakhs covering 18397 vehicles by the end of 31.3.1995.

The fund balance as on 31.12.1994 is Rs. 8 crores and this is expected to reach Rs.10 crores by 31.3.1995.

3. FAMILY BENEFIT FUND BRANCH

This continues to be a social security scheme for employees of local bodies and aided Institutions. C—

The details of business statistics of these three branches are furnished in the enclosed proforma.

ADMINISTRATIVE POWERS

The financial powers hitherto centralised in the Directorate have been delegated to Divisional and District level officers. The power to issue the policies grant of cash loans and settling claims upto Rs 40 thousand has been delegated to District Insurance Officers and Deputy Directors of the Division are exercising Financial powers upto to Rs 50 thousand.

COMPUTERISATION

The department has purchased a computer under Office Modernisation Scheme and is used in preparation of salary bills for our Bangalore Offices. Preparation of maturity lists and preparation of master index for insureds ledger sheets work is

done with the co operation of NIC. Valuation work for 1992 94 has also been done with the co operation of K G.C.C. The department has scheme of computerisation in a phased manner in respect of other field of activities of this Department. Computerisation of Motor Branch will be taken first on priority basis .

The work in the department is progressing satisfactorily.

KARNATAKA GOVERNMENT INSURANCE DEPARTMENT: BANGALORE-560001

Sl. No.	Branch and Particulars	Unit	1991-92	1992-93	1993-94	1-4-94 to 31-12-94	1994-95 est
1	2	3	4	5	6	7	
	<u>I. Life Insurance Branch</u>						
1.	New policies issued	Number	36091	28717	34596	52185	6953
2.	New policies Initial Deposit	Rs. in lakhs	39	33	40	48	6
3.	New policies sum Assurance	Rs. in lakhs	10536	7963	10472	9708	1294
4.	Total policies in force	Number	805687	810642	813108	837812	84833
5.	Total premium in force	Rs. in lakhs	50	54	57.5	46	6
6.	Total sum assurance	Rs. in crores	998	1072	1162	1245	127
7.	<u>No. of claim policies</u>						
	a) Maturity	Number	20239	22467	25036	20301	2706
	b) Death	Number	2575	2501	3441	2533	337
	c) Surrender value	Number	1808	1210	1446	1137	151
8.	<u>Amount of claims paid</u>						
	a) Maturity	Rs. in crores	10.33	11.25	16.35	14.99	20
	b) Death	Rs. in crores	2.84	3.12	3.83	3.11	4.14
	c) Surrender value	Rs. in crores	0.83	0.86	0.79	0.73	0.97
9.	Amount of Loan Granted	Rs. in crores	43.01	48.80	65.88	50.65	67.51
10.	Life Fund Balance	Rs. in crores	376	503	577	591.20 as on 30.11.94	660

1	2	3	4	5	6	7	8
	<u>II . Motor Insurance Branch</u>						
1.	Vehicles Insured	Number	19536	18163	17697	13798	18397
2.	Total Premium income	Rs.in lakhs	135	139	136	112	150
3.	No. of claims paid	Number	238	318	200	234	312
4.	Amount of claims paid	Rs.in lakhs	31	40	34	39	51
5.	Motor Branch Fund Balance	Rs.in lakhs	496	596	698	771	1027
	<u>III. Family Benefit Fund Branch</u>						
1.	Receipts	Rs.in lakhs	110	129	115	93	125
2.	Payments	Rs.in lakhs	204	273	340	273	364
3.	Fund Balance	Rs.in lakhs	48.64	5040	5923	--	6269

TREASURY DEPARTMENT

(Govt. of Karnataka)

ANNUAL REPORT - 1994-95

The Director of Treasuries is the Chief Controlling Authority for the Treasury Department and the efficient functioning of the Department devolves on him. Department of Treasuries comes under the administrative control of Finance Department in the Government.

2.1 CONSTITUTION OF THE TREASURIES :

There are 21 District Treasuries in the State including additional District Treasury at Hubli in Dharwad District. In addition to the two District Treasuries at Bangalore there are two additional Treasuries viz., State Huzur Treasury, which deal mainly with the payment transactions and also grant in-Aid Bills of G-I-A Institutions situated in the City limits of Bangalore and the pension payment Treasury which deals mainly with disbursement of various pensions only. With the above in total there are 23 unit of accounts (District Treasuries) in the State.

respect of State Huzur Treasury, Bangalore and the District Treasuries of Bangalore Urban, Bangalore Rural, and the District Treasuries of Mysore, Gulbarga and Belgaum at the divisional headquarters they are placed under the charge of the Dy. Directors who are in the Senior Grades above the District Treasury Officers. The remaining District Treasuries are under the charge of District Treasury officers, who are in the grade of Class I Jr. Scale. There is a stamp Depot at Bangalore, which is under the Control of a Dy. Director. This stamp Depot deals mainly with the franking of Bond Papers and issue of stamp papers to the local stamp vendors as well as all the District Treasuries in the State :

3.1 At the commencement of the year 1994-95 the number of Sub-Treasuries were 190 out of which 179 are Banking & 11 are non Banking Sub-Treasuries. During the year 1994-95 a new full pledged Sub-Treasury has been opened at Shankaranarayana (in Coondapur Taluk of Dakshina Kannada District) and it has been functioning w.e.f 13.01.1995.

25

3.2 Considering of volume of transactions of Sub-Treasuries 178 sub-Treasuries in the State have been placed under the charge of Gazetted sub-Treasury Officers. The volume of transactions of Treasuries in the State are as follows :

VOLUME OF TRANSACTIONS

YEAR	NO. OF CHALLANS	AMOUNTS
1993 - 94	8737465	135568285910
1994 - 95 upto Dec. 1994	6890305	101243628517

YEAR	VOUCHER	AMOUNTS
1993 - 94	8971466	126697222179
1994 - 95 upto	7326822	119371844768

3.3 With a view to afford maximum facilities to the public residing in the Rural Areas, 15 Sub-Treasuries have been established at the level of various Hoblies outside the Taluk Head Quarters also.

3.4 The following non-Banking Treasuries are having Reserve Bank Currency Chests.

- | | |
|--------------|---------------|
| 1. Kundgol | 4. Shiggaon |
| 2. Navalgund | 5. Shirahatti |
| 3. Ron | 6. Supa. |

3.5 For the convenience of the general public, the currency chests have been restored in the following Sub-Treasuries, though they are converted as Banking Treasuries and the agency banks are conducting Government transactions.

- | | | |
|-------------|------------|--------------|
| 1. Mundargi | 2. Mundgod | 3. Kalgatagi |
|-------------|------------|--------------|

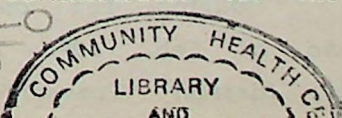
4.1 Computers have been installed in the State Huzur Treasury in the year 1985 and preparation of accounts in respect of this Treasury has been totally computerised

and classified accounts are being rendered to the A.G. Now with the intention of introducing the system of computerised accounts in the District Treasuries in the State computer hardwares were supplied during the year 1991 and w.e.f. April 1994 full accounts under Revenue Heads and part of the accounts under service Heads are being prepared on computers in co-ordination with National Informatic Centres functioning in Zilla Panchayats of all the Districts. After reviewing the progress of computerisation of Treasury Accounts, the computers installed in the District Treasuries have been further upgraded with enhanced capacities during the year 1994-95. With a view to continue the system of computerised accounts throughout the State with more stability, computer training is being imparted to as many Treasury personnel as possible and the efforts are likely to yield good results in the near future.

4.2 Consequent on the introduction of the system of disbursing the House Building Advance to Government employees through the H.D.F.C., the Director of Treasuries has been appointed as the administrator for the

G10V-120
1995

04143



maintenance of the fund in this regard. The number of loanees under the scheme are 13,000 as on Dec. 1994, and the detailed accounts which were hitherto maintained by the A.G are now being maintained systematically at the Directorate.

5. Fixing Normal Balances to Non-Banking Sub-Treasuries :

With a view to provide sufficient funds for conducting Government and public transactions at Non-Banking Sub-Treasuries total amount of the Normal Balance @ Rs.11.34 lakhs was fixed for the year 1994-95 and proposal has now been sent to Government to fix the increased amount of normal balance of Rs.15.67 lakhs for the year 1995-96 and the Government Orders are awaited in the matter.

6. Treasury Inspection :

During the current year up to the end of Feb. 1995 Technical Inspections of 22 District Treasuries (unit of accounts)

by the Director of Treasuries. Apart from this, with a view to streamline and to activate the administration of the Department, surprise inspections of 38 Sub-Treasuries have been conducted by the officers of the Directorate and suitable instructions were issued to improve the systems in the Treasuries.

7. Pension Disbursement :

The District Treasuries and Sub-Treasuries are making payment of civil pensions of different Governments old age pensions, physically handicapped and Distitute widow pensions through postal money orders and through the public sector Banks.

The number of all these pensioners as on 31.12.1994 is 16,40,168.

8. Budget :

The expected total expenditure of the Dept. which is under non-plan for the year 1994-95 is Rs.16,90,20,000.00 i.e. till the end of March 1995.

(N.B : - The expenditure shown above is probable because the actual figure till March-end cannot be furnished at this stage).

DEPARTMENT OF SMALL SAVINGS ANDSTATE LOTTERYAnnual Report for the year 1994-95

The Department of Small Savings and State Lottery deals with Small Savings, Karnataka State Lottery and Karnataka State Employees Group Insurance Scheme.

SMALL SAVINGS

The Small Savings scheme has the following objectives;

1. to inculcate the habit of thrift and savings among the people and to provide not only security but also a fair return for their savings.
2. to counteract inflationary pressures on the economy and thus help to hold the price line.
3. to channalise the peoples savings into the developmental programmes of the Country and involve them in the developmental activities of the Nation.
4. to solve the unemployment problem in the Country by

Can
appointing one who read and
write (including women) as
National Savings Scheme
Agents.

For the year 1994-95, Government of Karnataka have fixed the target of Small Savings collection of Rs 1800 crores gross and Rs 600 crores net. As against this, Rs 1832.87 crores gross and Rs 1101.77 crores net have been achieved during the period from 1.4.94 to 31.1.95. During this current financial year, a sum of Rs 747.07 crores has been received so far from Government of India as long term loan.

In all, there are more than 22600 authorised agents for Small Savings in the State and they have been able to secure investments to the tune of Rs 325 crores approximately upto end of January 1995.

In order to make Small Savings schemes more attractive and thereby increase the collection during the year under report, Government of Karnataka

have introduced the following schemes;

1. In order to augment the Small Savings collections, a prize scheme on different Small Savings investments has been introduced from 1.8.94. Attractive prizes are offered to the prize winners under this scheme.

2. A special incentive at the rate of 2.5% is being offered for bulk investors investing Rs 5 lakhs and above in one lumpsum in the three specified Small Savings securities such as Indira Vikas Patras, Kisan Vikas Patras and National Saving Certificates 8th issue.

3. A special incentive is also offered at the rate of 2% for the investors investing Rs 25,000/- and above upto Rs 5 lakhs, in one lumpsum in Indira Vikas Patra, Kisan Vikas Patra, Monthly Income Scheme and Time Deposit (3 & 5 years) during the period from 1.4.94 to 31.3.95.

4. The Department have also aimed to convert 1000 villages as "BACHATH VILLAGES" and 20 Taluks

as "BACATH TALUKS"

5. In order to augment the Small Savings collections especially in rural areas, arranged a prize competition among MPKBY agents during period from 1.8.94 to 31.12.94.

6. In order to encourage the Postal Officials to participate effectively in Small Savings work, special incentives are also offered to Post Offices and Postal Officials performing Small Savings work for the period from 1.4.94 to 31.3.95.

7. Besides this, special campaigns have been arranged to tackle individual investors especially the potential agriculturists in rural areas all over the State under the leadership of Deputy Commissioners and Chief Executive Officers of Zilla Panchayaths involving other departmental officers and officials.

KARNATAKA STATE LOTTERY

In order to augment the resource for developmental activities of the State, the State Government has introduced the State Lottery scheme from 1969. Since then, it is running profitably and has earned a name as most trusted lottery scheme in the entire Country.

The State Government has received a total net revenue of Rs 63.5 crores from the Lottery scheme during the period from 1969-70 to 1993-94.

During the year 1994-95, special Bumper-2, Super Bumper-5, Monthly Bumper-5, Nandi Bumper-26, Krishna Bumper-11, Kabini-4, Kapila Weekly-52 and Silver Jubilee year Bumper-1 draws are being conducted.

For the year 1994-95, the expected approximate net revenue from this scheme is Rs 6.23 crores.

KARNATAKA STATE EMPLOYEES GROUPINSURANCE SCHEME

The State Government has introduced this scheme from 1.1.1982. It applies to State Government Employees only. The scheme not only provides insurance benefits to the nominees of the deceased State Government Employees who die while in service and also provides lumpsum payment for the retired employees on superannuation from the savings fund. At present there are about 4.81 lakhs members for this scheme.

During the year 1994-95, upto end of September 1994, a sum of Rs 7.62 crores has been paid to the nominees of deceased employees and to the retired Government servants on superannuation.

During the year 1994-95, upto end of September 1994, a balance of Rs 25.24 crores in the Insurance Fund and

and Rs 216.39 crores in the Savings Fund altogether a total balance of Rs 241.63 crores has been registered in this scheme.

Printed By :
The Director of Printing, Stationery & Publications,
Government Press, Bangalore